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<b>AWARD/CONTRACT</b>		1 THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING	PAGE OF PAGES 1 56
2. CONTRACT (Proc. Inst. Ident.) NO. CCN-0007-C-00-3169-00		3. EFFECTIVE DATE September 30, 1993		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. 110-0007-3-366-2851	
ISSUED BY Office of Procurement (FA/OP/CC/N) Agency for International Development Washington, D.C. 20523-1415		6. ADMINISTERED BY (If other than Item 5) <i>[Signature]</i>			

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) ARD/Checchi (joint venture) 1730 Rhode Island Avenue, N.W. Washington, D.C. 20036-3193		8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input type="checkbox"/> OTHER (See below)	
9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN Section G.3	

11. SHIP TO/MARK FOR <i>[Stamp]</i>		12. PAYMENT WILL BE MADE BY See Section G.3	
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13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) <input type="checkbox"/> 41 U.S.C. 253(c)		14. ACCOUNTING AND APPROPRIATION DATA See Section G.3	
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15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	Professional Services in support of the Rule of Law Program for the Slavic Republics  <b>BEST AVAILABLE DOCUMENT</b>				

15G. TOTAL AMOUNT OF CONTRACT ▶ \$15,151,180

W)	SEC.	DESCRIPTION	PAGE(S)	W)	SEC.	DESCRIPTION	PAGE(S)
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	C	DESCRIPTION/SPECS./WORK STATEMENT	9-31		J	LIST OF ATTACHMENTS	
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 5 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)		18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.	
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19A. NAME AND TITLE OF SIGNER (Type or print) Patricia McPhelin, Vice President Checchi & Co. Consulting, Inc.		20A. NAME OF CONTRACTING OFFICER CLEM BUCHER	
19B. NAME OF CONTRACTOR BY Patricia McPhelin (Signature of person authorized to sign)		20B. UNITED STATES OF AMERICA BY <i>[Signature]</i> (Signature of Contracting Officer)	
19C. DATE SIGNED		20C. DATE SIGNED 9/30/93	

(b) Reports and Other Deliverables

The Contractor shall deliver the quantities of reports and other deliverables specified in Section C of this contract. The Contractor shall also furnish data which the Contracting Officer may request on costs expended or accrued under this contract in support of the budget information provided herein.

B.3 TOTAL ESTIMATED COST, FIXED-FEE AND GOVERNMENT OBLIGATION

(a) Excluding the option: The total estimated cost of this contract, exclusive of fixed fee, is	\$8,635,477.
The fixed fee is	<u>377,971.</u>
The total estimated cost plus fixed-fee is	\$9,013,448.

(b) Including the option: The total estimated cost of this contract, exclusive of fixed fee, is	\$14,510,053.
The fixed fee is	<u>641,127.</u>
The total estimated cost plus fixed-fee is	\$15,151,180.

(c) The amount of funds currently obligated to this contract for performance hereunder is \$2,235,000, and the Contractor shall not exceed this amount unless approved in advance by the Contracting Officer as provided in the General Provision clause of this contract entitled "Limitation of Funds" (FAR 52.232-22) in Section I.

(d) The amount obligated is anticipated to be sufficient to cover services through August 31, 1994. Additional funds up to the total estimated amount of the contract (cost-plus-fixed-fee) will be incrementally obligated by A.I.D., subject to the availability of funds.

(e) Payment of allowable costs hereunder shall be made in accordance with the General Provision clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-7).

B.4 Budget

(a) The following itemized budget sets forth the estimates for reimbursement of costs for individual line items of cost and the fixed fee. Without the prior written approval of the Contracting Officer, the Contractor may not exceed the total estimated cost set forth in the budget hereunder or the obligated amount, whichever is less. Without the prior written approval of the Contracting Officer, the Contractor may not exceed the estimated dollar cost for any individual line item of cost shown below by more than 15% of such line item, except for (i) indirect costs and (ii) salaries and wages, which may not be exceeded unless approved by the Contracting Officer. The fee is fixed.

**SECTION A - SOLICITATION/CONTRACT FORM (continued)**

A.1 A.I.D. Negotiation Authority

Foreign Assistance Act of 1961, as amended, and Executive Order 11223.

A.2 Clauses Incorporated by Reference (FAR 52.252-2)(JUN 1988)

This contract incorporates one or more clauses as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

A.3 ARD/Checchi Joint Venture

This contract is between U.S.A.I.D. and a joint venture under the name of ARD/Checchi. The joint venture will perform the obligations of the Contractor in accordance with the terms of the joint venture agreement which was contained in the proposal submitted on August 31, 1993.

A.4 Type of Contract

This is a cost-plus-fixed-fee level of effort contract.

End of Section A

BEST AVAILABLE DOCUMENT

**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS**  
**FOR SLAVIC TECHNICAL SUPPORT UNIT/KIEV**

Subsections:

- B.1 PURPOSE
- B.2 SUPPLIES AND SERVICES
- B.3 TOTAL ESTIMATED COST, FIXED FEE AND GOVERNMENT OBLIGATION
- B.4 BUDGET
- B.5 ESTABLISHMENT OF INDIRECT COST RATES
- B.6 ADVANCE UNDERSTANDING ON CEILING INDIRECT RATES AND  
FINAL REIMBURSEMENT FOR INDIRECT COSTS
- B.7 REIMBURSABLE COSTS
- B.8 FIXED FEE
- B.9 ESTIMATED LEVEL OF EFFORT
- B.10 CONTRIBUTION PROVIDED BY CONTRACTOR

B.1 PURPOSE

The Contractor shall provide the estimated quantity of services (level of effort) and deliver the estimated quantity of reports and other deliverables necessary to implement the activities under the Democratic Pluralism Initiatives (DPI) Project for the Slavic Area Rule of Law Program

B.2 SUPPLIES AND SERVICES

This is a cost-plus-fixed-fee contract (see Section I of this contract for clause entitled "Fixed Fee (FAR 52.216-8)). For the consideration set forth in this Section B, the Contractor shall, during the contract period, provide the following services and deliverables:

(a) Services

In accordance with the terms of this contract, and the Contractor's original proposal and/or best and final offer which is accepted by A.I.D. through award of this contract, the Contractor shall provide approximately 481 person months of direct hire, consultant and/or subcontract labor during the base period, and another 362 person-months of direct hire, consultant and/or subcontract labor during the option period (if the option is exercised), as further described in Section C of this contract.

(b) Reports and Other Deliverables

The Contractor shall deliver the quantities of reports and other deliverables specified in Section C of this contract. The Contractor shall also furnish data which the Contracting Officer may request on costs expended or accrued under this contract in support of the budget information provided herein.

B.3 TOTAL ESTIMATED COST, FIXED-FEE AND GOVERNMENT OBLIGATION

(a) Excluding the option: The total estimated cost of this contract, exclusive of fixed fee, is \$8,635,477.  
The fixed fee is 377,971.  
The total estimated cost plus fixed-fee is \$9,013,448.

(b) Including the option: The total estimated cost of this contract, exclusive of fixed fee, is \$14,510,053.  
The fixed fee is 641,127.  
The total estimated cost plus fixed-fee is \$15,151,180.

(c) The amount of funds currently obligated to this contract for performance hereunder is \$2,235,000, and the Contractor shall not exceed this amount unless approved in advance by the Contracting Officer as provided in the General Provision clause of this contract entitled "Limitation of Funds" (FAR 52.232-22) in Section I.

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(e) Payment of allowable costs hereunder shall be made in accordance with the General Provision clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-7).

B.4 Budget

(a) The following itemized budget sets forth the estimates for reimbursement of costs for individual line items of cost and the fixed fee. Without the prior written approval of the Contracting Officer, the Contractor may not exceed the total estimated cost set forth in the budget hereunder or the obligated amount, whichever is less. Without the prior written approval of the Contracting Officer, the Contractor may not exceed the estimated dollar cost for any individual line item of cost shown below by more than 15% of such line item, except for (i) indirect costs and (ii) salaries and wages, which may not be exceeded unless approved by the Contracting Officer. The fee is fixed.

(b) Itemized Budget

<u>Line Item</u>	<u>Base Period</u> <u>Years 1-3</u>	<u>Option Period</u> <u>Years 4-5</u>	<u>Full Period</u> <u>Years 1-5</u>
Salaries	\$1,475,861	\$1,055,843	\$2,531,704
Fringe Benefits	117,835	97,173	215,008
Subcontracts	2,166,700	1,873,824	4,040,524
Travel and Transportation	790,921	562,460	1,353,381
Allowances	351,240	143,281	494,521
Training	500,000	500,000	1,000,000
Grants Program	1,500,000	500,000	2,000,000
Other Direct Costs	471,196	402,170	873,366
Overhead	886,730	453,189	1,339,919
G & A	251,407	196,170	447,577
Material Handling OH	<u>123,587</u>	<u>90,466</u>	<u>214,053</u>
Total Estimated Costs	\$8,635,477	\$5,874,576	\$14,510,053
Fee	<u>377,971</u>	<u>263,156</u>	<u>641,127</u>
Total Cost Plus Fixed Fee	\$9,013,448	\$6,137,732	\$15,151,180

B.5 ESTABLISHMENT OF INDIRECT COST RATES

Pursuant to the General Provision clause of the contract entitled "Allowable Cost and Payment", the indirect cost rates shall be established for each of the Contractor's accounting periods which apply to this contract. Pending establishment of revised provisional or final indirect cost rates for each of the Contractor's accounting periods which will apply to this contract, payment on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the bases which are set forth below:

For ARD, Inc:

<u>Type</u>	<u>Rate</u>	<u>Base</u>
<u>Fringe Benefits</u>		
Full-time (U.S.)	35%	Full-time direct and indirect labor dollars
Part-time (U.S.)	9%	Part-time direct and indirect dollars
<u>Overheads</u>		
Labor	56.22%	Direct labor dollars
Material Handling	8.29	Direct subcontracts, equipment, materials and supplies costs
G & A	11.98%	Total cost input less material handling expenses and base cost

For Checchi:

<u>Type</u>	<u>Rate</u>	<u>Base</u>
<u>Overheads</u>		
Permanent	95%	Salaries and wages of regular employees, not including fringe benefits.
Intermittent	65%	Salaries and wages of short-term staff specialists and intermittent employees not including fringe benefits

**B.6 ADVANCE UNDERSTANDING ON CEILING INDIRECT COST RATES AND FINAL REIMBURSEMENT FOR INDIRECT COSTS**

(a) Notwithstanding any other clause of this contract, for each of the Contractor's accounting periods during the term of this contract, the parties agree as follows:

The distribution base for establishment of final ARD overhead rates is direct labor dollars.

The distribution base for establishment of final ARD material handling rates is direct subcontracts, equipment, materials, and supplies costs.

The distribution base for establishment of final ARD G&A rates is total cost input less material handling pool expenses and base cost.

The distribution base for establishment of final Checchi overhead rates for permanent employees is salaries and wages of regular employees, not including fringe benefits.

The distribution base for establishment of final Checchi overhead rates for intermittent employees is salaries of short-term staff specialists and intermittent employees not including fringe benefits.

