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PD-ABA-726

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

1976

DEC 17

Mr. F. Morton Cregger  
Assistant Executive Director  
Cooperative for American Relief  
Everywhere, Inc. (CARE)  
660 First Avenue  
New York, New York 10016

Subject: Grant No. AID/NE-G-1295 (Tunisia), PIO/T No. 664-299-3-70001

Dear Mr. Cregger:

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 Cooperative for American Relief Everywhere, Inc. (hereinafter referred to as "CARE" or "Grantee" the sum of \$266,500 to provide partial support for the implementation of the Siliana Water Improvement and Sanitation project in the rural areas of Siliana, Tunisia, as more fully described in the attachment hereto 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 during the period December 20, 1976 through June 30, 1978.

This Grant is made to CARE on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description" and Attachment B entitled "Standard Provisions", which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant.

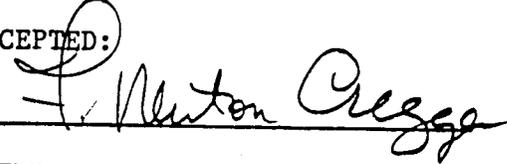
Sincerely yours,



Franklin H. Moulton  
Grants Officer  
Regional Operations Division-ASIA/NE  
Office of Contract Management

ACCEPTED:

BY



TITLE \_\_\_\_\_

DATE \_\_\_\_\_

Attachments:

- A. Program Description
- B. Standard Provisions
- C. Payment Provisions

A. Purpose of Grant

1. The general purpose of this Grant is to provide partial support to CARE for the implementation of the Siliana Water Improvement and Sanitation project which is designed to improve the basic health conditions in the rural areas of Siliana, Tunisia.

2. The intended beneficiaries lack access to potable water and, given the present GOT capabilities, existing water points which could satisfy their potable water needs are not likely to be upgraded for many years. Moreover, within the provincial Public Health infrastructure, there currently exists no unit capable of providing adequate maintenance of public water points. And there is a marked absence of any apparatus to serve as the disseminator of public health information relating to water hygiene.

B. Specific Objectives

The primary objectives are: (1) to provide potable water to 9,000 people in the poorest rural areas (average income less than \$200 per annum) of Maktar and Rohia delegations in Siliana Governorate, and (2) to strengthen local water supply institutions so that water improvement, maintenance, and hygiene education programs function on an on-going basis.

C. Implementation

To achieve the above objectives, the Grantee shall carry out the following activities in part with funds provided by this Grant:

1. Locate and catalogue all existing public water points in the area to determine which of these sources have the potential to meet sanitary criteria; and finally to sanitize these sources through construction of protective coverings and/or installation of pumping devices.

2. Provide a delivery health education component to sensitize the rural population to elementary hygiene and sanitation, and provide supervising and TA inputs in developing the well repair and maintenance training phase of the project.

3. Introduce on a self-help basis the construction of family latrines (pit privies) in order to further enforce the concept of sanitation.

4. Study the overall water supply problem with a view to formulating a general plan for provision of potable water through the creation of new public sources.

The following conditions are expected to exist at the end of the project:

1. Initially, the project will aim to improve an estimated sixty water points which are presently contaminated. Mason teams will be engaged to cover wells, install pumps and cap springs. A team consisting of a pump repairman and a disinfection technician will guarantee the ongoing maintenance of the pump and regular precautionary chlorinization of all water sources.

2. A marked decrease in the incidence of typhoid and gastrointestinal illnesses should accompany the improved hygienic conditions generated through the provision of potable water. It is generally acknowledged that protection of water sources can eliminate the danger of cholera contamination, so that the elimination of this disease at the project sites is a viable target.

3. The project aims to promote an institutional capability to continue the program without further outside assistance. Specifically this pertains to:

(a) A permanent maintenance unit organized under the regional Ministry of Public Health structure which will maintain all project water points and whose duties will be extended as more wells and springs are improved by the Government.

At present, the scope of functions handled by the regional Public Health structure is limited principally because Siliana is a newly created Province. The Ministry does have plans to establish a greater institutional presence during 1977. As in past projects, it is planned that the maintenance and education components of the program will eventually be fitted into the Public Health apparatus.

(b) A rural health education team organized under the Ministry of Public Health which will disseminate health information throughout the Governorate.

