



PD-AY-301
SECRET

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD

July 31, 1988

Mr. Abdul Sattar Edhi
Abdul Sattar Edhi Foundation
Boulton Market, Sharafa Bazar
Karachi-2

Subject: Grant No. 391-0470-G-00-8931-00

Area and Grant Assignments:

FM/MB (if Loan)

FM/PAED

FM/CAD

GC/ARE

ARE Desk

ARE/TR Officer

ARE/PO Officer & File

PPC/CDIE/DI

Dear Mr. Edhi:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Abdul Sattar Edhi Foundation (hereinafter referred to as "Edhi Foundation" or "Grantee") the sum of one million, fifty thousand dollars (\$1,050,000) to purchase an ambulance helicopter, spare parts and ground support equipment, for use as described in (1) the Grantees' proposal entitled "Air Ambulance Service", submitted on February 10, 1988, and (2) Attachment 2 entitled, "Program Description".

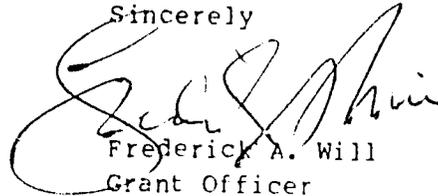
This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives described in Attachment 2 during the period beginning with the effective date and ending by July 30, 1990.

This Grant is made to the Edhi Foundation, on condition that the funds be administered in accordance with the terms and conditions set forth in Attachment 1 entitled, the "Schedule", Attachment 2 entitled, "Program Description", Attachment 3 entitled, "Mandatory Standard Provisions for Non-U.S., Non Governmental Grantees," and Attachment 4 entitled, "Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Grantees," which have been agreed to by your organization. The Grantee's proposal submitted by Abdul Sattar Edhi, Director, on February 10, 1988, is hereby incorporated by reference and made a part of this Grant.

Edhi Foundation
Grant No. 391-0470-G-00-8931-00

Please sign the original and twelve (12) copies of this letter to acknowledge your receipt of the Grant, and return the original and eleven (11) copies to the Office of Commodities and Contracts.

Sincerely



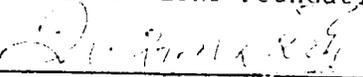
Frederick A. Will
Grant Officer
Office of Contracts
and Commodities

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions for Non-U.S., Nongovernment Grantees
4. Required as Applicable Standard Provisions for Non-U.S., Nongovernment Grantees

ACKNOWLEDGED:

Abdul Sattar Edhi Foundation

BY: 
TYPED NAME: _____
TITLE: _____
DATE: _____

FISCAL DATA

Appropriation Symbol	:	72-118/91037
Budget Plan Code	:	QES8-88-27391-KG13
PIO/T No.	:	391-0470-3-80042
Project No.	:	391-0470
Total Estimated Amount	:	\$1,050,000
Total Obligated Amount	:	\$1,050,000
Cognizant Technical Office	:	O/PRO, USAID/Islamabad
Project Manager	:	Nancy Ely, O/PRO
Funding Source	:	USAID/Islamabad

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the purchase of (1) an ambulance helicopter to supplement emergency medical support presently provided by the Edhi Foundation; (2) a two-year supply of helicopter spare parts; and (3) ground support equipment. The Grant's purpose is more specifically described in the Grantee's proposal entitled, "Air Ambulance Service," submitted February 10, 1988, and Attachment 2 entitled, "Program Description."

B. Period of Grant

The effective date of this Grant is the date of the Cover Letter. The expiration date of this Grant is July 30, 1990.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of one million fifty thousand dollars (\$1,050,000) for the purpose of this Grant.

2. Method of Financing:

Payments hereunder shall be made in the form of a Letter of Commitment (L/COM) issued by USAID directly to the supplier(s) of the commodities funded under this Grant in accordance with the procedures to be set forth in future Grant implementation letters. See schedule, Article F, paragraph 2 of this Grant.

The Direct Letter of Commitment is a financial arrangement between AID and a supplier or contractor, under which AID makes payment directly to the supplier or contractor for eligible commodities and services furnished pursuant to this Grant agreement. The Direct Letter of Commitment is assignable under the Assignment of Claims Act, by the supplier or contractor to a banking institution and thus may serve as collateral for credit which may be required to provide working capital.