Contractor shall not change its established method of classifying or allocating indirect costs without the prior written approval of the Contracting Officer.

(b) Reimbursement for indirect costs shall be at final negotiated final or predetermined rates, but not in excess of the following ceiling rates:

For ARD, Inc.:

Overhead	61%
Material Handling	9%
G & A	13%

For Checchi:

Overhead (Permanent)	100%
Overhead (Intermittent)	70%

(c) The Government shall not be obligated to pay any amount on account of indirect costs above the ceiling rates established herein.

(d) This advance understanding shall not change any monetary ceiling, cost limitation, or obligation established in the contract.

#### B.7 REIMBURSABLE COSTS

In accordance with the clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-7) and "Documentation for Payment" (AIDAR 752.7003), the Contractor shall be reimbursed in U.S. dollars for reasonable, allocable, and necessary costs incurred during performance of this contract, subject to the clauses of this contract entitled "Limitation of Cost" (FAR 52.232-10) and "Limitation of Funds" (FAR 52.232-22), and other applicable terms and conditions of this contract.

#### B.8 FIXED FEE

At the time of each payment to the Contractor of reimbursable dollar costs, the contractor shall be paid a dollar portion of the fixed fee which is the same ratio to the total fixed fee as the related payment is to the total estimated cost; provided however that whenever, in the opinion of the Contracting Officer, such payment would result in a percentage of fee in excess of the percentage of work completion, further payment of fee may be suspended until the Contractor has made sufficient progress, in the opinion of the Contracting Officer, to justify further payment of fee up to the agreed ratio; provided further that after payment of eighty five percent (85%) of the total fixed fee, the clauses of this contract entitled "Fixed Fee" (FAR 52.216-8) shall be followed.

B.9 ESTIMATED LEVEL OF EFFORT

The contractor shall furnish all facilities, materials, personnel (estimated at 481 person months, plus an additional 362 person months, if the option is exercised) necessary to provide the required services as described in Section C and in accordance with the terms and conditions of this contract.

B.10 CONTRIBUTION PROVIDED BY THE CONTRACTOR

It is anticipated that the Contractor's minimum contribution to this project, as detailed in its proposal, will consist of the following:

Pro Bono Services	\$895,269
Institutional Resource Contributions	1,250,000
Board of Advisors	240,000
Internships, Research Grants, Scholarships	1,125,000
Donations of Equipment and Materials	<u>110,000</u>
TOTAL	\$3,620,269

Not included are American Bar Association resources for which an estimate has not been established but for which the target is a minimum of \$1,000,000.

The Contractor will within 30 days of contract execution submit for the approval of the COTR a plan explaining in detail how the contributions will be obtained. In addition, the Contractor, in consultation with the COTR, will develop a system to track and report on the contributions made to this project.

End of Section B

**SECTION C - DESCRIPTIONS/SPECIFICATIONS/WORK STATEMENTS**

**C.1. INTRODUCTION**

**C.1.A. Background:** This contract responds directly to the joint announcement of Presidents Clinton and Yeltsin at the Vancouver Summit that the U.S. will swiftly mobilize a "Rule of Law Consortium" to support Russia's transition to a democratic system. President Clinton has made clear that economic and political stability in Russia, Ukraine, Kazakhstan, and their neighboring NIS republics is one of his key foreign policy goals. U.S. military security and our prospects for productive economic partnerships with NIS countries, will be affected by how successfully NIS republics make the transition to democracy.

President Yeltsin's success in the April 25th referendum demonstrated widespread Russian support for democracy. Most citizens of Russia and other NIS republics, however, lack meaningful understanding of the roles and responsibilities exercised by governments and citizens in functioning democracies.

A window of opportunity exists now for the U.S. to support NIS efforts to consolidate and institutionalize democratic trends. In order for ordinary Russians, Kazaks, Ukrainians, and other NIS citizens to sustain their support for economic and political liberalization, they must experience the benefits of democracy in a tangible and timely fashion.

This contract will focus its activities in the Slavic countries of Belarus, Ukraine, and Moldova, and mobilize as quickly as possible, institutions and organizations from the U.S. private and voluntary sectors, and from both applied and academic arenas, to collaborate with Slavic counterparts to strengthen and develop key processes, structures, and institutions in the state and non-state sector which are critical to create a stable Rule of Law Framework in the Slavic countries.

**Rule of Law Defined:** "Rule of law" means that all components of society, including the public bureaucracy, operate under the same legal constraints and with the same legal rights, thus enabling peaceful and predictable political and economic participation. Strengthening the rule of law requires that the legal system exist not only on paper, but also in practice. Written laws must also be implemented, enforced, understood, accepted, and used. Therefore, strengthening the rule of law requires the development

of independent, efficient, and highly professional judicial and legal institutions capable of supporting democratic, market-oriented societies and protecting human rights. It also requires an increased awareness on the part of the population of the benefits to them of a law-based society, and a publicization and popularization of the new systems being created.

Economic reform can proceed efficiently only in an environment where the legal framework provides predictability in commercial relations, equal access to the law, and a level of personal security. Helping the nations of the NIS to assure these conditions must be an early priority in the implementation of a broader, long term effort to establish the Rule of Law across the NIS.

Governments use their power and authority to establish and maintain the formal and informal framework of institutions that regulate social, political, and economic interaction. Governments create the rule of law necessary to underpin accountability, transparency, and predictability in interactions which determine many of the preconditions to a thriving or a declining domestic economy and democratic governance. The critical challenge for the transformation of political and economic systems in the NIS of the former Soviet Union is to develop citizen-centered, sustainable democratic governance based on the rule of law.

**Programming to Date:** AID's Democratic Pluralism Initiatives (DPI) Project is designed to help create and nurture democratic institutions, processes, and values in the New Independent States (NIS), in the wake of the collapse of communism and the Soviet economic system. Grounded in the belief that free markets and free societies go hand in hand, the DPI project is a crucial link in the U.S. Government's primary goal of supporting the establishment of democracy and market economies in the countries of the NIS. The ultimate success of democracy in these countries is inextricably linked to the success of economic reform. Unless the economic transformation process delivers tangible evidence, to a broad spectrum of people, that the quality of life in a democracy will be better than that of the earlier authoritarian regime, there will be an inevitable backlash against those who champion democracy. Therefore, in the short term, the highest priority for U.S. assistance must be on those areas where the support of democratic and legal institution building is a requirement for the process of economic reform.

**Political and Economic Reforms:** In the former Soviet Union, the state's centralized control over the economy was paralleled by an undemocratic political process and an unresponsive legal and judicial system. The individual was at the mercy of the

state, and the legal foundations for markets were not developed. Prior to the 1917 revolution, the legal system reflected European rather than Anglo-Saxon models, which had implications for both judicial procedure and the role of precedent.

In practice, Soviet political and legal systems were extensive and elaborate but lacking in the characteristics commonly associated with rule of law. Many of the laws were ignored in practice or interpreted so arbitrarily as to remove the stability and predictability necessary for democracy and free markets to operate. While citizen participation in political processes was nearly universal, centrally determined alternatives severely constrained the expression of public opinion, and accountability to the public was non-existent.

In democratic systems, citizens defend their interests and participate in political and economic decision-making through electoral processes and intermediary associations and interest groups. In a system of any size, active civic participation is required for accountability, responsiveness, legitimacy, and transparency of democratic governance. In the NIS several factors have severely constrained the capability of civil actors to participate effectively. Historically, all but a central inner circle were excluded from economic and political policy formulation. Communism theoretically provided mechanisms for civic participation through State-controlled organizations. In practice, however, open political participation was discouraged as well as associations beyond State-sponsored groups.

State ownership and operation of industry and the centralized procurement and distribution of goods all limited the individual's ability to participate in the economy. Legal frameworks were set up to administer the flow of goods and services through this centralized system, not to regulate the free economic activity of people and corporations. In fact, the very centrality of law to economic activity, so clear in Western societies, was never part of the Soviet system. Certain legal concepts fundamental to the workings of a market economy - such as private property, freedom of economic activity, and ability to secure transactions - received little or no articulation in the Soviet legal system.

**Constraints to Reform:** If the NIS is to move to democracy and a market economy, these historical constraints must be removed and replaced with the rule of law which establishes checks and balances, recognizes that the public has authority, and empowers civil society by protecting civil participation and insuring its effectiveness. This legacy of Leninism and arbitrary authority have left severe constraints on the transition to democracy and market economy. Successful reform demands their removal and

replacement with a rule of law that establishes checks and balances and due process, enables economic activity, and empowers civic participation in the legal and political system. These tasks are daunting, since they require not only an almost complete overhaul of existing legislation and legislative process, but also profound changes in political, legal and judicial attitudes, as well as the popular attitudes towards them. Nonetheless, we must try to affect changes in these areas, both to continue the larger political and economic reform process, and to ensure its long term sustainability.

**Additional Transitional Complications:** Moving from a state-centered, totalitarian society to a citizen-centered, democratic one based upon the rule of law is not a quick or easy process nor is it one for which we have a reliable road map. During the transition phase, the reform process itself creates gaps, dislocations, and contradictions. The NIS are now experiencing strains, at least in part, as a result of the reform process including: official corruption; secessionist movements; absence of regulatory authority and administration; weak law enforcement; unclear authorities at every level and between all branches of the governments; and the absence of an enforceable legal framework for the protection of private property, civil and human rights, and commercial and contract agreements.

**Commitment to Reform:** Despite, the vast obstacles, in general the governments, the for-profit private sector and non-governmental organizations of the NIS recognize the need to transform the NIS into states based on the rule of law and democratic political practices. In each state, the leadership is tailoring its approach to local preferences, international and popular pressures, existing resources and structures, and the self-interests of powerful players in each arena. In each state, the pace and nature of reforms is different as well as the commitment to reforms. Therefore, each state faces a unique set of legal and political constraints impeding the transformation process. The Rule of Law Program to be developed under this contract will provide broad assistance in legal and political development needed to address the specific set of constraints in each of the Slavic countries.

In recent months, foreign donors and private-sector organizations have been active in the area. Individual law firms, both U.S. and European, have offered technical assistance to a variety of NIS entities. The United States, France, Germany and other European countries have offered technical assistance and training programs in specific legal areas from privatization to environment. Much of the activity to date has focused on law drafting and revisions, with much less effort being expended on technical assistance in institution building and public

awareness. Thus, activities described in this contract are designed to build on experience to date, continue certain activities where relevant (i.e. drafting of laws), and to move on to the next stage of implementation by providing a mechanism to implement a broader ROL Program.

**C.1.B. Current U.S. Government Programming**

**C.1.B.1 Agency for International Development Efforts:** The Democratic Pluralism Initiatives (DPI) Project 110-0007 was A.I.D.'s initial effort to address ROL and other related democracy building initiatives. The project was started in April of 1992, has four inter-related components and is already active in most NIS countries. The following descriptions of these components also indicates the current grantees and participating agencies:

- \* **Political Process** - supporting development of political parties, civic organizations, independent labor unions and free and fair elections. Under this component, grants have been awarded to several U.S. based NGOs including the National Democratic Institute, the International Republican Institute, the Free Trade Union of the AFL-CIO and the International Foundation for Electoral Systems.
- \* **Independent Media** - supporting the development of independent press, television and radio through training, technical assistance and equipment. Grants are in place with InterNews and the U.S. Information Agency (USIA). A media center has been established in Kiev.
- \* **Democratic Governance and Public Administration** - supporting national regional and local level public sector institutions in the NIS to become more accountable and responsive to the citizens they serve ( a contract was recently awarded to Research Triangle Institute). Grantees include the Atlantic Council and the American Foreign Policy Council.
- \* **Rule of Law** - Currently providing technical assistance and training for legal and judicial reform through the American Bar Association. In addition, a grant has been awarded to the University of Maryland/IRIS to develop a commercial project in the Russian Federation. This grant terminates in September, 1994.

