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COST REIMBURSEMENT CONTRACT WITH AN EDUCATIONAL INSTITUTION

AGENCY FOR INTERNATIONAL DEVELOPMENT NEGOTIATED CONTRACT NO. AID/ DSPE-G-0054

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NEGOTIATED PURSUANT TO THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND EXECUTIVE ORDER 11223	TOTAL ESTIMATED CONTRACT COST \$1,026,222 (\$329,000 obligated)
CONTRACT FOR: Research on Simplified Techniques of Fertility Management	CONTRACTOR (Name and Address) Johns Hopkins University Department of Gynecology & Obstetrics
PROJECT NO:	NAME
ISSUING OFFICE (Name and Address) Office of Contract Management Central Operations Division Population and Education Branch Agency for International Development Washington, D.C. 20523	34th and Charles Street STREET ADDRESS Baltimore, Maryland 21205 CITY, STATE, AND ZIP CODE
ADMINISTRATION BY Issuing Office	COGNIZANT SCIENTIFIC/TECHNICAL OFFICE DS/POP/R
MAIL VOUCHERS (Original and 3 copies) TO: Office of Financial Management Agency for International Development Washington, D.C. 20523	ACCOUNTING AND APPROPRIATION DATA PIO/T NO. 932-0548-3297205 APPROPRIATION NO. 72-1191021.4 ALLOTMENT NO. 944-36-099-00-23-91
EFFECTIVE DATE September 29, 1979	ESTIMATED COMPLETION DATE September 27, 1982

The United States of America, hereinafter called the Government, represented by the Contracting Officer executing this Contract, and the Contractor, an educational institution chartered by the State of Maryland with its principal office in Baltimore, Maryland, agree that the Contractor shall perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule and the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule or the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

**BEST AVAILABLE DOCUMENT**

This Contract consists of this Cover Page, the Table of Contents, and the Schedule consisting of 11 pages, the General Provisions (Form AID 1420-23C), dated 7-1-76, and Alterations in Contract, dated September, 1979

NAME OF CONTRACTOR Johns Hopkins University	UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT
BY (Signature of authorized individual) <i>Richard E. Hufnail</i>	BY (Signature of Contracting Officer) <i>Gerald P. Gold</i> 2/2590
TYPED OR PRINTED NAME Richard E. Hufnail	TYPED OR PRINTED NAME Gerald P. Gold
TITLE Director of Sponsored Projects	CONTRACTING OFFICER <i>1242662</i>
DATE 9/28/79	DATE SEP 29 1979

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Schedule

Cost Reimbursement Contract  
with an Educational Institution

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SCHEDULE

The Schedule, on pages 1 through 11, consists of the Table of Contents and the following Articles:

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- ARTICLE III - TECHNICAL DIRECTIONS
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GENERAL PROVISIONS

The General Provisions applicable to this Contract consist of form AID 1420-23C entitled "General Provisions - Cost Reimbursement Contract with an Educational Institution," dated 7-1-76, which includes provisions 1 through 46.

## ARTICLE I - STATEMENT OF WORK

For a period as set forth in Article V of this Schedule, the Contractor shall use its research and development facilities and personnel at the estimated level of effort set forth in Article III, and shall perform a research and development program directed toward simplified techniques of fertility control, as set forth below.

### A. Objective

The objective of this contract is directed at the evaluation and improvement of the efficacy, safety and availability of two commonly used methods of fertility management, pregnancy termination and female sterilization. This goal will be pursued by controlled comparisons of the risks and benefits of currently used techniques, by the development of innovative methodology through pre-clinical testing in animal models, and the clinical trials of those agents that have been evaluated for safety and efficacy in the animal models.

### B. Plan of Work

Under the direction and leadership of the Principal Investigator, a 3 year program of scientific research and development will be conducted. Efforts will be directed in 6 project areas as follows:

#### 1) Comparison of Optic Visor versus the Surgical Microscope

for Reconstructive Surgery of the Fallopian Tube - The objective is to determine which method will prove the more effective and less expensive for tubal sterilization reversal.

ii) Histopathological Description of Fallopian Tubes Following Various Methods of Tubal Occlusion in Which There Have Been Both Subsequent Success and Failure - The objective of this study is to develop hypotheses for the improvement of safety and efficacy of tubal ligation.

iii) The Comparison of Dilatation and Evacuation with Intra-amniotic Injection for Midtrimester Pregnancy Termination - The objective of this study is to identify and evaluate safer and more practical abortifacients.

iv) The Animal Testing of New Abortifacients - The objective of this study is to identify and evaluate safer and more practical abortifacients.

v) The Clinical Testing of Chemical Abortifacients - The objective of this study is to evaluate agents which have been determined by animal studies to be efficacious and free of undesirable characteristics.

vi) Cervical Studies - The objective of this study is to assess methods of cervical dilatation for safety and efficacy.

C. Within the goal of this Contract as set forth in Article IA, the Contractor may undertake other studies as approved by the Contracting Officer.

D. Research design and methodology will generally follow that described in the attached Proposal titled "Simplified Techniques of Fertility Control," dated July 12, 1979, as modified by the Schedule of this Contract.

E. In the event of a conflict between the Proposal and the Schedule, the Schedule will prevail.

ARTICLE II - SPECIAL PROVISIONS REGARDING THE RESEARCH

A. It is understood that the methodology for the research to be conducted hereunder includes the performance of abortions. However, in accordance with General Provision No. 43, entitled "Prohibition on Abortion-Related Activities", none of the funds provided by this Contract will be used to reimburse any persons for any effort involved in the performance of induced non-therapeutic abortions. The Contractor may use the funds provided herein only for the purpose of developing the methodology and collecting and analyzing the results of the research, and for purchase of drugs and equipment necessary to the research effort. The Contractor agrees to maintain records which will provide documentation of the uses of the funds in accordance with the conditions of this paragraph and General Provision No. No. 43.

B. To assure widespread dissemination of findings, all research results will be submitted for publication in relevant scientific journals. This information will also be made available to A.I.D.-sponsored publications.

C. The Contractor will submit semi-annual progress reports on each of the six studies.

D. An evaluation of project progress will be carried out within two months of the Cognizant Technical Office's (CTO) receipt of the second semi-annual report, or 14-16 months after project start. This semi-annual report should include any suggested revisions, corrections or additions to the contracted workscope. These

suggestions will be considered by the CTO/principal investigators/third party if necessary.

E. An end of study evaluation will be performed in the last 6 months of this contract. The Contractor will prepare an end-of-study report consisting of salient findings and recommendations for implementation of those findings into clinical use in LDCs.

F. Listed below are points in each study at which contact with the Cognizant Technical Officer (CTO) is required in order that findings may be reviewed for continued relevance to A.I.D. objectives, and to provide opportunity for technical directions. It is understood that such reviews and consultations may result in a decision to abandon the research approach.

1) Project I - The Principal Investigator will report to the Cognizant Technical Officer at the point there are any statistically significant findings.

2) Project II - At the time of the second semi-annual report, or 14 months after the start of the study, this study will be assessed to assure that 1) sufficient number of specimens are being received and (2) the hypotheses being considered are relevant.

3) Project III - Each stage of the workplan, as set forth in the Project description on page 55 of the Proposal, will be reviewed by the Cognizant Technical Officer. After each 100 patients in each group of the clinical trial, the Principal Investigator will review results with the CTO.

4) Project IV - Prior to initiating research on any drug in this study, the Principal Investigator will obtain the approval of the Contracting Officer. The results of the research will be submitted in the semi-annual reports required by this Paragraph C above. After discussion with the Principal Investigator, the CTO may require that individual studies be terminated.

5) Project V - Prior to initiating research on any drug in this study, the Principal Investigator shall obtain the approval of the Contracting Officer. The results of the research will be submitted in the semi-annual reports required by this Paragraph C above. After discussion with the Principal Investigator, the CTO may require that individual drug studies be terminated.

6) Project VI - Results of this study will be submitted in the semi-annual reports required by Paragraph C above. Notwithstanding Article V of the Schedule, changes in the research protocol for this study must be approved by the CTO. Individual studies in this Project may be terminated by the CTO after discussion with the Principal Investigator.

#### ARTICLE III - TECHNICAL DIRECTIONS

Performance of the work hereunder shall be subject to the technical directions of the cognizant A.I.D. Scientific/Technical Office indicated on the Cover Page. As used herein, "Technical Directions" are directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise complete the general scope of the work. "Technical Directions" must be within the terms of this contract and shall not change or modify them in any way.

ARTICLE IV - KEY PERSONNEL

A. The key personnel which the Contractor shall furnish for the performance of this Contract and the estimated level of effort which will be applied are as follows:

Theodore M. King, M.D., Ph.D. Principal Investigator, Projects III and VI	35%
M. F. Atienza, M.D., Principal Investigator, Project V	40%
John A. Rock, M.D. Principal Investigator, Project I	10%
Tim H. Parmley, M.D. Principal Investigator, Project II	25%
Norman H. Dubin, Ph.D., Principal Investigator, Project IV	60%

B. The personnel specified above are considered to be essential to the work being performed hereunder. Prior to making any change in the key personnel, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. The listing of key personnel may, with the consent of the contracting parties, be amended from time to time during the course of the Contract to either add or delete personnel, as appropriate.

C. The Contractor shall consult with A.I.D. if any of the Key Personnel actual levels of effort will substantially differ from the estimated level of effort set forth above.

ARTICLE V - PERIOD OF CONTRACT SERVICES

The effective date of this Contract is September 28, 1979, and the estimated completion date of work, including final report(s), under this Contract is September 27, 1982.

ARTICLE VI - ESTIMATED CONTRACT COST AND FINANCING

The Contractor will be reimbursed for the costs incurred by him in performing services hereunder in accordance with the applicable provisions of the Schedule and the General Provisions, subject to the following limitation made in respect thereto:

- A. Total A.I.D. dollar funds available for payment and allotted to this Contract. See the clause of the General Provisions entitled "Limitation of Funds" and the article of the Schedule entitled "Budget", if applicable. \$ 329,000
  
- B. Estimated additional funds which may be provided, if funds are available. See the clause of the General Provisions entitled "Limitation of Funds" and the article of the Schedule entitled "Budget", if applicable. \$ 697,222
  
- Total Estimated Contract Cost \$ 1,026,222

NOTE: It is estimated that the aforesaid amounts will be sufficient to complete the work required hereunder as set forth in the Schedule article entitled "Statement of Work".

ARTICLE VII - BUDGET

BUDGET

<u>Line Item</u>	<u>Funds Available (Obligated) Fr: 9/28/79 To: 9/27/80</u>	<u>Estimated Additional Cost to Completion Fr: 9/28/80 To: 9/27/82</u>	<u>Total Estimated Cost 9/28/79 9/27/82</u>
1. Salaries	\$123,604	\$265,061	\$ 388,665
2. Fringe Benefits	21,632	47,217	68,849
3. Equipment & Supplies	30,724	23,467	54,191
4. Travel	300	4,100	4,400
5. Consultants	-0-	3,164	3,164
6. Other Direct Costs	<u>47,236</u>	<u>120,079</u>	<u>167,315</u>
Total Direct Costs	\$223,496	\$463,088	\$ 686,584
9. Indirect Costs	<u>105,504</u>	<u>234,134</u>	<u>339,638</u>
	\$329,000	\$697,222	\$1,026,222

The "Funds Available column represents the total funds authorized to be expended by the Contractor during the period indicated (see the Article of the Schedule entitled "Estimated Contract Cost and Financing" and the clause of the General Provisions entitled "Limitation of Funds"). Total contract expenditures shall not exceed the grand total of the funds available. Within the grand total, the Contractor may adjust Line Item amounts as reasonably necessary for the performance of the work.

The Contractor also agrees to furnish data which the Contracting Officer may request on costs expended or accrued under the Contract in support of the budget information provided herein.

ARTICLE VIII - NEGOTIATED OVERHEAD RATES

Establishment of Predetermined Indirect Cost Rates

Pursuant to the provisions of the clause of the General Provisions of this Contract entitled "Negotiated Overhead Rates - Predetermined", a rate or rates shall be established for each of the Contractor's accounting periods during the term of the Contract. The rate for the initial period shall be as set forth below:

	<u>Rate</u>	<u>Base</u>	<u>Period</u>
On Campus (Research) (all projects)	51%	<u>1/</u>	From: 7/1/79 To: Until Amended

Predetermined indirect cost rates for subsequent periods shall be established in accordance with the terms of the "Negotiated Overhead Rates" clause of this Contract.

1/ Total direct cost less items of equipment \$1,000 and over, major subcontracts \$10,000 and over, alterations and renovations \$5,000 and over, and patient care costs. Beginning July 1, 1978, charges for the University operated scientific computer are also excluded from the overhead base.

ARTICLE IX - PERSONNEL COMPENSATION

A. Limitations

Compensation of personnel which is charged as a direct cost under this contract, like other costs, will be reimbursable in accordance with the Schedule Article entitled "Costs Reimbursable to Contractor," and the General Provision entitled "Allowable Cost, Fixed Fee, and Payment," and other applicable provisions of this contract but subject to the following additional specified understandings which set limits on items which otherwise would be reasonable, allocable, and allowable.

1. Approvals

Salaries and wages may not exceed the Contractor's established practice and policy and shall be reimbursed in accordance with Subpart 1-15.3 of the Federal Procurement Regulations.

2. Salaries During Travel

Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route.

3. Return of Overseas Employees

Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most expeditious air route plus accrued vacation leave.

4. Merit or Promotion Increase

Merit or promotion increases may not exceed those provided by the Contractor's established practice or policy and shall be reimbursed in accordance with Subpart 1-15.3 of the Federal Procurement Regulations.

5. Consultants

Consultant services for a maximum number of 20 days will be reimbursed in connection with the services to be provided hereunder. No compensation for consultants will be reimbursed unless their use under the contract has the

advance written approval of the Contracting Officer; and if such provision has been made or approval given, compensation shall not exceed, without specific approval of the rate by the Contracting Officer, (1) the current compensation or the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or (2) maximum daily salary rate of a Foreign Service Officer Class 1, whichever is less.

NOTE: The daily rate of a Foreign Service Office Class 1 is determined by dividing the annual salary by 260 days.