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost financing items, if authorized. Revisions to this plan shall be made in accordance with Attachment 3 mandatory provision entitled, "Revision of Grant Budget."

ATTACHMENT 1

Page 2 of 5

From 07/30/88 To 07/30/90

<u>Cost Element</u>	<u>Total Estimated & Obligated Amount</u>
1. one ambulance helicopter (<u>see</u> specifications contained Attachment 2)	862,500
2. Spare Parts	165,938
3. Ground Support Equipment	<u>21,562</u>
TOTAL ESTIMATED & OBLIGATED AMOUNT	1,050,000

E. Reporting and Evaluation

1. Financial Reporting

- a. Financial reporting requirements shall be in accordance with A.I.D. Handbook 11, Chapter 3. See format in Attachment 3.
- b. The original and two copies of all financial reports required in paragraph (a), above, shall be submitted to the Office of Financial Management, USAID/Islamabad and three copies shall be submitted to the cognizant A.I.D. technical office cited in Article F, Attachment 1.

2. Program Performance Reporting

- a. Quarterly Utilization Reports.
The Grantee shall submit a quarterly utilization report to the cognizant A.I.D. technical office which describes the following activities:
 - (1) What uses were made of the equipment (e.g. helicopter) during the reporting period;
 - (2) How often the equipment was used;
 - (3) In which regions or locations was the equipment used; and
 - (4) How effective was the equipment in meeting the Grantee's objectives

The Grantee shall prepare and submit to the cognizant A.I.D. technical office the Quarterly Utilization Reports within fifteen (15) days following the end date of each quarter. A quarter period will end on the 30th day of each of the following months: September, December, March, June. The reporting period shall commence with the first full quarter after the commodities are received by the Grantee.

ATTACHMENT 1
Page 3 of 5

b. Periodic Reports During the Term of this Grant.

Events may occur that have significant impact upon the program. In such instances, the Grantee, in a written report, shall inform the cognizant A.I.D. technical office, as soon as the following types of conditions become known:

- (1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules, goals and the timely submission of any reports discussed in the Program Description. This report shall be accompanied by a statement of the action taken, or contemplated.
- (2) Favorable developments or events that enable time schedules to be met sooner than anticipated.

- c. If any review conducted by the Grantee discloses the need for a change in the budget estimates in accordance with the criteria established in the Mandatory Standard Provision of this Grant entitled, "Revision of Grant Budget" the Grantee shall submit a request for a budget revision for approval by the Grants Officer.

F. Special Provisions

1. The cognizant A.I.D. technical office is the Office of Program (O/PRO), USAID/Islamabad

2. Implementation Letters

- a. Implementation Letters are formal communications from AID to the Grantee which furnish the Grantee with implementation instructions and guidance pertaining to specific AID conditions and requirements which the Grantee must satisfy. For example, future Implementation Letters issued pursuant to this Grant may prescribe procedures to be used to accomplish the commodities procurement and method of payment authorized by this Grant.
- b. The initial Implementation Letter or any subsequent Implementation Letters, which deal primarily with setting forth detailed procedures applicable to the financing of commodities and commodity-related services, shall be prepared by the Grant Officer, Office of Commodity and Contracts (O/CC), USAID/Islamabad.

3. Inapplicable Standard Provisions

The standard provisions listed below are NOT applicable to this Grant. Therefore, the following provisions have not been included in Attachment 4 or made a part of this Grant:

Payment - Periodic Advance
Payment - Cost Reimbursement
Air Travel and Transportation
Subagreement
Local Cost Financing with U.S. Dollars
Patent Rights
Publications
Negotiated Indirect Cost Rates - Predetermined
Nondiscrimination
Regulations Governing Employees
Participant Training
Voluntary Population Planning
Protection of the Individual as a Research Subject
Negotiated Overhead Rates-Provisional
Government Furnished Excess Personal Property
Title To and Use of Property (U.S. Government)
Title To and Care of Property (Cooperating Country Title)
Cost Sharing (Matching)

4. Prohibition Against the Use of Grant Funds for the Purpose of Procuring Ineligible Commodities or Services

- a. The funds provided under this Grant are to be used for the sole purpose of supporting the Grantee's program as described in Attachment 2 entitled, "Program Description." Under no circumstances shall the funds provided under this Grant be used for the purpose of procuring or financing any goods or services which support the military, police or any other law enforcement organization or activity in the cooperating country or any other country.
- b. Any equipment and materials, including the procured aircraft, shall only be used to carry out the purposes of this activity as set forth in Attachment 2, entitled, Program Description, unless A.I.D., in writing, specifically agrees to an alternative use.