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Recognizing that legal reform and democratic governance are necessary to the success of A.I.D.'s effort to support development and economic reform in other sectors, supporting legal reform and democratic governance activities have also been programmed into almost all other A.I.D. projects for the region. In this regard, the following provides a summary of related

initiatives taking place under other A.I.D.funding:

Privatization Project:

Support for transferring state-owned assets to productive private sector use (includes civilian and defense industries.) This project will include the development of deregulatory initiatives complemented by the introduction of appropriate legal, regulatory and institutional frameworks. This will involve review of existing, and drafting of new legislation and regulations, focusing on enhancing the commercial viability of recently privatized enterprises, development of enforcement procedures, and development of commercial and labor laws.

Federal Drug Administration:

Developing laboratory capacity and encouraging reform of drug testing, regulations and approval processes.

Energy Program:

Supports activities in civilian nuclear power safety, energy efficiency, energy production and delivery systems, energy pricing, privatizations and institutional reform. Assistance includes training, identification of energy-efficient improvements, drafting of national energy plans, formulation of privatization strategies, and introduction of appropriate regulatory frameworks.

Environment Program:

This initiative, being carried out in coordination with EPA, is to ensure that environmental quality occurs hand-in-hand with economic and democratic reforms. It includes the development of new environmental policies, laws and regulations; strengthening of NIS environmental management capacities, and the enhancement of public participation in environmental management.

Enterprise Funds:

Non-profit investment organizations whose purpose is to encourage the creation and expansion of small and medium sized enterprises, largely through the creation of loan programs, equity/venture capital programs and technical assistance.

Economic Restructuring/Financial Sector Reform:

Technical assistance that focuses on: 1) fiscal sector reform; 2) financial sector reform; and 3) fostering of a market environment. The first two have been largely supported by sending advisors from the U.S. Treasury to work with NIS governments, particularly Finance Ministries and Central and National Banks. The market environment initiative focuses on providing technical assistance that

supports: legal and regulatory reform focused on anti-monopoly law and enforcement; economic education (specifically aimed at graduate and undergraduate level courses); and improved collection, analysis and use of economic statistics.

**C.1.B.2. Other U.S. Government Efforts:** Several other USG agencies are participating in ROL activities including the Dept. of Justice, the Dept. of State and the USIA. For example, the USIA has several rule of law related programs such as exchange initiatives and Sister-Law Schools Programs which they manage separately. The Dept. of Justice has managed programs to train judges and other NIS legal professionals, and has participated in Administration of Justice programs. All of the efforts described above must be coordinated with other work that takes place under the ROL Program. It is expected that most of the above projects will focus directly upon the laws and procedures directly related to their technical focus, while the ROL Program will work more broadly on developing legal systems and operations, on citizen information and participation, and on legislative, legal, and judicial institution building.

**C.2. A.I.D.'s GOAL, PURPOSE AND OBJECTIVES UNDER THE ROL PROGRAM**

A.I.D.'s DPI Project was recently amended to allow for an expansion of rule of law activities. Through the ROL contracts, Rule of Law and related civil society strengthening activities will be combined into a single expanded program. While the Contractor will be expected to collaborate with and avoid duplication of other ROL activities, the Contractor will not be expected to supervise ongoing activities under other contracting arrangements. However, the Management Information System (MIS) to be developed by the Contractor shall cover all ROL activities in the Slavic countries.

The goal of the ROL Program is to support the creation of stable legal and political environments that facilitate the transition to democratic, market-based societies in the NIS region. That goal will be achieved when:

- a) all elements of society operate under the same set of legal rights and constraints;
- b) governments, laws and regulations are transparent, predictable, responsive and accountable;
- c) individuals live with a clear understanding of their rights and responsibilities; and
- d) the public can participate in the process of formulating, implementing, and utilizing laws freely and without fear.

Clearly the program goal is a long-term and ambitious one, the achievement of which may depend on many factors outside the control of the program. The ROL Program does, however, seek to support enabling conditions which will contribute to the goal.

Accordingly, the specific purpose of the ROL Program is to collaborate with public and private organizations in NIS countries to develop or strengthen the laws, legal institutions and civic structures which support democratic, market-oriented societies. It is towards this purpose that all activities in the Slavic countries funded through this contract shall be focused. To achieve this objective, the Program will provide assistance to support the transformation of political and legal frameworks from authoritarian foundations to ones based upon the rule of law, with emphasis on the rights and responsibilities of individuals within a democracy, popular participation in political and economic decision-making, open competition among interest groups, governmental accountability, transparency of political and legal processes and predictability in social and economic relations.

In addition, the Rule of Law Program has a clear economic logic linking greater accountability and transparency on the one hand with economic policy reform on the other. To reiterate the purpose of this program, it is to assist countries of the NIS to "strengthen the laws, legal structures and civic organizations which provide the necessary operating framework for democratic, market-oriented societies." Within a context of economic development, that goal might be paraphrased as "to enhance the power of reformist elements (within the NIS) in addressing (legal, institutional and civic) constraints which stand in the way of economic growth and equity."

At the end of its three year period, under this contract, the ROL Program should be able to demonstrate and measure impact in meeting the following three objectives.

**OBJECTIVE 1 :**            Framing Legal Substance: Reforms will be well underway in target Slavic republics in the priority areas jointly identified by US and Slavic governments. (Specific focus of reform may vary among the Slavic republics, but could include improving the constitutions, laws, and administrative regulations needed to protect individual rights within a market economy. This element, which A.I.D. calls "framing the legal substance", includes constitutional authorities, checks and balances, individual rights, property rights and due process and the characteristics of transparency, accountability and predictability.

**OBJECTIVE 2: Strengthening Legal Institutions: Tangible evidence of reform in priority institutions- identified jointly by US and Slavic governments- which formulate, implement, adjudicate, and enforce the law. (Specific institutions will vary depending upon the needs of the individual Slavic republics, but may include legislatures, courts, executive branch agencies, law schools and so forth.)**

These are some of the prerequisites of the program element A.I.D. calls "strengthening legal institutions." The process of legal reform does not end with the publication of law and A.I.D.'s support is not limited to the formulation of constitutions or legislation. In the NIS contexts, the implementation stage has been a more crucial bottleneck in the establishment of the rule of law than is the drafting stage.

**OBJECTIVE 3: Strengthening Civil Society: Increased role and effectiveness of non-state actors (including civic organizations, political parties, trade unions, associations and interest groups, and NGOs) in the political and economic life of Slavic republics.**

As important as the drafting and implementation of law may be, laws are useless unless they are well-known and are used. Thus the third element of the rule of law program seeks to increase citizens' awareness of, demand for, and participation in the legal system and in legal reform.

### C.3 SCOPE OF WORK

C.3.A Aiming to achieve the three program objectives described in Subsection C.2, the contractor shall accomplish the following tasks:

- \* Conceptualize and rapidly implement high visibility, high impact ROL activities;
- \* Prepare country-specific rule of law action plans collaboratively with Slavic entities and A.I.D. field offices (USAIDs) which are approved by the U.S. Government (USG) country team;
- \* Help draft and revise constitutions, laws and regulations;
- \* Provide election assistance when requested to do so;
- \* Increase the capacities of governmental, non-governmental and private sector organizations in the Slavic countries with technical assistance, training and limited equipment and commodities;
- \* Help strengthen ROL connections, both within the Slavic republics and between the Slavic republics and the U.S.;
- \* Organize and manage a grants program with periodic solicitations for special focus, program, and operations support grants;

- \* Provide monitoring and information services in support of rule of law including: collection of information on USG and other donor legal and political development assistance; an information clearinghouse; information synthesis and dissemination; technical, analytical and logistic support for USAIDs and AID/W; and improved monitoring and feedback on ROL activities in the Slavic countries; and
- \* Develop a monitoring and evaluation framework which allows the contractor and A.I.D. to track and measure project accomplishments and impact.

Paragraphs C.3.B, C and D elaborate on the above tasks.

**C.3.B        Activities under Objective 1: Framing Legal Substance**

The Contractor shall be prepared to offer substantive help on: reviewing the broad range of existing constitutions, legislation, regulations, decrees, and policies; identifying gaps, conflicts, and needed changes; and drafting new and revised versions for local, municipal, regional, and national governments needed to support economic reforms. Special emphasis will be placed upon helping the governments with their new role as a guarantor and enabler of free economic activity, rather than as the primary economic actor -- the removal of legal and regulatory constraints to private sector commercial activities, improving necessary regulatory and informational environments, and establishing the constitutional guarantees for private ownership, commercial activities and public accountability.

Specific points of concentration will be determined on a country-specific basis and may include such activities as assisting indigenous entities to:

- \* advise, comment on, assess or draft (on request) constitutional language;
- \* draft or review commercial, civil, and criminal codes of law for their effect on economic activity;
- \* advise, comment on, assess or revise (or draft on request) specific legislation or regulatory structures or procedures;
- \* provide policy analysis in support of legislative options;
- \* analyze regulations for their effect on economic activity;
- \* draft new administrative regulations to encourage appropriate economic activity and guarantee a level economic playing field.
- \* review, assess, or draft (when requested to do so) election laws, or regulations.

**C.3.C      Activities Under Objective 2: Strengthening Legal Institutions**

The Contractor shall extend support to the institutions that are charged with making law real - the courts, the legal profession, and the bureaucracies. In addition, contractors shall advise about the creation of new institutions, including private and quasi-public dispute resolution systems, a system of administrative law, public defenders' offices, oversight organizations (GAO, IG), etc.

The different kinds of institutions will require different kinds of support. Courts may require procedural streamlining and administrative reorganization. Some new functions will have to be covered. The legal profession needs support for training, organizing, and professionalizing, and bureaucratic structures need to reflect the new responsibilities that will be placed upon them by the reformed legal substance.

Specific points of concentration will be determined on a country-specific basis and may include such assistance to indigenous entities as:

- \* training in arbitration procedure;
- \* technical assistance for judicial reorganization;
- \* development of an accurate compendium of laws and regulations;
- \* training in specialized areas such as commercial and environmental law or judicial ethics;
- \* creating civilian review boards;
- \* advising on the role of oversight organizations in executive bureaucracies;
- \* developing alternative mechanisms for dispute resolution for ethnic conflict, labor/management relations, and commercial and contractual agreements;
- \* aiding in the revision of curricula of legal, judicial, and paraprofessional training programs;
- \* establish legal procedure, e.g., rules of evidence; and
- \* establish mechanisms and training for trial by jury.