6. Third Country and Cooperating Country Nationals

No compensation for third country or Cooperating Country nationals will be reimbursed unless their use under the contract is authorized in the Schedule or has the prior written approval of the Contracting Officer. Salaries and wages paid to such persons may not, without specific approval of the Contracting Officer, exceed either the Contractor's established policy and practice; or the level of salaries paid to equivalent personnel by the A.I.D. Mission in the Cooperating Country; or the prevailing rates in the Cooperating Country, as determined by A.I.D., paid to personnel of equivalent technical competence.

The compensation, leave and holidays, allowances and differentials, travel and transportation and shipment of effects for third country and cooperating country national employees, if their use is authorized, will be subject to AID's policy as set forth in Manual Order 1423.7.

7. Workweek

a. Nonoverseas Employee. The work week for the Contractor's nonoverseas employees shall not be less than the established practice of the Contractor.

b. Overseas Employee. The work week for the Contractor's overseas employees shall not be less than 37½ hours and shall be scheduled to coincide with the work week for those employees of the A.I.D. Mission and the Cooperating Country associated with the work of this contract.

B. Definitions

As used herein, the terms "Salaries," "Wages," and "Compensation" mean the periodic remuneration received for professional or technical services rendered exclusive of overseas differential or other allowances associated with overseas service, unless otherwise stated. The term "compensation" includes payments for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead or other charges.

ARTICLE X - ADDITIONS TO GENERAL PROVISIONS

The attached General Provision Nos. 42 through 46 are added to the General Provisions - Cost Reimbursement Contract with an Educational Institution, Form AID 1420-23C (7-1-76).

ARTICLE XI - ALTERATIONS IN CONTRACT

The General Provisions of this Contract are modified as set forth in "Alterations in Contract - Attachment to AID 1420-23" attached hereto.

## GENERAL PROVISIONS

### Cost Reimbursement Contract With An Educational Institution

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#### 1. DEFINITIONS (JAN. 1975)

(a) "Administrator" shall mean the Administrator or the Deputy Administrator of the Agency for International Development.

(b) "AID" shall mean the Agency for International Development.

(c) "Campus Coordinator" shall mean the representative of the Contractor at the Contractor's home institution, who shall be responsible for coordinating the activities carried out under the Contract.

(d) "Consultant" shall mean any especially well-qualified person who is engaged on a temporary or intermittent basis and who is not an officer or employee of the Contractor.

(e) "Contracting Officer" shall mean the person executing this Contract on behalf of the United States Government and any other Government employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this Contract, the authorized

representative of a Contracting Officer acting within the limits of his authority.

(f) "Contractor" shall mean the educational institution providing services hereunder.

(g) "Contractor Employee" shall mean an employee of the Contractor assigned to work under this Contract.

(h) "Economy Class" air travel (also known as jet-economy, air-coach, tourist-class, etc.) shall mean a class of air travel which is less than first-class.

(i) "Federal Procurement Regulations (FPR)," when referred to herein, shall include AID Procurement Regulations (AIDPR).

(j) "Government" shall mean the United States Government.

#### 2. APPROVALS (JUNE 1973)

All approvals made under the Contract by the Contracting Officer, or Mission Director, shall be in writing and obtained by the Contractor

in advance of the contemplated action. If, because of existing conditions, it is impossible to obtain prior written approval, the approving official may, at his discretion, ratify the action after the fact.

### 3. BIOGRAPHICAL DATA (JUNE 1973)

The Contractor agrees to furnish to the Contracting Officer the biographical information requested on AID Form 1420-17. "Contractor Employee Biographical Data Sheet," for (1) all Contractor employees to be sent outside the United States, and (2) the Campus Coordinator. Biographical data on other personnel employed under this Contract shall be available for review by AID at the Contractor's home institution.

### 4. PERSONNEL COMPENSATION (JULY 1974)

Direct compensation of personnel will be reimbursable in accordance with the Contractor's established policies, procedures and practices except as otherwise provided in paragraphs (a) through (d) below, and the General Provisions clause entitled "Allowable Cost and Payment." Such Contractor policies, procedures and practices shall be the same as used in contracts and grants with other Government agencies and accepted by the cognizant U.S. Government agency assigned primary audit responsibility for the Contractor, shall be in writing and shall be made available to the Contracting Officer, or his designated representative, upon request.

#### (a) *Compensation.*

(1) Compensation (i.e., the employee's base annual salary plus overseas recruitment incentive, if any) which exceeds the maximum level of the Foreign Service Class I (FSR-1) (or the equivalent daily rate) as set forth in the payment schedule of the Uniform State/AID/USIA Regulations, as from time to time amended, will be reimbursed only with the approval of the Contracting Officer.

(2) The employee's base annual salary under this Contract includes annual or annualized salary plus related professional income, calculated in accordance with the following:

(i) If the employee is already working under a 12 month appointment, this is his annual salary to which related professional income is added.

(ii) If the employee is working under an academic year appointment (e.g., 9 or 10 months), his salary is annualized in accordance with the following:

(I) The policy and practice established by the Contractor for his on-campus employees, as accepted by the cognizant U.S. Government agency assigned primary audit responsibility for the contract, to which is added other related income from professional employment, excluding business or other activities not connected with the employee's profession, which was earned during the preceding academic year; or

(II) The addition to his academic year salary of related professional income earned during the preceding year.

#### (b) *Compensation during travel.*

Compensation paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route except as otherwise provided under the General Provisions clause entitled "Travel Expenses".

#### (c) *Consultants.*

Unless approved by the Contracting Officer or authorized in the Schedule of the contract, no compensation for consultants will be reimbursed.

#### (d) *Work Week.*

The work week for Contractor employees working in the U.S. shall not be less than the established on-campus practice of the Contractor.

### 5. LEAVE AND HOLIDAYS (JUNE 1973)

#### (a) *Vacation Leave.*

(1) The Contractor may grant to his employees working in the United States under this Contract vacations of reasonable duration, but not to exceed the Contractor's on-campus policy and practice for his employees.

(2) Reimbursement to the Contractor for vacation leave is limited to the amount earned by the employee while serving under this Contract.

#### (b) *Sick Leave.*

The Contractor may grant to Contractor employees working in the United States sick leave at a rate not exceeding his usual on-campus practice. However, reimbursement for sick leave taken under this Contract is limited to the amount earned by the employee while serving under this Contract.

#### (c) *Military Leave.*

Military leave of not more than 15 calendar days in any calendar year may be granted in accordance with the Contractor's usual on-campus practice to each regular employee who is a reservist of the Armed Forces, provided that such military leave has been approved in advance by the Mission Director or the Contracting Officer.

#### (d) *Leave Records.*

The Contractor shall maintain current leave records for all Contractor employees and make them available, as requested by the Mission Director or the Contracting Officer.

#### (e) *Holidays.*

While serving in the United States, Contractor employees shall be entitled to holidays in accordance with the Contractor's established on-campus policy and practice.

**6. TRAVEL EXPENSES (JUNE 1973)**

(a) The Contractor shall be reimbursed for actual travel costs and travel allowances for travel in the United States in accordance with the established on-campus practice of the Contractor. Travel costs shall not be reimbursed in any amount greater than the cost of, and time required for, economy class commercial scheduled air travel by the most expeditious route except as otherwise provided in paragraph (b) below, unless economy air travel or economy air travel space are not available and the Contractor supports this in the voucher or other documents retained as part of his contract records.

(b) The Contractor may grant under this Contract reasonable delays en route, not circuitous in nature, while in travel status, caused by events beyond the control of such traveler or Contractor. It is understood that if delay is caused by physical incapacitation, personnel shall be eligible for such sick leave as is provided under paragraph (b) of the clause of this Contract entitled "Leave and Holidays."

**7. ALLOWABLE COST AND PAYMENT (SEPT. 1975)**

(a) For the performance of this Contract, the Government shall pay to the Contractor the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with:

(1) Subpart 1-15.3 of the Federal Procurement Regulations, "Grants and Contracts with Educational Institutions," as in effect on the date of this Contract, and

(2) The terms of this Contract.

(b) Dollar payment:

(1) At least once each quarter the Contractor shall submit to the paying office indicated on the Cover Page, a Voucher Form SF 1034 original and SF 1034a in three copies. Each voucher shall be identified by the appropriate AID Contract number, properly executed, in the amount of dollar expenditures made during the period covered. The voucher forms shall be supported by:

(i) Original and three copies of a certified fiscal report rendered by the Contractor in a form and manner satisfactory to AID substantially as follows:

<i>Total Expenditures</i>			
Category	Budget amount	To date	This period (indicate dates)
<b>Salaries and wages:</b>			
On campus . . . . .	\$xxx	\$xxx	\$xxx
Off campus . . . . .	xxx	xxx	xxx
<b>Indirect costs:</b>			
On campus . . . . .	xxx	xxx	xxx
Off campus . . . . .	xxx	xxx	xxx
Consultant fees . . . . .	xxx	xxx	xxx
Allowances . . . . .	xxx	xxx	xxx
Travel and transportation . .	xxx	xxx	xxx
Equipment and materials . .	xxx	xxx	xxx
Participant costs . . . . .	xxx	xxx	xxx
Other direct costs . . . . .	xxx	xxx	xxx
<b>Grand total . . . . .</b>	<b>\$xxx</b>	<b>\$xxx</b>	<b>\$xxx</b>

(ii) The fiscal report shall include a certification signed by an authorized representative of the Contractor as follows:

"The undersigned hereby certifies: (a) that payment of the sum claimed under the cited Contract is proper and due and that appropriate refund to AID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the Contract, and (b) that information on the fiscal report is correct and such detailed supporting information as AID may reasonably require will be furnished promptly to AID on request at the Contractor's home office or base office, as appropriate.

BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_"

(iii) Unless otherwise provided in the Contract, a vendor's invoice or photostat covering each transaction for procurement of commodities, supplies, or equipment totaling in excess of \$2,500 appropriately detailed as to quantity, description, and price for each individual item of equipment purchased.

(iv) The Bill of Lading or Airway Bill as evidence of shipment by U.S.-flag carrier.

(2) Promptly after receipt of each voucher and statement of dollar cost, the Government shall, except as otherwise provided in this Contract, subject to the provisions of paragraph (d) of this section, make payment thereon as approved by the paying office indicated on the Cover Page.

(3) The final voucher shall be submitted by the Contractor promptly following completion of the work under this contract, but in no event later than 120 days (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion. This voucher, clearly identified as the final voucher, shall be submitted on Form SF-1034 (original) and SF-1034(a) in three copies and supported by:

(i) Original and three copies of a certified fiscal report rendered by the Contractor as in paragraphs (b) (1) (i) and (ii) of this section;

(ii) Vendor's invoices as in paragraph (b) (1) (iii) of this section for commodities, supplies, or equipment in excess of \$2,500 procured since the last voucher submission;

(iii) Bill of lading or airway bill as in paragraph (b) (1) (iv) of this section;

(iv) Refund check for the balance of funds (if any remaining on hand and not obligated by the Contractor).

(c) *Local currency payment.* The Contractor is fully responsible for the proper expenditure and control of local currency, if any, provided under this contract. Local currency will be provided to the Contractor in accordance with written instructions provided by the Mission Director. The written instructions will also include accounting, vouchering, and reporting procedures. A copy of the instructions shall be provided to the Contractor's Chief of Party and to the Contracting Officer. The costs of bonding personnel responsible for local currency are reimbursable under the contract.

(d) Until the expiration of three years after final dollar or local currency payment under this contract, the Contracting Officer may have the vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding vouchers. NOTE: When the clause entitled "Audit" (FPR 1-3.814-2(a)) is included in this contract, this paragraph is self-deleting.

(e) Upon compliance by the Contractor with all the provisions of this Contract, acceptance by the Government of the work and final report, and a satisfactory accounting by the Contractor of all Government-owned property for which the Contractor had custodial responsibility, the Government shall promptly pay to the Contractor any monies (dollars or local currency) due under the final voucher. The Government will make suitable reduction for any disallowance or indebtedness by the Contractor by applying the proceeds of the voucher first to such deductions and next to any unliquidated balance of advance remaining under the Contract.

(f) The Contractor agrees that all approvals of the Mission Director and the Contracting Officer which are required by the provisions of this Contract shall

be preserved and made available as part of the Contractor's records which are required to be preserved and made available by the clauses of this Contract entitled "Examination of Records by Comptroller General" and "Audit."

(g) The Contractor agrees that any dollar or local currency refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this Contract, shall be paid by the Contractor to the Government, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this Contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Officer. Prior to final payment under this Contract, the Contractor and each assignee under this Contract whose assignment is in effect at the time of final payment under this Contract shall execute and deliver an assignment and a release using Forms AID 1420-40 or 1420-44, as appropriate, as required by AIDPR 7-16.851.

#### 8. NEGOTIATED OVERHEAD RATES (SEPT. 1975)

(i) The following provision shall be applicable when post determined rates are used:

(a) Notwithstanding the provisions of the clause of this Contract entitled "Allowable Cost and Payment," the allowable indirect costs under this Contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

(b) The Contract, as soon as possible but not later than 6 months after the close of each of his fiscal years during the term of this Contract, shall submit to the Contracting Officer with copies to the cognizant audit activity, the AID Auditor General, and the AID Overhead and Special Cost Branch, a proposed final overhead rate or rates for the period, together with supporting cost data. Negotiation of final overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of cost and acceptability of cost allocation methods shall be determined in accordance with Subpart 1-15.3 (Grants and Contracts with Educational Institutions) of the Federal Procurement Regulations as in effect on the date of this Contract.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement, executed by both parties. Such agreement is automatically incorporated in this Contract upon execution and shall specify (i) the agreed final rates, (ii) the bases to which the rates apply, (iii) the periods to which the rates apply, and (iv) the items treated as direct costs. The overhead rate agreement shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this Contract.

(e) Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the Contract or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, and to apply either retroactively or prospectively, (1) provisional rates may, at the request of either party, be revised by mutual agreement, and (2) billing rates may be adjusted at any time by the Contracting Officer. Any such revisions of negotiated provisional rates specified in the Contract shall be set forth in a modification to this Contract.

(f) Any failure by parties to agree on any final rate or rates under this clause shall be considered a dispute within the meaning of the "Disputes" clause of this Contract, and shall be disposed of in accordance therewith.