G. Overhead Rate

No overhead rate or other indirect costs shall be charged to this Grant.

- b

ATTACHMENT 1
Page 5 of 5

H. Title to Property

Title to all property purchases under this Grant shall be vested in the Grantee in accordance with Attachment 4 provision entitled, "Title To and Use of Property (Grantee Title)."

I. Authorized Geographic Code

The authorized geographic code for the procurement of goods and services under this Grant is 000.

J. Specific Covenants:

1. The Grantee, prior to any disbursement under this Grant, agrees to establish and present, in a form and substance satisfactory to the cognizant A.I.D. technical office, a workable program for maintenance and use of the helicopter to carry out the purposes of this activity as set forth in the Attachment 2 entitled, Program Description.
2. The Grantee shall be fully responsible for the efficient and safe operation of the helicopter in accordance with standards fully consistent with the flight operation and safety regulations of Pakistan.
3. The Grantee agrees to use the helicopter, provided hereunder, in accordance with Sections 11 and 12 of the referenced Edhi Foundation Grant proposal, and Attachment 2, Program Description.

ATTACHMENT 2

PROGRAM DESCRIPTION

I. Background:

The Edhi Foundation originated as a small charitable dispensary called the Bantva Memon Khidmat Committee in 1950. It was organized by a group of individuals including Abdul Sattar Edhi, the first chairman of the organization. Today the Edhi Foundation operates shelters for the homeless, free medical clinics, mental retardation centers, drug rehabilitation centers, nursing schools and an extensive ambulance service in Karachi/Hyderabad as well as ten centers operating in other cities of Pakistan. Karachi, a city of over 7 million, has no effective public ambulance service.

II. Objective:

Abdul Sattar Edhi, Director of the Edhi Foundation submitted a project funding proposal for \$1,050,000 in foreign exchange to USAID for the purchase of a helicopter and spare parts to supplement the emergency medical support now being provided by that organization, assistance which is currently unavailable in Pakistan. Only about 16 percent of the population relies on Government facilities for medical care. The private sector - including NGOs - needs to play an increasing role in providing health services. The Edhi Foundation, which already plays an important role in providing emergency medical and ambulance services in Karachi, will use this grant to help expand its operations. As the premier private voluntary operation in Pakistan, enjoying universal acclaim, the Edhi Foundation is an especially suitable vehicle for providing previously unavailable services to the poor. The rural as well as urban population centers serviced by the Edhi network will be the immediate direct beneficiaries of this project.

A tradition of private philanthropy exists in Pakistan but has yet to be fully utilized. A highly visible helicopter service run by an organization with excellent credentials, broad-based approach and no sectarian or communal bias may serve as an incentive for dedicated individuals and other competent non-governmental organizations to find or expand their role in Pakistan's development. This catalytic potential is an important additional objective of this grant.

III. Purpose

The purpose of this grant is to provide financial support to Edhi Foundation to meet the costs involved in purchasing 1 ambulance helicopter (see specifications in paragraph IV below), initial spares required for 2 years operation of the helicopter, and ground support equipment.

IV. TECHNICAL SPECIFICATIONS

1. GENERAL

- 1.1 The Abdul Sattar Edhi Foundation is a charitable organization. The Foundation provides shelters for the homeless, free medical clinics, mental retardation centers, drug rehabilitation centers, nursing schools and an extensive ambulance service in Pakistan. It now requires an air ambulance to provide its ambulance services to areas which are not accessible by road.
- 1.2 The general intent of these Specifications is to procure a helicopter equipped with emergency medical equipment and avionics.
- 1.3 All designs, equipment, materials and workmanship shall comply with and be tested in accordance with requirements of the Specifications. Equipment or parts which are not covered by the Specifications shall comply with the latest applicable standards, rules, codes and regulations of the International Aeronautical Commission or approved National Standardizing bodies.
- 1.4 All questions arising as to the acceptability of the equipment and materials offered shall be decided by the Purchaser whose decision shall be final.