**C.3.D      Activities Under Objective 3: Strengthening Civil Society**

The Contractor shall provide support for activities which: increase the public awareness and knowledge of laws and legal procedures; help citizens organize to advocate changes in the legal system; help citizens protect their individual and property rights, and activities which help citizens utilize the legal system for the adjudication of conflict. One mechanism to assist the development of civil society will be through work with U.S. and U.S.-Slavic NGO partnerships.

Specific points of concentration will be determined on a country-specific basis and may include such activities as support to local civic, political, legal rights, and commercial organizations for:

- \* publicizing new legislation with examples of how it could be used in practice by individuals;
- \* encouraging citizen participation and consensus building in support of specific economic and political reforms;
- \* providing human rights education and information;
- \* aiding in the formation of professional and trade associations or helping them to improve their communications linkages;
- \* helping to establish "sister" relationship partnerships between similar organizations in the U.S. and the Slavic countries;
- \* aiding in the preparation of test cases and litigation;
- \* helping organizations improve their financial management, coalition building, polling, strategic planning, interest identification, recruitment, and membership education programs.

### **C.3.E Contractor Contribution**

At the Vancouver Summit, Presidents Clinton and Yeltsin described a U.S.-Russian collaboration that is based upon the shared stakes, benefits, and interests of our two countries. The contractor contribution detailed in B.10 demonstrates its commitment to this principle, regardless of the applicable countries, by bringing its own resources to this contract. This may include a financial or in-kind contribution, such as fee-waivers, commodity donations, sponsorship of Slavic interns, salary amounts above the FSI/14 review threshold, and so forth. The contractor's contribution demonstrates its personal stake in collaboration with Slavic counterparts and will leverage U.S. assistance through mobilizing the resources of the U.S. private and NGO/PVO sector.

### **C.3.F Geographic Area Program**

This contract provides for the establishment of the SLAVIC TECHNICAL SUPPORT UNIT/KIEV which will provide technical services to the countries of Belarus, Ukraine, and Moldova. Initially operating out of one office in Kiev, additional offices might be added via supplemental agreement to the contract, as conditions warrant and as A.I.D. agrees.

"Area" is defined as one or more countries designated as above.  
"Region" includes all, or potentially all, the twelve NIS.

### C.3.G Implementation

Following initial start-up, there are three areas of contractor responsibilities: Start-Up, On-Going Management and Follow-up Implementation. ALL ACTIVITIES TO BE UNDERTAKEN MUST BE INCLUDED IN AN APPROVED ACTION PLAN OR BE APPROVED IN WRITING BY THE CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR). THE COTR MUST ALSO APPROVE ALL ADVISORS (INCLUDING THEIR QUALIFICATIONS) WHO ARE ASSIGNED TO WORK UNDER THIS CONTRACT.

#### 1. INITIAL START-UP

ROL program activities will not start simultaneously in all countries covered by this contract. The COTR, in collaboration with the country team, will determine which countries will be included in the initial start-up group. The criteria for selection into this initial group will be:

- Willingness of the host country government to commit to reforms;
- Interest/commitment of the A.I.D. Mission and American Embassy in supporting reforms in that country; and
- Feasibility of implementing program activities in that country with respect to security, natural disaster, or other conditions.

The contractor will be advised of the selection of these countries and provided with country clearance. It will be the responsibility of the COTR to ensure that there is country team approval of the Action Plans and country clearances for travel are received, and to communicate this to the Contractor. Under no circumstances will any activities begin prior to this approval and/or required country clearances are received.

Certain topics may require start-up activities, for example, commercial law, jury trial reform and human rights in certain republics. It is possible, pending further definition, that assistance in the area of commercial law may be an early and high priority for the ROL Program since most NIS countries have already expressed their interest in establishing the laws and regulations, legal systems and procedures necessary for free market enterprise and private sector economic participation.

## 2. START-UP RESPONSIBILITIES

The Contractor will:

- \* Within 30 days of contract award, and upon receiving country clearance to travel from A.I.D. establish a **physical presence** in Kiev and initiate communications with A.I.D. field offices and U.S. Embassies in its area, as well as with key Slavic entities and individuals engaged in rule of law. At a minimum, this presence shall include: an Area Technical Director being on- site; the hiring of one or more key local national support personnel; the leasing (temporarily, if necessary) and equipping of office space; and the establishment of communications within the region and with Washington (including A.I.D. offices and the NIS Regional ROL Unit) by phone, fax, e-mail, and modem.
- \* Within 60 days of contract award, canvas all field offices and/or embassies in the geographic area and solicit their cooperation in preparing a rule of law action plan (see below) and have completed an action plan in priority countries that meet the criteria mentioned in the last section of C.3.G.1 above. In essence, there will be a phase-in of project activities, including the development of action plans. Conceptually, a country-specific ROL action plan should take a systemic view of legal and judicial substance and structures and might include:
  - \* Political-Economy Analysis - What are the underlying values and interests which shape national and local institutions? What are the essential relationships between economic liberalization and political liberalization? What are the political values and culture? What is the distribution of power and resources? What are the predominant ways of achieving political legitimacy? Who are the stakeholders in political and economic reform? Which institutions are most critical to the process? Who are the interest groups? What are the central constraints to political and economic reform? With which constraints might outside donor assistance be useful?
  - \* Rule of Law Institutional Description - What are the structures, strengths and weaknesses of the regulatory system, the court system, parliament, key interest group organizations? What are the interests and relationships which make particular institutions weak or strong?

- \* Key Problems and Priorities - What legal and political reform programs are already underway in the country? Of the range of problem areas, what are the immediate priorities? Of these, upon which should A.I.D. concentrate? (Focus should remain on problems whose resolution will be most supportive of economic transformation and development). Other criteria might include cost-effectiveness and sustainability.
- \* Rule of Law Activities Development - Design of a portfolio of activities most appropriate to address the priority ROL problems of that country. The portfolio may include:
  - \* Capacity building activities such as long- or short-term technical assistance, training and provision of commodities;
  - \* Information and dissemination;
  - \* Grants to local non-governmental organizations; and/or
  - \* Operations support activities for pilot or demonstration programs.
- \* **Within 60 days of contract award (subject to prior COTR approval), initiate implementation of one or more priority ROL Start-Up activities for each approved country.**

### 3. ON-GOING MANAGEMENT RESPONSIBILITIES

Consistent with the country-specific ROL action plans developed above, and as agreed to by the COTR, the Contractor will carry out the specified activities in an expeditious and cost-effective manner. In most cases, these on-going management tasks shall include:

- \* Monitor ROL assistance provided by or through the USG and other donors, including foreign governments and international organizations (public and private), to identify redundancies and gaps and to maximize program impact. A.I.D. has already provided funding for several initiatives which are either related to the activities contemplated under this contract or have legal reform or democratic governance components. The ROL program will be responsible for the collection of operational information on each of these activities and those implemented by other U.S. agencies (including the Office of Humanitarian Affairs of the Dept of State, the Office of Democracy and Human Rights of the Dept. of State, Commerce Dept. Treasury Dept., OPIC, Export IMport Bank, Environmental Protection Agency, Library of Congress, the U.S. Information Agency,

the Department of Justice, the Congressional Research Service, and the General Accounting Office) and other donors, such as the World Bank, the European Economic Community, and the United Nations. This information will be analyzed and reported to the A.I.D. Technical Officers in the field post and in Washington. The Contractor will not duplicate or work in competition with existing programs. Every effort will be made to cooperate with other agencies and other donors to insure the effective delivery of limited USG assistance to the highest priority requirements of the reform process.

- \* Maintain and update a registry of expertise from the private and public sectors in the broad array of technical areas required for the ROL program.
- \* Provide logistical support for all long-term and short-term personnel provided from private and public sources under the contract. This includes the provision of office space, office furniture and equipment, household appliances, transportation, translation and interpreting, and secretarial services. In some countries, A.I.D. may have negotiated preliminary agreements with host country institutions for their level of counterpart support. However, the contractor should bear in mind that NIS countries are not accustomed to working with A.I.D. and that circumstances regarding pledged support might change over time. The estimated costs for all logistical support proposed by the Contractor are included in the contract amount. Nevertheless, multiple entry and exit visas, exemption from national personal income taxes, exemptions from customs duties related to the importation of the long-term advisors' household goods, personal vehicles, office equipment and supplies will be sought for the contractor's long-term advisors and their dependents.
- \* Except where otherwise indicated, the contractor will be responsible for the timely procurement of commodities required to support ROL program activities including but not limited to automatic data processing equipment and software, communications equipment, and office equipment for contractor's and advisors' offices and for activities included in the country action plans.
- \* Provide interpreting and translation services needed to support long-term and short-term personnel and to make program-funded products available to appropriate individuals and organizations influencing decisions and policies.

- \* Design and operation of country and area specific management information systems (MIS) to track program progress and measure impact. Such systems, to be developed and managed in collaboration with A.I.D. field offices and with the Regional ROL Technical Support Unit in Washington, will include progress indicators and benchmarks. The systems are to improve coordination and the targeting of resources towards highest priority problems. Subject to specific needs, this task may include development and implementation of country-specific clearinghouses. Users of the information system may include host country entities, A.I.D./W, Inter-Agency Working Groups, A.I.D. field Missions, U.S. Embassies, other donors, and contractor staff.
- \* Provide a synthesis of program experience and disseminate it, allowing other individuals and organizations within the area to benefit from program successes, failures and lessons learned.
- \* Provide at least one staff person to the Washington based ROL Regional Technical Support Unit to serve as a liaison and help assure communications and coordination within the region. The actual role and responsibilities of that person will be determined by the COTR in coordination with the Regional Technical Support Unit contractor.
- \* Provide contract reports as required including progress and financial reports (see below).
- \* In collaboration with A.I.D. and Slavic entities, adjust the country-specific ROL action plans as appropriate to adapt to the evolving needs and circumstances.
- \* Provide such other services as required to responsibly support and manage the area- and country-specific ROL activities within that area.

#### 4. FOLLOW-UP IMPLEMENTATION RESPONSIBILITIES

- \* With the approval of the COTR, provide the appropriate mix of technical assistance and other resources needed to carry out the action plan. Develop the detailed scopes of work, and clarify task objectives, products and schedules for program activities. Recruit, field (based on COTR approval), brief and provide technical backstopping of the personnel as required.

- \* Continue implementation of country- and area-specific ROL activities in accordance with the action plans. Such activities may include, but not be limited to:
- Long or short-term technical assistance for activities such as those found in sections C.3. and C.4. of the contract.
  - Consistent with the country-specific rule of law action plan, develop, award, and manage a local grants program for U.S. and U.S.-local partnered non-governmental organizations in support of the development of civil society. With the approval of the Contracts Officer, the Contractor will be responsible for program management and support including: development of program objectives and selection criteria (in collaboration with A.I.D.); advertising and solicitation of proposals; peer review and making selection recommendations; drafting grant documents for review by A.I.D.; management and monitoring of grant progress; and review evaluation of grant outputs and impact. The contractor will need to ensure that: a) grantee financial management systems meet the requirements of OMB Circular A-110 and b) for annual grants in excess of \$25,000, audits are conducted in accordance with the the requirements of OMB Circular A- 133. The grants will actually be awarded by the contractor, with Contracting Officer . approval. Contractors may also have to provide TA and training to PVOs and NGOs to support institutional strengthening efforts, at least in the early stages of the program. Every grant awarded shall state and each grantee shall be expressly informed that the grant is being funded with USG monies.
  - **Organize and manage seminars, workshops and conferences** as appropriate including provision of trainers or facilitators; helping to identify, recruit and support participants; arranging for space and equipment; procuring or producing training material as needed; evaluating the training; and providing post-evaluation follow-up and assessments. For each of these activities, it must be expressly noted that they are USG sponsored.
  - **Conduct training needs assessments and prepare training plans** for organizations to be strengthened under the country action plans. Prepare the documentation necessary to fund and obtain training and participant support services through A.I.D.'s NIS Exchanges and Training Project (110-0012).