(ii) The following provision is applicable when predetermined rates are used:

(a) Notwithstanding the provisions of the clause of this Contract entitled "Allowable Cost and Payment," the allowable indirect costs under this Contract shall be obtained by applying predetermined overhead rates to bases agreed upon by the parties, as specified below.

(b) The Contractor, as soon as possible but not later than 3 months after the close of each of his fiscal years during the term of this Contract, shall submit to the Contracting Officer with copies to the cognizant audit activity, the AID Auditor General, and the AID Overhead and Special Cost Branch, a proposed predetermined overhead rate or rates based on the Contractor's actual cost experience during that fiscal year, together with supporting cost data. Negotiation of predetermined overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of Subpart 1-15.3 (Grants and Contracts with Educational Institutions) of the Federal Procurement Regulations as in effect on the date of this Contract.

(d) Predetermined rates appropriate for the work under this Contract, in effect on the effective date of this Contract shall be incorporated into the Contract schedule. Rates for subsequent periods shall be negotiated and the results set forth in a written overhead rate agreement executed by both parties. Such agreement shall be automatically incorporated into this Contract upon execution and shall specify (i) the agreed predetermined overhead rates, (ii) the bases to which the rates apply, (iii) the fiscal year unless

the parties agree to a different period for which the rates apply, and (iv) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The overhead rate agreement shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this Contract.

(e) Pending establishment of predetermined overhead rates for any fiscal year or different period agreed to by the parties, the Contractor shall be reimbursed either at the rates fixed for the previous fiscal year or other period or at billing rates acceptable to the Contracting Officer subject to appropriate adjustment when the final rates for that fiscal year or other period are established.

(f) Any failure by the parties to agree on any predetermined overhead rate or rates under this clause shall not be considered a dispute within the meaning of the "Disputes" clause of this Contract. If for any fiscal year or other period specified in the schedule of this Contract the parties fail to agree to a predetermined overhead rate or rates, it is agreed that the allowable indirect costs under this Contract shall be obtained by applying negotiated final overhead rates in accordance with the terms of the "Negotiated Overhead Rates—Postdetermined" clause set forth in § 7-7.5501-9 of the AID Procurement Regulations as in effect on the date of this Contract.

#### **9. LIMITATION OF FUNDS (JUNE 1973)**

(a) It is estimated that the cost to the Government for the performance of this Contract will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this Contract within such estimated cost.

(b) The amount presently available for payment and allotted to this Contract, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this Contract up to the full estimated cost set forth in the Schedule. The Contractor agrees to perform or have performed work on this Contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this Contract approximates but does not exceed the total amount actually allotted to the Contract.

(c) If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this Contract in the next succeeding 60 days, when added to all costs previously incurred, will exceed 75 percent of the total amount then allotted to the Contract, the Contractor shall notify the Contracting Officer

in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty days prior to the end of the period specified in the Schedule the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the Contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this Contract pursuant to the provisions of the "Termination for Convenience of the Government" clause on such date. If the Contractor, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extending beyond such date, it shall specify the later date in its request and the Contracting Officer, in his discretion, may terminate this Contract on that later date.

(d) Except as required by other provisions of this Contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the total amount from time to time allotted to the Contract, and the Contractor shall not be obligated to continue performance under the Contract (including actions under the "Termination for Convenience of the Government" clause) or otherwise to incur costs in excess of the amount allotted to the Contract, unless and until the Contracting Officer has notified the Contractor in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the Contract. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication, or representation in any other form or from any person other than the Contracting Officer shall affect the amount allotted to this Contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted to the Contract, whether those excess costs were incurred during the course of the Contract or as a result of termination. When and to the extent that the amount allotted to the Contract has been increased, any costs incurred by the Contractor in excess of the amount previously allotted shall be allowable to the same extent as if such costs

had been incurred after such increase in the amount allotted; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Change orders issued pursuant to the "Changes" clause, if any, of this Contract shall not be considered an authorization to the Contractor to exceed the amount allotted in the Schedule in the absence of a statement in the change order, or other Contract modification, increasing the amount allotted.

(f) Nothing in this clause shall affect the right of the Government to terminate this Contract. In the event this Contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the Contract based upon the share of cost incurred by each.

#### **10. EXAMINATION OF RECORDS BY COMPTROLLER GENERAL (SEPT 1975)**

(a) This clause is applicable if the amount of this Contract exceeds \$10,000 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this Contract was entered into by means of formal advertising.

(b) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this Contract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this Contract.

(c) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding \$10,000 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(d) The periods of access and examination described in (b) and (c) above, for records which relate to (1) appeals under the "Disputes" clause of this Contract, (2) litigation or the settlement of claims arising out of the performance of this Contract, or (3) costs and expenses of this Contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims, or exceptions have been disposed of.

#### 11. AUDIT (JAN. 1974)

(a) *General.* The Contracting Officer or his representatives shall have the audit and inspection rights described in the applicable paragraphs (b), (c) and (d) below.

(b) *Examination of costs.* If this is a cost-reimbursement type, incentive, time and materials, labor hour, or price redeterminable contract, or any combination thereof, the Contractor shall maintain, and the Contracting Officer or his representatives shall have the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. Such right of examination shall include inspection at all reasonable times of the Contractor's plants, or such parts thereof, as may be engaged in the performance of this contract.

(c) *Cost or pricing data.* If the Contractor submitted cost or pricing data in connection with the pricing of this contract or any change or modification thereto, unless such pricing was based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, the Contracting Officer or his representatives who are employees of the United States Government shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing or performance of such contract, change or modification, for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted. Additionally, in the case of pricing any change or modification exceeding \$100,000 to formally advertised contracts, the Comptroller General of the United States or his representatives who are employees of the United States Government shall have such rights. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(d) *Availability.* The materials described in (b) and (c) above, shall be made available at the office of the Contractor, at all reasonable times, for inspection, audit or reproduction, until the expiration of 3 years from the date of final payment under this Contract or

such lesser time specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20) and for such longer period, if any, as is required by applicable statute, or by other clauses of this Contract, or by (1) and (2) below:

(1) If this Contract is completely or partially terminated, the records relating to the work terminated shall be made available for a period of 3 years from the date of any resulting final settlement.

(2) Records which relate to appeals under the "Disputes" clause of this Contract, or litigation or the settlement of claims arising out of the performance of this Contract, shall be made available until such appeals, litigation, or claims have been disposed of.

(e) The Contractor shall insert a clause containing all the provisions of this clause, including this paragraph (e), in all subcontracts hereunder except altered as necessary for proper identification of the contracting parties and the Contracting Officer under the Government prime contract.

#### 12. REPORTS (NOV. 1973)

(a) Unless otherwise provided in the Schedule of this Contract, the Contractor shall prepare and submit to the Contracting Officer three (3) copies, and the Mission four (4) copies, of a semi-annual report, within 45 days following the end of the period being covered, which shall include the following:

(1) A substantive report covering the status of the work under the Contract, indicating progress made with respect thereto, setting forth plans for the ensuing period, including recommendations covering the current needs in the fields of activity covered under the terms of this Contract.

(2) An administrative report covering expenditures, foreign country national trainees, and personnel employed under the Contract.

(b) Contractor shall prepare and submit to the Contracting Officer such other reports as may be specified in the Schedule.

(c) Unless otherwise provided in the Schedule of this Contract, at the conclusion of the work hereunder, the Contractor shall prepare and submit to the Contracting Officer three (3) copies, and to the Mission four (4) copies, of a final report which summarizes the accomplishments of the assignment, methods of work used and recommendations regarding unfinished work and/or program continuation. The final report shall be submitted within 60 days after completion of the work hereunder unless required date of submission is extended by the Contracting Officer.

(d) Contractor shall submit two copies of each report required by paragraphs (a)(1), (b), and (c) above, or any other report of a technical nature required by the Schedule to the AID Reference Center, Agency for International Development,

Washington, D.C. 20523. The title page of all reports forwarded to the AID Reference Center pursuant to this paragraph (d) shall include the contract number, project number and project title as set forth in the schedule of this contract.

(e) In preparing reports the Contractor shall refrain from using elaborate art work, multicolor printing and expensive paper and binding, unless it is specifically authorized in the Schedule. Wherever possible, pages should be printed on both sides using single spaced type.

### **13. RESEARCH ACTIVITIES AND THE USE OF GRADUATE STUDENTS (JUNE 1973)**

To the extent authorized in the Operational Plan (Appendix A), research activities pertinent to the program shall be reimbursed hereunder. Graduate students may be retained by the Contractor to assist in such research.

### **14. TRAINING OF FOREIGN COUNTRY NATIONALS (SEPT. 1975)**

(a) To the extent Foreign Country National Training is authorized in the Operational Plan (Appendix A), the Contractor shall be reimbursed for the following reasonable and allocable costs incurred in providing training and observation to participants in the United States or other approved location:

(1) Customary tuition and fees of the institution in which the training takes place, as published in catalogs and announcements.

(2) Typing of papers and allowances for required textbooks, the titles of which will be approved by the Contractor.

(3) Travel within the United States or other countries (other than the country of the participant), as approved by the Contractor, including the cost of travel from port of entry into the United States to Contractor's campus and from the Contractor's campus to port of embarkation from the United States.

(4) Subsistence while in the United States or in third countries not to exceed maximum AID rates established in the applicable AID hand books, furnished to the Contractor, as from time to time amended.

(5) Other direct costs authorized in the Operational Plan or otherwise determined by the Contracting Officer to be allowable in accordance with the General Provisions clause of this Contract entitled "Allowable Cost and Payment".

(b)(1) No charge for international transportation or for health and accident insurance for participants while in the United States will be made against this Contract unless otherwise spec-

ified in the Schedule or approved in writing by the Contracting Officer.

(2) The Contractor shall prepare and submit to the AID Office of International Training (SER/IT), three (3) copies of form AID 1380-9, "Monthly Report of Participants under Contract" on the last day of each month. On the basis of report, SER/IT will provide coverage and pay premiums under the AID Health and Accident Insurance Program.

(c) For participants assigned to the Contractor for whom specially designed courses not otherwise covered in paragraph (a)(1) above are authorized, the Contractor shall be paid the following in lieu of that authorized in paragraph (a)(1) above:

(1) For not exceeding 20 instructional days (days on which such courses are scheduled to meet):

(a) One participant: \$65. for the first day and \$25. for each additional day.

(b) More than one participant: for first day \$65. for first participant and \$15. for each additional participant. For each additional day—\$15. for each participant.

(2) For more than 20 instructional days: the Contractor shall submit a proposal including supporting cost and pricing data to the Contracting Officer for approval.

(d) The Contractor shall prepare and submit to the Office of International Training a nonobligating Project Implementation Order/Participant, form AID 1380-1, and Participant Biographical Data, form AID 1380-2, on all participants trained under this Contract, either in the United States or third country.

### **15. SOURCE REQUIREMENTS OF PROCUREMENT OF EQUIPMENT, VEHICLES, MATERIALS, SUPPLIES, AND SERVICES (SEPT. 1974)**

(a) Except as may be specifically approved or directed in advance by the Contracting Officer, or as exempted in paragraph (d) below, the source of any procurement financed under this Contract shall be the United States and it shall have been mined, grown, or through manufacturing, processing, or assembly, produced in the United States. The term "source" means the country from which a commodity is shipped to the cooperating country or the cooperating country if the commodity is located therein at the time of purchase. If, however, a commodity is shipped from a free port or bonded warehouse in the form in which it is received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. In addition to the foregoing rule, a

produced commodity will not be eligible for financing under this Contract if:

(1) It contains any component from countries other than free-world countries as described in AID Geographic Code 935; or

(2) It contains components which were imported into the country of production from such free-world countries other than authorized source countries; and

(i) Such components were acquired by the producer in the form in which they were imported; and

(ii) The total cost of such components (delivered at the point of production) amounts to more than 50 percent, or such other percentage as AID may prescribe, of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by AID).

(b) If (i) the effective use of printed or audio-visual teaching materials depends upon their being in the local language, and (ii) such materials are intended for technical assistance projects or activities financed by AID, in whole or in part, and (iii) other funds, including U.S.-owned or -controlled local currencies, are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference. Countries selected from Geographic Code (see AIDPR 7-6.5201-1):

(1) 000, United States, including the AID Regional Technical Aid Centers.

(2) - Cooperating Country, identified, when applicable, by specific reference to the name and corresponding AID geographic code.

(3) 901 Limited Free World.

(4) 899 Free World.

(c) The Contractor shall purchase all English-language books from the current AID contractor providing purchasing services of such material at discount prices; provided, however, that the Contractor may purchase books from other sources if the terms, price, delivery, and other factors considered, are as good as, or better than, those offered by the current AID contractor. The procedures to be followed, the name and address of the contractor, and pertinent provisions of the contract are set forth in AID Manual Order 1425.3

(d) Procurements in the cooperating country which are less than \$2,500.00, and are for materials (regularly available and normally sold on the local market) which are to be consumed or expended in the performance of this contract, are exempt from the conditions set forth above other than paragraph (a)(1). Such materials in-

clude, but are not limited to, raw and processed materials, parts, components, assemblies, small tools, and supplies.

## 16. SUBCONTRACTS (APRIL 1975)

(a) The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract which (1) is cost-reimbursement type, time and materials, or labor-hour, or (2) is fixed-price type and exceeds in dollar amount either \$25,000 or 5 percent of the total estimated cost of this contract, or (3) provides for the fabrication, purchase, rental, installation, or other acquisition of special test equipment having a value in excess of \$1,000 or of any items of industrial facilities, or (4) has experimental, developmental, or research work as one of its purposes.

