



USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

August 01, 2013

[REDACTED]

President
American University of Afghanistan
Kabul, Afghanistan
Phone: +93 (0)794-911-256
Email: msmith@auaf.edu.af

Subject: Cooperative Agreement No. 306-A-13-00004 for the support of the American University of Afghanistan (AUAF)

Dear Mr. Smith:

Pursuant to the authority contained in the U.S. Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) (hereinafter referred to as "USAID" or "Grantor") hereby awards to The American University of Afghanistan (hereinafter referred to as the "Recipient"), the sum of \$40,000,000.00 for the period of August 01, 2013 through July 31, 2018, to support AUAF as described in the Schedule of this award and in Attachment B, entitled "Program Description."

This award is effective and the obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives for the period described in Section A.2 of the Schedule. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

By Signing this Cooperative Agreement, the Recipient agrees to the following:

- The recipient will comply with the terms and conditions as set forth in the attachments listed following the signature below, which are incorporated as part of the Cooperative Agreement.
- The recipient will maintain records of transactions related to the Cooperative Agreement for at least three years after final payment. After the end of the agreement, USAID retains the right, at its discretion, to examine all or a sample of the recipient's records or transactions related to the Cooperative Agreement where concerns of implementation irregularities arise.
- USAID is not liable for reimbursing the recipient for any amount in excess of the obligated amount, or outside of the Cooperative Agreement Period of performance, as provided in the Schedule.

U.S. Agency for International Development
Great Massoud Road
Kabul, Afghanistan

Tel: (202) 216-6288
Fax: (202) 216-6288 ext 4162
http://www.usaid.gov/locations/asia_near_east/afghanistan

Cooperative Agreement No AID-306-A-13-00004 to AUAF

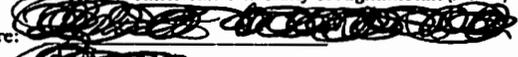
Please sign the original and each copy of this letter to acknowledge receipt and confirm acceptance of the Award, and return the original and all but one copy to the Agreement Officer.

Sincerely,

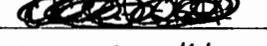

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions
- D. Branding and Marking

ACKNOWLEDGED BY: American University of Afghanistan (AUAF)

Signature: 

Name: 

Title: 

Phone: 0790-430-161

Email: 

Date: 31 July 2013

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ATTACHMENT A - SCHEDULE

A.1 PURPOSE OF AGREEMENT:

The purpose of this Agreement is to provide support for the program described in Attachment B of this Agreement entitled "Program Description."

A.2 PERIOD OF AGREEMENT:

(a) The effective date of this Agreement is August 01, 2013, and the estimated completion date of this Agreement is July 31, 2018.

(b) Subject to the terms and conditions of this Award, allowable costs incurred by the Recipient shall be reimbursable during the period beginning on August 01, 2013 and ending on the estimated completion date.

(c) As indicated in Section A.3 (b) below, this Award shall be incrementally funded. The obligated amount set forth in Section A.3 (b) below is anticipated to be sufficient through approximately July 31, 2014. The Recipient is authorized to continue expending obligated funds, if available, beyond that date, but not after the estimated completion date set forth in Section A.2 (a) above.

A.3 AMOUNT OF AWARD AND PAYMENT:

(a) The total estimated amount of this Cooperative Agreement for its full period, as set forth in Section A.2 (a) above, is \$40,000,000.00.

(b) USAID hereby obligates the amount of \$10,000,000.00 for program expenditures during the period set forth in A.2 (a) above and as shown in the Budget below. The Recipient will be given written notice by the Agreement Officer if additional funds will be added. USAID is not obligated to reimburse the Recipient for the expenditure of amounts in excess of the total obligated amount.

(c) Payment shall be made to the Recipient via Advance Payment in accordance with the procedures set forth in 22 CFR 226 and with the provision entitled "Payment Advance (October 1998)".

(d) Until such time as the obligated amount shall equal the total estimated amount of this Award, additional increments of funds may be obligated by USAID through a unilateral modification to this Award, subject to availability of funds, successful performance by the Recipient, possible evaluation of the program, program priorities at the time, and the requirements of 22 CFR 226.25.

A.4 AWARD BUDGET:

(a) The following is the Award Budget, for the Total Estimated Amount (TEA) of this award (see Section A.3 (a) above), for its full period of performance (see Section A.2.(a) above). The Recipient may not exceed the total estimated amount or the obligated amount of this Award. Revisions to this budget shall be made in accordance with 22 CFR 226.

<u>Cost Element</u>	<u>U.S. Dollars (\$)</u>
International Staff Salary	\$23,273,911.00
National Staff Salary	\$1,342,015.00
International Staff Fringe Benefits	\$3,038,043.00
National Staff Fringe Benefits	\$512,010.00
Security Costs	\$7,735,884.00
Total Direct Cost:	\$35,901,863.00
Indirect Cost (Fixed Amount)	\$4,098,137.00
Total USAID Amount:	\$40,000,000.00
AUAF Cost Share:	\$62,886,799.00
Other U.S.G Sources:	\$6,992,975.00
Total Program Amount:	\$109,879,774.00

Summary of Budget

Funding Source	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Total
USAID Funding	9,000,000.00	8,500,000.00	8,000,000.00	7,500,000.00	7,000,000.00	40,000,000.00
AUAF Cost Share	9,688,018.00	11,057,717.00	12,523,819.00	14,031,769.00	15,585,476.00	62,886,799.00
Other USG Sources	1,197,452.00	1,322,026.00	1,399,912.00	1,488,148.00	1,585,437.00	6,992,975.00
Grand Total	19,885,470.00	20,879,743.00	21,923,731.00	23,019,917.00	24,170,913.00	109,879,774.00

Revision of Budget

(1) Reporting of Deviations from Budget Plan

The summary budget set forth in paragraph A.4 (a) above is based on the detailed budget that the Recipient submitted with its application for this Award. The Recipient's detailed budget constitutes the approved budget plan for this Award. In accordance with 22 CFR 226.25(b), the Recipient are required to report deviations from the approved budget, and request prior approvals for budget revisions.

(2) Prior Approval Required for Transferring Funds among Cost Categories by More Than 10% of Total Estimated Amount

In accordance with 22 CFR 226.25(f), the Recipient may not transfer funds among cost categories by more than 10% of the total estimated amount of this Award without the prior written approval of the Agreement Officer. Approval is also required for other budget revisions, as described in paragraph (b) (3) below, even if the budget revision is within the 10% restriction described herein.

(3) Prior Approval of Certain Revisions to Budget Plan

In accordance with 22 CFR 226.25(b), the Recipient shall request prior approval from the USAID Agreement Officer for the specific budget revisions described in 22 CFR 226.25(c) (1) through (c) (8).

A.5 SUB-AWARD:

Pursuant to 22 CFR 226.25(c)(8), prior approval is required for the sub-award, transfer, or contracting-out of any work hereunder (other than the purchase of supplies, material, equipment, or general support services), unless it was described in the Recipient's application and funded in the approved budget of the award. Except as indicated above all other contracts sub-awards, transfers, and sub grants must have the prior approval of the Agreement Officer.

A.6 REPORTING AND EVALUATION:**A.6.1 FINANCIAL REPORTING:**

Financial reporting requirements shall be in accordance with 22 CFR 226.22 regarding Advance payments. Either paper copies or electronic copies (scanned PDF document) may be submitted, but not both. The Recipient shall submit an original and two copies of SF 1034 on monthly basis for cash advance payments and liquidation.

In accordance with 22 CFR 226.52, the SF 425 and SF 425a are used to report actual expenditures and are required on a quarterly basis. The Recipient shall submit these forms in the following manner:

The SF 425 must be submitted to the Agreement Officer's Representative, Agreement Officer and the Office of Financial Management at kabulfinancialreport@usaid.gov. These reports shall be submitted within 45 calendar days from the end of each quarter, except that the final report shall be submitted within 90 calendar days from the estimated completion date of this Award.

A.6.2 PROGRAM REPORTING:

The Recipient shall submit a detailed copy of a performance report to USAID/Afghanistan Agreement Officer's Representative and Agreement Officer. The performance reports are required to be submitted quarterly and shall be in keeping with the program description.

A.6.3 PERFORMANCE MONITORING REPORTING:

The Recipient will maintain books, records, designs, other documents and evidences to demonstrate that funds are used in accordance with the terms of the Agreement and USAID's regulations.

Within 90 days, the preliminary Performance Management Plan (PMP) must be approved with relevant indicators and baseline data before major project implementation actions get underway. The PMP would include the full set of performance indicators disaggregated; baseline values and targeted values; source of the data and method of collection; schedule for data collection; known data limitations, data quality assessment procedures, estimate of costs; possible evaluation studies; and a detailed calendar for the completion of each task.

The Recipient shall prepare and submit three copies of a final performance and financial report to the AOR which summarizes the accomplishments of this agreement, methods of work used, budget and disbursement activity, and recommendations regarding unfinished work and/or program continuation. The final performance and financial report shall also contain an index of all reports and information products produced under this agreement. The final report shall be submitted no later than 90 days after the estimated completion date of this Agreement.

A.6.4 FINAL REPORTING:

The Recipient shall submit a detailed final performance and financial report within 90 calendar days after completion of the Agreement, to the Agreement Officer's Representative and Agreement Officer.

Electronic submissions are preferred over hard-copy. If this Award expires during the reporting period, the Recipient shall submit a final report not later than 90 days after the estimated completion date. Otherwise, the Recipient shall submit an annual report not later than December 31st.