- Establish formal and informal linkages to Slavic individuals and organizations concerned with ROL. Such linkages might include twinning arrangements between area and U.S. legal, judicial, and paraprofessional training schools or interest groups; strengthening personal communications and relationships among judges; or supporting a loose association of public defenders in the area. The objective is to transfer skills by sharing information and experiences.
- Increase institutional capacity through close collaboration on program implementation. Local participation in program implementation should be promoted by such mechanisms as: use of sub-contractors and collaborators that have already well established linkages with local governmental organizations, NGOs and individuals; continued use of workshops and conferences in the NIS area; activity budgets which include funds for travel, incentives and other expenses of local people; a constant and direct review of local participation through the program's monitoring and evaluation plan.

- \* **Manage sub-contracts and arrangements for USG agency advisors, as necessary, to carry out the action plans: including carrying out solicitation, competition and negotiation of sub-contracts in accordance with A.I.D. procedures; working out payment arrangements; coordinating and managing the subcontracts to maximize program impact; and making logistical arrangements for effective utilization of public and private sector expertise.**

With respect to international telephone and fax lines, the contractor will establish an individual link with existing satellite communications systems for electronic communication with Moscow, Kiev, and Almaty and the U.S. offices of A.I.D., the NIS Regional ROL Technical Support Office, and other area contractors.

**C.4 LEVEL OF EFFORT, STAFFING AND QUALIFICATIONS**

**C.4.A. Level of Effort**

The estimated level of effort for this contract is 481 person-months for the base period and 362 person-months for the option period broken down as follows:

	<u>Base Period</u> <u>Years 1-3</u>	<u>Option Period</u> <u>Years 4-5</u>
Home Office	54	36
Expat Field Advisors	144	56
Expat Short-term Advisors	133	100
Local Staff (Long/Short-term)	<u>150</u>	<u>170</u>
Total	481	362

**C.B.4. Personnel Qualifications**

Key technical advisors should have a minimum of a masters degree in their area of expertise or in a related area, a minimum of 10 years of relevant work experience, and some NIS country work experience.

Short-term advisors are those that remain in a country for 6 months or less. Long-term advisors will be assigned for up to two years with possibilities for extensions.

At least half of the long-term professional staff are expected to have FSI S3/R3 proficiencies in one of the languages of the countries in their area, prior to arrival, and the remaining long-term staff are expected to achieve FSI S2/R2 within 18 months of arrival in-country.

**C.5 LOGISTICAL SUPPORT**

(a) The Contractor shall be responsible for providing or arranging for all logistic support in the United States and shall generally be responsible for providing or arranging for all logistic support for its overseas performance of this contract. This support is expected to include office space and equipment necessary to perform the services required by this contract.

(b) To the extent that a USAID Mission or a Cooperating country provides logistic support for the Contractor's overseas performance under this contract, the costs of such logistic support will not be charged by the Cooperating Country and/or the USAID Mission to the Contractor, and shall not be charged by the Contractor to this contract. Logistic support provided in the form of local currency shall be paid to the Contractor in a legal manner adapted to the local situation and as agreed to by the Mission Director, in writing. The documentation for such costs shall be on such forms and in such manner as the Mission Director shall prescribe.

(c) If, under emergency circumstances, it is necessary for a USAID Mission to pay for any in-country costs on behalf of the Contractor in order to facilitate implementation of any activities under this contract, the Mission may bill the Contractor for such costs, and the Contractor may, in turn, charge those costs against this contract (however, see Section C.5.b above, wherein logistic support to be provided by the Mission will be provided without charge). Under no circumstances will the Mission recoup those costs via an Advise of Charge (AOC) to the payment office. In addition, in order to maintain the Contractor's responsibility for compliance with the clauses of this contract entitled "Limitation of Cost" (FAR 52.232-20) and Limitation of Funds (FAR 52.232-22), a Mission may not pay any in-country cost without the prior written approval of the Contractor, which approval must indicate a maximum which may be paid.

#### **C.6 COORDINATION AMONG ROL CONTRACTORS**

Close collaboration and cooperation among all ROL contractors is crucial to program success and effectiveness and is therefore required under this contract. The contractor is expected to establish and maintain clear and effective communications with the other contractors and to promptly advise either the A.I.D. field officer or Contracting Officer's Technical Representative (COTR) of any circumstances which may impede collaboration and cooperation. The COTR and Contracting Officer will assist in resolving problems which may arise between contractors.

#### **C.7 REPORTS**

In addition to the above tasks, all contractors will be responsible for providing timely reports and documents required under the program. The reports will include annual work plans, monthly financial statements, quarterly progress reports and such other reports as A.I.D. may reasonably request. Summary descriptions of each report are provided below:

- \* Detailed Annual Work Plan. A detailed work plan for the first six months of the program will be completed within 30 days of contract signature, in collaboration with their respective A.I.D. officers in Washington and the field. The second six month work plan will be due prior to the beginning of the seventh month of the contract. Succeeding yearly work plans will be due in month 13 and month 25 counted from the effective date of the contract, and if extended in month 37 and 49.

\* Contractor Quarterly Reports. The quarterly progress reports from each prime contractor will lay out on both a quarterly and cumulative basis, the progress to date, compare that progress to the planned achievements during the period, discuss problems encountered and the contractor's suggestions for dealing with them and highlight actions planned over the next reporting period. The financial section of the quarterly report will include financial information by line item: expenditures within these line items during the period, balance remaining, projection for the next quarter, accruals, and a comparison of the previous quarter's projection versus actual. Financial information needs to be disaggregated by activity and by country so that it is possible to track expenditures clearly. The quarterly reports should also include one page summaries of each short-term technical advisor trip reports. Quarterly reports will be submitted to the appropriate A.I.D. Technical Officers in Washington and the field no later than 15 days following the close of each quarter. Copies of the reports from the Area Contractors will be provided by the contractor to the COTR in DIHHR and other interested representatives of U.S. Embassies, the State Department, and other USG agencies, as requested by the COTR.

\* Contractor Final Reports. All prime contractors shall prepare a final report at the close of the contract to include, but not be limited to the following:

- Fiscal report that presents in detail how the contract funds were disbursed, by line item.
- Summary of the programs' results, accomplishments or shortcomings in each particular activity and location.
- Comments and recommendations regarding fine tuning of program design.
- Listing of host country contacts, institutional and individual over the course of the contract.

The Final Report shall be submitted no later than 60 days following the expiration date of the contract. The contractor shall submit ten copies of the Final Report to the A.I.D. technical officer in Washington and two copies to the technical officer at the field mission.

General Reporting Requirements.

1. Copies of all reports as required above, shall be distributed as follows:
  - Three to the appropriate A.I.D. officer in the field, three to the NIS Technical Unit and three to DIHHR.

- One copy to the A.I.D. Contracting Officer.
  - Two copies to the Directorate for Policy, Center for Development Information, Office of Development Information addressed as follows:  
POL/CDIE/CI, Acquisitions, Room 209, SA-18, Agency for International Development, Washington, DC 20523-1802.
2. The title page of all reports shall include a descriptive title, the author's name(s), contract number, project number and title, contractor's name, name of the A.I.D. program office, and the publication or issuance date of the report. Each report shall have an executive summary of appropriate length for the reports, e.g., 1 to 2 paragraphs for a five page report and one page for a 10 page report, summarizing major findings, issues, and recommendations.
  3. When preparing reports, the contractor shall refrain from using elaborate art work, multicolor printing and expensive paper/binding, unless it is specifically authorized in the contract schedule. Wherever possible, pages should be printed on both sides using single spaced type.
  4. Reports will be prepared in Word Perfect 5.1 and QuatroPro or Lotus. All reports will be provided on disc as well as hard copy.

End of Section C

SECTION D - PACKAGING AND MARKING

D.1 REPORTS

The cover page of all reports prepared by the Contractor under this contract shall include the project name, the project number and the contract number. (Ref: General Provision clauses AIDAR 752.7009 Marking and 752.7026 Reports.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 RESPONSIBLE OFFICIAL

Inspection and acceptance of all services and reports and other deliverables required hereunder shall be made by the Contracting Officer's Technical Representative (COTR), or the COTR's representative indentified in G.1 or other COTR representatives so authorized in writing in accordance with G.1.

Acceptance of services and reports and other deliverables by the COTR, or authorized representative, shall form the basis for payments to the Contractor.

E.2 PLACE OF INSPECTION AND ACCEPTANCE

Inspection and acceptance shall take place in the Washington DC metropolitan area or at any other location where the services are performed or reports and other deliverables are produced or delivered.

End of Section E

**SECTION F - DELIVERIES OR PERFORMANCE**

**F.1 TERM OF CONTRACT**

The effective date of the contract is September 30, 1993. The term of the contract is from that date through September 30, 1996. This contract includes a unilateral option for the USAID to extend the contract term by an additional two years.

**F.2 PLACES OF PERFORMANCE**

The place of performance is as specified in Section C and also those countries to which the Contracting Officer's Technical Representative (COTR), in accordance with Section G of this contract and the clauses of this contract entitled "International Travel Approval and Notification Requirement" (AIDAR 752.7032) and "Personnel" (AIDAR 752.7027, Alternate 71), approves international travel for performance of the work.

**F.3 CHANGES**

In addition to the changes which the Contracting Officer may make pursuant to paragraph (a) of the clause of this contract entitled "Changes - Cost Reimbursement" (FAR 52.243-2), the Contracting Officer may also, at any time, by written order, and without notice to sureties, if any, make changes within the general scope of this contract, the time of performance, and the place of performance of the services. The rights and obligations of A.I.D. and the Contractor in such instances shall be the same as those described in paragraphs (b), (c), (d), and (e) of the clause of this contract entitled "Changes - Cost Reimbursement".

**F.4 REPORTS/DELIVERABLES**

In addition to providing the reports required in Section C, and the requirements set forth for submission of reports in the clause of this contract entitled "Reports" (AIDAR 752.7026), the Contractor shall be responsible for submission of the following reports/deliverables. The aforesaid AIDAR clause requires two (2) copies of each report to be submitted to A.I.D.'s Policy Directorate's Center for Development Information and Evaluation (POL/CDIE/DI, ACQUISITIONS; Room 209, SA-18; Agency for International Development; Washington, D. C. 20523-1802). This requirement applies to the reports/deliverables described below. The aforesaid deliverables must be in accordance with the CDIE

Style Manual (a copy of which will be provided to the Contractor by the COTR upon request).