(b) In the case of a proposed subcontract which is (1) cost-reimbursement type, time and materials, or labor-hour which would involve an estimated amount in excess of \$10,000 including any fee, (2) is proposed to exceed \$100,000, or (3) is one of a number of subcontracts under this contract with a single subcontractor for the same or related supplies or services which, in the aggregate are expected to exceed \$100,000, the advance notification required by (a), above, shall include:

(1) A description of the supplies or services to be called for by the subcontract;

(2) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the degree of competition obtained;

(3) The proposed subcontract price, together with the Contractor's cost or price analysis thereof;

(4) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data when such data and certificate are required by other provisions of this contract to be obtained from the subcontractor;

(5) Identification of the type of subcontract to be used;

(6) A memorandum of negotiation which sets forth the principal elements of the subcontract price negotiations. A copy of this memorandum shall be retained in the Contractor's file for the use of Government reviewing authorities. The memorandum shall be in sufficient detail to reflect the most significant considerations controlling the establishment of initial or revised prices. The memorandum should include an explanation of why cost or pricing data was, or was not required, and, if it was not required in the case of any price negotiation in excess of \$100,000, a statement of the basis for determining that the price resulted from or was based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. If cost or pricing data was submitted and a certificate of cost or pricing data was required, the

memorandum shall reflect the extent to which reliance was not placed upon the factual cost or pricing data submitted and the extent to which this data was not used by the Contractor in determining the total price objective and in negotiating the final price. The memorandum shall also reflect the extent to which it was recognized in the negotiation that any cost or pricing data submitted by the subcontractor was not accurate, complete, or current; the action taken by the Contractor and the subcontractor as a result; and the effect, if any, of such defective data on the total price negotiated. Where the total price negotiated differs significantly from the Contractor's total price objective, the memorandum shall explain this difference;

(7) When incentives are used, the memorandum of negotiation shall contain an explanation of the incentive fee/profit plan identifying each critical performance element, management decisions used to quantify each incentive element, reasons for incentives on particular performance characteristics, and a brief summary of trade-off possibilities considered as to cost, performance, and time; and

(8) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract to be obtained from the subcontractor.

(c) The Contractor shall obtain the written consent of the Contracting Officer prior to placing any subcontract for which advance notification is required under (a) above. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph (c).

(d) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the allowability of any cost under this contract, unless such approval specifically provides that it constitutes a determination of the allowability of such cost

(f) The Contractor shall give the Contracting Officer immediate notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any subcontractor or vendor which in the opinion of the Contractor, may result in litigation, related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(g) Notwithstanding (c) above, the Contractor may enter into subcontracts within (i) or (ii) of (a) above, without the consent of the Contracting Officer, if the Contracting Officer has approved in writing the Contractor's procurement system and the subcontract is within the scope of such approval. (This subparagraph (g) however, shall not be applica-

ble to those subcontracts subject to subparagraph (j) below, if any.)

(h) To facilitate small business participation in subcontracting under this contract, the Contractor agrees to provide progress payments on the fixed-price types of subcontracts of those subcontractors which are small business concerns, in conformity with the standards for customary progress payments stated in the Federal Procurement Regulations, Subpart 1-30.5, as in effect on the date of this contract. The Contractor further agrees that the need for such progress payments will not be considered as a handicap or adverse factor in the award of subcontracts.

## **17. GOVERNMENT PROPERTY (Cost-Reimbursement-Nonprofit) (SEPT. 1974)**

### **(a) Government-Furnished Property**

The Government shall deliver to the Contractor, for use in connection with and under the terms of this Contract, the property described as Government-furnished property in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this Contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor and shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provisions affected by any such delay, in accordance with the procedures provided for in the clause of this Contract entitled "Changes". In the event that Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property at the Government's expense or otherwise dispose of the property or (ii) effect repairs or modifications. Upon completion of (i) or (ii) above, the Contracting Officer, upon written request of the Contractor, shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contrac-

tual provision affected by the return or disposition, or the repair or modification in accordance with the procedures provided for in the clause of this Contract entitled "Changes". The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

*(b) Changes in Government-Furnished Property.*

(1) By notice in writing, the Contracting Officer may (i) decrease the property provided by the Government under this Contract, or (ii) substitute other Government-owned property for property to be provided by the Government, or to be acquired by the Contractor for the Government, under this Contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to paragraph (1) above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this Contract, the Contracting Officer, upon the written request of the Contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be effected by the decrease, substitution, or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this Contract.

*(c) Title.*

Title to all property furnished by the Government shall remain in the Government. In order to define the obligations of the parties under this clause, title to each item acquired by the Contractor pursuant to this Contract shall pass to and vest in the Government upon purchase. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the U.S. Government under this paragraph, is subject to the provisions of this clause and is hereinafter collectively referred to as "Government property". Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.

*(d) Use of Government Property.*

The Government property shall, unless otherwise provided herein or approved by the

Contracting Officer, be used only for the performance of this Contract.

*(e) Maintenance and Repair of Government Property.*

The Contractor shall maintain and administer, in accordance with sound business practice, a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this Contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of the Government property.

The Contractor shall submit, for the review and written approval of the Contracting Officer, a records system for property control and a program for orderly maintenance of Government property.

(1) Property Control — The property control system shall include but not be limited to the following:

(i) Identification of each item of Government property acquired or furnished under the Contract, by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government".

(ii) The price of each item of property acquired or furnished under the Contract.

(iii) The location of each item of property acquired or furnished under the Contract.

(iv) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the Contract.

(vi) Date of order and receipt of any item acquired or furnished under the Contract.

The official property control records shall be kept in such condition that at any stage of completion of the work under this Contract, the status of property acquired or furnished under this Contract may be readily ascertained. A report of current status of all items of property acquired or furnished under the Contract shall be submitted yearly, concurrently with the annual report.

(2) Maintenance Program—The Contractor's maintenance program shall be such as to provide for, consistent with sound industrial practice and the terms of the Contract: (i) disclosure of need for and the performance of preventive maintenance, (ii) disclosure and reporting of need for capital type rehabilitation, and (iii) recording of work accomplished under the program.

(A) Preventive Maintenance — Preventive maintenance is maintenance generally

performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) **Records of Maintenance**—The Contractor's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

A report of status of maintenance of Government property shall be submitted annually, concurrently with the annual report.

(f) *Risk of Loss.*

(1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant, laboratory, or separate location in which this Contract is being performed;

(ii) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in (i) above, (A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (e) above or (B) to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under (e) above;

(iii) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(iv) Which results from a risk expressly required to be insured under some other provision of this Contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement; provided that, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of, or damage to, the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this Contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(i) the lost, destroyed, and damaged Government property;

(ii) the time and origin of the loss, destruction, or damage;

(iii) all known interests in commingled property of which the Government property is a part; and

(iv) the insurance, if any, covering any part of or interest in such commingled property. The Contractor shall make repairs and renovation of the damaged Government property or take such other action as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate, or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the Contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(g) *Access.*

The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(h) *Disposition of Government Property.*

Upon completion or expiration of this Contract, any Government property which has not been consumed in the performance of this Con-

tract, or which has not been disposed of as provided for elsewhere in this clause, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in the clause of this Contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. Pending final disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation thereof.

(i) *Communications.*

All communications issued pursuant to this clause shall be in writing.

**18. MATERIAL CHANGE IN CONDITIONS  
(JUNE 1973)**

If the Contractor advises the Contracting Officer of a material change in the conditions which substantially interferes with or impedes the performance of the Contract in accordance with its terms or with sound professional standards, the parties will mutually consider appropriate action to be taken, which might include, but is not limited to, modification of the Contract or its termination in whole or part pursuant to the General Provisions clause of the Contract entitled "Termination for Convenience of the Government". Failure of the parties to agree on the existence of such circumstances and consequent refusal of the Government to terminate after receipt of a specific written request to do so will be a dispute concerning a question of fact within the meaning of the General Provision clause of the Contract entitled "Disputes".

**19. DISPUTES (DEC. 1970)**

(a) Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. The decision of the Administrator or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under

this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of dispute hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided that nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

**20. TERMINATION FOR CONVENIENCE OF  
THE GOVERNMENT (NOV. 1973)**

(a) The performance of work under this Contract may be terminated, in whole or from time to time in part, by the Government whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of the Government. Termination of work hereunder shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the Contract is terminated and the date upon which such termination becomes effective.

(b) After receipt of the Notice of Termination, the Contractor shall cancel his outstanding commitments hereunder covering the procurement of materials, supplies, equipment, and miscellaneous items. In addition, the Contractor shall exercise all reasonable diligence to accomplish the cancellation or diversion of his outstanding commitments covering personal services and extending beyond the date of such termination to the extent that they relate to the performance of any work terminated by the notice. With respect to such canceled commitments the Contractor agrees to (1) settle all outstanding liabilities and all claims arising out of such cancellation of commitments, with the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final for all purposes of this clause, and (2) assign to the Government, in the manner, at the time, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(c) The Contractor shall submit his termination claim to the Contracting Officer promptly after receipt of a Notice of Termination, but in no event later than 1 year from the effective date thereof, unless one or more extensions in

writing are granted by the Contracting Officer upon written request of the Contractor within such 1-year period or authorized extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this Contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

(d) Any determination of costs under paragraph (c) shall be governed by the contract cost principles and procedures in Subpart 1-15.3 of the Federal Procurement Regulations (41 CFR 1-15.3) in effect on the date of this Contract, except that, if the Contractor is not an educational institution, any costs claimed, agreed to, or determined pursuant to paragraphs (c) or (e) hereof shall be in accordance with Subpart 1-15.2 of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this Contract.

(e) Subject to the provisions of paragraph (c) above, and subject to any review required by the contracting agency's procedures in effect as of the date of execution of this Contract, the Contractor and the Contracting Officer may agree upon the whole, or any part of, the amount or amounts to be paid to the Contractor by reason of the termination under this clause, which amount or amounts may include any reasonable cancellation charges thereby incurred by the Contractor and any reasonable loss upon outstanding commitments for personal services which he is unable to cancel: *Provided, however*, That in connection with any outstanding commitments for personal services which the Contractor is unable to cancel, the Contractor shall have exercised reasonable diligence to divert such commitments to his other activities and operations. Any such agreement shall be embodied in an amendment to this Contract and the Contractor shall be paid the agreed amount.

(f) The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments against costs incurred by the Contractor in connection with the terminated portion of this Contract, whenever, in the opinion of the Contracting Officer, the aggregate of such payments is within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed or determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand: *Provided*, That if such excess is not so paid upon demand, interest thereon shall be pay-

able by the Contractor to the Government at the rate of 6 percent per annum, beginning 30 days from the date of such demand.

(g) The Contractor agrees to transfer title to the Government and deliver in the manner, at the times, and to the extent, if any, directed by the Contracting Officer, such information and items which, if the contract had been completed, would have been required to be furnished to the Government, including:

(1) Completed or partially completed plans, drawings, and information; and

(2) Materials or equipment produced or in process or acquired in connection with the performance of the work terminated by the notice. Other than the above, any termination inventory resulting from the termination of the Contract may, with the written approval of the Contracting Officer, be sold or acquired by the Contractor under the conditions prescribed by and at a price or prices approved by the Contracting Officer. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this Contract or shall otherwise be credited to the price or cost of work covered by this Contract or paid in such other manner as the Contracting Officer may direct. Pending final disposition of property arising from the termination, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the Government or may acquire an interest.

(h) Any disputes as to questions of fact which may arise hereunder shall be subject to the "Disputes" clause of this Contract.

(i) With regard to paragraph (e) above, in the event that this contract is terminated by AID or in the event that an employee's services are terminated by the Contractor at the request of AID for reasons other than misconduct, Contractor will be reimbursed for salary payments (excluding overseas incentive, differential and allowances, if any) to employees to the extent such payments are reasonable and to the extent Contractor is liable to make such payments under its agreements with such employees, subject to the following:

(1) The employee is not otherwise gainfully employed or, if gainfully employed, but at a lesser compensation, payments will be made to equalize the difference between such lesser compensation and the employee's salary (excluding overseas incentive, differential and allowances, if any); and

(2) Such payments shall not extend beyond the date the employee's contract would have expired, or 1 year from the date of the employee's termination, or the date on which this contract

would have expired but for termination, whichever is earlier.

(3) Contractor agrees to exert its best efforts to minimize costs under this provision, including the expeditious return of its employees to their points of origin in order to facilitate the employee in locating gainful employment.

## **21. RIGHTS IN DATA AND PUBLICATION (JUNE 1973)**

### **(a) *Rights in Data.***

(1) The term "Data" as used herein includes writings, software, electronic or punch-card-stored data, models, sound recordings, pictorial reproductions, drawings, or other graphic representations, and works of any similar nature (whether or not copyrighted) which are developed or created in the course of the performance of this Contract, or from materials or information acquired as a result of this Contractor's activities hereunder. The term "Data" does not include financial reports, cost analyses, and other information incidental to contract administration. The term "software" means any computer programs with supporting documentation and specifications necessary to produce desired outputs. The term excludes programs supplied by the hardware manufacturer. The term "model" in this context means formal, analytic structures which describe certain interrelated aspects of economic, social, or political behavior. The complete model shall include supporting information and equations which describe and explain basic structure and assumptions.

"Subject Data" is Data which is specified to be delivered under this Contract.

(2) For copyright purposes, all Subject Data shall be the property of the Government. The Contractor agrees not to assert any rights at common law or equity in Subject Data, nor to establish any claim to statutory copyright therein.

(3) The Contractor shall be responsible for assuring that no copyrighted matter is included in Data furnished hereunder without the written permission of the copyright owner for the Government to use such copyrighted matter in the manner described in (4) below.

(4) The Contractor agrees to grant and does hereby grant to the Government and its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive, and irrevocable license throughout the world to publish, translate, reproduce, deliver, perform, use, and dispose of, and to authorize others to do so, all Data, whether or not now or hereafter covered by copyright.

(5) Nothing contained in this clause shall imply a license to the Government under any pa-

tent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

(6) Paragraphs (3) and (4) above are not applicable to material furnished to the Contractor by the Government and incorporated into Data produced under the Contract, provided such incorporated material is identified by the Contractor at the time the Data is furnished to the Government.

### **(b) *Publication of Data.***

(1) AID's policy with respect to publication, or release to parties other than those specifically authorized, of material gathered or developed under contracts with educational institutions is set forth in the Statement of Policy published in the *Federal Register* of May 14, 1973 (38 F.R. 12621), as revised. That policy is applicable to this Contract.

(2) Unless otherwise provided in the Schedule, and subject to AID's prepublication review as hereinafter set forth, no permission or authorization from AID will be required prior to publication, release, or reproduction of any Data.

(3) No one employed under this Contract will have access to classified material for performance of work under this Contract; however, if, in its prepublication review, AID should discover that any classified material has inadvertently been included in a contract manuscript, it will notify the contractor, who agrees that the identified material will not be published unless he can demonstrate that the material is available from unclassified sources.