(c) The training of masons whose acquired expertise in the capping of springs and wells can be used by the local Government to refine its own water program.

(d) Through education the project will seek to instill among the target population a sense of responsibility for its water points. One person from the area will be selected at each site where a pump is installed. This person is to be equipped with hand tools and trained to perform basic preventive maintenance and minor repairs. (At villages with no pump, a responsible person will be appointed who will enforce basic on-site sanitary precautions.) While minimizing the problems of pump breakdown and contamination of the source, the indigenous effort will also serve to reduce the burden of the maintenance team, freeing it to expand its functions to other areas.

#### D. Project Support

CARE will be expected to operate in the field with no administrative or logistic support from the AID Mission or the Embassy. CARE will consult as needed with AID/W and AID personnel in the Country operation, in addition to submitting reports as required under this Grantee Agreement.

#### E. Procurement

1. Funds provided hereunder will be used to purchase locally hand tools, building materials, pumps, tents, visual aid materials, and leasing of test drilling equipment.

2. The cost of purchase of five (5) British Land Rovers, one Italian dump truck and two farm tractors from American firms in Europe will be purchased under this grant. Estimated cost is \$ 70,000.

3. Dollar funds provided hereunder, the local expenditure (in Tunisia) of which is authorized only after conversion to Tunisian Dinars, may not exceed an aggregate of \$118,000.

4. Funds provided hereunder may be subgranted in whole or in part to CARE/Tunisia.

5. All commodities and equipment will be titled to the Government of Tunisia.

#### F. Evaluation

Months 5-15: Analyze water samples at all improved sites after completion of construction and disinfection at each site and periodically thereafter; water testing will be conducted which will yield data on coliform count, the indicator of potability. Comparison of before and after results should verify the impact of the construction in providing

safe and sanitary water. The maintenance/disinfection team will be assigned to draw the water samples while the project director will supervise the analyses and record the results.

Months 12-13: Evaluate data compiled from available hydrological sources, test drilling and consultant's report. From this information a determination of the feasibility of an expanded program can be made and the appropriate recommendations presented.

#### Measurement and Evaluation of Project Accomplishment

The following indicators can be used to measure the schedule of planned accomplishment:

1. Construction and sanitation of at least 60 rural water points. By applying WHO standards of water purity, bacteriological analyses ought to show a substantial reduction in coliform counts from pre-construction to post-construction. As a result of the consistent health education and maintenance efforts which will ensure post-construction, coliform counts should be held to the post-construction levels until the end of project and beyond.

2. Establishment of a viable rural health education program. Annual reports filed by the regional Public Health Office will describe the team's activities after its institutionalization. These reports provide an additional means of verification by outlining personnel levels and budgetary allocations.

Within sixty (60) days of the signing of the Grant Agreement, CARE/Tunisia in collaboration with USAID/T will submit to NE/TECH an evaluation plan for gauging the impact of the work being done by the

health education teams, and a reporting format that will record and report such impact.

G. Reports

The Grantee shall compile and submit the following reports in duplicate to the GOT, USAID/Tunisia and NE/TECH (AID/W).

1. Trimestal Progress Reports - Plan Implementation and Evaluation (PIE), which will include, but not be limited to, the number of well sites renovated and family latrines constructed during the preceding trimester, quantity of materials used, financial inputs, the activities of the sanitation, health education, and maintenance teams and the purity of the wells based on WHO standards. Said report shall be submitted within thirty (30) days following the end of the period being reported.

2. A final evaluation report which will include planned versus actual achievement indicators including (i) information collected upon the re-visit of each water site, (ii) the continued potability of the water source and the condition of the pumps, (iii) comments on project implementation problems and achievements. The Grantee will include, among the attachments, the complete "before and after" chemical and bacteriological data on the wells with comments and explanation as well as spring/well repair completion reports on all sites. In addition, narrative comments will be required which discuss whether or not the conditions expected to exist at the end of the project do in fact exist and a description of the indicators that verify their existence. (Refer to paragraphs 1 through 4 under C. Implementation, conditions expected at end of project.)