2. LANGUAGE

All correspondence, literature, drawings, name plates, diagrams, application data, equipment, details, instruction and maintenance books and manuals and descriptive data shall be in English language.

3. UNITS OF MEASUREMENT

All bidder dimensions and measurements in drawings submitted shall be in metric system and all reference to weights or other measurements shall be in metric units.

4. SCOPE OF WORK

The above mentioned goods shall be in accordance with the Technical Specifications specified below.

ATTACHMENT 2

Page 3 of 7

5. CONSTRUCTION

The equipment shall be new and of standard first grade quality as to materials, workmanship and design and in accordance with the best applicable engineering practices.

6. PATENT RIGHTS AND ROYALTIES

The supplier shall hold harmless and indemnify the Purchaser from and against all claims and proceedings for or on account of infringement of any patent rights, design trade mark or name or other protected rights in respect of any machine, work or material used for the purpose of or in connection with the contract, and from all claims, demands, proceedings, damage costs, charges and expenses whatsoever in respect thereof or in relation thereto.

7. TESTS AND INSPECTION

a) All tests and inspections shall be conducted strictly in accordance with available International Standards. The Supplier shall give the Purchaser reasonable prior notice (at least 30 days) for the various factory tests that will be made on the equipment specified herein so that the Purchaser can have representatives present during such tests. If the Purchaser asks the Supplier to conduct any factory tests on the equipment that are non-standard or not specified herein, the Supplier will perform these tests, provided he has the facility to do so.

b) The Supplier shall provide the Purchaser with six (6) certified copies of all test reports, data and results (including calibration curves and any information necessary to correct the data). Three (3) certified copies shall be sent directly to the Purchaser. Upon approval of the test results by the Purchaser, the equipment shall be packed for shipment.

8. SERVICE CONDITIONS

The equipment shall be suitable to withstand tropical climate, dust storms and relative humidity up to 100%.

Expected Ambient Temperature for Operations

Maximum Temperature in shade.	50° C
Maximum Temperature over 24 hrs.	45° C
Mean Temperature.	40° C
Minimum Temperature.	-10° C

10

Expected Altitude for Operations - Sea level - 12,000 ft pressure altitude

9. OPERATING CONDITIONS

Equipment supplied should be capable of sustained performance capability in high temperature conditions, and sustained operations for a minimum of 2-1/2 hours at normal operating speeds without stopping, and a sustained hovering capability of 15-20 minutes.

10. PACKING AND SHIPPING

The Supplier shall indicate Packing and Shipping details for the equipment. The Packing shall be suitable to protect the equipment against breakage, damage and loss from the factory until its arrival and its final destination in Pakistan. Any equipment that may be damaged by water or high humidity shall be encased in water tight and/or air tight, rugged containers; suitable desiccants shall be placed inside each air tight container to ensure a low humidity package atmosphere. All costs related to special packing requirements shall be at the Supplier's expense. Each crate, package, case or box shall include a packing list, installation instructions, operating instructions, maintenance instructions and spare parts catalogs and technical and scientific data relating to the equipment supplied.

11. AERO MEDICAL HELICOPTER

12.1 General Requirements

Furnish and deliver by Air freight to Karachi, Pakistan, airframe and installed accessories with the following specifications:

- a) Accommodations for a crew of 1-2. Seating capacity of 5 including the pilot OR 2 lying casualties and one sitting casualty/attendant alongwith necessary medical equipment for in-flight medical aid.
- b) Baggage Compartment. With a minimum capacity of 16 cubic feet (0.45 cubic meters) for storage of litters and medical equipment when in passenger configuration.
- c) Quick change over capability from passenger to EMS configuration in the field conditions.