**a. Trip Reports**

There shall be a scope of work for all travel undertaken under the contract. At the conclusion of each overseas assignment conducted and funded under this contract, the Contractor shall prepare a trip report describing the findings obtained by the specialists and the results and accomplishments of the assignment. Within 30 days of the completion of each trip, the Contractor shall submit a trip report covering planned scope of work, accomplishments, meetings held, and next steps. In addition, the Contractor shall simultaneously submit/deliver three copies of each trip report to the appropriate U.S.A.I.D. Mission(s) and the principal relevant cooperating country institution(s) and/or individuals. Prior to departure from the cooperating country at the end of each overseas assignment, the specialists shall brief the U.S.A.I.D. Mission and cooperating country personnel on the principal activities, accomplishments, and findings during the assignment, unless the U.S.A.I.D. Mission does not desire a briefing.

**b. Property Reports**

The Contractor shall submit/deliver one copy to the Contracting Officer and one copy to FA/AS/PP/RP, Room 1200F, SA-14, Agency for International Development, Washington, D.C. 20523-1410 of an annual property report containing the information required by the clauses of this contract entitled "Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts)" (FAR 52.245-05 and "Government Property -- A.I.D. Reporting Requirements" (AIDAR 752.245-70). The reporting periods are for each year of this contract. The report shall be submitted/delivered by the Contractor within 30 days from the end of the reporting period.

**c. Small Business and Small Disadvantaged Business Subcontracting Plan Reports**

Standard Form 294, entitled "Subcontracting Report for Individual Contracts," shall be prepared by the Contractor semi-annually and submitted to OSDBU and the Contracting Officer. Standard Form 295, entitled "Summary Subcontract Report," shall be prepared quarterly by the Contractor and submitted to OSDBU and the Contracting Officer.

A.I.D./Washington Office of Small and Disadvantaged Business Utilization (OSDBU/MRC), Washington, D. C. 20523-1414. Reporting periods are October 1 through March 31 and April 1 through September 30 of each year. The report shall be submitted/delivered no later than 25 days following the end of each reporting period.

**d. Financial Reports**

- 1) The Contractor shall comply with the payment clauses of this contract.
- 2) The Contractor shall submit one copy each to the Contracting Officer and to the COTR of a quarterly financial report that specifically includes line item budgets, advances (if applicable), expenditures and accruals (or encumbrances), and a pipeline (balance remaining), and by contract activity. This report shall also identify current problems (if any) and future financing needs. The report shall be submitted by the Contractor not later than 30 days following the end of the reporting period.

**e. Indirect Cost Rate Proposals**

The Contractor shall comply with the clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-07) or "Predetermined Indirect Cost Rates" (FAR 52.216-15), as applicable, regarding submission of indirect cost rate proposals for each of the Contractor's (and any subcontractors') accounting periods which apply to this contract within 90 days from the end of each of the Contractor's (and any subcontractors') fiscal years. Three copies of each of such proposals shall be submitted within 90 days from the end of each of the Contractor's (and any subcontractors') fiscal years, to the Contracting Officer and the Contractor's cognizant U.S. Government audit agency (if applicable).

**f. Equal Opportunity**

The Contractor shall comply with the reporting requirements of clause of this contract entitled "Equal Opportunity" (FAR 52.222-26).

**g. Special Disabled Veterans and Veterans of the Vietnam Era**

The Contractor shall comply with the reporting requirements of the clause of this contract entitled "Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era" (FAR 52.222-37).

**h. Other Deliverables**

The Contractor shall also be responsible for providing the other deliverables specified in Section C of this contract when and as requested by the Contracting Officer or the COTR.

**i. Language of Reports/Deliverables**

All reports and communications shall be in the English language, unless otherwise specified by the Contracting Officer or COTR.

**j. Consultant and Third Country/Cooperating Country National (TCN/CCN) Reports**

The Contractor shall submit/deliver the number of copies to the consignees, indicated above, of a semi-annual consultant and TCN/CCN report. This report shall cover the periods October 1 through March 31 and April 1 through September 30 of each year, and shall be submitted/delivered within 30 days from the end of the reporting period. The report shall list, by name, the consultants and TCN/CCNs utilized under this contract during the reporting period, the activity or activities on which each consultant and TCN/CCN performed services, the actual daily rate paid to each consultant and TCN/CCN, and a current Contractor Employee Biographical Data Sheet (see Section J of this contract) for each consultant and TCN/CCN. If the Contracting Officer determines that actual consultant or TCN/CCN compensation was not in accordance with the parameters set forth in Section H of this contract, such excess costs (and associated indirect costs and fee, if applicable) may be disallowed by the Contracting Officer pursuant to the clauses of this contract entitled "Allowable Cost and Payment" (FAR 52.216-07) and "Notice of Intent to Disallow Costs" (FAR 52.242-01).

- k. The Contractor shall submit/deliver all reports and other deliverables in accordance with the clause of this contract entitled "F.o.b. Destination, Within Consignee's Premises" (FAR 52.247-35). The types, quantities, consignees, and due dates of such reports and other deliverables are specified in individual paragraphs of this Section F.

1. **Publications**

Journal articles and other publication manuscripts arising from this contract shall be subject to A.I.D.'s Academic Publication Policy (as set forth in Appendix I of the A.I.D. Acquisition Regulation [48 CFR Chapter 7] and Section J.11 of this contract), and submitted to the cognizant A.I.D. COTR no later than submission to a publisher for comment only (as opposed to authorization for release), unless the Contracting Officer determines, on a case-by-case basis, that authorization for release is appropriate. The Contractor shall submit/deliver the number of copies to the consignees, indicated above, of each publication within 30 days following publication. To the extent that A.I.D. funds are used to underwrite the cost of publication (in lieu of the publisher assuming the cost as is the normal practice), any royalties or profits up to the amount of such cost shall be credited to the contract.

End of Section F

**SECTION G - CONTRACT ADMINISTRATION DATA**

**G.1 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)**

a. The COTR for this contract is the USAID/Kiev Technical Officer responsible for the Democracy Initiatives Project who currently is Amy Osborn.

b. COTR Responsibilities

(1) Approve all action plans and any activities undertaken that are not specifically noted in the action plans;

(2) Provide technical directions to the Contractor which fill in details, suggest possible lines of inquiry, interpret technical requirements or which otherwise facilitate activities within the contract's scope of work;

(3) Monitor performance progress;

(4) Facilitate necessary security clearance and/or appropriate identification if access to Government facilities is required by the Contractor for performance under this contract;

(5) Inspect and accept all services and deliverables;

(6) Administratively all vouchers for payment;

(7) Assist in apprising the Contractor of other agencies having ROL and related programs in the area, including those supported by the World Bank and other donors, so that the Contractor may work in close cooperation with such donors.

(8) Obtain country clearances for all Contractor personnel traveling to any of the Slavic Republics and provide the Contractor with travel approval.

c. The COTR will be represented in the field by the A.I.D. Technical Officer and/or Personal Services Contractor (PSC) in charge of Democracy Initiatives. The COTR may designate additional individuals to serve as COTR in his/her place. However, such designation shall immediately be communicated to the Contractor and the Contracting Officer. At present, the A.I.D. field officers in charge of Democracy Initiatives in Kiev is Amy Nolan Osborn.

G.2 ADMINISTRATION OF SUBCONTRACTING PLAN

The Director, or designee, of the A.I.D. Office of Small and Disadvantaged Business Utilization (OSDBU) is hereby designated as the Contracting Officer's representative responsible for monitoring, evaluating and documenting the Contractor's performance under the General Provision clauses of this contract entitled "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns" (FAR 52.219-8 and AIDAR 752.219-8) and "Subcontracting With Disadvantaged Enterprises" (AIDAR 752.226-2). The telephone number for OSDBU is (703) 875-1551.

G.3 PAYMENT OFFICE

The procedure for payment is described in AIDAR Clause 752.7003. The Contractor will submit original vouchers to the office specified below for payment. A copy will also be sent to the COTR in USAID/Kiev.

USAID/FM/CMPD/DC  
Room 700, SA-2  
Washington, D.C.

G.4 ACCOUNTING AND APPROPRIATION DATA

PIO/T No:	110-0007-3-366-2851
Appropriation:	72-11X1093
Allotment:	393-68-110-00-00-69-31
Budget Plan Code:	WNIX-93-36110-KG-12
Obligated Amount:	\$2,325,000

G.5 CONTRACT NUMBERING SYSTEM

The number of this contract, and the meaning of each data element is as follows:

CCN	-	0007	-	C	-	00	-	3169	-	00
Issuing Office of contract	Last Four Digits of Project No.	A.I.D./W Funded Contract	Order No.	Contract No.	Modifi-cation Number					

Thus, CCN-0007-C-00-3169-01 would refer to the first modification to this contract.

End of Section G

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

**H.1 Key Personnel**

The key personnel whom the Contractor shall furnish for the performance of this contract are as follows:

<u>Position</u>	<u>Person</u>
<u>Home Office</u>	
Project Manager	David Bronheim
Liaison Officer	<del>David</del> Bilak Daniel <i>HH INC</i>
<u>Field</u>	
Dir/Legal Reform Specialist	Jurii Maniichuk
Grants Manager	To be determined
Field Position No. 3	To be determined
Field Position No. 4	To be determined

The individuals identified as key personnel above are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs during this contract, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made without the written consent of the COTR.

For those positions listed above but for whom persons have not been interviewed or identified, USAID must approve the person assigned to such position. In addition, the Contractor will furnish the proposed candidate for an interview, if requested by USAID. The contract will be amended to reflect the title and person agreed to for Field Position Nos. 3 and 4.

**H.2 A.I.D. OVERSIGHT OF THE CONTRACTOR'S GRANT PROGRAM**

Prior to implementing its first grant program, the Contractor shall obtain A.I.D. Contracting Officer review and approval of the proposed grant program procedures and amounts. The Contracting Officer's review will consider whether the program 1) fits within the ROL program objectives and 2) the implementation schedules are appropriate, 3) whether the Contractor's competitive selection procedure and evaluation criteria are adequate 4) measures taken by the Contractor to identify and address real and potential conflicts of interest between itself and recipients 5) whether the programs and grants themselves are otherwise consistent with A.I.D. Handbook 13\*. A.I.D. will monitor the Contractor's compliance with the approved program procedures, and the COTR must approve all grants awarded under the contract. The type and extent of advance review and approval for further grant programs under this contract will depend, in part, on this review of the first or subsequent programs.

- \* Particularly 1) HB13 Chapter 4 and Appendix 4C which implement the coverage in OMB Circular A-110 of government-wide policies concerning administration of grants and cooperative agreements with U.S. institutions of higher education, hospitals, and other non-profit organizations, 2) Audit provisions of OMB Circular A-133, and 3) retention by A.I.D. the right it has under standard grant provisions to terminate the grant activities unilaterally in extraordinary circumstances.