### **(c) *Prepublication Review.***

The Contractor agrees to allow AID the opportunity to review any Data intended for publication and provide comments thereon, and agrees to give serious consideration to such comments prior to publication. The Contractor shall deliver to AID a notice of intent to publish together with a copy of the proposed publication not later than the date of its submission to the publisher. AID reserves the right to disclaim endorsement of the opinions expressed in the proposed publication of Subject Data, and to dissociate itself from sponsorship or publication of any other Data. In the event AID exercises its right to disclaim or dissociate as aforesaid, the Contractor shall be so notified in writing by the Contracting Officer; such notice shall contain an appropriate statement of disclaimer or dissociation which shall be inserted in the publication.

### **(d) *Acknowledgements.***

All publications shall acknowledge the contributions of the parties hereto, unless such

acknowledgment is not desired by the contributing parties.

(e) *Copies.*

In case of publication of any of the Data described hereinabove, a copy of such publication shall be supplied to the Contracting Officer at no cost to the Government.

(f) *Personnel Commitments.*

The Contractor shall secure from all personnel engaged in the performance of this Contract commitments adequate to assure that the Contractor will be able to discharge its obligations under this "Rights in Data and Publication" clause.

**22. AUTHORIZATION AND CONSENT  
(DEC. 1970)**

The Government hereby gives its authorization and consent for all use and manufacture of any invention described in and covered by a patent of the United States in the performance of this Contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontractor).

**23. NOTICE AND ASSISTANCE REGARDING  
PATENT AND COPYRIGHT INFRINGEMENT  
(JUNE 1974)**

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Contract of which the Contractor has knowledge.

(b) In the event of any claim or suit against the Government, on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government.

(c) This clause shall be included in all subcontracts.

**24. INSURANCE—LIABILITY TO THIRD PERSONS  
(JUNE 1973)**

(a) The Contractor shall procure and thereafter maintain workmen's compensation, employer's liability, comprehensive general liability (bodily injury), and comprehensive automobile liability (bodily injury and property damage)

insurance, with respect to performance under this Contract, and such other insurance as the Contracting Officer may from time to time require with respect to performance under this Contract; provided, that the Contractor may, with the approval of the Contracting Officer, maintain a self-insurance program; and provided further, that with respect to workmen's compensation the Contractor is qualified pursuant to appropriate statutory authority. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amounts, and for such periods of time, as the Contracting Officer may from time to time require or approve, and with insurers approved by the Contracting Officer.

(b) The contractor agrees, to the extent and in the manner required by the Contracting Officer, to submit for the approval of the Contracting Officer, any other insurance maintained by the Contractor in connection with the performance of this Contract and for which the Contractor seeks reimbursement hereunder.

(c) The Contractor shall be reimbursed:

(1) For the portion allocable to this Contract of the reasonable cost of insurance as required or approved pursuant to the provisions of this clause, and

(2) Without regard to and as an exception to the "Limitation of Costs" or the "Limitation of Funds" clause of the Contract, for liabilities to third persons for loss of or damage to property (other than property: (i) owned, occupied, or used by the Contractor or rented to the Contractor, or (ii) in the care, custody, or control of the Contractor), or for death or bodily injury, not compensated by insurance or otherwise, arising out of the performance of this Contract, whether or not caused by the negligence of the Contractor, his agents, servants, or employees, provided such liabilities are represented by final judgments or settlements approved in writing by the Government, and expenses incidental to such liabilities, except liabilities (I) for which the contractor is otherwise responsible under the express terms of the clause or clauses, if any, specified in the Schedule, or (II) with respect to which the Contractor has failed to insure as required or maintain insurance as approved by the Contracting Officer, or (III) which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who have supervision or direction of (A) all or substantially all of the Contractor's business, or (B) all or substantially all of the Contractor's operation at any one campus or separate location in which this Contract is being performed, or

(C) a separate and complete institutional operation in connection with the performance of this Contract. The foregoing shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this Contract, other than insurance required to be submitted for approval or required to be procured and maintained pursuant to the provisions of this clause, provided such cost would constitute allowable cost under the clause of this Contract entitled "Allowable Cost and Payment".

(d) The Contractor shall give the Government or its representatives immediate notice of any suit or action filed, or prompt notice of any claim made, against the Contractor arising out of the performance of this Contract, the cost and expense of which may be reimbursable to the Contractor under the provisions of this Contract and the risk of which is then uninsured or in which the amount claimed exceeds the amount of coverage. The Contractor shall furnish immediately to the Government copies of all pertinent papers received by the Contractor. If the amount of the liability claimed exceeds the amount of coverage, the Contractor shall authorize representatives of the Government to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. If the liability is not insured or covered by bond, the Contractor shall, if required by the Government, authorize representatives of the Government to settle or defend any such claim and to represent the Contractor in or take charge of any litigation in connection therewith; provided, however, that the Contractor may, at his own expense, be associated with the representatives of the Government in the settlement or defense of any such claim or litigation.

#### **25. ASSIGNMENT OF CLAIMS (JUNE 1973)**

Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this Contract provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Contractor from the Government under this Contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all dollar amounts payable under this Contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

#### **26. INSPECTION (JUNE 1973)**

In order to assure continuous and cooperative planning and operations hereunder, Contractor shall encourage and permit AID or its authorized representatives, at all reasonable times, upon advance notice to visit the Contractor's facilities and to inspect the facilities, activities, and work pertinent to the Contract, either in the United States or abroad, and to interview personnel engaged in the performance of the Contract to the extent deemed necessary by AID.

#### **27. EQUAL OPPORTUNITY (JULY 1968)**

(The following clause is applicable unless this Contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this Contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this equal opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this equal opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the equal opportunity clause of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

## **28. UTILIZATION OF SMALL BUSINESS CONCERNS (NOV. 1973)**

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this Contract.

(c) To permit AID in accordance with the Small Business Provisions of the Foreign Assistance Act, to give United States Small Business

firms an opportunity to participate in supplying equipment, supplies, and services financed under this Contract, Contractor shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D.C. 20523, at least 45 days prior to placing any order in excess of \$5,000, except where a shorter time is requested of, and granted by, the Small Business Office:

(1) Brief general description and quantity of commodities or services;

(2) Closing date for receiving quotations or bids;

(3) Address where invitations or specifications may be obtained.

## **29. UTILIZATION OF LABOR SURPLUS AREA CONCERNS (SEPT 1975)**

(The following clause is applicable if this Contract exceeds \$10,000.)

(a) It is the policy of the Government to award contracts to labor surplus area concerns that (1) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas or (ii) in other areas of the United States, respectively, or (2) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the Contract and at prices no higher than are obtainable elsewhere. The Contractor agrees to use his best efforts to place his subcontracts in accordance with this policy.

(b) In complying with paragraph (a) of this clause and with paragraph (b) of the clause of this Contract entitled "Utilization of Small Business Concerns" the Contractor in placing his subcontracts shall observe the following order of preference: (1) Certified-eligible concerns with a first preference which are also small business concerns; (2) other certified-eligible concerns with a first preference; (3) certified-eligible concerns with a second preference which are also small business concerns; (4) other certified-eligible concerns with a second preference; (5) persistent or substantial labor surplus area concerns which are also small business concerns; (6) other persistent or substantial labor surplus area concerns; and (7) small business concerns which are not labor surplus area concerns.

**30. CONVICT LABOR (JUNE 1974)**

In connection with the performance of work under this Contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c)(2)) and Executive Order 11755, December 29, 1973.

**31. OFFICIALS NOT TO BENEFIT (JULY 1974)**

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit.

**32. COVENANT AGAINST CONTINGENT FEES (APRIL 1966)**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

**33. LANGUAGE, WEIGHTS, AND MEASURES (DEC. 1971)**

The English language shall be used in all written communications between the parties under this Contract with respect to services to be rendered and with respect to all documents prepared by the Contractor except as otherwise provided in the contract or as authorized by the Contracting Officer. Wherever weights and measures are required or authorized, all quantities and measures shall be made, computed, and recorded in the metric system, unless specified otherwise in the Schedule of the Contract.

**34. UTILIZATION OF MINORITY BUSINESS ENTERPRISES (AUG. 1971)**

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this Contract. As used in this Contract, the term "minority business enterprise" means a business, at least 50

percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

**35. LISTING OF EMPLOYMENT OPENINGS (SEPT. 1975)**

(This clause is applicable pursuant to 41 CFR 50-250 if this Contract is for \$10,000 or more.)

(a) The Contractor agrees, in order to provide special emphasis to the employment of qualified disabled veterans and veterans of the Vietnam era, that all suitable employment openings of the Contractor which exist at the time of the execution of this Contract and those which occur during the performance of this Contract, including those not generated by this Contract and including those occurring at an establishment other than the one wherein the Contract is being performed but excluding those of independently operated corporate affiliates, shall be offered for listing at an appropriate local office of the State employment service system wherein the opening occurs and to provide such reports to such local office regarding employment openings and hires as may be required: *Provided*, That if this contract is with a State or local government the reports set forth in paragraphs (c) and (d) are not required.

(b) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment service or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. This listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in any statutes, executive orders, or regulations regarding nondiscrimination in employment.

(c) The reports required by paragraph (a) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the Contractor has more than one establishment in a State, with the central office of the State employment service. Such reports shall indicate for each

establishment (i) the number of individuals who were hired during the reporting period, (ii) the number of those hired who were disabled veterans, and (iii) the number of those hired who were nondisabled veterans of the Vietnam era. The Contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made under this Contract. The Contractor shall maintain copies of the reports submitted until the expiration of 1 year after final payment under the Contract, during which time they shall be made available, upon request, for examination by any authorized representatives of the Contracting Officer or of the Secretary of Labor.

(d) Whenever the Contractor becomes contractually bound by the listing provisions of this clause, he shall advise the employment service system in each State wherein he has establishments of the name and location of each such establishment in the State. As long as the Contractor is contractually bound to these provisions and has so advised the State employment system, there is no need to advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this Contract clause.

(e) This clause does not apply to the listing of employment openings which occur and are filed outside of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(f) This clause does not apply to openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(g) As used in this clause:

(1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and nonproduction; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings which are compensated on a salary basis of less than \$18,000 per year. The term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement.

(2) "Appropriate office of the State employment service system" means the local office

of the Federal-State national system of public employment offices with assigned responsibility for serving the area of the establishment where the employment opening is to be filled, including the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) "Openings which the Contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the Contractor's own organization (including any affiliates, subsidiaries, and parent companies), and includes any openings which the Contractor proposes to fill from regularly established "recall" or "rehire" lists.

(4) "Openings which the Contractor proposes \* \* \* to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings for which no consideration will be given to persons outside of a special hiring arrangement, including openings which the Contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the Contractor and representatives of his employees.

(5) "Disabled veteran" means a person entitled to disability compensation under laws administered by the Veterans Administration for a disability rated at 30 percentum or more, or a person whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

(6) "Veteran of the Vietnam era" means a person (A) who (i) served on active duty with the Armed Forces for a period of more than 180 days, any part of which occurred after August 5, 1964, and was discharged or released therefrom with other than a dishonorable discharge, or (ii) was discharged or released from active duty for service-connected disability if any part of such duty was performed after August 5, 1964, and (B) who was so discharged or released within the 48 months preceding his application for employment covered by this clause.

(h) If any disabled veteran or veteran of the Vietnam era believes that the Contractor (or any first-tier subcontractor) has failed or refuses to comply with the provisions of this Contract clause relating to giving special emphasis in employment to veterans, such veteran may file a complaint with the veterans' employment representative at a local State employment service office who will attempt to informally resolve the complaint and then refer the complaint with a report on the attempt to resolve the matter to the State office of the Veterans' Employment Ser-

vice of the Department of Labor. Such complaint shall then be promptly referred through the Regional Manpower Administrator to the Secretary of Labor who shall investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of this Contract and the laws and regulations applicable thereto.

(i) The Contractor agrees to place this clause (excluding this paragraph (i)) in any subcontract directly under this Contract.

### **36. PAYMENT OF INTEREST ON CONTRACTORS' CLAIMS (NOV. 1974)**

(a) If an appeal is filed by the Contractor from a final decision of the Contracting Officer under the Disputes clause of this Contract, denying a claim arising under the Contract, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the Contractor. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97, from the date the Contractor furnished to the Contracting Officer his written appeal under the Disputes clause of this Contract, to the date of (1) a final judgment by a court of competent jurisdiction, or (2) mailing to the Contractor of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a board of contract appeals.

(b) Notwithstanding paragraph (a) above, (1) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (2) interest shall not be paid for any period of time that the Contracting Officer determines the Contractor has unduly delayed in pursuing his remedies before a board of contract appeals or a court of competent jurisdiction.

### **37. EMPLOYMENT OF THE HANDICAPPED (JUNE 1976)**

(a) The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising; layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c) In the event of the Contractor's non-compliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(d) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor provided by or through the contracting officer stating the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment and the rights of applicants and employees.

(e) The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of section 503 of the Act, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) The contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs, may direct to enforce such provisions, including action for noncompliance.

### **38. NOTICES (DEC. 1970)**

Any notice given by any of the parties hereunder shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, or registered or regular mail, as follows:

To AID; Administrator  
Agency for International Development  
Washington, D.C. 20523  
Attention: Contracting Officer  
(the name of the cognizant Contracting Officer with a copy to the appropriate Mission Director);

To Contractor: At Contractor's address shown on the Cover Page of the Contract;

or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder shall be effective when delivered in accordance with this clause or on the effective date of the notice, whichever is later.

General Provision No. 42

VOLUNTARY PARTICIPATION (April 1978)

(1) The Contractor agrees to take any steps necessary to ensure that funds made available under this contract will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the Contractor agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(2) The Contractor shall insert the substance of this clause in any subgrants, subcontracts, purchase orders, and other subordinate agreements hereunder whenever appropriate to the goods or service to be provided under such agreements.

General Provision No. 43

PROHIBITION ON ABORTION-RELATED ACTIVITIES (April 1978)

(1) No funds made available under this contract shall be used to finance, support, or be attributed to the following activities:

(i) Procurement or distribution of equipment intended to be used for the purposes of inducing abortions as a method of family planning (except drugs and equipment used in abortion-related research);

(ii) special fees or incentives to women to coerce or motivate them to have abortions;

(iii) payments to persons to perform abortions or to solicit persons to undergo abortions;

(iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning.