ATTACHMENT 2
Page 5 of 7

- d) High inertia main rotors for better auto rotation performance.
- e) A high skid landing gear for maximum tail rotor clearance and safety.
- f) Dual controls.
- g) Rotor brake.
- h) Good all around visibility.
- i) Heavy duty battery.
- j) Sound proofing.
- k) Provisions for two litters and equipment.
- l) Provisions for a a cargo hoist.
- m) Provisions for a public address system and equipment.
- n) One survival kit for desert use.
- o) Night scanner.
- p) VFR auto pilot system.
- q) Particle separator.
- r) Wire strike protection system.
- s) Flight instruments.

Power Plant/Transmissions - Turbine engine Allison 250-C20J or equal. High power/wt ratio and guaranteed performance capability in high temperature condition.

Installed Avionics

VHF/AM Radio (KX 155)
ADF (KR 87A)
VHF/ADF Provisions with Audio (KMA-24H)
HF Radio (KHF 950)
VHF/ADF Provisions with Audio (KMA-24H)
VOR (KI 208)
Aft Cabin Intercom

12

ATTACHMENT 2

Page 6 of 7

Medical Equipment to include

Hat Rack Cabinet
Oxygen Cylinders
Air Cylinders
Misc. Oxygen Hardware
Cylinder Rack
Gauges, valves and regulators
Ground fill system
Vacuum pump
Misc. hardware
Window storage packet
IV Hooks (4)

Speed and Manoeuverability - Normal cruising speed at sea level -
120-150 MPH.

Maintenance - Ease of field maintenance. After sales service facilities and guaranteed spares support for 15 years. Low operating and life cycle costs. Commonality with the existing equipment in use by other civil and government operators in Pakistan for ease of maintenance and repair by borrowing of spares, tools and to allow the use of existing facilities and trained man-power.

Equipment shall be totally assembled, adjusted and tested at the factory prior to shipment. Subsequent to testing and to delivery, the new unit must be completely serviced.

Spare Parts - The Package must include spares for two years at the rate of 1200 hours flying per year.

Fluorescent paint on main rotor tips and tail section of the tail boom.

Ground Support Equipment - Equipment for one place maintenance.

Equipment specified herein shall be new and of the latest standard production series of the manufacturer. Equipment shall be complete with all standard accessories normally furnished by the manufacturer although such items may not be specifically indicated in this IFB.

Each bid shall include complete printed specifications, published literature and photographs or illustrations for the proposed unit. Manufacturer shall ensure that there is an adequate supply of spare

ATTACHMENT 2
Page 7 of 7

parts readily available and maintenance facility/technical advice will be provided. Standard tool kits, operating manuals (3) maintenance and repair manuals (3) parts catalogs, airframe repairable assemblies and vendor items, (4) service letter/technical bulletin/service instructions from manufacturers and vendors, and (d) overhaul process sheets for engine and accessories, shall be supplied at the time of delivery.

The Manufacturer's warranty shall be furnished in accordance with bid document.

Firm delivery dates must be stated in the bid proposal. All other factors being generally equal the delivery date will be a consideration in the award of the bid.

Training to include

Commercial rotorcraft additional rating helicopter training 2 Pilots, 41 flight hrs. each.
Pilot proficiency, 1 pilot - 5 hrs. (complimentary).
Flight Instructor training, 1 pilot, 10 flight hrs.
EMS training, 1 pilot.
Field Maintenance Ground School, 1 Engineer, 2.4 sks (Complimentary).
C-20 Engine Field Maintenance, 1 Engineer, 1.6 wks.

WEATHER CONDITIONS

In the location where the equipment shall be used, the temperature may reach 45° C (113° F) or fall as low as 0 degree C (32° F). The humidity may be as high as 100%. All equipment and materials shall be suitably designed for outdoor operation in this severe climate and must withstand dust storms.

OMB Control No. 0412-0510
Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEE¹

- | | |
|--------------------------------------|----------------------------------|
| 1. Allowable Costs | 7. Ineligible Countries |
| 2. Accounting, Audit, and
Records | 8. U.S. Officials Not to Benefit |
| 3. Refunds | 9. Nonliability |
| 4. Revision of Grant Budget | 10. Amendment |
| 5. Termination and Suspension | 11. Notices |
| 6. Disputes | |

1. ALLOWABLE COSTS (MAY 1986)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2. and AID Acquisition Regulation 731.2.