A.6.5 CLOSEOUT PLAN:

30 days prior to the completion date of the Cooperative Agreement, the Recipient shall submit a Closeout Plan to the Agreement Officer and AOR. The closeout plan shall include, at a minimum, an illustrative Property Disposition plan; a delivery schedule for all reports or other deliverables required under the Agreement; and a time line for completing all required actions in the Closeout Plan, including the submission date of the final Property Disposition plan to the Agreement Officer's Representative. The closeout plan shall be approved in writing by the Agreement Officer.

A.6.6 INFORMATION SHARING:

Discussions in Washington regarding appropriations to support Afghanistan's programs and the presence of USAID's Office of the Inspector General (OIG) and the Special Investigator General for Afghanistan Reconstruction (SIGAR) in Afghanistan as well as the General and Accountability Office's keen interest in U.S. government programs in Afghanistan, necessitates the maintenance of appropriate, adequate and accurate documentation to communicate performance and financial results, procedures and processes.

Information regularly shared, in addition to the quarterly reports, may include:

- i. Weekly Highlights and Updates: Updates that reflect the highlights and lowlights of events and program progresses for that week as well as provide a "forward looking" view of important milestones or events coming up within the program.
- ii. Public Outreach Stories and Highlights: Human interest stories that reflect successes and will elevate the awareness of AUAF as a visible USG and GIROA supported effort.

A.6.7 ROLES AND RESPONSIBILITIES:

The Recipient shall be responsible to USAID/Afghanistan for all matters related to the execution of the Agreement. Specifically, the Recipient shall report to the USAID Agreement Officer's Representative, or AOR, located within the Office of Social Sector Development, Kabul.

A.7 INDIRECT COST / GENERAL AND ADMINISTRATION (G&A):

AUAF is a Non-U.S Governmental Organization and it does not have an established Negotiated Indirect Cost Rate Agreement (NICRA) to apply as indirect costs, therefore the General and Administrative Cost is calculated as a Fixed Amount of \$4,098,137 under USAID funding.

The total five years G&A under this program is \$31,627,077 million, and the amount of \$4,098,137 million is allocated to USAID funding. These costs are salaries of national and international administrative staff that are not associated with direct cost. The remaining amount of G&A for \$27,528,940 million allocated out of AUAF cost share and other U.S.G Sources.

The proposed Fixed Amount of G&A is considered fair and reasonable based AUAF's standard practices and accounting system for this purpose. Additionally, the similar amount of G&A is applied to the other sources of funds for this activity.

A.8 TITLE TO PROPERTY:

Title to property financed under this Award or provided by USAID, and no longer used by the program and/or at the close of the program, whichever comes first, will be vested with the Cooperating Country, subject to the following requirements regarding the use, care, accountability, maintenance, and disposition thereof:

(a) Tangible Property

(1) Equipment

"Equipment" means an article of tangible nonexpendable property which identifies expected useful life of one year or more per-unit with a unit cost of \$5,000 or more. Equipment is subject to the requirements set forth in 22 CFR 226.34.

(2) Supplies and Other Expendable Equipment

"Supplies and other expendable equipment" means items of tangible personal property that do not meet the definition of "equipment" in paragraph (a) (1) above. Supplies and other expendable equipment are subject to the requirements set forth in 22 CFR 226.35.

(3) Real Property

"Real Property" means land, land improvements, structures, and appurtenances thereto. Real property is subject to the requirements set forth in 22 CFR 226.32.

(b) Intangible (Intellectual) Property

"Intangible Property" means, but is not limited to, copyrights, inventions and patents, and data first produced under this Award. Intangible property is subject to the requirements set forth in 22 CFR 226.36.

A.9 AUTHORIZED GEOGRAPHIC CODE:

The authorized geographic code for local procurements is 937, as set forth in 22CFR 228.40. It includes the U.S. and recipient countries, (but not advanced developing countries). Local Procurement as amended and ADS Chapter 311.

A.10 COST SHARING:

AUAF's total cost share under this award is \$62,886,799.00 that will be supplemented by students' tuition revenue, and revenue generating activities such as the courses offered by the Professional Development Institute (PDI).

The cost share of AUAF that is generated from student's tuition revenue was compared against other Universities who perform the same or similar activities. All tuition fees projected in AUAF budget are clear, accurate and based on the current projection; it is realized to meet the cost share of the Program. The projection is fair and reasonable and it is to the best interest of the U.S Government.

A.11 PROGRAM INCOME:

The Recipient shall account for Program Income in accordance with 22 CFR 226.24 (or the Standard Provision entitled Program Income for non-U.S. organizations). Program Income earned under this award shall be added to the project.

The projected program income under this award shall be \$62,886,799.00 that will be supplemented by students' tuition revenue, and revenue generating activities such as the courses offered by the Professional Development Institute (PDI).

A.12 KEY PERSONNEL:

The following positions have been designated as key personnel for the successful completion of the objectives of the award:

<u>Positions</u>	<u>Person</u>
1. President	
2. Chief of Staff	
3. Chief Financial Officer	

The number of key personnel designated for this agreement must not be more than five individuals or five percent of the Recipient's employees working under this award, whichever is greater.

A.13 SUBSTANTIAL INVOLVEMENT:

In accordance with ADS 303.3.11, USAID/Afghanistan substantial involvement during performance of this award will be as follows:

(a) Approval of Annual Work Plans and Budgets

USAID shall approve the Annual Work Plans and Budgets. The Annual Work Plan and Budget shall be presented in a format that clearly links activities to the specific results included in the Program Description. The Work Plan should clearly explain the rationale, sequence, and timeline of activity implementation. The budget shall include a detailed budget justification.

Schedule:

- The first Work Plan and the Budget, covering the first 14 months of program implementation, shall be submitted to the USAID AOR within 60 days of the signing of this Cooperative Agreement
- Subsequent Annual Work Plans and Budgets shall be submitted to the USAID AOR within 30 days of the end of the fiscal year (October 30).

(b) Approval Sub-Award

The Agreement Officer will approve, unless funded in the approved budget of the award, the sub-award, transfer or contracting out of any work under this award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(c) Approval of Performance Monitoring Plan

USAID shall approve the Implementing Partner's Performance Monitoring Plan (PMP). The PMP shall be submitted to the USAID AOR within 60 days of award of this Cooperative Agreement. The USAID AOR shall also be involved in monitoring AUAF's progress towards the achievement of program objectives during the course of the Cooperative Agreement through joint participation in Technical Committees and other Institutional Committees.

The AOR will approve monitoring and joint evaluation plans, and will be involved in monitoring progress toward the achievement of Program objectives during the course of the Cooperative Agreement.

A.14 RESOLUTION OF CONFLICTS:

Conflicts between any of the Attachments of this Award shall be resolved by applying the following descending order of precedence:

- Attachment A - Schedule
- Attachment B - Program Description
- Attachment C - Standard Provisions
- Attachment D - Branding and Marking

A.15 BRANDING STRATEGY AND MARKING PLAN:

In accordance with the Standard Provision set forth in Attachment D of this Award entitled "Branding and Marking," the Recipient's Branding Strategy and Marking Plan will be incorporated into this Award.

Branding Strategy and Marking plan under USAID-Funded Assistance Instruments, is a requirement of the USAID; the recipient's Branding and Marking plan should be submitted within 30 days after the award.

A.16 SPECIAL PROVISIONS:**A.16.1 SECURITY:**

The Recipient shall comply with all Government of the Islamic Republic of Afghanistan (GIROA) and U. S. Government civilian/military agency security policies and orders (COM/FRAG) as they relate to Recipient's activities under this Cooperative Agreement.

The Recipient is advised that, as a result of Presidential Decree #62, security requirements for this Cooperative Agreement must be coordinated through the Afghan Ministry of Interior's Afghanistan Public Protection Force (APPF). At the time of award of this Cooperative Agreement, procedures for obtaining security are in transition and the Recipient shall closely monitor APPF procedural requirements and implement changes. The Recipient shall initiate discussion with APPF regarding security requirements as soon as possible. The APPF will require the Recipient to prepare and submit information on several forms. After receipt, APPF will discuss the Recipient's specific security requirements in a personal interview. At the time of award of this Cooperative Agreement, the contact persons for this process are Colonel Mohammad Maroof, General Manager of Plans and Statistics, APPF, 0799-310-322, and Colonel Shir Ali who is the Deputy of Plans and Statistics, APPF, 0799-843-165. (Note: Both are more comfortable communicating in Dari). These two officers may be subject to change. USAID's, Safety and Security Office will assist with the process and may be reached at kabulaidssso@usaid.gov.

The Recipient shall be responsible for providing all life-support and security services required for its personnel deployed to project locations except when it is expressly stated in individual contracts that such facilities and services are to be provided by other means. The Recipient responsibilities shall include all life support, communications, and transportation of materials, personnel, and equipment to work sites. The Recipient may be required to provide the same life-support and security services for USAID personnel when so specified. In addition, the Recipient shall be responsible for maintaining the security of its personnel, materials, and equipment.

The Recipient shall prepare a comprehensive safety and security plan pertaining to all aspects of its activities and the activities of its employees in the performance of all work related to this Cooperative Agreement as well as the off-duty activities of its employees, as those activities relate to performance of contract work, serving in Afghanistan or elsewhere within the region as it relates to performance of the work. The Recipient shall continuously monitor and update this comprehensive safety and security plan by means of qualified and competent staff of personnel. The Recipient shall work closely with and establish liaison and cooperate with all authorized and appropriate safety and security organizations and entities for the protection and safety of its operations and employees.

