

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PD-ABG-032

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SEP 14 1990

Mrs Ruth Kaempf
Stanford University
Stanford, California 94305-4125

Subject: Grant No. PDC-0086-G-00-0076-00

Dear Mrs. Kaempf:

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 BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY~~

(hereinafter referred to as "Grantee") the sum of \$245,110. This funding is provided as support of the Hoover proposal undated entitled "Economy, Society and Democracy in Developing Countries," which is incorporated by reference into this Grant, and which is more fully described in Attachment 2 to this Grant, 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 project objectives from the effective date to two years thereafter. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

This Grant is made to Hoover on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 3, entitled "Standard Provisions", which have been agreed to by your organization.

The 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 project objectives beginning this effective date and ending two years thereafter. Funds disbursed by A.I.D., but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

This Grant is made to Hoover on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "The Schedule," and Attachment 3, entitled "Standard Provisions," which have been agreed to by your organization.

The total estimated amount of A.I.D. support is \$245,110, of which the entire amount is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

Please sign the original and all copies of this letter to acknowledge your receipt of the Grant, retain one set for your files, and return the original and remaining copies to the undersigned.

Sincerely,

Edward H. Thomas

Edward H. Thomas
Grant Officer
Central Operations Branch
Office of Procurement

Attachments:

1. The Schedule
2. Program Description
3. Standard Provisions
4. A.I.D. Geographic Codes

ACKNOWLEDGED for STANFORD UNIVERSITY:

BY : *Ruth Kaempfe*
Title : RUTH KAEMPF
CONTRACT OFFICER
Date : 9/19/90

FISCAL DATA

PIO/T No. : 930-0086-0302322
Appropriation : 72-1101021.6
Budget Plan Code : FDSA-90-13010-KG11
(046-30-099-00-20-01)
Total Obligated Amount : \$245,110
Total Grant Amount : \$245,110

DUNS No. : 00-921-4214
IRS Employer No. : 94-115-6365
Letter of Credit No: 19005401
Technical Office : PPC/PDPR

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THE SCHEDULE

ARTICLE A - PURPOSE OF GRANT

The purpose of this Grant is to provide support for the Hoover Institution's proposal entitled "Economy, Society and Democracy in Developing Countries," as more fully described in the Hoover proposal dated September 12, 1989 of that name, which is incorporated by reference into this Grant, and in Attachment 2 to this Grant, entitled "Program Description."

ARTICLE B - PERIOD OF PERFORMANCE

The effective date of this Grant is the date of the Cover Letter and the expiration date is two years thereafter. Funds obligated hereunder are authorized for program expenditures beginning the date of execution of the Cover Letter and ending two years thereafter.

ARTICLE C - AMOUNT OF GRANT AND PAYMENT

1. A.I.D. hereby obligates the amount of \$245,110 for the purposes of this Grant. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.
2. Payment shall be made to the Grantee in accordance with the procedures set forth in Attachment 3 - Additional Standard Provision Number 1, entitled "Payment-Letter of Credit."
3. The total estimated amount of this project is \$245,110, as shown in Hoover's facsimile transmission dated 9-6-90, 1:49PM.

ARTICLE D - BUDGET

1. The following is the Budget for this Grant. The Grantee may not exceed the total obligated amount. Except as specified in the Mandatory Standard Provision of this Grant entitled "Revision of Grant Budget," as shown in Attachment 3, and in paragraph 2 below, the Grantee may adjust line item amounts within the grant total as may be reasonable necessary for the attainment of program objectives.

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BUDGET

<u>Cost Element</u>	<u>Amount</u>
Salaries	\$ 63,000
Travel and Transportation	40,000
Honoraria and research expenses	40,000
Participant Accommodations & Meals	18,000
Other Direct Costs	11,000
Indirect Costs (Research)	47,360
Indirect Costs (Dissemination)	25,750
TOTAL PROJECT COSTS	\$ 245,110

Total Project Cost \$245,110
Total A.I.D. Funding \$245,110

2. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Mandatory Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in ARTICLE H below.
3. Notwithstanding the effective date of this Grant as shown in ARTICLE B above, and subject to the Mandatory Standard Provision of this Grant entitled "Allowable Costs," costs incurred by the Grantee in pursuit of program objectives on or after the effective date of the Cover Letter shall be eligible for reimbursement hereunder. Such costs are included in the Grant Budget shown above.

ARTICLE E - AUTHORIZE SOURCE AND ORIGIN

1. a. In addition to other applicable provisions of this Grant, the Grantee shall comply with paragraph (b)(1) of Additional Standard Provision No. 7 of this Grant entitled "AID Eligibility Rules for Goods and Services," concerning total procurement value of \$250,000 or less under this Grant, except that said paragraph does not apply to the restricted goods listed in paragraph (a)(3) of said Standard Provision, which must be specifically approved by the Grant Officer. (See ARTICLE H below.) Paragraph (b)(2) of said Additional Standard Provision does not apply.