H. Budget

1. Personnel Costs		\$ 43,550
2. Training Costs		6,400
3. Commodity Costs		
a. U.S. Procured	19,300	
b. Third Country Procured	70,000	
c. Locally Procured	97,000	186,300
4. Other Costs		
a. Fuel	1,900	
b. Transportation	3,000	
c. Other Support Costs (vehicular repair and maintenance, administrative support)		
	<u>8,850</u>	<u>13,750</u>
	TOTAL	\$250,000
5. 20% Price Fluctuation*		<u>50,000</u>
		\$300,000
6. 5.5% Overhead		<u>16,500</u>
		\$316,500
Less AID Special Foreign Currency Program (SFPC)		<u>50,000</u>
Total AID Financing		<u>\$266,500</u>

\*Utilization of these funds are subject to advance approval of the Grant Officer.

The Grantee may not exceed the total amount of the budget. The Grantee may adjust, as reasonably necessary, any of the line items in the budget without obtaining prior written approval of the Grant Officer, provided such adjustments do not result in an increase in the grand total of the budget.

It is recognized that the total funds required for this project will be \$604,000 of which \$266,500 is being provided by AID/W with this Grant. Other contributions include:

Ministry of Public Health	\$136,200
Government of Siliana	79,000
Peace Corps	39,560
CARE/Medico	32,430
AID (SFPC)	<u>50,000</u>
TOTAL	<u>\$337,190</u>

I. Special Provisions

1. Delete paragraphs (3)(a), (4) and (5) and substitute appendix A, attached hereto and incorporated herein.

2. Notwithstanding the provisions of Standard Provision "t", Grantee is authorized to purchase locally in Tunisia the items identified in Paragraph E.1 above and other miscellaneous supplies and construction materials not to exceed a total of \$118,000, and is authorized to purchase the vehicles and equipment identified in Paragraph E.2 above in Europe.

3. Notwithstanding the provisions of Standard Provision "u", title to all commodities and equipment shall vest in the Government of Tunisia (GOT) and where the term "Government" appears in Standard Provision "u", it shall mean GOT except in Paragraph (9); and delete the second paragraph of Paragraph (2), and substitute the following: "Grantee shall establish and maintain a records system for property control and a program for orderly maintenance of GOT property."

4. Notwithstanding the provisions of Standard Provision "x", the initial voucher for estimated cash needs may be for up to the first three months requirements and then to be submitted monthly thereafter, unless otherwise approved in writing by the Grant Officer.

ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR  
INTERNATIONAL DEVELOPMENT REGULATION UNDER TITLE VI  
OF THE CIVIL RIGHTS ACT OF 1964

\_\_\_\_\_  
(Name of Grantee) (hereinafter called the "Grantee")

HEREBY AGREES THAT it will comply with title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 209, 30 FR 317) issued pursuant to that title, to the end that, in accordance with title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under and program or activity for which the Grantee receives Federal financial assistance from the Agency; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Grantee.

APR Inc  
(Grantee)

BY (Signature) [Signature]

TYPED NAME \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

## STANDARD PROVISIONS

### a. Allowable Costs and Payment (Oct. 1974)

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 allowable in accordance with the terms of this Grant and Subpart 15.2 of the Federal Procurement Regulations (FPR) (Principles and Procedures for use in Cost Reimbursement Type Supply and Research Contracts with Commercial Organizations)\* in effect on the date of this Grant. Payment of allowable costs shall be in accordance with Attachment C of this Grant.

[\*If this Grant is made to a university, the applicable cost principles are "Federal Management Circular, 73-8 (Cost Principles for Educational Institutions)" instead of Subpart 15.2 of the FPR as cited above]

### b. Accounting, Records, and Audit (Oct. 1974)

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. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (1) until the expiration of three years from the date of termination of the program and (2) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

### c. Refunds (Oct. 1974)

(1) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

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

(3) If, at any time during the life of the Grant, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

d. Equal Opportunity Employment (Oct. 1974)

With regard to the employment of persons in the U.S. under this Grant, Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, religion, sex, color or national origin of such persons and that; in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S. no person shall, on the grounds of race, religion, sex, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964."

e. Termination (Oct. 1974)

This Grant may be terminated at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he shall determine that such termination is in the best interest of the Government. Upon receipt of and in accordance with such notice, the Grantee shall forthwith 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, and the Grantee shall within thirty (30) calendar days after the effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Grantor to the Grantee prior to the effective date of this termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Grantor within (90) calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in the Grant, the Grant Officer shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

f. Officials Not to Benefit (Oct. 1974)

No member of or delegate to Congress or resident 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.

g. Covenant Against Contingent Fee (Oct. 1974)

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

h. Nonliability (Oct. 1974)

AID does not assume liability with respect to any claims for damages arising out of work supported by its grants.

i. Amendment (Oct. 1974)

The Grant Agreement may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the AID Grant Officer and an appropriate official of the Grantee.

j. Grant Agreement (Oct. 1974)

The letter to the Grantee signed by the Grant Officer, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant Agreement.

k. Notices (Oct. 1974)

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, registered or regular mail as follows:

To the cognizant AID Grant Officer

To Grantee - At Grantee's address shown in this Grant, or to such other address as either party 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.