(End of Provision)

A.16.2 GENDER REQUIREMENTS:

Congress has mandated that USAID programs address the needs and protect the rights of Afghan women and girls, including efforts undertaken to prevent discrimination and violence against women and girls; provide economic and leadership opportunities; increase participation of women in the political process at the national, provincial and sub-provincial levels; improve security for women and girls; and any other programs designed to directly benefit women and girls. As required by USAID policies, the recipient shall integrate assistance to women into all stages of development, planning, programming and implementation as a part of this agreement or assistance program. Such integration shall focus on Afghan-led programs directly contributing to any or all the three pillars of development outlined in the ten-year National Action Plan for the Women of Afghanistan (NAPWA): 1) Security; 2) Government, Rule of Law, and Human Rights; and 3) Economic and Social Development. The recipient shall establish the necessary accounting and management systems to separately track and report to USAID fiscal year expenditures under the agreement supporting issues of gender equality and women and girls as beneficiaries during each fiscal year of the agreement.

The Recipient shall establish the necessary implementation, management and reporting systems to separately track and report to USAID data on female beneficiaries and measurable impacts of activities intended to address the needs of women and girls. Project quarterly implementation reports shall specifically include information on the following, to the extent that it is applicable to the agreement: 1) the total number of women and girls supported through the agreement on a quarterly basis through Afghan Info; 2) number of women accessing basic services, including education and health; 3) number of interventions leading to increased employment and economic opportunities for women, as well of number of beneficiaries; 4) number of interventions resulting in increased participation of women in government and civil society; 5) number of activities supporting legal rights and public access for women; and, 6) outcomes for women who have benefited from the grant/agreement. The Recipient shall refer to USAID/Afghanistan's comprehensive Performance Management Plan (PMP) for complete list of gender indicators. To the extent possible, indicators applicable to the agreement will be disaggregated by gender."

(End of Provision)

A.16.3 HOMELAND SECURITY PRESIDENTIAL DIRECTIVE (HSPD-12):

In response to the general threat of unauthorized access to federal facilities and information systems, the President issued Homeland Security Presidential Directive-12. HSPD-12 requires all Federal agencies to use a common Personal Identity Verification (PIV) standard when identifying and issuing access rights to users of Federally-controlled facilities and/or Federal Information Systems. USAID is applying the requirements of HSPD-12 to applicable assistance awards. USAID will begin issuing HSPD-12 "smart card" IDs to applicable recipients (and recipient employees), using a phased approach. Effective October 27, 2006, USAID will begin issuing new "smart card" IDs to new recipients (and recipient employees) requiring routine access to USAID controlled facilities and/or access to USAID's information systems. USAID will begin issuance of the new smart card IDs to existing recipients (and existing recipient employees) on October 27, 2007. (Exceptions would include those situations where an existing recipient (or recipient employee) loses or damages his/her existing ID and would need a replacement ID prior to Oct 27, 2007. In those situations, the existing recipient (or recipient employee) would need to follow the PIV processes described below, and be issued one of the new smart cards.)

Accordingly, before a recipient (including a recipient employee) may obtain a USAID ID (new or replacement) authorizing him/her routine access to USAID facilities, or logical access to USAID's information systems, the individual must provide two forms of identity source documents in original form and a passport size photo. One identity source document must be a valid Federal or state government-issued picture ID. (Overseas foreign nationals must comply with the requirements of the Regional Security Office.) USAID/W recipients (and recipient employee) must contact the USAID Security Office to obtain the list of acceptable forms of documentation, and recipients working in overseas Missions must obtain the acceptable documentation list from the Regional Security Officer. Submission of these documents, and related background checks, are mandatory in order for the recipient (or employee) to receive a building access ID, and before access will be granted to any of USAID's information systems. All recipients (or employees) must physically present these two source documents for identity proofing at their USAID/W or Mission Security Briefing. The recipient (or employee) must return any issued building access ID and remote authentication token to USAID custody upon termination of the individual's employment with the recipient or completion of the award, whichever occurs first.

The recipient must comply with all applicable HSPD-12 and PIV procedures, as described above, as well as any subsequent USAID or government-wide HSPD-12 and PIV procedures/policies, including any subsequent applicable USAID General Notices, Office of Security Directives and/or Automated Directives System (ADS) policy directives and required procedures. This includes HSPD-12 procedures established in USAID/Washington and those procedures established by the overseas Regional Security Office. In the event of inconsistencies between this clause and later issued Agency or government-wide HSPD-12 guidance, the most recent issued guidance should take precedence, unless otherwise instructed by the Agreement Officer.

The recipient is required to include this clause in any subawards (including subcontracts) that require the sub-awardee or sub-awardee employee to have routine physical access to USAID space or logical access to USAID's information systems.

(End of Provision)

A.16.4 USAID AFGHANISTAN IMPLEMENTING PARTNER NOTICES:

The Recipient of this award shall comply with and adhere to all USAID Afghanistan Implementing Partner Notices. Copies of the notices are provided to implementing partners at the time of issuance. Copies are also available upon request from your Cognizant Agreement Officer.

(End of Provision)

A.16.5 SUB-AWARD REQUIREMENTS (MARCH 2012):

(a) Applicability: This section limits the number of tiers of sub-awards to two tiers below the awardee for all Contracts and Cooperative Agreements. The awardee must not allow lower-tier sub-awards without the express written approval of the Contracting/Agreement Officer.

(b) Definitions: The term "award" in this clause refers to either the direct contract between USAID and the prime contractor or a direct Cooperative Agreement between USAID and the recipient. A "first-tier sub-award" is a direct award between the awardee and a sub-awardee (the "first-tier sub-awardee"). A "second-tier sub-award" is a direct award between the first-tier sub-awardee and its sub-awardee (the "second-tier sub-awardee").

(c) USAID's objective is to promote, to the extent practicable, competitive, transparent and appropriate local sub-awards with legitimate and competent sub-awardees. Awardee will ensure that all sub-awardees at any tier are actively engaged in the performance of sub-awarded work. Awardee will ensure that sub-awardees do not engage in "brokering" or "flipping" their sub-awards under this award and that all sub-awardees at any tier self perform appropriate portions of the work. "Brokering" or "flipping" is the practice of a sub-awardee receiving a sub-award and either selling such sub-award or not performing a significant percentage of the work with the sub-awardee's own organization.

(d) Should exceptional circumstances warrant sub-awards below two tiers, the Awardee will promptly request approval in writing from the Contracting/Agreement Officer, which for contracts may be done in conjunction with a request under FAR 44, provided that the additional information set forth in paragraph (5) below is also provided.

(e) Awardee's written request for approval to allow sub-awardees below the second tier will include the following information:

- (i) Sub-award number and title (or a general description of the sub-award work) of the existing sub-award;
- (ii) Detailed explanation regarding why the work to be performed by the lower-tier sub-awardee cannot be performed by the prime or the two levels of sub-awardees.
- (iii) The total value of the work and total value of the work to be self-performed by the existing sub-awardee;

(f) For purposes of calculating tiers, the following will not be considered a tier:

- (i) Subsidiaries of the awardee;
- (ii) Members of a joint-venture, provided the joint venture is either the awardee or otherwise a "tier" hereunder;
- (iii) Employment awards for a single individual, provided that such individual issues no further sub-awards;
- (iv) Suppliers/service providers for component parts for a sub-award issued for finished commodities purchased on the market. Only the sub-awardee supplying the finished commodity shall be considered a "tier" for purposes of this clause/provision;
- (v) Suppliers of administrative or professional services incidental to the completion of the award nor their sub-awardees, such as legal or financial services, provided such suppliers or their sub-awardees do not perform substantive work related to the scope of work hereunder.

(g) With exception provided in paragraph D above for sub-awards. The awardee will include this clause in all sub-awards, and will require sub-awardees to include this clause in all lower-tier sub-awards. The awardee will be responsible for compliance with this clause/provision by all sub-awardees and lower-tier sub-awardees.

(End of Provision)

A.16.6 DATABASE REPORTING REQUIREMENTS:

USAID/Afghanistan uses a management information system to track program and project information for all mission-funded activities. The purpose of this database is to track the location of project implementation, document the use of funds, and monitor development projects, while maintaining coordination between USAID/Afghanistan, USAID/Washington, Congress, implementing partners, the Government of Afghanistan, and other donors. This reporting process supports the Government of Afghanistan's requirement that USAID provide information to the Ministry of Finance in order to track ongoing and completed donor-sponsored development activities.

The Recipient shall provide at least a quarterly update of information on the activities under the agreement and task orders by entering this information into the USAID/Afghanistan management information system. The recipient shall enter information via an Internet website or a Microsoft (MS) Access Database, and the USAID URL address of the Afghan Info Database is: <https://pakinfo.org/>. The recipient will be provided a user ID/password. A comprehensive user manual will be provided after that details information on the required information and processes needed for managing the information in USAID\Afghanistan information system.

(End of Provision)

A.16.7 FRAUD REPORTING:

The awardee is required to report on indications of fraud in host-country institutions or other matters that could reasonably be expected to be of foreign policy interest to the U. S. Government's development and stabilization efforts. Corruption, real or perceived, may critically impact USAID programming objectives as might other knowledge the awardee acquires in its normal course of business. This [clause/provision] must not be construed to require the awardee to conduct investigation for such information outside of its normal business practices or to report on matters not directly or indirectly related to USAID programming or the proper use of U.S. Government funds. In the event awardee has special non-disclosure requirements or confidentiality requirements (such as are prevalent in the legal and banking industries), or awardee determines such reporting would conflict with applicable laws, awardee must include a proposal to obtain any necessary waivers from the applicable host-country institution allowing such reporting to the maximum extent possible. Reports under this requirement must be submitted as a deliverable under the award.