### H.3 U.S. BUSINESS RELOCATION, EXPORT PROCESSING ZONES AND WORKERS RIGHTS

a. General. This clause is pursuant to the prohibitions contained in Section 599 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1993, PL-102-391. The Contractor shall include this clause in any subagreements.

b. U.S. Business Relocation. If the Contractor is a business enterprise located in the United States, it confirms and agrees that no monies or other financial benefits under this contract will be used to relocate its business outside the United States or to replace U.S. production with non-U.S. production. The Contractor agrees that it will not provide funds or other financial benefits under this contract to a business enterprise located in the United States, if such funds or benefits would be used in the U.S. business enterprise to relocate its business outside the United States or to replace U.S. production with non-U.S. production.

c. Export Processing Zones. The Contractor shall not use any monies or other benefits under this contract to establish or develop, or cause others to establish or develop, in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environmental or safety laws of that country do not apply, in part or in whole, to activities carried out within such zone or area, unless A.I.D. has made a prior written determination and certification that such assistance under this contract is not likely to cause a loss of jobs within the United States.

(d) Working Rights. The Contractor shall not use any monies or other benefits under this contract to support, or cause others to support, any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974 (and codified in 19 U.S.C. sub-section 2462 (a)(4)), of workers in the recipient country or any designated zone or area therein. The Contractor agrees not to take actions to prevent its local employees from lawfully exercising their right of association and

their right to bargain under applicable laws relating to a minimum age for employment of children and acceptable conditions of work with respect to minimum wage, hours of work, and occupational health and safety. The Contractor shall not utilize forced or compulsory labor. (The Contractor is not responsible under this clause for the actions of a government.)

H.4 CONSTRAINT ON ASSISTANCE TO AZERBAIJAN

Unless otherwise authorized in writing in advance by A.I.D., no funds provided in this contract shall be used to provide assistance to the Government of Azerbaijan.

H.5 SPECIAL PROVISION REGARDING THE CLAUSES ENTITLED "TRAVEL AND TRANSPORTATION" (AIDAR 752.7002) AND "PERSONNEL" (AIDAR 752.7027)

a. In accordance with each of the above clauses of this contract, hereunder the Contractor must obtain the Contracting Officer's prior written approval for all international travel under this contract, the Contracting Officer does, hereby, provide said approval for those individuals required to travel outside the United States; provided, however, that concurrence with the assignment of any and all said travel outside the United States is obtained by the Contractor, in writing, from the Contracting Officer's Technical Representative (COTR) prior to their assignment abroad. Such approval must be within the terms of this contract, is subject to availability of funds, and shall not be construed as authorization to increase the total estimated cost or the obligated amount, whichever is less. A copy of each approval issued pursuant to this paragraph shall be retained by the Contractor for audit purposes. All travel to the NIS requires country clearance.

b. After approval of the proposed international travel, the Contractor shall notify the USAID mission and the cognizant COTR of the arrival date and time and flight identification of A.I.D. financed travelers.

H.6 DEFENSE BASE ACT (DBA) INSURANCE

Further to contract clauses FAR 52.228-3 and AIDAR 752.228-3, both entitled "Worker's Compensation Insurance (Defense Base Act)," A.I.D. has a contract with CIGNA Corporation, Inc., which provides coverage to all A.I.D. direct contractors at a guaranteed rate with no minimum premium. The CIGNA coordinator for this DBA program is Wright and Company, 1400 I Street, NW, Suite 1100, Washington, DC 20005; telephone (202) 289-0200 within the Washington DC area, or (800) 424-9801 (toll free from without the Washington area; telex 440508; fax (202) 289-6607.

#### H.7 EMERGENCY LOCATOR INFORMATION

The Contractor agrees to provide the following information to the USAID Executive Officer on or before the arrival in the Cooperating Country of every contract employee or dependent:

- a. The contract number and project name.
- b. The Contractor's name, home office address and telephone number, including any after-hours emergency numbers, and the name of the Contractor's home office staff member having administrative responsibility of the contract.
- c. The individual's full name, home address, and telephone number, and whether the individual is an employee and dependent.
- d. The name, address and telephone number of each of the individual's next of kin.
- e. Any special instructions pertaining to emergency situations such as power of attorney designees or alternate contact persons.

#### H.8 PERSONNEL COMPENSATION

a. Limitations. Compensation of personnel which is charged as a direct cost under this contract, like other costs, will be reimbursable in accordance with Section B of this contract, the clause FAR 52.215-7, "Allowable Cost and Payment" and other applicable contract provisions, but subject to the following additional limitations with otherwise might be reasonable, allocable and allowable.

(1) Salaries and Wages. Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's pay scale for equivalent classifications of employees, which will be certified to by the Contractor, nor may any individual or wage, without prior approval of the Contracting Officer, exceed the employee's current salary or wage or the highest rate of annual salary or wage received during any full year of the immediately preceding three years. Reimbursable salaries and wages paid as direct labor shall not exceed the maximum salary rate of an FS1/14 (or equivalent daily rate of the maximum FS1/14 salary, if compensation is not on an annual basis) unless advance written approval is given by the Contracting Officer. The CY93 rate for FS1/14 is \$86,589 per year, or \$331.92 per day. Under no circumstances will the salary exceed any contract maximums stated elsewhere. Approvals for salaries over the FS1/14 review threshold are in no way assured. The reasonableness of proposed

salaries above the FS-1 level must be evaluated in terms of the technical competence required, scope of supervisory responsibilities involved, and the relationship of the proposed salary level to the individual's customary salary level for similar work.

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

(3) Return of Overseas Employees. Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct, inexcusable nonperformance or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most direct and expeditious air route.

(4) Annual Salary Increases. Annual salary increases may not exceed those provided by the Contractor's established policy and practice. With respect to employees performing work directly under this contract, one annual salary increase of not more than 5% of the employee's base salary may, subject to the Contractor's established policy and practice, be granted after the employee's completion of each twelve month period of satisfactory services under the contract. Annual salary increases of any kind exceeding these limitations or which cause the employee's salary to exceed the maximum salary of FS1/14 may be granted only with the advance written approval of the Contracting Officer.

(5) Consultants. No compensation for consultants shall exceed, without specific approval of the rate by the Contracting Officer, (i) the current compensation or the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or (ii) the maximum daily salary rate of FS1/14, whichever is less.

(6) Cooperating/Host Country Nationals. Salaries and wages paid to such employees whose salaries are charged as a direct cost to this contract shall not exceed (i) the employee's current salary or wage or the highest rate of annual salary or wage received during any full year of the immediately preceding three years or (ii) the maximum daily salary rate of FS1/14, whichever is less.

(7) Initial Salaries. Unless approved by the Contracting Officer, the initial starting salaries of all direct labor employees shall not exceed the employee's current salary or wage or the highest rate of annual salary or wage received during any full year of the immediately preceding three years.

(8) Work Week. The work week for the Contractor's non-overseas employees shall not be less than the established practice of the Contractor. The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the standard work week of the Cooperating Country.

b. Definitions.

As used herein, the terms "salaries," "wages" and "compensation" mean the periodic remuneration received for professional or technical services rendered, exclusive of any of the differentials or allowances defined in the clause AIDAR 752.7028, "Differentials and Allowances," unless otherwise stated. The term "compensation" includes payment for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges. Also see the clause of this contract entitled "Personnel Compensation," AIDAR 752.7007.

**H.9 ACADEMIC PUBLICATION POLICY**

If the prime Contractor is educational institution, the A.I.D. academic policy statement contained in AIDAR Appendix I is applicable to this contract.

**H.10 PERSONNEL COMMITMENTS**

The Contractor shall secure from all personnel engaged in the performance of this contract commitments adequate to assure that the Contractor will be able to discharge its obligations under this contract.

**H.11 PROCUREMENT AND SUBCONTRACTING**

a. A.I.D. Geographic Codes: Defined in Appendix D of A.I.D. Handbook 19. The applicable geographic code for this contract is 000 (U.S.), 156 (NIS) and 941 (Selected Free World).

b. Approvals. All purchases of nonexpendable equipment (i.e. property which is complete in itself, does not lose its identity or become a component part of another article when put into use, is durable with an expected service life of two years or more, and which has a unit cost of more than \$500) will require approval of the Contracting Officer. Any approvals given pursuant to this paragraph must be within the terms of this contract and shall not serve to change them in any way. The Contractor shall retain copies of all such approvals for audit purposes.

c. Competition. The Contractor shall secure competition to the maximum practical extent, as required by the clause of this contract entitled "Competition in Subcontracting" (FAR 52.244-5).

d. Approval. The Contractor shall obtain the Contracting Officer's approval of all subcontracts to be awarded under this contract.

e. Gray Amendment Subcontracting. At least 10% of the value of this contract will be subcontracted to Gray Amendment organizations.

f. Reporting. The Contractor shall comply with all reporting requirements of the clause entitled "Government Property -- A.I.D. Reporting Requirements" (AIDAR 752.245-70).

g. Local Cost Financing With U.S. Dollars

In the event that the Contracting Officer authorizes the Cooperating Country for procurement of goods and services, the clause of this contract entitled "Local Cost Financing With U.S. Dollars" (AIDAR 752.7017) shall become applicable. Pursuant to said clause, indigenous goods and imported shelf items shall then become eligible for local cost financing in quantities specified in such waiver, and subject to the restrictions stated in said clause, the waiver, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, will be incorporated herein as part of this contract by reference.

h. Restricted Goods

Pursuant to the clause of this contract entitled "Source and Nationality Requirements" (AIDAR 752.7004), the following restricted goods must be specifically approved by the Contracting Officer:

Agricultural Commodities  
Motor Vehicles  
Pharmaceuticals  
Pesticides  
Rubber Compounding & Plasticizers  
Used Equipment  
Fertilizer

h. Government Owned Organizations

Except as the Contracting Officer may otherwise agree in writing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible for A.I.D. financing hereunder.

#### H.12 LANGUAGE REQUIREMENTS

The primary language requirement for this contract is English. However, NIS language capability is required for approximately half the contractor's field personnel at the S-3, R-3 language capability (refer to the Definitions of Absolute Language Capability, as defined by the Foreign Service Institute (FSI) prior to arrival and the other staff will be expected to reach S-2/R-2 within 18 months. A.I.D. reserves the right to test proposed individuals to ensure that they have the required language capability. In the event that the individual possesses the required language capability, expenses for language testing shall be an allowable charge to this contract. However, if the individual does not have the required language capability, expenses for language testing for the individual shall be borne by the Contractor.

#### H.13 COSTS PAID IN THE ORDINARY COURSE OF BUSINESS

It is understood and agreed that the Contractor may, in some circumstances, invoice and be paid for recorded costs for items or services purchased directly for this contract, even though the Contractor has not yet paid for those items or services; provided, that such costs are paid in the ordinary cost of business. "Ordinary course of business" is defined in accordance with the principles established by the Prompt Payment Act, Public Law 97-177 (96 Stat. 85, 31 USC 1801), i.e. within 30 days after the Contractor's receipt of payment from A.I.D. for such costs. In those instances where the Contractor properly invoices and is paid for recorded costs which have not yet been paid by the Contractor, the Contractor agrees to pay all such costs, and especially employee compensation, consultants, subcontractors, suppliers, support of participants, and costs incurred in the Cooperating Country, in the ordinary cost of business. Failure to do so may be considered as nonperformance by the Contractor.