¹When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient" "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

(4) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to AID. AID will review the audit reports to determine the adequacy of audit coverage. If AID determines that the audit coverage is not sufficient to verify the source and application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID.

(c) The following language shall be inserted in all subgrants valued in excess of \$10,000.

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the

grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS (MAY 1986)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to AID except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to AID.

4. REVISION OF GRANT BUDGET (MAY 1986)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

5. TERMINATION AND SUSPENSION (MAY 1986)

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant.

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee.

(c) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (NOVEMBER 1985)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the AID grant officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

8. U.S OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

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

9. NONLIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

10. AMENDMENT (NOVEMBER 1985)

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

11. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

(END OF MANDATORY STANDARD PROVISIONS)

REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of this Handbook. Each grant is required to have a payment provision. Check off the provisions which are to be included in the grant. Only those standard provisions which have been checked off are included within the grant.

- | | |
|---|---------------|
| 1. Payment - Periodic Advance | _____ |
| 2. Payment - Cost Reimbursement | _____ |
| 3. Air Travel and Transportation | _____ |
| 4. Ocean Shipment of Goods | _____ |
| 5. Procurement of Goods and Services | _____ X _____ |
| 6. AID Eligibility Rules for Goods and Services | _____ X _____ |
| 7. Subagreements | _____ X _____ |
| 8. Local Cost Financing | _____ |
| 9. Patents Rights | _____ |
| 10. Publications | _____ |
| 11. Nondiscrimination | _____ |
| 12. Regulations Governing Employees | _____ |
| 13. Participant Training | _____ |
| 14. Voluntary Population Planning | _____ |
| 15. Protection of the Individual as a Research Subject | _____ |
| 16. Negotiated Overhead Rates - Provisional | _____ |
| 17. Government Furnished Excess Personal Property | _____ |
| 18. Title To and Use of Property (Grantee Title) | _____ X _____ |
| 19. Title To and Care of Property (U.S. Government Title) | _____ |
| 20. Title To and Care of Property (Cooperating Country Title) | _____ |
| 21. Cost Sharing (Matching) | _____ |

(INCLUDE THIS PAGE IN THE GRANT)

(NEXT PAGE 4D-9)

OCEAN SHIPMENT OF GOODS (MAY 1986)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

- 1
- (a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
 - (b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
 - (c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.
 - (d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-21)

22

PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. Conflict of interest situations involving employees, officers or agents or their immediate families shall be avoided. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

(iii) Positive efforts shall be made by the recipients to utilize U.S. small business and minority owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. The grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

- (A) Brief general description and quantity of goods or services;
- (B) Closing date for receiving quotations or proposals; and
- (C) Address where solicitations and specifications can be obtained.

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.

(v) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(vi) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive offers are not obtained;

(C) Basis for award: cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract and subcontract shall contain in addition to provisions to define a sound and complete contract, the following contract provisions as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts over \$10,000 awarded by recipients shall include a provision to the effect that the recipient, AID or their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(END OF STANDARD PROVISION)

AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(1) Ineligible Goods and Services. Under no circumstances shall the grantee procure any of the following under this grant:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended or Ineligible Awardees (AID Regulation 8 (22 CFR 208)). AID will provide the grantee with this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
 - (ii) Motor vehicles,
 - (iii) Pharmaceuticals,
 - (iv) Pesticides,
 - (v) Rubber compounding chemicals and plasticizers,
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27

- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies).

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U.S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) Selected Free World countries (AID Geographic Code 941),
- (D) Special Free World countries (AID Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Impelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U.S. dollars, shall be procured in and shipped from the U.S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

- (c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.
- (d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.
- (e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical
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assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-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:

- (1) The United States (AID Geographic code 000),
 - (2) The Cooperating Country,
 - (3) Selected Free World countries (AID Geographic Code 941),
 - (4) Free World countries (AID Geographic Code 899).
- (f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (MAY 1986)

(This provision is applicable only when the Government vests title to property in the grantee.)

- (a) Title to all property financed under this grant shall vest in the grantee.
- (b) The grantee agrees to use and maintain the property for the purposes of the grant.
- (c) With respect to property having an acquired value of \$1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location.
- (d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of \$100.

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-69)

31