(End of Provision)

A.16.8 SPECIAL PROVISION FOR PERFORMANCE IN AFGHANISTAN:

All recipient personnel deploying to Afghanistan under grants or cooperative agreements with a performance period over 30 days or valued at more than \$100,000 must be accounted for in the Department of Defense maintained Synchronized Pre-deployment and Operational Tracker (SPOT) system. Information about SPOT is available at <http://www.dod.mil/bta/products/spot.html> as well as from the Agreement Officer (AO) or Agreement Officer's Representative (AOR). Recipient shall register those individuals requiring SPOT-generated Letters of Authorization (LOAs) in SPOT before deploying any employees or consultants to Afghanistan. If individuals are already in Afghanistan at the time the recipient employs them, the recipient must enter each individual upon his or her becoming an employee or consultant under this award. Personnel that do not require LOAs are still required to be accounted for in SPOT for reporting purposes either individually or via an aggregate

tally methodology. The recipient must maintain and keep current all employee and consultant data in SPOT. Information on how individual and/or aggregate tally registrations will be made in SPOT is available from the Agreement Officer (AO) or Agreement Officer's Representative (AOR).

Recipient performance may require the use of armed private security personnel. To the extent that such private security contractors (PSCs) are required, recipients are required to ensure they adhere to Chief of Mission (COM) policies and procedures regarding the operation, oversight, and accountability of PSCs. PSCs will be individually registered in SPOT.

Under this award, the term "PSC" includes any personnel providing protection of the personnel, facilities, or property of a recipient or sub-recipient at any level, or performing any other activity for which personnel are required to carry weapons in the performance of their duties. As specific COM policies and procedures may differ in scope and applicability, recipient is advised to review post policies and procedures carefully in this regard and direct any questions to the Embassy Regional Security Office (RSO) via the Agreement Officer's Representative.

Any exception to these policies must be granted by the COM via the RSO. A copy of any exception must be provided to the AO and AOR. COM policies and procedures may be obtained from the RSO via the Agreement Officer's Representative. Recipient is also advised that these policies and procedures may be amended from time to time at the post in response to changing circumstances.

Recipient is advised that adherence to these policies and procedures is considered to be a material requirement of this grant/cooperative agreement. The recipient must include this provision in all sub-awards at any tier or contracts under their grant/cooperative agreement.

Recipient is reminded that only the Agreement Officer has the authority to modify the Notice of Award. Recipients shall proceed with any security guidance provided by the RSO, but shall advise the Agreement Officer and the Agreement Officer's Representative of the guidance received and any potential cost or schedule impact.

(End of Provision)

A.16.9 HOST COUNTRY TAXES AND DUTIES:

The Recipient is advised that equipment, materials, and funds introduced into Afghanistan under the USAID program are exempt from customs duties and taxes of every kind. Accordingly, and in accordance with the applicable U.S. Government cost principles (see 22 CFR 226.27), such costs are unallowable and may not be charged to this Award or paid with funding provided hereunder. If the Recipient is assessed any such charges, the Recipient shall bring the proposed assessment to the immediate attention of the Agreement Officer and USAID/Kabul.

(End of Provision)

A.16.10 GENDER INTEGRATED REQUIREMENTS:

USAID programs must address the needs and protect the rights of women and girls in Afghanistan. Therefore, USAID requires recipients to undertake efforts to prevent discrimination and violence against women and girls, provide economic and leadership opportunities, increase participation of women in the political process, improve security for women and girls, promote education, health and well-being, and other efforts designed to directly benefit women and girls. The Recipient shall integrate assistance to women into all aspects of development, planning, programming and

implementation, as a part of this assistance program. Such integration shall contribute to the three pillars of development outlined in the ten-year National Action Plan for the Women of Afghanistan (NAPWA) 1) Security; 2) Government, Rule of Law, and Human Rights; and 3) Economic and Social Development. The Recipient shall establish the necessary implementation, management and reporting systems to separately track and report to USAID data on female beneficiaries and measurable impacts of activities intended to address the needs of women and girls. It is expected that the relevant indicators on female beneficiaries and impacts of activities on the needs of women and girls will vary by project. However, relevant indicators may include items such as:

1. The total number of women and girls supported through the agreement on a quarterly basis through Afghan Info;
2. Number of women accessing basic services, including education and health;
3. Number of interventions leading to increased employment and economic opportunities for women, as well of number of beneficiaries;
4. Number of interventions resulting in increased participation of women in government and civil society;
5. Number of activities supporting legal rights and public access for women; and, Outcomes for women who have benefited from the agreement. The Recipient shall refer to USAID/Afghanistan's comprehensive Performance Management Plan (PMP) for complete list of gender indicators. To the extent possible, indicators applicable to the agreement will be disaggregated by gender.

(End of Provision)

A.16.11 SERIOUS INCIDENT REPORTING REQUIREMENTS:

The implementing partner is responsible for reporting all serious incidents during performance of the award. This reporting shall apply to the prime implementing partner and all sub-awardees regardless of the tier (subs of subs and lower, etc). In addition to reporting, the prime is responsible for ensuring timely investigation of all serious incidents and maintaining on file all records of reported serious incidents.

A serious incident is defined as any of the following against an employee paid for with US Government funding or on a USAID funded work site regardless of the tier of the employee:

1. Death of an individual.
2. Discharge of a firearm with the intent to cause bodily injury or the use of an instrument with the intent of causing serious bodily harm to an employee
3. The detention of an employee against their will.

Implementing partners shall provide initial notification to the USAID Safety and Security Office (SSO), either orally or by email, of any serious incident - as soon as practical if it cannot be done immediately. The emails shall be sent to: kabulaidssso@usaid.gov. This notification must provide as many details as are known at the time about of the incident.

Within 24 hours of the incident, the implementing partner shall submit a more formal written incident report. The prime partner shall provide the report to the SSO and will concurrently send a copy to the USAID Cognizant Contracting/Agreement Officer's Representative (C/AOR) and the Contracting/Agreement Officer (C/AO).

The initial written report shall include the award number, the name of the company, location where the incident occurred (Latitude/Longitude or MGRS), time when the incident occurred, a brief description of the events of the incident, details about any known casualties and a point of contact for the company.

The implementing partner shall provide a follow-up comprehensive written report of events surrounding the incident within 96 hours when greater details are known. Additionally, if a serious incident which involves an employee wounded in action (WIA) who later succumbs of the wound (s), the partner shall notify the SSO within 24 hours of the death of the individual.

(End of Provision)

A.16.12 VETTING:**I 4-14.001**

Information for Non-US recipient, sub recipients, and key individuals:

(a) The recipient must complete and submit the "USAID Information Form" in appendix B. for:

- (i) Itself, if it is a non-U. S. entity;
- (ii) Each sub recipients or sub recipients of a sub recipients, regardless of the tier, that is a non-U.S. entity; or
- (iii) Each key individual that is a non-U.S. entity.

(b) For purposes of this clause, the following definitions apply:

"Non-U.S. entity" means (1) any non-US citizen or non-permanent legal resident of the United States: or (2) any entity that is not formed in the United States or for which 50% or more of the equity is owned or controlled by persons who are not U.S. citizens or permanent legal residents of the United States.

"Key individuals" means (i) an individual or entity owning 10% or more equity stake in the organization, whether publically- or privately-held: (ii) principal officers of the organization's governing body (e.g., chairman, vice chairman, treasurer or secretary of the board of directors or board of trustees): (iii) the principal officer and deputy principal officer of the organization (e.g., executive director, deputy director; president, vice president); (iv) the program manager or chief of party for the USA ID-financed program: and (v) any other person with significant responsibilities for administration of USAID financed activities or resources.

(c) The requirements of paragraph (a) of this clause must be completed at prior to the Government's acceptance of the agreement and following that, at the earlier of:

- (i) Once a year; or
- (ii) When there is a change or addition to any entity or person identified in paragraph (a).

(d) USAID reserves the right to rescind approval for a sub-award in the event that USAID subsequently becomes aware of information indicating that the sub-award is contrary to U.S. law or policy prohibiting support for terrorism, or facilitating criminal activity. In such cases, USAID's Agreement Officer will provide written instructions to the recipient to terminate the sub-award.

Vetting Procedures:

As per Mission Order No. 201.04 with Supplements Mission Order 201.03, the Vetting Procedures should be conducted by consulting the following:

The Vetting will be required for any Non-US Parties proposed for award or sub-award, or any instrument acting as any of the same, equal to or in excess of \$25,000 at any tier. In addition, vetting will be required for each sub-awardee contracted by the Implementing Partner for which the cumulative amount of awards to a single sub-awardee is anticipated to reach \$25,000 or greater regardless of the timeframe.

As a reminder, please submit separate vetting requests for each individual award. The Vetting Support Unit (VSU) will NOT accept one vetting request for multiple awards for a single awardee/sub-awardee. Please note, this lower vetting threshold will only apply to new/upcoming awards and sub-awards and existing awards and sub-awards that were over \$25,000.00

(End of Provision)

II. 4-14.002

Certification Regarding Provision of Support to Persons Engaged in Terrorism:

(a) By entering into this agreement, the recipient certifies, to the best of its known ledge and belief that:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website: http://www.trcas.gov/offices/eotffc/ofac/sdn/tl_lsdn.pdf, or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the "1267 Committee") [individuals and entities linked to the Taliban, Osama Bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee's website: <http://www.un.org/Docs/sc/committees/1267/1267ListHng.htm>.

c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.

d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification:

a. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials."

b. "Terrorist act" means-

(i) An act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: <http://untreaty.iaj.org/English/Terrorism.asp>); or

(ii) An act of premeditated, politically motivated violence perpetrated against noncombatant targets by sub-national groups or clandestine agents; or

(iii) Any other act intended to cause death or serious bodily injury' to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources shall not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, micro-enterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient's obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

(b) By entering into this agreement, the Offeror acknowledges that it has a continuing obligation and shall notify the Agreement Officer within 72 hours in writing if it has intentionally or unintentionally taken any actions that have the result and effect of being inconsistent with the certification in subsection (a) of this clause.