1. Travel and Transportation (Oct. 1974)

(1) The Grant Officer hereby approves international travel hereunder provided that the Grantee shall obtain written concurrence from the cognizant technical office in AID prior to sending any individual outside the United States to perform work under the Grant. For this purpose the Grantee shall advise the Project Manager at least thirty (30) days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant USAID Mission or U.S. Embassy advance notification with a copy to the project officer of the arrival date and flight identification of Grant financed travellers.

(2) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(3) The Grantee agrees to travel by the most direct and expeditious route, and to use less than first class transportation unless such use will result in unreasonable delay or increased costs.

(a) All international air travel under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations provided that the Grantee certifies to the facts in the voucher or other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

1. Where a flight by a United States carrier is scheduled but does not have accommodations available when reservations are sought;

2. Where the departure time, routing, or other features of a United States carrier would interfere with or prevent the satisfactory performance of official business;

3. Where a scheduled flight by a United States carrier is delayed because of weather, mechanical, or other conditions to such an extent that use of a non-United States carrier is in the Government's interest;

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4. Where the appropriate class of accommodations is available on both United States and non-United States carriers, but the use of the United States carrier will result in higher total United States dollar cost to the grant due to additional per diem or other expenses; and

5. Where the appropriate class of accommodations is available only on a non-United States carrier and the cost of transportation and related per diem on the non-U.S. carrier is less than the cost of available accommodations of another class on a United States carrier and related per diem.

(b) All international air shipments under this grant shall be made on United States flag carriers unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a United States carrier either at point of origin or transshipment, provided that the Grantee certifies to the facts in the vouchers or other documents retained as part of the Grant records to support his claim for reimbursement and for post audit.

(4) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

m. Regulations Governing Employees Outside the United States (Oct. 1974)

(1) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.

(2) The sale of personal property or automobiles by Grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the mission, except as this may conflict with host government regulations.

(3) Other than work to be performed under this Grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage, directly or indirectly, either in his own name or in the name or through an agency of another person, in any business, profession or occupation in the foreign countries to which he is assigned.

(4) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(5) On the written request of the Grant Officer or of a cognizant Mission Director, the Grantee will terminate the assignment of any individual to any work under the Grant and, as requested, will use its best efforts to cause the return to the United States of the individual from overseas or his departure from a foreign country or a particular foreign locale.

(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

~~W~~        Salaries (Oct. 1974)

All salaries, wages, fees, and stipends reimbursed under this Grant shall be in accordance with the Grantee's policy and practice as reviewed and approved by the Grant Officer. In the absence of an approved policy the Grantee shall follow the regulations contained in Section 7-15.205-6 of the Agency for International Development Procurement Regulations.

PAYMENT PROVISION

Periodic Grant Disbursement

X. Each month, Grantee will submit to AID's Office of Financial Management, Voucher Form SF 1034 (original) and SF 1034-A, three copies, each voucher identified by the appropriate grant number, in the amount of estimated cash needs for the following month. The voucher shall be supported by an original and two copies of a report rendered as follows:

Amount of Grant	\$ xxx
Expended this period	\$ xxx
Expended to date	\$ xxx
Advances to subgrantees (if any)	\$ xxx
Anticipated expenditures next month (dates)	\$ xxx
Cash received to date	\$ xxx
Cash required next month	\$ xxx

The report shall include a certification as follows:

"The undersigned hereby certifies: (1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event funds are not expended, (3) that appropriate refund will be made in the event of disallowance in accordance with the terms of this grant, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

BY \_\_\_\_\_

TITLE \_\_\_\_\_

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

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ATTACHMENT A

**PREFERENCE FOR U.S. FLAG AIR CARRIERS**

(a) Pub. L. 93-823 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).

(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.

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 in this section.

(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