(2) The Contractor shall insert the substance of this clause in any subgrants, subcontracts, purchase orders, and other subordinate agreements hereunder whenever appropriate to the goods or services to be provided under such agreements.

General Provision No. 44

**VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS (April 1978)**

(1) None of the funds made available under this contract shall be used to pay for the performance of involuntary sterilizations or to coerce or provide any financial incentive to any person to practice sterilizations.

(2) The Contractor shall insure that any surgical sterilization procedures supported in whole or in part by funds from the contract are performed only after the individual has voluntarily come to the treatment facility and has given an informed consent to the sterilization procedure. Informed consent means the voluntary knowing assent from the individual given after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the fact that the consent can be withdrawn at any time prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.

(3) Further, the Contractor shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant to the attending physician; or (ii) when a patient is unable to read adequately a written certification signed by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(4) Copies of informed consent forms and certification documents for each voluntary sterilization procedure must be retained by the performing Contractor or subcontractor for a period of three years after the performance of the sterilization procedure.

(5) The Contractor shall insert the substance of this clause in any subgrants, subcontracts, purchase orders, and other subordinate agreements hereunder whenever appropriate to the goods and services to be provided under such agreements.

## 45. Protection of the Individual as a Research Subject

Safeguarding the rights and welfare of human subjects involved in research supported by A.I.D. is the responsibility of the institution to which support is awarded. It is the policy of A.I.D. that no work shall be initiated under a grant, award, or contract for the support of research involving human subjects unless the research is given initial and continuing review and approval by an appropriate committee of the applicant institution. This review shall assure that (a) the rights and welfare of the individuals involved are adequately protected, (b) the methods used to obtain informed consent are adequate and appropriate, and (c) the risks and potential medical benefits of the investigation are assessed.

The institution must provide written assurance to A.I.D. that it will abide by this policy for all research involving human subjects supported by the A.I.D. This assurance shall consist of a written statement of compliance with the requirements regarding initial and continuing review of research involving human subjects and a description of the institution's review committee structure, its review procedures, and the facilities and personnel available to protect the health and safety of human subjects. In addition to providing the assurance, the institution must also certify to A.I.D. for each proposal involving human subjects that its committee has reviewed and approved the proposed research before any work may be initiated.

Since the welfare of the subject is a matter of concern to A.I.D. as well as to the institution, A.I.D. advisory groups, consultants, and staff may independently review all research involving human subjects, and prohibit research which presents unacceptable hazards. This provision, however, shall not derogate in any manner from the responsibility of the institution set forth herein.

All of the above provisions apply to any research involving human subjects conducted outside of the United States and in addition such overseas research, will conform to legal and other requirements governing human research in the country where they are conducted.

In addition to the procedure set forth above, studies with unmarketed drugs will be carried out in accordance with provisions applicable in the country where the study is conducted. In the United States, the regulations of the Food and Drug Administration will be followed and evidence of such compliance provided to A.I.D.

Guidance on procedures to safeguard human subjects involved in research is found in the document "Protection of the Individual as a Research Subject" U.S. Department of Health, Education and Welfare Public Health Service, 1 May 1969, Compliance with these procedures except as modified above is required. *as amended.*

#### 46. CARE OF LABORATORY ANIMALS (SEPTEMBER 1974)

(a) Before undertaking performance of any contract involving the use of laboratory animals, the Contractor shall register with the Secretary of Agriculture of the United States in accordance with section 6. Pub. L. 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Pub. L. 91-579, Animal Welfare Act of 1970, December 24, 1970. The Contractor shall furnish evidence of such registration to the Contracting Officer.

(b) The Contractor shall acquire animals to be used in research under this contract only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) of this section.

(c) In the care of any experimental warm blooded animal used or intended for use in the performance of this contract, the Contractor shall comply with: the Public Laws enumerated in (a) of this section; regulations issued thereunder (Title 9, Code of Federal Regulations, Parts 1, 2 and 3, entitled "Laboratory Animal Welfare"); the principles enunciated in the "Guide for Laboratory Animal Facilities and Care" prepared by the Institute of Laboratory Animal Resources, National Academy of Sciences-National Research Council (Public Health Service Publication No. 1024); and the terms of this contract. In the event of any conflict among the standards prescribed by the foregoing, the higher standards shall be used.

NOTE: The Contractor may request registration of its facility and a current listing of licensed dealers from the Veterinarian in Charge,

Animal Health Division, USDA, in the capital city of the state in which his research facility is located. (In Florida, the office of the Veterinarian in Charge is in Jacksonville.)

ALTERATIONS IN CONTRACT

A. The General Provisions (Form AID 1420-23C (7-1-76)) of this Contract are modified as follows:

1. General Provision 7, Allowable Cost and Payment:

(a) Paragraph (b)(1)(i) is amended as follows:

"(i) Original and three copies of a certified fiscal report rendered by the Contractor in a form and manner satisfactory to AID substantially as follows:

Total Expenditures

Category	Budget Amount	To Date	This period (indicate dates)
Salaries and Wages:			
Home office .....	\$XXX	\$XXX	\$XXX
Field office.....	XXX	XXX	XXX
Indirect Costs:			
Home office .....	XXX	XXX	XXX
Field office .....	XXX	XXX	XXX
Consultant fees .....	XXX	XXX	XXX
Allowances.....	XXX	XXX	XXX
Travel and transportation...	XXX	XXX	XXX
Expendable equipment and materials.....	XXX	XXX	XXX
Non-expendable property .....	XXX	XXX	XXX
Participant costs .....	XXX	XXX	XXX
Other direct costs.....	XXX	XXX	XXX
Grand total .....	\$XXX	\$XXX	\$XXX

(b) Paragraph (b)(1)(iii) is amended as follows:

"(iii) Unless otherwise provided in the contract, the Contractor shall submit a vendor's invoice detailing the quantity, description, and price for each individual item purchased, as follows:

(A) Expendable equipment, supplies, or commodities - for transactions totalling more than \$2,500.

(B) Non-expendable property - for every purchase. Non-expendable property is property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of more than \$500. This definition applies only to personal property purchased by the Contractor or delivered directly to the Contractor from the vendor.

Personal property issued to the Contractor in the host country by the mission accountable officer and listed as non-expendable is reportable to the mission accountable officer regardless of its value."

(c) Paragraph (b)(3)(ii) is amended as follows:

"(ii) Vendor's invoices as in paragraph (b)(1)(iii) of this section for equipment, supplies, or commodities, or non-expendable property procured since the last voucher submission."

2. General Provision 12, Reports. Paragraph (d) is amended by deleting the words ". . . to the AID Reference Center . . ." and in their place inserting ". . . to the Office of Development Information and Utilization, Bureau for Development Support . . . ."

3. General Provision 14, Training of Foreign Country Nationals. Add a new paragraph (e) as follows:

"(e) Mandatory use of Visa Eligibility Form DSP 66 A by participants. The contractor shall insure that any foreign students brought to the United States for training under this contract use Visa Eligibility Form DSP 66 A (AID version) to obtain a visa."

4. General Provision 17, Government Property, is deleted in its entirety. In its place insert the attached Government Property clause.

5. General Provision 19, Disputes, dated December 1970, is deleted in its entirety. In its place insert the attached General Provision entitled "Disputes" (FPR 1-7.102-12 and 1-7.602-2, March 1, 1979).

6. General Provision 20, Termination for Convenience of the Government. Paragraph (f) is amended by deleting the phrase ". . .at the rate of 6 percent per annum, . . ." and in its place inserting "...at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (50 U.S.C. App. 1215(b)(2)) for the Renegotiation Board, . . ."

7. General Provision 35, Listing of Employment Openings, is deleted in its entirety. In its place insert the attached General Provision entitled "Disabled Veterans and Veterans of the Vietnam Era."

8. General Provision 39, Clean Air and Water, is attached hereto and is incorporated into the General Provisions of this Contract.

9. General Provision 40, entitled Patent Rights - Acquisitive by the Government (specify Patent Rights clause) is attached hereto and incorporated into the General Provisions of this Contract. (Note: Insert the appropriate clause in FPR 1-9.107-5 or 1-9.107-6, as required by FPR 1-9.107-4.)

10. General Provision 41, Use of Government Facilities or Personnel, is attached hereto and is incorporated into the General Provisions of this Contract.

B. The Additional General Provisions (Form AID 1420-23D (7-1-76)) of this Contract are modified as follows:

1. Additional General Provision 9, Travel Expenses:

(a) Paragraph (1)(1)(ii) is deleted in its entirety. In its place insert the following new paragraph (1)(1)(ii):

"(ii) Death, or serious illness or injury of a member of the immediate family of the employee or the immediate family of the employee's spouse. 'Serious illness or injury' and 'immediate family' are defined in accordance with Section 699.5 of the Uniform State/AID/USIA Regulations, as in effect on the date of such travel."

(b) Paragraph (1), Use of U.S. Flag Carriers, is deleted in its entirety.

2. Additional General Provision 10, Transportation and Storage Expenses:

Paragraph (d)(1), International Air Transportation, is deleted in its entirety.

3. Additional General Provision 15, Title to and Care of Property, is deleted in its entirety. In its place insert the attached Additional General Provision "Title to and Care of Property (March 1979)."

4. Additional General Provision 17, Insurance - Workmen's Compensation, Private Automobiles, Marine, and Air Cargo, is amended by deleting paragraph (a), Workmen's Compensation Insurance, in its entirety. In its place, insert the attached clause entitled "Workmen's Compensation Insurance (Defense Base Act) (Dec. 1977)."

5. Additional General Provision 18, Preference for U.S. Flag Air Carriers, is attached hereto and is incorporated into the Additional General Provisions of this Contract.

("Government property" or "Government-furnished property" as used in the following clause means non-expendable property owned by or leased to the U.S. Government, and furnished to the Contractor, or non-expendable property acquired by the Contractor under the contract and titled in the U.S. Government. Non-expendable property is property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of more than \$500. This definition applies only to personal property purchased by the Contractor or delivered directly to the Contractor from the vendor. Personal property issued to the Contractor in the host country by the mission accountable officer and listed as non-expendable is reportable to the mission accountable officer regardless of its value.)

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property described as Government-furnished property in this contract, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule of this contract or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor, make a determination of the delay, if any, occasioned the Contractor and shall equitably adjust the estimated cost, or delivery or performance dates, or both, and any other contractual provisions affected by any such delay. In the event that the Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, either (i) return such property, or (ii) effect repairs or modifications. Upon completion of (i) or (ii), above, the Contracting Officer upon timely written request of the Contractor shall equitably adjust the estimated cost, or delivery or performance dates, or both, and any other contractual provision affected by the return, disposition, repair or modification. The foregoing provisions for adjustment are exclusive and the Government shall not be liable for suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.

(b)(1) By notice in writing, the Contracting Officer may (i) decrease the property furnished or to be furnished by the Government under this contract, or (ii) substitute other Government-owned property for property to be furnished by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal, shipping and disposal of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to subparagraph (1), above, or any withdrawal of authority to use property provided under any other contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the Contractor (or if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this contract.

(c)(1) Title to all property furnished by the Government shall remain in the Government.

(2) Notwithstanding subparagraph (1) above, title to equipment purchased with funds available for research having an acquisition cost of less than \$1,000 shall vest in the Contractor upon acquisition or as soon thereafter as feasible provided that the Contractor shall have obtained approval of the Contracting Officer prior to acquisition of such property.

(3) Title to equipment having an acquisition cost of \$1,000 or more, purchased with funds available for the conduct of research, shall vest as set forth in the contract.

(4) If title to equipment is vested pursuant to (2) or (3) above, the Contractor agrees that no charge will be made to the Government for any depreciation, amortization, or use charge with respect to such equipment under any existing or future Government contract or subcontract thereunder.

(5) The Contractor shall furnish the Contracting Officer a list of all equipment acquired under subparagraph (2) above within ten (10) days following the end of the calendar quarter during which such equipment was received.

(6) All Government-furnished property, together with all property acquired by the Contractor, title to which vests in the Government under this clause, is hereinafter collectively referred to as "Government property."

(7) Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(8) Title to all property purchased by the Contractor, for the cost of which the Contractor is to be reimbursed as a direct item of cost under this contract and which under the provisions of this contract is to vest in the Government, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is to be reimbursed to the Contractor under this contract and which under the provisions of this contract is to vest in the Government, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever first occurs.

(d) The Contractor shall be directly responsible for and accountable for all Government property provided under this contract. The Contractor shall establish and maintain a system to control, protect, preserve, and maintain all Government property. This system shall, upon request by the Contracting Officer, be submitted for review and, if satisfactory, approved in writing by the Contracting Officer. The Contractor shall maintain and make available such records as are required by the approved system and must account for all Government property until relieved of responsibility therefor in accordance with the written instructions of the Contracting Officer. To the extent directed by the Contracting Officer, the Contractor shall identify Government property by marking, tagging, or segregating in such manner as to clearly indicate its ownership by the Government.

(e) The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the utilization, maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government property.

(g)(1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of all or substantially all of the Contractor's business, or all or substantially all of the Contractor's operations at any one plant, laboratory, or separate location in which this contract is being performed;

(ii) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in (i) above, (A) to maintain and administer, in accordance with sound business practice, the program for utilization, maintenance, repair, protection, and preservation of Government property as required by (f) above, or to take all reasonable steps to comply with any appropriate written direction of the Contracting Officer under (f) above, or (B) to establish, maintain and administer, in accordance with (d) above a system for control of Government property;

(iii) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(iv) Which results from a risk expressly required to be insured under some other provisions of this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) ... results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement.

Any failure of the Contractor to act as provided in subparagraph (ii) above, shall be conclusively presumed to be a failure resulting from willful misconduct, or lack of good faith on the part of such directors, officers, or other representatives mentioned in subparagraph (i) above, if the Contractor is notified by the Contracting Officer by registered or certified mail, addressed to one of such directors, officers, or other representatives of the Government's disapproval, withdrawal of approval, or nonacceptance of the Contractor's program or system. In such event, it shall be presumed that any loss of or damage to Government property resulted from such failure. The Contractor shall be liable for such loss or damage unless he can establish by clear and convincing evidence that such loss or damage did not result from his failure to maintain an approved program or system or occurred during such time as an approved program or system for control of Government property was maintained.