(c) The certification in paragraph (a) of this provision and the requirement to update the agreement officer as to a change in status as set forth in paragraph (b) are material representations upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, or did not notify the agreement officer in writing of a change in such certification, in addition to other remedies available to the Government, the Agreement Officer may terminate the agreement resulting from this solicitation for default.

(End of Provision)

III. 4-14.003

Restrictions on Certain Foreign Purchases

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Recipient shall not acquire, for use in the performance of this agreement, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if

OFACs implementing regulations at 31 CFR Chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Entities and individuals subject to economic sanctions are in OFAC's List of Specially Designated Nationals and Blocked Persons at <http://www.treas.gov/offices/enforcement/ofac/sdn>. More information about these restrictions, and updates, is available in the OFAC's regulations at 31 CFR Chapter V and/or on OFAC's website at <http://www.treas.gov/offices/enforcement/ofac>.

(c) The Recipient shall insert this clause, including this paragraph (c), in all sub-contracts.

(d) Before awarding any grant or similar instrument, the Contractor/Recipient shall obtain from the proposed sub-awardee the certification required under USAID's Acquisition and Assistance Policy Determination 04-14 (AAPD 04-14), "Certification Regarding Terrorist Financing Implementation E.O. 13224 (Revision 2).

(End of Provision)

A.16.13 REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION:

a. Reporting of First-Tier Subawards:

(1) Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a sub-award to an entity (see definitions in paragraph c. of this award term).

(2) Where and when to report.

(i) You must report each obligating action described in paragraph a.(1) of this award term to www.fsrs.gov.

(ii) For sub-award information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

(3) What to report. You must report the information about each obligating action that the submission instructions posted at www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives:

(1) Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if –

(i) The total Federal funding authorized to date under this award is \$25,000 or more;

(ii) In the preceding fiscal year, you received

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report executive total compensation described in paragraph b. (1) of this award term:

(i) As part of your registration profile at www.ccr.gov/.

(ii) By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Sub-recipient Executives:

(1) Applicability and what to report. Unless you are exempt, as provided in paragraph d. of this award term, for each first-tier sub-recipient under this award, you must report the names and total compensation of each of the sub-recipient's five most highly compensated executives for the sub-recipient's preceding completed fiscal year, if –

(i) In the sub-recipient's preceding fiscal year, the sub-recipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report sub-recipient executive total compensation described in paragraph c.(1) of this award term:

(i) To the recipient.

(ii) By the end of the month following the month during which you make the sub-award. For example, if a sub-award is obligated on any date during the month of October of a given year (for example, between October 1 and 31), you must report any required compensation information of the sub-recipient by November 30 of that year.

d. Exemptions:

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- (1) Subawards, and
- (2) The total compensation of the five most highly compensated executives of any sub-recipient.

e. Definitions:

For purposes of this award term:

(1) Entity means all of the following, as defined in 2 CFR 25:

- (i) A governmental organization, which is a State, local government, or Indian tribe;
- (ii) A foreign public entity;
- (iii) A domestic or foreign nonprofit organization;
- (iv) A domestic or foreign for-profit organization;
- (v) A Federal agency, but only as a sub-recipient under an award or sub-award to a non-Federal entity.

(2) Executive means officers, managing partners, or any other employees in management positions.

(3) Sub-award:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible sub-recipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

(iii) A sub-award may be provided through any legal agreement, including an agreement that you or a sub-recipient considers a contract.

(4) Sub-recipient means an entity that:

- (i) Receives a sub-award from you (the recipient) under this award; and
- (ii) Is accountable to you for the use of the Federal funds provided by the sub-award.

(5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or sub-recipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

(i) Salary and bonus.

(ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

(iii) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

(iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

(v) Above-market earnings on deferred compensation which is not tax-qualified.

(vi) Other compensation, if the aggregate value of all such other compensation (for example, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

(End of Provision)

ATTACHMENT B - PROGRAM DESCRIPTION

Executive Summary

The American University of Afghanistan proposes a five-year cooperative agreement with USAID, to begin at the end of the current cooperative agreement, August 1, 2013, and continuing through July 31, 2018.

After a period of rapid expansion that has seen enrollment, percentage of women students, Professional Development Institute revenues, diversification of funding, and development of academic programs increase substantially, the American University of Afghanistan (AUAF) requests follow-on funding from USAID of \$40 million for the period 2013-14 through 2017-18. The follow-on funding will support a portion of core faculty and international staff salaries, of security costs, and of other operating costs. By providing this funding, USAID will enable AUAF to strengthen its academic and service programs, move toward sustainability, and further establish itself as a high-quality American-style university serving critical needs in Afghanistan during an important period of transition in the country.

During the next five years with support from USAID, AUAF will:

- Support the increased number of women students;
- Prepare and refine curricula for the sciences, education, and management disciplines;
- Add an additional master's degree program and expand graduate enrollment;
- Coordinate academic programs and support services with programs for women offered through the International Center for Afghan Women's Economic Development;
- Refine its academic structure to include schools, as well as departments;
- Launch distance learning courses and increase on-line resources;
- Enhance security for students, staff, and faculty;
- Implement quality assurance measures;
- Establish U.S. and regional partnerships; and
- Assume a leadership role in implementing national accreditation in Afghanistan, while meeting substantive requirements for US regional institutional accreditation.

During this period, the university will also move aggressively toward independent sustainability by:

- Limiting growth in undergraduate enrollment while maximizing graduate enrollment;
- Increasing revenues and enrollment in Professional Development Institute courses;
- Offering degree programs for cohorts of students sponsored by ministries, other government agencies, and the private sector under contracts that cover costs;
- Bringing tuition levels and financial aid expenditures for undergraduate students more closely in line with costs;
- Reducing costs by consolidating staff housing and enhancing security on the new campus;
- Diversifying funding including private contributions and in-kind donation; and

- Realizing other cost cutting measures including achieving savings as course enrollment targets are achieved as a result of expanded enrollment levels.

These objectives are described in the following proposal description under the headings:

- I. Strengthening Academic and Professional Development Programs
- II. Enhancing Quality of Programs
- III. Expanding Programs for Women
- IV. Increasing Financial Self-Sufficiency

Funding is requested in the following annual allocations:

- \$9 million in Year 1, 2013-14
- \$8.5 million in Year 2, 2014-15
- \$8 million in Year 3, 2015-16
- \$7.5 million in Year 4, 2016-17
- \$7 million in Year 5, 2017-18

For the period of August 1, 2013 through July 31, 2018, AUAF, with follow-on funding from USAID, will focus its efforts on continuing the progress made during the previous five years, building on previous successes and lessons learned, moving toward stronger academic programs that meet targeted needs in Afghanistan, and increasing financial stability and self-sufficiency.

To be specific, AUAF will seek to fulfill its mission through activities in the following four areas: Strengthening Academic and Professional Development Programs, Enhancing Quality of Programs, Expanding Programs for Women, and Increasing Financial Self-Sufficiency.

Program Components and Outcomes

I. Strengthening Academic and Professional Development Programs

AUAF's mission statement calls for the university to meet the academic needs of Afghanistan. While AUAF cannot offer degree programs in all fields – and in fact AUAF should avoid developing programs in disciplines where government universities are already meeting the nation's educational needs in program design and quality – the university will carefully study niche opportunities and program areas where identifiable needs are not being met by other educational institutions.

Graduate Programs

Graduate programs are sorely lacking in Afghanistan, and, although government universities are gradually launching new programs, progress is very slow and there will be a dire shortage of graduate education opportunities in Afghanistan for the foreseeable future. AUAF will continue the expansion of its highly successful MBA program and will adapt it to meet the needs of students and Afghan ministries. In addition, AUAF will develop at least one other master's level program to meet specific needs and respond to requests. Graduate programs are still in the stage of preliminary discussions with relevant ministries including the Ministry of Public Works, the Ministry of Health, and the Ministry of Mines, as well as directly with the Office of the President.

Because tuition and fees for graduate education cover the costs of these programs and also cover some other expenses of the university, graduate programs – carefully managed to ensure quality – will add to the financial stability of the university and move it toward sustainability.

Undergraduate Programs

AUAF currently offers five undergraduate programs, including two that are in their first year. AUAF will take care to nurture and build these programs as it surveys new opportunities to meet Afghanistan's higher education needs. If enrollment patterns or other indicators suggest that an existing AUAF undergraduate program is not growing in a way that increases the university's fiscal strength or sustainability, the university will consider eliminating or deemphasizing that program in favor of another that contributes more to the university, that meets the needs of more students and the country, and enables the university to maintain quality. AUAF will be particularly careful to build its innovative new law program to ensure high quality and steady enrollment growth. Overall, the trend for the next five years will be careful management of undergraduate programs, including the new programs in mass communication and law, to ensure quality and growth. Other undergraduate programs will be considered, but only if there is an adequate additional revenue stream to support them and a demonstrated need in Afghanistan that is otherwise not being adequately addressed. In addition, the university will move to strengthen existing academic programs by upgrading equipment and facilities, ensuring that appropriately credentialed faculty are teaching the courses, and developing an academic organizational structure of schools within the university.

Professional Development Programs

The Professional Development Institute (PDI) programs are important to the university because they not only increase the university's outreach but also bring in revenue for the university. PDI is already aggressively seeking out possibilities for new clients and additional custom-tailored training programs, and this effort will increase in the next five years. The relocation of AUAF academic degree programs onto the International Campus will free up much-needed classroom space for PDI on the original campus, and the opening of additional regional locations will also provide similar custom-tailored professional opportunities in the provinces.