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- b. For the purposes of this Grant, the Authorized Geographic Code for all goods and services is Code 000, "United States."
2. The Grantee shall comply with Additional Standard Provision No. 9 of this Grant entitled "Local Cost Financing."
 3. Any commodity from, or containing a component from, a country not included in A.I.D. Geographic Code 000, renders that commodity ineligible for financing with A.I.D. funds.

ARTICLE F - INDIRECT COST RATES

1. Pursuant to the Additional Standard Provision of this grant entitled "Negotiated Indirect Cost Rates - Predetermined", the allowable indirect costs under this Grant Number PDC-0086-G-00-0076-00 shall be obtained by applying the predetermined indirect cost rate to the base agreed upon by the Grantee and A.I.D. The following indirect rate agreed to by the Grantee shall be the billing rate used during the full period of performance of this Grant, as set forth in ARTICLE B above.

<u>TYPE</u>	<u>RATE</u>	<u>BASE OF APPLICATION</u>
Fixed	74.0%	Organized Research, On-Campus
Fixed	25.0%	Other Sponsored Activities

Distribution Base - Modified total direct costs consisting of salaries and wages, fringe benefits, materials and supplies, services, travel and subcontracts and subgrants up to \$25,000 each. Materials and supplies include purchases of items of equipment costing less than \$500 or with less than a two-year life, and University fabricated equipment with purchased components having a total value of less than \$1,000.

2. The difference between the above indirect cost rate and the rate(s) established by the cognizant audit agency for each of the Grantee's accounting periods during the indicated period of performance of this Grant shall be absorbed by the Grantee.

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3. Reimbursement for indirect costs under this Grant shall be at rates established by the cognizant audit agency but shall not exceed the agreed rate set forth above. A.I.D. shall not be obligated to pay any additional amount above the agreed rate for the period of this Grant set forth above.

ARTICLE G - TITLE TO PROPERTY

1. Title to property acquired hereunder shall vest in the Grantee. The Additional Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" applies. Use, accountability, and disposition of property acquired hereunder shall be in accordance with said Additional Standard Provision.
2. Notwithstanding ARTICLE G.1. above, all resources including supplies and equipment that remain at the conclusion of this project will be turned over to a non-profit agency conducting work consistent with the purposes of this project. AID/W (the Director/PPC) must pre-approve in writing any recipient designated by the Grantee, prior to the transfer.

ARTICLE H - EQUIPMENT AND OTHER CAPITAL EXPENDITURES

Pursuant to ARTICLE D.2. above and the Mandatory Standard Provisions of this Grant entitled "Allowable Costs", and "Revision of the Grant Budget", and by extension, Section 13 of Attachment 9 of OMB Circular A-122, whereby the Grantee must obtain A.I.D. Grant Officer approval for the following:

- (1) purchase of general purpose equipment (i.e., an article of nonexpendable tangible personal property which is usable for other than research, medical, scientific or technical activities, whether or not special modifications are needed to make them suitable for a particular purpose [e.g., office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment], having a useful life of more than two years and an acquisition cost of \$500 or more per unit); and
- (2) purchase of special purpose equipment (i.e., an article of nonexpendable tangible personal property, which is used only for research, medical, scientific, or technical

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activities [e.g., microscopes, x-ray machines, surgical instruments, and spectrometers], and which has a useful life of more than two years and an acquisition cost of \$1,000 or more per unit),

the Grant Officer does hereby provide such approval for any items purchase with A.I.D. funds obligated in this grant. This approval shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see ARTICLE C.1. above).

ARTICLE I - REPORTING AND EVALUATION

1. Financial Reporting

- a. Financial reporting requirements shall be in accordance with the Additional Standard Provision of the grant entitled "Payment - Letter of Credit", as shown in Attachment 3.
- b. The original and two copies of all financial reports shall be submitted quarterly to:

A.I.D.
Office of Financial Management
PFM/FM/CMP/CGLC
Room 703, SA-2
Washington, D.C. 20523-0209.

In addition, two copies of all financial reports shall be submitted to the A.I.D. Project Office specified below, one copy for the Project Officer and the other copy for the official grant file in Operations Support Division.

PPC/PDPR
Room 3957 NS
A.I.D.
320 21st Street, N.W.
Washington, D.C. 20523-0008
Attn: Ms. Travis Horel
Phone: (202) 647-8149

2. Program Performance Reporting

- a. The Grantee shall submit to the PPC/PDPR Project Officer quarterly Progress Reports which briefly present the following information:

- (1) A comparison of actual accomplishments with the goals established for the period. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
 - (2) Reasons why established goals were not met.
 - (3) Analysis and explanation of actual unit costs versus budgeted costs.
 - (4) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
- b. Between the required progress reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform A.I.D. 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 and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.
 - (2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.
- c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this grant entitled "Revision of Grant Budget" or by ARTICLE D.2. of this Schedule, the Grantee shall submit a request for budget revision.