If more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the loss and salvage organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the loss and salvage organization so designated (unless the Contracting Officer has designated that no such organization be employed) shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property. The Contractor shall make repairs and renovations of the damaged Government property or take such other action as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(h) The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any of the Government property is located, for the purpose of inspecting the Government property.

(i) Upon completion or expiration of this contract, or at such earlier dates as may be fixed by the Contracting Officer, any Government property which has not been consumed in the performance of this contract, or which has not been disposed of as provided for elsewhere in this clause, or for which the Contractor has not otherwise been relieved of responsibility, shall be disposed of in the same manner, and subject to the same procedures, as is provided in paragraph (g) of the clause of this contract entitled "Termination for the Convenience of the Government" with respect to termination inventory. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be credited to the cost of the work covered by this contract, or shall be paid in such other manner as the Contracting Officer may direct. Pending final

disposition of such property, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation thereof.

(j) If the Contractor determines any Government property to be in excess of his needs under this contract, such Government property shall be disposed of in the same manner as provided by paragraph (i) above, except that the Government may abandon any Government property in place and thereupon all obligations of the Government regarding such abandoned property shall cease. Unless otherwise provided herein the Government has no obligation to the Contractor with regard to restoration or rehabilitation of the Contractor's premises, neither in case of abandonment, disposition pursuant to paragraph (i) above, nor otherwise, except for restoration or rehabilitation costs caused by removal of Government property pursuant to paragraph (b) above.

(k) All communications issued pursuant to this clause shall be in writing.

(1) Reporting Requirements

The Contractor shall submit an annual report on all non-expendable property in a form and manner acceptable to AID substantially as follows:

ANNUAL REPORT OF AID OWNED NON-EXPENDABLE

PROPERTY IN CONTRACTOR'S CUSTODY

(Name of Contractor)

As of (End of Contract Year), 19xx

	<u>MOTOR VEHICLES</u>	<u>FURNITURE &amp; FURNISHINGS OFFICE LIVING QUARTERS</u>	<u>OTHER NON-EX- PENDABLE PROPERTY</u>
A. Value of Property as of Last Report			
B. Transactions During This Reporting Period			
1. Acquisitions (Add)			
a. Purchased by Contractor			
b. Transferred from AID			
c. Transferred from Others-Without Reimbursement 1/			
2. Disposals (Deduct)			
a. Returned to AID			
b. Transferred to AID-Contractor Purchased			
c. Transferred to Other Gov't. Agencies 1/			
d. Other Disposals 1/			
C. Value of Property as of Reporting Date			
D. Estimated Average Age of Contractor Held Property			
	Years	Years	Years

PROPERTY INVENTORY VERIFICATIONS

I attest that (1) physical inventories of Government owned non-expendable property are taken not less frequently than annually; (2) the accountability records maintained for Government owned property in our possession are in agreement with such inventories; and (3) the total of the detailed accountability records maintained agrees with the property value shown opposite line C above, and the estimated average age of each category of property is as cited opposite line D above.

Authorized Signature

1/ Explain if transactions were not processed through or otherwise authorized by AID.

*Disputes.* (a) This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601, *et seq.*). If a dispute arises relating to the contract, the contractor may submit a claim to the Contracting Officer who shall issue a written decision on the dispute in the manner specified in DAR 1-314 (FPR 1-1.318).

(b) "Claim" means:

- (1) a written request submitted to the Contracting Officer;
- (2) for payment of money, adjustment of contract terms, or other relief;
- (3) which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and
- (4) for which a Contracting Officer's decision is demanded.

(c) In the case of disputed requests or amendments to such requests for payment exceeding \$50,000, or with any amendment causing the total request in dispute to exceed \$50,000, the Contractor shall certify, at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief; and that the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable.

(Contractor's Name) \_\_\_\_\_

(Title) \_\_\_\_\_

(d) The Government shall pay the contractor interest:

- (1) on the amount found due on claims submitted under this clause;
- (2) at the rates fixed by the Secretary of the Treasury, under the Renegotiation Act, Public Law 92-41;
- (3) from the date the Contracting Officer receives the claim, until the Government makes payment.

(e) The decision of the Contracting Officer shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless an appeal or action is timely commenced within the times specified by the Contract Disputes Act of 1978.

(f) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal or action related to the contract, and comply with any decision of the Contracting Officer.

(FPR 1-7.102-12 and 1-7.602.2)  
(March 1, 1979)

General Provision \_\_\_\_\_

DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(This clause shall be included in all contracts exceeding \$10,000)

(a) The Contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified.

The Contractor agrees to take affirmative action to employ, advance in employment, or otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

(b) The Contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local Government agencies holding Federal contracts of \$10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive Orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of nondisabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The Contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, The District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular

**BEST AVAILABLE DOCUMENT**

opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings that are compensated on a salary basis of less than \$25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of the public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the Contractor proposed to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(i) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(j) In the event of the Contractor's noncompliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) The contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the contractor's obligations under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by terms of the Vietnam Era Veteran's Readjustment Assistance Act and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) The contractor will include the provisions of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

CLEAN AIR AND WATER (FPR 1-2 2302-2) (AUG 1975)

(Applicable only if the contract exceeds \$100,000, or the contracting officer has determined that orders under an indefinite quantity contract in any one year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

(1) To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Pub. L. 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Pub. L. 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use his best efforts to comply with clean air standards and clean water standards at the facility in which the contract is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subcontract, including this paragraph (a)(4).

(b) The terms used in this clause have the following meanings:

(1) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Pub. L. 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Pub. L. 92-500).

(3) The term "clean air standards"

means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term "clean water standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (33 U.S.C. 1317).

(5) The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

(6) The term "facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site or operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency determines that independent facilities are collocated in one geographical area.

Use of Government Facilities or Personnel

(May 1978)

(a) The Contractor and any employee or consultant of the Contractor is prohibited from using U.S. Government facilities (such as office space or equipment) or U.S. Government clerical or technical personnel in the performance of the services specified in the Contract, unless the use of Government facilities or personnel is specifically authorized in the Contract, or is authorized in advance, in writing, by the contracting officer.

(b) If at any time it is determined that the Contractor, or any of its employees or consultants have used U.S. Government facilities or personnel without authorization either in the Contract itself, or in advance, in writing, by the contracting officer, then the amount payable under the Contract shall be reduced by an amount equal to the value of the U.S. Government facilities or personnel used by the Contractor, as determined by the contracting officer.

(c) If the parties fail to agree on an adjustment made pursuant to this clause, it shall be considered a "dispute," and shall be dealt with under the terms of the "Disputes" clause of the Contract.

TITLE TO AND CARE OF PROPERTY  
(MARCH 1979) (AIDPR 7-7.5002-4)

(a) Title to all non-expendable property purchased with contract funds under this contract and used in the Cooperating Country, shall at all times be in the name of the Cooperating Government, or such public or private agency as the Cooperating Government may designate, unless title to specified types or classes of non-expendable property is reserved to AID under provisions set forth in the Schedule of this contract; but all such property shall be under the custody and control of Contractor until the owner of title directs otherwise, or completion of work under this contract or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guaranties and warranties obtained from suppliers shall be taken in the name of the title owner. (Non-expendable property is property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of \$500 or more. This definition applies only to personal property purchased by the Contractor or delivered directly to the Contractor from the vendor. Personal property issued to the Contractor in the host country by the mission accountable officer and listed as non-expendable is reportable to the mission accountable officer regardless of its value.)

(b) Contractor shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of non-expendable property for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program.

(c)(1) For non-expendable property to which title is reserved to the U.S. Government under provisions set forth in the Schedule of this contract, Contractor shall submit an annual report on all non-expendable property under his custody as required in the Government Property clause of this contract.

(2) For non-expendable property titled to the Cooperating Government, the Contractor shall, within 90 days after completion of this contract, or at such other date as may be fixed by the Contracting Officer, submit an inventory schedule covering all items of non-expendable property under his custody, which have not been consumed in the performance of this contract. The Contractor shall also indicate what disposition has been made of such property.

Workmens' Compensation Insurance  
(Defense Base Act)  
(Dec 1977)

- (1) The Contractor before commencing performance under this contract shall provide and thereafter maintain such Workmens' Compensation Insurance or security as is required by the Defense Base Act, as amended (42 USC 1651 et seq.).
- (2) Contractor agrees to procure Defense Base Act insurance coverage requirements pursuant to a contract between AID and its insurance carrier; unless, Contractor has a DBA self insurance program approved by the Department of Labor; an approved retrospective rating plan for DBA; entered into a long term agreement for DBA coverage with an underwriter or agent prior to November 14, 1977. However, if it would be economical to cancel the long-term coverage and pay short-term rates, contractor is required to do so.
- (3) If the Contractor secures a waiver of Defense Base Act coverage for its employees who are not citizens of the United States, residents of or hired in the United States, or, AID has secured such a waiver, the contractor agrees to comply with the conditions of such waiver.
- (4) The Contractor further agrees to insert in all subcontracts hereunder to which the Defense Base Act is applicable, a clause similar to this clause, including this sentence, imposing on all such subcontractors a like requirement to provide overseas Workers' Compensation Insurance coverage and obtain Defense Base Act coverage under the AID requirements contract.

ADDITIONAL GENERAL PROVISION

PREFERENCE FOR U.S. FLAG AIR CARRIER: (Jan. 1977)

[This contract clause shall be included in (a) invitations for bids, (b) requests for proposals, and (c) contracts (including contracts resulting from unsolicited proposals) whenever international air transportation of personnel (and their personal effects) or property may be required in the performance of the contract. The requirements of this clause do not apply to small purchases made in accordance with FPR 1-3.6.]

(a) Pub. L. 93-621 requires that all Federal agencies and Government contractors and subcontractors will use U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriated funds for international air transportation on other than a U.S. flag air carrier in the absence of satisfactory proof of the necessity therefor.

(b) The contractor agrees to utilize U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.

(c) In the event that the contractor selects a carrier other than a U.S. flag air carrier for international air transportation, he will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY  
OF U.S. FLAG AIR CARRIERS

I hereby certify that transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reasons: (state reasons)\*1

(d) The terms used in this clause have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(e) The contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase hereunder which may involve international air transportation.

NOTE:

\*1. FPR 1-1.323-3, requires that expenditures for service furnished by a noncertificated air carrier generally will be allowed only when service by a certificated air carrier or carriers is "unavailable" as indicated by the June 17, 1975, Comptroller General's memorandum (B-138942) entitled "Guidelines for Implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974". The criteria contained in the memorandum are reproduced below:

- (a) Passenger or freight service by a certificated air carrier is considered "available" even though:
  - (1) Comparable or a different kind of service by a noncertificated air carrier costs less, or
  - (2) Service by a noncertificated air carrier can be paid for in excess foreign currency, or
  - (3) Service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or
  - (4) Service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.
- (b) Passenger service by a certificated air carrier will be considered to be "unavailable":
  - (1) When the traveler, while en route has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or
  - (2) When any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6 hour period, or
  - (3) When by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.
  - (4) When the elapsed traveltime on a scheduled flight from origin to destination airports by noncertificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled traveltime.

PATENT RIGHTS-ACQUISITION BY THE GOVERNMENT (SHORT FORM) (FPR 1-9.107-6 (a)) (May 1975)

(a) Definitions.  
"Subject Invention" means any invention or discovery of the Contractor conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant which is or may be patentable under the Patent Laws of the United States of America or any foreign country.

(b) Invention disclosures and reports. (1) The Contractor shall furnish the Contracting Officer:

(i) A complete technical disclosure for each Subject Invention, within 6 months after conception or first actual reduction to practice, whichever occurs first in the course of or under the contract, but in any event prior to any on sale, public use, or publication of the invention known to the Contractor. The disclosure shall identify the contract and inventor, and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and to the extent known, the physical, chemical, biological, or electrical characteristics of the invention;

(ii) Interim reports at least every 12 months from the date of the contract listing Subject Inventions for the period and certifying that all Subject Inventions have been disclosed or that there are no such inventions and

(iii) An acceptable final report within 3 months after completion of the contract work, listing all Subject Inventions or certifying that there were no such inventions.

(2) The Contractor agrees that the Government may duplicate and disclose Subject Invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause.

(c) Allocation of principal rights. (1) The Contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each Subject Invention, except to the extent that rights are retained by the Contractor under paragraphs (c)(2) and (d) of this clause.

(2) The Contractor or the employee-inventor with authorization of the Contractor may retain greater rights than the nonexclusive license provided in paragraph (d) of this clause in accordance with the procedure and criteria of 41 CFR 1-9.109-6. A request for a determination of whether the Contractor or the employee-inventor is entitled to retain such greater rights must be submitted to the Contracting Officer at the time of the first disclosure of the invention pursuant to paragraph (b)(1) of this clause, or not later than 3 months thereafter or such longer period as may be authorized by the Contracting Officer for good cause shown in writing by the Contractor. The information to be submitted for a greater rights determination is specified in 41 CFR 1-9.109-6. Each determination of greater rights under this contract shall be subject to the provisions of paragraph (c) "Minimum rights acquired by the Government" of the clause in 41 CFR 1-9.107-5(a), and to the reservations and conditions deemed appropriate by the agency.

(d) Minimum rights to the Contractor.  
The Contractor reserves a revocable, non-exclusive, royalty-free license in each patent application filed in any country on a Subject Invention and any resulting patent in which the Government acquires title. Revocation shall be in accordance with the procedure of the clause in 41 CFR 1-9.107-5 (d) (2) and (3).

(e) Employee and Subcontractor agreements.  
Unless otherwise authorized in writing by the Contracting Officer, the Contractor shall:

(1) Obtain patent agreements to effectuate the provisions of this clause from all persons who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(2) Insert in each subcontract having experimental, developmental, or research work as one of its purposes provisions making this clause applicable to the Subcontractor and his employees; and

(3) Promptly notify the Contracting Officer of the award of any such subcontract by providing him with a copy of the subcontract and any amendments thereto.