AUAF is already well known as a welcoming place for women, and the opening of the International Center for Afghan Women's Economic Development will increase opportunities for developing new programs, building new partnerships and increasing women's participation in the Afghan economy. Other centers related to government and private sector development will also be established to further the service role of the university.

Academic and Professional Outcomes:

1. Increase graduate enrollment from 41 to 200 and add an additional master's degree program
2. Move from a departmental academic structure to a school structure for academic programs
3. Establish two centers focused on research, data collection, and performance
4. Launch on-line courses in cooperation with US or regionally based universities or other course delivery entities

II. Enhancing Quality of Programs

Accreditation is a significant indicator of basic academic quality of a university. AUAF will continue to pursue accreditation with a US regional accrediting body, will continue to work with the Ministry of Higher Education to develop an accrediting system for Afghan universities, and will secure

Afghan accreditation as well. Toward this end, the university will continue seeking talented faculty who will strengthen existing and new academic program. AUAF will also work to ensure that the curriculum meets or exceeds the quality of well-respected programs in the US and elsewhere internationally.

AUAF will further strengthen its course offerings and enrich educational opportunities for its students by developing partnerships with other academic institutions. These partnerships will include team-taught courses, guest lectureships (in person or through distance learning), joint programs, faculty or student exchanges, distance learning, video-conferencing, or other collaborations with universities in Afghanistan and abroad, as may be appropriate. AUAF will also promote consortia in Afghanistan to assist the higher education system in upgrading its quality.

Program Quality Outcomes:

1. Institute a quality assurance effort that includes an external review of academic programs
2. Achieve accreditation through the processes of the Ministry of Higher Education
3. Substantively meet requirements for US regional institutional accreditation, conditioned on time frames of the accrediting agency
4. Maintain approximately 40% of undergraduate and graduate teaching faculty holding doctoral degrees
5. Maintain a student-faculty ratio of no more than 22 students per faculty member

III. Expanding Programs for Women

AUAF has increased its enrollment of women students dramatically from 17.6% of the undergraduate students in the fall of 2009 to over 30% in spring of 2013. Currently 50% of the new students entering the university are women. Meanwhile, the university has received funding to construct the International Center for Afghan Women's Economic Development and has received additional funding for a business accelerator to support women-owned businesses as these businesses expand and attain scale. Building on this foundation, AUAF intends to continue to expand its enrollment of women in its undergraduate programs. Ultimately, AUAF aspires to achieve a 50% mark for female enrollment. Achievement of these goals will require additional scholarship support for women students whose support will need to come from both government and private sources. AUAF's experience has shown that without adequate financial aid, women students in particular find it difficult to begin or continue their higher education.

Also related to the retention of women students and their placement in employment after graduation, AUAF will institute a mentorship program specifically for female students. This program will match women students entering the university with upper class women students who can help to guide the beginning students through their adjustment to university life. Serving as a mentor will become a requirement for women students who receive scholarship support or financial aid. As students progress through their university experience and approach graduation, a second phase of the mentorship program will activate. Mentors from the female graduates of the university and other women mentors from the community will facilitate women students' employment search or graduate studies search and their transition from being students to being employees and young professionals.

While these programs serve the women students enrolled in degree programs, the International Center for Afghan Women's Economic Development, in partnership with the Professional Development Institute, will focus on providing training programs for women seeking to upgrade

their skills in areas including English language, accounting, and Microsoft and Cisco certifications. In addition, the center will sponsor workshops for women, conferences on issues affecting women in the economy, research on issues related to women's employment, strategies for growing women's businesses, and support for women in the communications and the media fields.

Through these efforts, AUAF intends to become a major center for women's education in Afghanistan, meeting a critical need during an important time of transition.

Women's Program Outcomes:

1. Establish a mentorship program for female students
2. Enhance career planning and placement functions to assist women as they prepare to graduate and enter the work force
3. Increase female student enrollment in the undergraduate and Foundation Studies programs toward an ultimate goal of gender equity in enrollment
4. Develop a gender studies minor that students can complete together with their undergraduate major
5. Establish a faculty research agenda focused on women in Afghanistan

IV. Increasing Financial Self-Sufficiency

Economic constraints faced by most students' families prevent the university from recovering the full cost of undergraduate education solely through tuition and fees. The university is already taking steps to narrow the gap between tuition revenue and expenses. During the next five years, the university will moderate the rate of undergraduate enrollment growth. At the same time, annual tuition increases, combined with cost savings, will reduce the shortfall and minimize the subsidization of education for each undergraduate student. At the end of the next five years, undergraduate tuition and fees will much more nearly meet the university's costs in delivering that education. The university will place an emphasis on increasing its graduate programs, for which tuition and fees cover operating costs, and for PDI courses, which produce revenue in excess of expenses.

Fund raising must play a continually growing role in the university's finance in the coming five years and beyond. A major capital campaign being planned by the Board of Trustees will establish aggressive goals for fund raising in support of programs and sustainable construction. This campaign includes plans for fund raising from government, corporate, and individual donors in the US and Afghanistan; corporate and individual donors in the region; and government support from NATO countries that have participated in the Afghanistan campaign and thus have an interest in helping support national stability. External funding of scholarships will be a major component of the university's plan, as contributions for financial aid – which effectively support all of the university's operations – is one of the most attractive prospects for donors.

Cost containment will also be an important component of the university's move toward financial self-sufficiency. Whereas AUAF must continue to provide adequate student financial aid, especially for women, the moderation in undergraduate enrollment growth coupled with increased revenue derived from tuition will ease the need in this area of expense. Increases in the numbers of Afghan faculty and staff, and consequent reductions in the numbers of more expensive international faculty and staff, will also reduce costs. And as the International Campus opens, and on-campus housing becomes available for faculty and staff, the university will be able to close expensive guest houses

and reduce expenses for security for those sites. The overall effect of AUAF's increasing financial stability will be to decrease dependency on USAID funding each year over the next five years.

Financial Self-Sufficiency Outcomes:

1. Decrease institutional costs per full-time degree student by 20% from \$17,000 to \$13,600 per student
2. Increase revenue from tuition and fees by more than 25% over five years from a baseline of \$5.8 million
3. Increase revenue from PDI by 100% from \$2.1 million to \$4.3 million
4. Increase non-US government funding by 100% from \$599,000 to \$2.1 million in funds and pledges
5. Expand database of supporters by more than 100% from a baseline 2500 (census January 2013) to over 5,000
6. Decrease reliance on international staff to fill management positions

Conclusion

Implicit in AUAF's mission is the potential impact on students enrolled in the university and on other institutions and agencies – public and private – in Afghanistan. The outcomes listed in the four program areas are aggressive, even aspirational, but they also describe serious intentions of the university. Whereas AUAF may not fully achieve all of the outcomes, it should be noted that some of the outcomes will not be totally funded by USAID. The USAID funding is to cover a portion of core faculty and international staff costs and a portion of core operating and security costs, in declining amounts annually.

This support is critical to enable the American University of Afghanistan to achieve its goals and objectives during a critical period of transition. It should be recognized that there is a significant multiplier effect of the requested USAID support; the university reaches many thousands of people through its outreach programs, research, consulting, and modeling of best practices, as well as its participation in key aspects of quality assurance in higher education in the country. It should also be recognized that the funding requested of USAID will be matched by an anticipated \$62.1 million in cost share in revenues derived by AUAF from tuition and fees, contracts, in-kind contributions, and other donations.

The outcomes listed for each of the four program areas define the expected outcomes for this proposal. With the funding requested, the impact can be summarized as follows:

- AUAF will follow through on all required steps and substantive requirements for achieving regional institutional accreditation in the US, subject to the time lines of the accrediting agency.
- AUAF will gradually reduce the number of international faculty and staff and increase the percentage of Afghan faculty and staff as a means of controlling costs and building capacity in Afghanistan, while maintaining the character of the institution and ensuring quality.
- Distance learning will play an increasing part in AUAF's educational activities. The university will actively seek out opportunities for using technology to improve instruction in specific areas on the Kabul campus, to link the university with other campuses in Afghanistan and abroad, and to connect the Kabul campus with AUAF regional locations.
- Graduate education is desperately needed in Afghanistan, and to meet this need, as well as to contribute to financial stability, AUAF will increase enrollment in its MBA programs and establish at least one new graduate program.
- The university will continue seeking new ways of meeting Afghanistan's needs for undergraduate education while moderating growth and focusing on the quality of the programs that are offered.
- AUAF will launch and strengthen programs for women students and link university faculty and their research expertise with programs offered through the International Center for Afghan Women's Economic Development.
- AUAF will ensure that it sustains the best facilities, equipment, and technology to support its undergraduate programs.
- PDI will continue aggressive growth and will focus on expanding enrollment in its courses as much as possible, particularly as more classroom space becomes available, to derive increased revenues to support the university.

- AUAF will continue recruiting students across Afghanistan, and the growth of regional locations will permit the university to strengthen its recruiting in the provinces.
- AUAF undergraduate enrollment will grow more slowly over the next five years, while AUAF will expand graduate programs consistent with maintaining quality. By the end of Year Five, AUAF will enroll 1,450 or more students in graduate and undergraduate degree programs.
- AUAF will continue to contain costs by reducing its educational cost-per-student while producing increased revenues to support the university's operations.
- USAID's support for AUAF will decrease annually, as indicated in this proposal, while the university moves toward independent sustainability.

ATTACHMENT C - STANDARD PROVISIONS**STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATION**

The Agreement incorporates the following Standard Provisions as set forth in ADS Chapter 303 and applies for the administration of Assistance Award to Non-U.S Nongovernmental Organization. The full texts of these Standard Provisions can be found at the website indicated here and are set forth as part of Attachment C of this Award. (<http://inside.usaid.gov/ADS/300/303mab.docx>).