3. Final Report

Within 90 days following the estimated completion date of this Grant (see ARTICLE B above), the Grantee shall submit three copies of a final report to the A.I.D. Project Office specified in ARTICLE I.1.b. above. The final Report will cover the entire period of the Grant and include all information shown in ARTICLE I.2. above.



ARTICLE J - Close-Out Procedures

This section prescribes uniform closeout procedures for this Agreement.

1. The following definitions shall apply for the purpose of this section:

a. Closeout: The closeout of a agreement is the process by which AID determines that all applicable administrative actions and all required work of the agreement have been completed by the Recipient and AID.

b. Date of Completion: The date of completion is the date on which all work under the Agreement is completed or the date on the award document, or any supplement or amendment thereto, on which sponsorship ends.

c. Disallowed Costs: Disallowed costs are those charges to an agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the agreement .

2. AID closeout procedures include the following requirements:

a. Upon request, AID shall make prompt payments to a Recipient allowable reimbursable costs under the agreement being closed out.

b. The Recipient shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the Recipient for use in other agreements.

c. AID shall obtain from the Recipient within 90 calendar days after the expiration of the Agreement all financial, performance, and other reports required as a condition of the agreement. AID may grant extensions when requested by the Recipient.

d. The Recipient shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards".

e. In the event a final audit has not been performed prior to the closeout of the agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

ARTICLE K - SPECIAL PROVISIONS

1. For purposes of this grant, reference to "OMB Circular A-122" in the Mandatory Standard Provisions of this grant shall include the A.I.D. implementation of such Circular, as set forth in subpart 731.7 of the A.I.D. Acquisition Regulations (A.I.D.A.R.) (41 CFR Chapter 7).
2. The Additional Standard Provisions, appended hereto as Attachment 3, applicable to this grant are marked with an "x".
3. Conflicts between any of the Attachments of this Grant shall be resolved by applying the following order of precedence:

Attachment 1 - Schedule
Attachment 2 - Program Description
Attachment 3 - Standard Provisions
Attachment 4 - A.I.D. Geographic Codes

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PROGRAM DESCRIPTION

A. Objective

The Hoover Institution is undertaking a two-year project to study democracy in developing countries, and to sponsor twenty studies -- all with a common theoretical agenda -- examining the relationship between the state and the economy, as well as the impact of pluralism on the development of democracy. These studies will culminate in a major symposium designed to enhance scholar's and policy maker's understanding of these issues.

B. Scope of Work

The two-year research project will begin in September, 1990, and will conclude with the presentation of papers at the symposium in September, 1992. During the first year of the project, a theoretical agenda will be prepared, country experts will be identified, and papers will be commissioned. Later in the year, selected authors will be invited to present the initial drafts of their work to an ongoing seminar at the Hoover Institution, after which they will be revised in light of comments and suggestions. Drafts of the papers will also be exchanged amongst the various authors. In the second year of the project, the twenty case studies of the ten countries will be presented at the symposium at the Hoover Institution. Selected comparativists and policy officials will also be invited to participate in the symposium. Subsequently, the papers will be edited and revised for publication. The project will be coordinated by two Hoover Institution scholars; Larry Diamond will have primary responsibility for the project and Alvin Rabushka will assist him.

C. Reporting Requirements

(1) The Grantee will send to the Technical Office the list of countries to be examined as case studies prior to final selection of the countries.

(2) Prior to the Grantee's final determination of the theoretical framework designed for the twenty case studies, the Grantee will submit the draft framework to the Technical Office for A.I.D. comments and suggestions on the design of the framework.

- (3) Prior to final selection, the Grantee will send to the Technical Office the names of anticipated authors for A.I.D. review. Further, selected authors are encouraged to visit USAID missions in their designated countries of study for dialogue with mission personnel and data-gathering.
 - (4) To the extent possible, and if budget permits, author reviews of draft papers with the Hoover Institution shall take place in Washington D.C. rather than in San Francisco. Budget permitting, if the selected symposium participants are principally from the Washington, D.C. area, efforts shall be made to hold the symposium in Washington as opposed to San Francisco.
 - (5) Upon completion of the first phase of research, the Grantee will submit to the Technical Office the findings thereof.
 - (6) The Grantee will send to the Technical Office the list of recommended symposium participants prior to convening of the symposium.
 - (7) The Grantee will submit to the Technical Office, on completion of the symposium, a summary of the symposium proceedings, including: papers presented, a list of participants and background information on the participants.
 - (8) Any resulting publications of this research shall list A.I.D. as a financial sponsor, correlating and weighing A.I.D.'s financial contribution to the overall cost of the project.
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