COST-REIMBURSEMENT CONTRACT FOR TECHNICAL SERVICES, OVERSEAS, 3-67

AGENCY FOR INTERNATIONAL DEVELOPMENT CONTRACT TYPE
NEGOTIATED CONTRACT NO. AID/ea-41 Cost Plus Fixed Fee

NEGOTIATED PURSUANT TO THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND EXECUTIVE ORDER 11223 \$1,174,890.00

CONTRACT FOR: Project No. 493-11-510-215

Northeast Economic Development

ISSUING OFFICE (Name and Address)

Office of Procurement Management
Bureau for East Asia
A.I.D., State Department
Washington, D. C. 20523

CONTRACTOR (Name and Address)

1) Louis Berger, Inc. 2) Systems Associates, Inc.

NAME

100 Halsted Street; 110 West Ocean Blvd.

STREET ADDRESS 1) East Orange, New Jersey 07019

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CITY, STATE, ZIP CODE

ADMINISTRATION BY

As Above

COGNIZANT SCIENTIFIC/TECHNICAL
OFFICE Office of Southeast Asia Affairs
(EA/SEA/Thailand)

MAIL VOUCHERS (Original & 3 copies)

TO: Office of the Controller
USOM/T, c/o American Embassy
Bangkok, Thailand

ACCOUNTING AND APPROPRIATION DATA

PIO/T NO. 493-215-3-30257

APPROPRIATION NO. 72-1121006

ALLOTMENT NO. 850-50-493-00-09-81

EFFECTIVE DATE SEE ARTICLE IV

ESTIMATED COMPLETION DATE SEPT 1971

TYPES OF BUSINESS (CHECK APPROPRIATE BOX(S))

Table with 2 columns: Business Type and Selection. Rows include Sole Proprietorship, Partnership, Joint Venture, and Corporation Incorporated in State of Pennsylvania or California.

The United States of America, hereafter called the Government, represented by the Contracting Officer executing this contract, and the Contractor agree that the Contractor shall perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule or the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

This Contract consists of this Cover Page, the Schedule of 15 Pages, including the Table of Contents, and the General Provisions (Form CT/GP/Technical Services Overseas, 3-67), including II, and II

NAME OF CONTRACTOR
Louis Berger, Inc.

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL
DEVELOPMENT

BY (Signature of Authorized Individual)

BY (Signature of Contracting Officer)

TYPED OR PRINTED NAME

TYPED OR PRINTED NAME

TITLE

CONTRACTING OFFICER

DATE

DATE

(1)

Signature of Lawrence R. ...
LAWRENCE R. ...
PRESIDENT

5-1 DATE 20 Sept 1968

## TABLE OF CONTENTS

### SCHEDULE

The Schedule, on pages 1 through 15, consists of this Table of Contents and the following Articles: and Exhibits I, II, and III.

Article I	— STATEMENT OF WORK	Article VIII	— PAYMENT OF FIXED FEE
Article II	— KEY PERSONNEL	Article IX	— ESTABLISHMENT OF OVERHEAD RATE
Article III	— LEVEL OF EFFORT	Article X	— PERSONNEL COMPENSATION
Article IV	— PERIOD OF CONTRACT	Article XI	— ADDITIONAL CLAUSES
Article V	— ESTIMATED COST AND FIXED FEE, AND LIMITATIONS OF FUNDS		
Article VI	— BUDGET		
Article VII	— COSTS REIMBURSABLE AND LOGISTIC SUPPORT TO CONTRACTOR		

### GENERAL PROVISIONS

The following provisions, numbers 1 through 47, omitting number(s) 0, are the General Provisions of this contract:

1. Definitions	25. Examination of Records
2. Biographical Data	26. Price Reduction for Defective Cost or Pricing Data
3. Personnel	27. Audit and Records
4. Leave and Holidays	28. Subcontractor Cost and Pricing Data
5. Allowances	29. Reports
6. Travel and Transportation Expenses	30. Utilization of Small Business Concerns
7. Notice of Changes in Regulations	31. Utilization of Concerns in Labor Surplus Areas
8. Conversion of United States Dollars to Local Currency	32. Insurance - Workmen's Compensation, Private Automobiles, Marine and Air Cargo
9. Orientation and Language Training	33. Insurance - Liability to Third Persons
10. Services Provided to Contractor	34. Termination for Default or for Convenience of the Government
11. Miscellaneous	35. Disputes
12. Contractor - Mission Relationship	36. Authorization and Consent
13. Procurement of Equipment, Vehicles, Materials and Supplies	37. Notice and Assistance Regarding Patent and Copyright Infringement
14. Subcontracts	38. Patent Provisions and Publication of Results.
15. Title to and Care of Property	39. Rights in Data
16. Excusable Delays	40. Release of Information
17. Stop Work Order	41. Equal Opportunity
18. Changes	42. Convict Labor
19. Standards of Work	43. Walsh-Healey Public Contracts Act
20. Inspection	44. Officials Not to Benefit
21. Limitation of Cost	45. Covenant Against Contingent Fees
22. Allowable Cost, Fixed Fee and Payment	46. Language, Weights and Measures
23. Negotiated Overhead Rates	47. Notices
24. Assignment of Claims	

General Provisions for Cost Type Contract for Technical Services Overseas (Form CT/GP/Technical Services Overseas, 3-67) attached hereto, and except for the Clauses omitted as specified on the preceding page, such General Provisions are incorporated in this contract.

## SCHEDULE

ARTICLE I - STATEMENT OF WORKA. General

The Contractor will advise and assist the Royal Thai Government in formulating a five (5) year Regional Economic Development Plan and advise on its implementation in the fifteen (15) provinces of Northeast Thailand.

B. Statement of Work

Attached as Exhibit I is a detailed statement of work to be performed under this contract.

ARTICLE II - KEY PERSONNEL

A. The Contractor will make available the following personnel for performance of this project:

<u>Key Personnel</u>	<u>Estimated Man-Months Home Field</u>
Dr. Charles Stonier (Project Manager) <i>Economist</i>	- 36
Dr. Alexander Barber (Deputy Project Manager and Systems Analyst)	- 36
Dr. William Wallace (Transportation and Communications Advisor)	- 36
<u>(To be designated)</u> (Social Services and General Education Advisor)	- 36
Mr. Carl Hoffman (Water Resources Specialist)	- 36
Dr. George W. Hill (Agro-Business Economist)	- 36
Mr. Adrian Roberts (Manpower and Vocational Education Planner)	- 36
TOTAL--	0 252

Key Personnel

Man-Months  
Home Field

Other Personnel

Short-term technical staff to assist in economic model building and support services.

- 26

General Home Office Technical Support

8 -0

Total

8 26

GRAND TOTAL

8 278

B. The key personnel specified above, are considered to be essential to the work being performed hereunder. Prior to diverting any of the key personnel to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No such diversion shall be made by the Contractor without the written consent of the Contracting Officer; provided, that the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause. The listing of key personnel may, with the consent of the contracting parties, be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

C. Reports

Monthly summary progress reports and quarterly detailed progress reports will be prepared in the English language, and submitted in forty-five (45) copies each, to USOM/T and five (5) to A.I.D./W; and other reports as may be required.

ARTICLE III - LEVEL OF EFFORT

- A. Contractor agrees to provide the level of effort necessary to perform services set forth in Article I-B, EXHIBIT I. The required level, for overseas services, is estimated at thirty-six (36) man-months for each key personnel and at twenty-six (26) man-months for short-term experts; and for general U.S. home office technical support, at eight (8) man-months. Supplementary administrative and technical backstopping will be provided by the Contractor's office in Bangkok.
- B. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective provided such fluctuation does not result in the utilization of the total man-months of effort prior to the expiration of the term hereof, and it is further understood and agreed that the number of hours of effort for any classification except for the hours of the key personnel may be utilized by the Contractor in any other direct labor classification if necessary in the performance of the work.
- C. The Contracting Officer may, by written order, direct the Contractor to increase the average monthly rate of utilization of direct labor to such extent that the total man-months of effort, specified above, would be utilized prior to the expiration of the term hereof. Any such order shall specify the increment required and the revised term hereof resulting therefrom.

ARTICLE IV - PERIOD OF CONTRACT

- A. The effective date of this contract is September 1, 1968.
- B. It is estimated the total duration of the project will be three (3) years, of which two (2) years presently are funded. Ninety (90) days prior to

- the expiration of the second year period under this contract, Contractor must request prior written approval from the Contracting Officer to continue work for the third year of the contract period.
- C. In the event that the Contractor fails to furnish the level of effort set forth herein for the specified term, then the Contracting Officer may require the Contractor to continue performance of the work beyond the estimated completion date until the Contractor has furnished the specified level of effort or until the estimated cost of the work for such period shall have been expended.
- D. It is agreed that prior to the expiration of the 2nd year of the contract, the project will be reviewed by the Mission and RTG to determine the needs of the 3rd year's extension. Any proposed changes outside of contract scope will be <sup>subject to</sup> agreement by the joint venturers, A.I.D. and the RTG, and the contract amended accordingly.

ARTICLE V - ESTIMATED COST AND FIXED FEE, AND LIMITATION OF FUNDS

- A. The total estimated cost of this contract to the Government, exclusive of the fixed fee, is \$1,076,548. The fixed fee is \$98,342.
- B. Obligated Funds and Limit on Total Payments  
A.I.D. has obligated presently for commitment to this contract the amount of \$750,000 U.S. dollars (herein called "obligated funds"), which may be used for U.S. dollar costs set forth in Article VII, and for the fee. Additional U.S. dollar sums may be obligated to this contract by the Contracting Officer, in which event upon written notice to the Contractor, the obligated funds shall be increased by the additional sum or sums so obligated. The obligation of A.I.D. for U.S. dollar payments to Contractor hereunder, shall not exceed the funds obligated to this contract, in accordance with the foregoing provision.

ARTICLE VI - BUDGET

The following budget sets limitations for reimbursement of dollar costs for individual line items. Without the prior written approval of the Contracting Officer, the Contractor may not exceed the grand total set forth in the budget hereunder, or exceed the dollar costs for any individual line item, with the exception of the overhead, by more than 15% of such line item. (Sec Art. IX.)

BUDGET

<u>Category</u>	<u>Budget Amount (Dollars)</u>
Salaries and Wages	\$ 577,502 (including salaries overseas of \$521,730.)
Allowances	16,000
Travel and Transportation	63,918
Other Direct Costs	7,208
Overhead	405,920 (including overhead overseas of \$355,725.)
Equipment and Materials	<u>6,000</u>
GRAND TOTAL (exclusive of fixed fee) - (Dollars)	\$1,076,548
Local Currency (see Article XI-C.)	

ARTICLE VII - COSTS REIMBURSABLE AND LOGISTIC SUPPORT TO CONTRACTOR

A. United States Dollar Costs

The United States dollar costs allowable under the contract shall be limited to reasonable, allocable, and necessary costs determined in accordance with General Provision 22 of this contract entitled "Allowable Cost, Fixed Fee, and Payment."

B. Logistic Support and Costs Reimbursable in Baht

1. In accordance with paragraph B below, the Contractor shall be provided with or reimbursed for adequate:
  - a. office equipment and space;
  - b. housing, utilities and furniture;
  - c. transportation in the cooperating country;
  - d. motor pool;
  - e. reproduction of reports; and
  - f. such other costs as the Contracting Officer may approve.
2. A.I.D. will use its best efforts to assure that the cooperating government exempts the Contractor and its employees from all requirements for licenses, permits, custom duties, import taxes, and any other taxes which are assessed by the Government of Thailand, or any political subdivision thereof.

C. Other Privileges

Medical and dental care, to the extent available, will be at Contractor's expense and are not reimbursable under the contract. Use of aircraft as available. APC, PX, and Commissary facilities will be provided, if available.

D. Method of Payment of Baht Costs

Those contract costs which are specified as local currency costs in paragraph B-1, above, if not furnished in kind by the Cooperating Government or the Mission, shall be paid to the Contractor in a manner adapted to the local situation and as agreed to by the Mission Director and the Contractor. The documentation for such costs shall be on such forms and in such manner as the Mission Director shall prescribe.

ARTICLE VIII - PAYMENT OF FIXED FEE

At the time of each payment to the Contractor on account of allowable dollar cost, the Contractor shall be paid a dollar amount which is in the same ratio to the total fixed fee as the related payment being made on account of allowable dollar cost is to the total estimated cost, as amended from time to time; provided however, the whenever in the opinion of the Contracting Officer such payment would result in a percentage of fee in excess of the percentage of work completion, further payment of fee may be suspended until the Contractor has made sufficient progress, in the opinion of the Contracting Officer, to justify further payment of fee up to the agreed to ratio; provided further, that after payment of eighty-five percent (85%) of the total fixed fee, the provisions of paragraph (c) of General Provision 22 of this contract entitled "Allowable Cost, Fixed Fee, and Payment," shall be followed.

ARTICLE IX - ESTABLISHMENT OF OVERHEAD RATE(S)

Pursuant to the provisions of General Provisions 23 of this contract entitled "Negotiated Overhead Rates", the Contractor shall be reimbursed provisionally on the following basis for all of its indirect costs for the first year of the contract, or such other initial period as the Contracting Officer may agree to:

<u>Based on U.S. Dollar Direct Base Salaries of Each of the Joint Venturers</u>		
	<u>Home</u>	<u>Field</u>
Provisional Overhead Rate	90%	75%
Maximum Overhead Rate	90%	75%

Thereafter Contractor's actual overhead rate(s) shall be determined and used as a basis to adjust the aforementioned provisional overhead rate(s) of 90% and 75%, for home and field respectively, for the first year of the contract, and such actual overhead rate(s) shall be used provisionally by A.I.D., to reimburse the Contractor for all its indirect costs for the second year of the contract. The Contractor's actual overhead rate(s) for the second year shall be used provisionally by A.I.D. for the third year.

In no event, however, shall the Contractor be reimbursed for all of its indirect costs for the entire three (3) year period in excess of the aforementioned maximum rates of 90% and 75%, for home and field offices, respectively, based on U.S. dollar direct base salaries.

As soon as possible after the completion of the third year, the determination of the actual overhead rates shall be used as a basis for adjusting the provisional rates used for the third year.

#### ARTICLE X - PERSONNEL COMPENSATION

##### A. Limitations

Compensation of personnel which is charged as a direct cost under this contract, like other costs, will be reimbursable in accordance with Article VII of the Schedule entitled "Costs Reimbursable and Logistic Support to Contractor" and General Provision 22 entitled "Allowable Cost, Fixed Fee, and Payment," and other applicable provisions of this contract but subject to the following additional specific understandings which set limits on items which otherwise would be reasonable, allocable and allowable.