> MANDATORY STANDARD PROVISIONS FOR NON-U.S. NONGOVERNMENTAL ORGANIZATIONS

- ALLOWABLE COSTS
- ACCOUNTING, AUDIT, AND RECORDS
- AMENDMENT OF AWARD AND REVISION OF BUDGET
- NOTICES (JUNE 2012)
- PROCUREMENT POLICIES
- USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES
- TITLE TO AND USE OF PROPERTY
- SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS
- MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE
- AWARD TERMINATION AND SUSPENSION
- RECIPIENT AND EMPLOYEE CONDUCT
- DEBARMENT AND SUSPENSION
- DISPUTES AND APPEALS
- PREVENTING TERRORIST FINANCING
- TRAFFICKING AND PERSONS
- VOLUNTARY POPULATION PLANNING ACTIVITIES
- EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS
- NONDISCRIMINATION
- USAID DISABILITY POLICY - ASSISTANCE

ALLOWABLE COSTS (JUNE 2012)

- a. The recipient will be reimbursed for costs incurred in carrying out the purposes of this award in accordance with the terms of this award and the applicable cost principles in effect on the date of this award. The recipient may obtain a copy of the applicable cost principles from the Agreement Officer (AO):
- 2 CFR 230 – **Cost Principles for Non-Profit Organizations (OMB Circular A-122)**
- 2 CFR 220 – **Cost Principles for Educational Institutions (OMB Circular A-21)**
- 48 CFR 31.2 Federal Acquisition Regulations (FAR) and 48 CFR 731.2 USAID Acquisition Regulations (AIDAR) - **Cost Principles for Commercial Organizations**
- b. It is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable cost principles, meaning the costs are (1) reasonable: costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business; (2) allocable: incurred specifically for this award; and (3) allowable: conform to any limitations in this award. The recipient must obtain any prior written approvals from the AO that are required by the applicable cost principals. The recipient may obtain the AO's written determination on whether specific costs not clearly addressed in the applicable cost principles are allowable or allocable. The AO reserves the right to make a final determination on the allowability of costs.
- c. USAID will not pay any profit or fee to the recipient or subrecipients of a grant or cooperative agreement. This restriction does not apply to procurements under this award made in accordance with Standard Provision, "Procurement Policies."
- d. The recipient must retain documentation to support charges to this award for a period of three years from the date of submission of the final expenditure report in accordance with the Standard Provision, "Accounting, Audit, and Records."
- e. This provision must be incorporated into all subagreements, including subawards and contracts, which are paid on a cost reimbursement basis.

[END OF PROVISION]

ACCOUNTING, AUDIT, AND RECORDS (JUNE 2012)

- a. **Records and Accounting.** The recipient must maintain financial records, supporting documents, statistical records and all other records, to support performance of, and charges to, this award. Such records must comply with accounting principles generally accepted in the U.S., the cooperating country, or by the International Accounting Standards Board (a subsidiary of the International Financial Reporting Standards Foundation). Accounting records and supporting documentation must, at a minimum, be adequate to show all costs incurred under this award; receipt and use of goods and services acquired under this award; the costs of the program supplied from other sources; and the overall progress of the program. Unless otherwise notified by USAID, the recipient records and subrecipient records that pertain to this award must be retained for a period of three years from the date of submission of the final expenditure report.

b. Audits.

- (1) The recipient must have an annual audit conducted in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General, for any recipient fiscal year in which the recipient expends a combined total of \$300,000 or more in all USAID awards, either directly or through another USAID contractor or recipient, excluding fixed price contracts and fixed obligation grants.
 - (i) The audit report must be submitted to USAID within 30 days after receipt of the auditor's report, but no later than nine months after the end of the period audited.
 - (ii) The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. USAID will only pay for the cost of audits conducted in accordance with the terms of this award.
 - (iii) In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all, or a percentage of, disbursements until the audit is satisfactorily completed.
- (2) The recipient is not required to have an annual audit for any recipient fiscal year in which the recipient expends a combined total of less than \$300,000 in all USAID awards, either directly or through a prime contractor or recipient, excluding fixed price contracts and fixed obligation grants. However, the recipient must make records pertaining to this award for that fiscal year available for review by USAID officials or their designees upon request.
- (3) USAID retains the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds, regardless of the audit requirement.

c. Subawards and Contracts.

- (1) If the recipient provides USAID resources to other organizations to carry out the USAID-financed program and activities, the recipient is responsible for monitoring such subrecipients or contractors. The costs for subrecipient audits for organizations that meet the threshold in paragraph b. are allowable. The costs for subrecipient audits for organizations that do not meet the threshold in paragraph b. are allowable only for the following types of compliance audits: activities allowed or unallowed; allowable costs/cost principles; eligibility; cost share; level of effort; earmarking; and reporting.
- (2) This provision must be incorporated in its entirety into all subawards and contracts with non-U.S. organizations that are for more than \$10,000. Subawards of grants and cooperative agreements made to U.S. organizations must state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

[END OF PROVISION]

AMENDMENT OF AWARD AND REVISION OF BUDGET (JUNE 2012)

- a. This award may only be amended in writing, by formal amendment or letter, signed by the Agreement Officer (AO), and in the case of a bilateral amendment, by the AO and an authorized official of the recipient.
- b. In addition to other approvals required in this award, the recipient must receive prior written approval from the AO to:
- (1) Change the scope or the objectives of the program, and/or revise the total award amount or the period of the award (amendment required);
 - (2) Receive an additional obligation of USAID funds in excess of the amount currently obligated (amendment required);
 - (3) Change key personnel, if specified in the award;
 - (4) Permit the absence of more than three months from, or a 25 percent reduction in time devoted to, the award by the principal project leader approved for the award;
 - (5) Transfer funds from the indirect cost line item to absorb increases in direct costs, or vice versa;
 - (6) Obtain reimbursement for costs that require prior approval in accordance with the Standard Provision, "Allowable Costs";
 - (7) Transfer funds allotted for training allowances (direct payment to trainees) to other cost categories;
 - (8) Subaward or contract any work under this award, if such subawards or contracts were not described in this award and funded in the approved budget. This does not apply to the purchase of supplies, material, equipment, or general support services; or
 - (9) If specified in this award, transfer funds among direct cost categories, or programs, functions, and activities listed in the award budget, when the cumulative amount of such transfers exceeds or is expected to exceed 10% of the total award amount, as last approved by the AO.
- c. Failure by the recipient to obtain the approvals required above, or elsewhere in this award, may result in the AO disallowing such costs. USAID is under no obligation to reimburse the recipient for costs incurred in excess of the total amount obligated under this award. If the total obligated amount under this award has been increased, the AO will notify the recipient of the increase and specify the new total obligated amount by written amendment to the award.

[END OF PROVISION]

NOTICES (JUNE 2012)

Any notice given by USAID or the recipient is sufficient only if in writing and delivered in person, mailed or e-mailed as follows:

- (1) To the USAID Agreement Officer, at the address specified in this award; or
- (2) To the recipient, at the recipient's address shown in this award, or to such other address specified in this award.

[END OF PROVISION]

PROCUREMENT POLICIES (JUNE 2012)

The recipient must use its own procurement policies and procedures for the procurement of commodities and services necessary for this award, provided they conform to the requirements listed below and the Standard Provision, "USAID Eligibility Rules for Procurement of Commodities and Services." A procurement is not a subaward, which is an award of financial assistance to carry out the purposes of the program in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. If subawards are authorized under this award, then the recipient must comply with the Standard Provision "Subawards."

- a. Procurement Policies and Procedures. The recipient must maintain and conduct all of its procurements according to written policies and procedures for the award and administration of contracts, and ensure that the price is fair and reasonable for all procurements. The recipient may designate a reasonable micro-purchase threshold (e.g., \$2,500) under which more simplified acquisition procedures may apply. The recipient's procurement procedures must provide, at a minimum:
 - (1) Procurements above the recipient's micro-purchase threshold must be conducted in a manner to provide fair and unbiased competition, including the following:
 - (i) All responsible sources are permitted to compete in an equal manner.
 - (ii) Purchase requests must clearly establish all requirements that the bidder or offeror must fulfill in order to be evaluated by the recipient.
 - (iii) Contracts must be made to the offeror whose offer is responsive to the purchase request and has the most advantageous price, quality, and other factors.
 - (iv) The recipient is encouraged to use U.S. small businesses whenever practicable.
 - (2) Where appropriate, the recipient must determine the most economical and practical means by which to accomplish program objectives, including the necessity of the commodities or services, lease or purchase options, and reasonableness of costs.
 - (3) The recipient must maintain a system for contract administration to ensure that goods and services are provided in accordance with the terms, conditions, and specifications of the contract, including full and timely delivery and performance.
 - (4) Conflicts of Interest. The recipient must avoid conflicts of interest, including bias and unfair competitive advantage. The recipient's standards of conduct must provide for

disciplinary actions for violations of such standards by officers, employees, or agents of the recipient.

- (i) Bias. The recipient must ensure that competitions are not biased in favor of one offeror over another. For instance, the recipient, an employee, officer or agent of the recipient, or any member of an employee's immediate family must not receive an award, or have a financial or other interest in the individual or firm selected for an award. The officers, employees, and agents of the recipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements. In addition, a contractor that develops or drafts specifications, requirements, statements of work, invitations for bids, and/or requests for proposals must be excluded from competing for such procurements.
- (ii) Unfair Competitive Advantage. The recipient must ensure that no potential contractor has unequal access to information that may provide that contractor an unfair competitive advantage. For instance, a potential contractor who has received procurement sensitive information, such as others' offered prices that are not available to all competitors must be excluded from the competition.