#### H.14 TRAVEL EXPENSES

a. Notwithstanding any other provision of this contract, if any of the personnel utilized hereunder are discharged by the Contractor for misconduct or inexcusable nonperformance, travel and transportation costs associated with the assignment of substitute personnel shall not be an allowable cost under this contract.

b. Misconduct shall be defined as the deliberate and/or repeated disregard for the laws and regulations of the Cooperating Country or of A.I.D., the continued existence of conflict of interest after advice that such conflict exists, or general behavior unbecoming a professional serving as part of the U.S. foreign assistance program (also see clause AIDAR 752.7027, "Personnel").

c. Inexcusable nonperformance shall be defined as unauthorized absences or failure to undertake and/or complete assigned tasks which are within the scope of this contract, when such absences or failures are within the control of the individual.

#### H.14 SUBMISSION OF COMPLETION VOUCHER

The clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-7), provides in paragraph (h)(1) that "...the Contractor shall submit a completion invoice or voucher, designated as such, promptly upon completion of the work...". To ensure expeditious closeout of completed contracts, the term "promptly" as used in the clause is defined as 60 days from the actual completion date of the contract, unless otherwise approved in writing by the Contracting Officer. The Contractor shall have up to one year after completion of the contract (or longer, as the Contracting Officer may approve in writing), or until a mutually acceptable final release has been signed, to submit a revised completion voucher, should circumstances warrant. Upon receipt of the final voucher, the Contracting Officer shall begin actions necessary to properly close the contract. Processing of the final voucher for payment shall not begin until compliance by the Contractor with all terms and conditions of the contract.

#### H.15 LOGISTIC SUPPORT

The Contractor shall be responsible for providing or arranging for all logistic support including office and computer equipment, except to the extent that either (1) the contract specifically states otherwise, or (2) that the COTR or USAID Mission specifies that the Cooperating Country or USAID Mission will provide any logistic support (see C.6). Otherwise, the Contractor and any subcontractors are prohibited from using U.S. Government facilities (such as office space or equipment), clerical or technical personnel in the performance of this contract. If at any time it is determined that the Contractor, or any of its employees or consultants have used U.S. Government facilities or personnel without authorization, then the amount

payable under the contract shall be reduced by an amount equal to the value of the U.S. Government facilities or personnel used by the Contractor, as determined by the Contracting Officer. If the parties fail to agree on an adjustment made pursuant to this clause, it shall be considered a "dispute" and shall be dealt with under the terms of the clause of this contract entitled "Disputes" (FAR 52.233-1, Alternate 1).

H.16 HOUSING/FURNITURE FOR FIELD ADVISORS

The housing allowance provided to long-term field advisors must be in accordance with the rates established in the Standardized Regulations or approved by the Contracting Officer. In addition, if the Contractor decides it is advantageous to purchase household furniture and appliances for these advisors, this must also be approved by the Contracting Officer.

End of Section H

**SECTION I - CONTRACT CLAUSES**

The clauses in this section are incorporated by reference with full force and effect as if incorporated in full text.

Subsections:

- I. Federal Acquisition Regulation Clauses
- II. Agency for International Development Acquisition Clauses
- III. Alterations in Contract

**I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

<u>Reference</u>	<u>Title</u>	<u>Date</u>
52.202-1	Definitions	SEP 1991
52.203-1	Officials Not to Benefit	APR 1984
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions on Subcontractor Sales to the Government	JUL 1985
52.203-7	Anti-Kickback Procedures	OCT 1988
52.203-9	Requirement for Certificate of Procurement Integrity-Modification	NOV 1990
52-203-10	Price or Fee Adjustment for Illegal or Improper Activity	SEP 1990
52.203-12	Limitations on Payments to Influence Certain Federal Transactions	JAN 1990
52.203-13	Procurement Integrity - Service Contracting	SEP 1990
52.204-2	Security Requirements	APR 1984
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment	NOV 1992
52.212-13	Stop Work Order, Alternate 1	AUG 1989

52.215-1	Examination of Records by Comptroller General	FEB 1993
52.215-2	Audit - Negotiation	FEB 1993
52.215-22	Price Reduction for Defective Cost or Pricing Data	JAN 1991
52.215-23	Price Reduction for Defective Cost or Pricing Data - Modifications	DEC 1991
52.215-24	Subcontractor Cost or Pricing Data	DEC 1991
523.215-25	Subcontractor Cost or Pricing Data - Modifications	DEC 1991
52.215-26	Integrity of Unit Prices	APR 1991
52.215-27	Termination of Defined Benefit Pension Plans	SEP 1989
52.215-33	Order of Precedence	JAN 1986
52.216-7	Allowable Cost and Payment	JUL 1991
52.216-8	Fixed Fee	APR 1984
52.216-11	Cost Contract - No Fee	APR 1984
52.216-15	Predetermined Indirect Cost Rates	APR 1984
52.217-9	Option to Extend the Term of Contract	MAR 1989
	In first blank insert: " during the contract term "	
	In second blank insert: " five years "	
52.219-8	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns	FEB 1990
52.219-9	Small Business and Small Disadvantaged Business Subcontracting Plan	FEB 1990
52.219-13	Utilization of Women-Owned Small Business	AUG 1986
52.220-1	Preference for Labor Surplus Area Concerns	APR 1984

52.220-3	Utilization of Labor Surplus Area Concerns	APR 1984
52.222-3	Convict Labor	APR 1984
52.222-18	Notification of Employee Rights Con- cerning Payment of Union Dues or Fees	MAY 1992
52.222-26	Equal Opportunity	APR 1984
52.222-28	Equal Opportunity Preaward Clearance of Subcontracts	APR 1984
52.222-29 APR 1984	Notification of Visa Denial	
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans	APR 1984
52.222-36	Affirmative Action for Handicapped Workers	APR 1984
52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era	JAN 1988
52.223-2	Clean Air and Water	APR 1984
52.223-6	Drug-free Workplace	JUL 1990
52.225-11	Restrictions on Certain Foreign Purchases	MAY 1992
52.226-2	Subcontracting with Disadvantaged Enterprises	APR 1991
52.227-1	Authorization and Consent	APR 1984
52.227-2	Notice and Assistance Regarding Copyright Infringement	APR 1984
52.227-14	Rights in Data - General	JUN 1987
52.227-17	Rights in Data - Special Works	JUN 1987
52.227-18	Rights in Data - Existing Works	JUN 1987
52.228-3	Workers' Compensation Insurance (Defense Base Act)	APR 1984
52.228-7	Insurance - Liability to Third Persons	APR 1984

52.229-8	Taxes - Foreign Cost-Reimbursement Contracts In blank insert: any new independent state of the former Soviet Union	MAR 1990
52.230-2	Cost Accounting Standards	AUG 1992
52.230-3	Disclosure and Consistency of Cost Accounting Practices (Applicable if modified or CAS coverage)	AUG 1992
52.230-5	Administration of Cost Accounting Standards	AUG 1992
52.232-8	Discounts for Prompt Payment	APR 1989
52.232-17	Interest	JAN 1991
52.232-22	Limitation of Funds	APR 1984
52.232-23	Assignment of Claims	JAN 1986
52.232-25	Prompt Payment	APR 1989
52.232-28	Electronic Funds Transfer Payment Method	APR 1989
52.233-1	Disputes, Alternate 1	DEC 1991
52.233-3	Protest After Award	AUG 1989
52.233-3	Protest After Award, Alt 1, for cost reimbursement-type contract	AUG 1989
52.237-2	Protection of Government Buildings, Equipment and Vegetation	APR 1984
52.242-1	Notice of Intent to Disallow Costs	ARP 1984
52.242-13	Bankruptcy	APR 1991
52.243-2	Changes - Cost Reimbursement Alternate 1	AUG 1987 APR 1984
52.243-7	Notifications of Changes	APR 1984
52.244-2	Subcontracts (Cost Reimbursement and Letter Contracts)	Jul 1985
52.244-5	Competition in Subcontracting	APR 1984

52.245-5	Government Property (Cost-Reimbursement, Time-and-Material, or Labor Hour Contracts)	JAN 1986
52.246-3	Inspection of Supplies Cost Reimbursement	APR 1984
52.246-5	Inspection of Services -- Cost Reimbursement	APR 1984
52.246-25	Limitation of Liability - Services	APR 1984
52.247-35	Preference for Privately Owned US-Flag Commercial Vessels	APR 1984
52.247-63	Preference for U.S. Flag Air Carriers	APR 1984
52.249-6	Termination (Cost-Reimbursement)	May 1986
52.249-8	Default	APR 1984
52.249-14	Excusable Delays	APR 1984
52.251-1	Government Supply Sources	APR 1984

II.            AGENCY FOR INTERNATIONAL DEVELOPMENT ACQUISITION  
REGULATION (48CFR CHAPTER 7) CLAUSES

752.202-1	Definitions (Alternate 70)	JAN 1990
752.202-1	Definitions (Alternate 72)	DEC 1986
752.203-1	Officials Not to Benefit	
752.204-2	Security Requirements	
752.210-70	Language and Measurement	JUN 1992
752.219-8	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns	
752.226-2	Subcontracting with Disadvantaged Enterprises	APR 1991
752.228-3	Workers' Compensation Insurance (Defense Base Act)	
752.228-7	Insurance -- Liability to Third Persons (Add as paragraph (h) to FAR 52.228-7)	JAN 1992

752.245-70	Government Property --A.I.D. Reporting Requirements	NOV 1989
752.7001	Biographical Data	DEC 1988
752.7002	Travel and Transportation	JAN 1990
752.7003	Documentation for Payment	APR 1984
752.7004	Source and Nationality Requirements for Procurement of Goods and Services	APR 1989
752.7006	Notices	APR 1984
752.7007	Personnel Compensation	AUG 1984
752.7008	Use of Government Facilities or Personnel	APR 1984
752.7009	Marking	APR 1984
752.7010	Conversion of U.S. Dollars to Local Currency	APR 1984
752.7011	Orientation and Language Training	APR 1984
752.7013	Contractor-Mission Relationships	OCT 1989
752.7014	Notice of Changes in Travel Regulations	JAN 1990
752.7015	Use of Pouch Facilities	JUN 1991
752.7017	Local Cost Financing	APR 1984
752.7025	Approvals	Apr 1984
752.7026	Reports	OCT 1989
752.7027	Personnel	DEC 1990
752.7028	Differentials and Allowances	DEC 1988
752.7029	Post Privileges	DEC 1990
752.7031	Leave and Holidays	OCT 1989
752.7032	International Travel Approval and Notification Requirements	JAN 1990
752.7033	Physical Fitness	DEC 1990

III. ALTERATIONS IN CONTRACT

FAR 52.252-4 Alterations in Contract

APR 1984

Portions of this Contract are altered as follows:

52.203-1        Officials Not to Benefit and  
752.203-1        Officials Not to Benefit refer to  
                  United States officials

52.204-2        Security Requirements and  
752.204-2        Security Requirements are revised as  
                  follows:

"(a) This clause applies to the extent that this contract involves access to classified ('Confidential', 'Secret', 'Top Secret'), or administratively controlled ('Limited Official Use') information."

End of Section I