(4) The recipient must retain all procurement records related to this award in accordance with the Standard Provision, "Accounting, Audit and Records," and make such records available to USAID upon request. In addition, for awards above the recipient's micro-purchase threshold, the recipient must also retain the following written documentation:

- (i) Basis for contractor selection;
- (ii) Justification for lack of competition when competitive bids or offers are not obtained; and
- (iii) Basis for award cost or price.

(5) The type of procurement instruments used (for example, fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts) must be appropriate for the particular procurement and for promoting the best interest of the program or project. The recipient must not use a "cost-plus-a-percentage-of-cost," "percentage of construction cost," or any other method that provides for a fee payable as a percentage of costs incurred, because such arrangements encourage the contractor to increase costs to increase its fee.

b. For contracts under this award, the recipient must include all provisions required by this award to be included in contracts, any other provisions necessary to define a sound and complete contract, and the following provisions:

- (1) Contracts in excess of the recipient's micro-purchase threshold must contain provisions that allow for administrative, contractual, or legal remedies if a contractor violates the contract terms; and
- (2) In all contracts for construction or facility improvement awarded for more than \$100,000, the recipient must observe generally accepted bonding requirements.

[END OF PROVISION]

USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES (JUNE 2012)

- a. This provision is not applicable to commodities or services that the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under this award.
- b. Ineligible and Restricted Commodities and Services:
- (1) Ineligible Commodities and Services. The recipient must not, under any circumstances, procure any of the following under this award:
- (i) Military equipment,
 - (ii) Surveillance equipment,
 - (iii) Commodities and services for support of police or other law enforcement activities,
 - (iv) Abortion equipment and services,
 - (v) Luxury goods and gambling equipment, or
 - (vi) Weather modification equipment.
- (2) Ineligible Suppliers. Any firms or individuals that do not comply with the requirements in Standard Provision “Debarment and Suspension” and Standard Provision “Preventing Terrorist Financing” must not be used to provide any commodities or services funded under this award.
- (3) Restricted Commodities. The recipient must obtain prior written approval of the Agreement Officer (AO) or comply with required procedures under an applicable waiver, as provided by the AO when procuring any of the following commodities:
- (i) Agricultural commodities,
 - (ii) Motor vehicles,
 - (iii) Pharmaceuticals,
 - (iv) Pesticides,
 - (v) Used equipment,
 - (vi) U.S. Government-owned excess property, or
 - (vii) Fertilizer.
- c. Source and Nationality:
- Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in this award and must meet the source and nationality requirements set forth in 22 CFR 228. If the geographic code is not specified, the authorized geographic code is 937. When the total value of procurement for commodities and services during the life of this award is valued at \$250,000 or less, the authorized geographic code for procurement of all goods and services to be reimbursed under this award is code 935. For a current list of countries within each geographic code, see: <http://inside.usaid.gov/ADS/300/310.pdf>.
- d. Guidance on the eligibility of specific commodities and services may be obtained from the AO. If USAID determines that the recipient has procured any commodities or services under this

award contrary to the requirements of this provision, and has received payment for such purposes, the AO may require the recipient to refund the entire amount of the purchase.

- e. This provision must be included in all subagreements, including subawards and contracts, which include procurement of commodities or services.

[END OF PROVISION]

TITLE TO AND USE OF PROPERTY (JUNE 2012)

- a. Title to all Property financed under this award vests in the recipient upon acquisition unless otherwise specified in this award.
- b. Property means equipment, supplies, real property, and intangible property, each defined individually below, financed under this award or furnished by USAID:
 - (1) Equipment means tangible nonexpendable personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. However, consistent with the recipient's policy, lower limits may be established.
 - (2) Supplies means tangible personal property excluding equipment.
 - (3) Real Property means land, including land improvements, structures and appurtenances, including permanent fixtures.
 - (4) Intangible Property includes, but is not limited to, intellectual property, such as trademarks, copyrights, patents and patent applications, and debt instruments, such as bonds, mortgages, leases or other agreements between a lender and a borrower.
- c. The recipient agrees to use and maintain all Property for the purpose of this award in accordance with the following procedures:
 - (1) The recipient must use the Property for the program for which it was acquired during the period of this award, and must not provide any third party a legal or financial interest in the property (e.g., through a mortgage, lien, or lease) without approval of USAID.
 - (2) When the Property is no longer needed for the program for which it was acquired during the period of this award, the recipient must use the Property in connection with its other activities, in the following order of priority:
 - (i) Activities funded by USAID, then
 - (ii) Activities funded by other United States Government (USG) agencies, then
 - (iii) As directed by the Agreement Officer (AO).
- d. The recipient must maintain the Property in good condition, have management procedures to protect the Property, and maintain an accurate inventory of all Property. Maintenance procedures must include the following:

- (1) Accurate description of the Property, including serial number, model number, or other identifying number, acquisition date and cost, location and condition, and data on the disposition of any Property (date of disposition, sales price, method used to determine current fair market value, etc.), as applicable.
 - (2) A physical inventory of Property that must be taken, and the results reconciled with the equipment records, at least once every two years during the period of this award.
 - (3) A control system must be in effect to maintain the Property and ensure adequate safeguards to prevent loss, damage, or theft of the Property. The recipient must maintain appropriate insurance equivalent to insurance the recipient maintains for its own property. Any loss, damage, or theft must be investigated and fully documented, and the recipient must promptly notify the AO. The recipient may be liable where insurance is not sufficient to cover losses or damage.
- e. Upon completion of this award, the recipient must submit to the AO a property disposition report of the following types of Property, along with a proposed disposition of such Property.
- (1) All equipment that has a per unit current fair market value at the end of this award of \$5,000 or more.
 - (2) New/unused supplies with an aggregate current fair market value at the end of this award of \$5,000 or more.
 - (3) Real or intangible property, of any value.
- f. The recipient must dispose of Property at the end of this award in accordance with the recipient's property disposition report, unless the AO directs the recipient in writing within 60 days of the AO's receipt of the recipient's property disposition report to dispose of the Property in a different manner. Disposition may include the following:
- (1) The recipient may retain title with no further obligation to USAID.
 - (2) The recipient may retain title, but must compensate USAID for the USAID share, based on the current fair market value of the Property.
 - (3) The recipient may be directed to transfer title to USAID or a third party, including another implementing partner or the host country government. In such case, the recipient will be compensated for its proportional share of the Property that the recipient financed with its own funds, if any, based on the current fair market value of the Property.
- g. The AO may direct, at any time during this award, that title to the Property vests in the USG or a third party, such as the cooperating country. In such cases, the recipient must maintain custody and control of the Property, until directed otherwise, and must allow reasonable access to the Property to the title holder. While in its custody and control, the recipient must follow the provisions above for protection and maintenance of the Property, and provide the AO with an annual inventory of such Property and follow any additional instructions on protection and maintenance as may be provided by the AO.
- h. This provision must be included in all subagreements, including subawards and contracts.

[END OF PROVISION]

**SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND DATA RIGHTS
(JUNE 2012)**

- a. Submissions to the Development Experience Clearinghouse (DEC).
- 1) The recipient must provide the Agreement Officer's Representative one copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published.
 - 2) In addition, the recipient must submit Intellectual Work, whether published or not, to the DEC, either on-line (preferred) or by mail. The recipient must review the DEC Web site for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at:

<http://dec.usaid.gov>
 - 3) For purposes of submissions to the DEC, Intellectual Work includes all works that document the implementation, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient's information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.
 - 4) Each document submitted should contain essential bibliographic information, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) development objective; and 6) date of publication.
 - 5) The recipient must not submit to the DEC any financially sensitive information or personally identifiable information, such as social security numbers, home addresses and dates of birth. Such information must be removed prior to submission. The recipient must not submit classified documents to the DEC.
- b. Rights in Data
- 1) Data means recorded information, regardless of the form or the media on which it may be recorded, including technical data and computer software, and includes Intellectual Work, defined in a. above.
 - 2) Unless otherwise provided in this provision, the recipient may retain the rights, title and interest to Data that is first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

- c. Copyright. The recipient may copyright any books, publications or other copyrightable materials first acquired or produced under this award. USAID reserves a royalty-free, worldwide, nonexclusive, and irrevocable right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.
- d. The recipient will provide the U.S. Government, on request or as otherwise provided in this award, a copy of any Data or copyrighted material to which the U.S. Government has rights under paragraphs b. and c. of this provision. The U.S. Government makes no representations or warranties as to title, right to use or license, or other legal rights or obligations regarding any Data or copyrighted materials.

[END OF PROVISION]

MARKING AND PUBLIC COMMUNICATIONS UNDER USAID-FUNDED ASSISTANCE (JUNE 2012)

- a. The USAID Identity is the official marking for USAID, comprised of the USAID logo and brandmark with the tagline "from the American people." The USAID Identity is on the USAID Web site at transition.usaid.gov/branding. Recipients must use the USAID Identity, of a size and prominence equivalent to or greater than any other identity or logo displayed, to mark the following:
 - (1) Programs, projects, activities, public communications, and commodities partially or fully funded by USAID;
 - (2) Program, project, or activity sites funded by USAID, including visible infrastructure projects or other physical sites;
 - (3) Technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;
 - (4) Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs; and
 - (5) Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.
- b. When this award contains an approved Marking Plan, the recipient must implement the requirements of this provision following the approved Marking Plan.
- c. If a "Marking Plan" is not included in this award, the recipient must propose and submit a plan for approval within the time specified by the Agreement Officer (AO).
- d. The AO may require a preproduction review of program materials and "public communications" (documents and messages intended for external distribution,