

CONTRACT/AGREEMENT DATA SHEET	B 12701	1. M/SER/AAM/A/SUP Action Monitor Drg for KMP	2. Date PIO/T Received in M/SER/AAM/A/SUP 9, 23, 86
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COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

1. Contract/Agreement/Number PDC-3400-A-00-6203-00	21. Budget Plan Code EDAA-86-13830-AG11 APP. 72-116T021.3 ALL. 643-38-099-00-20-61
4. Contractor/Recipient Name Land O'Lakes	5. Contractor Acronym LOL
6. Project Title Linking Dairy Products with Development	7. Project Number 938-0706
8. Project Officer's Name M. Dwyre	9. Bureau or USAID Symbol FVA/FFP
10. PIO/T Number 638-3400	22. Country or Region of Performance WW
11. TYPE OF ACTION A. New Acquisition/Assistance B. Amendment/Modification 1. New/Revised Scope 2. Funded Extension 3. No Cost Extension 4. Transfer of action from AID/W to Mission/Mission to AID/W 5. Incremental Funding 6. Overhead Rate Adjustment 7. Contract Closeout 8. Other CFPR or FAR _____	23. A. This Action Increases or Decreases TEC by \$2,126,000 B. Total Estimated Cost of Contractual Document \$2,126,000 24. Amount of Non-Federal Funds Pledged to the Project - 0 -
12. Amount of this PIO/T OBL. U.S. \$ 1,626,000	25. Effective Date of this Action 9,29,86
13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated by this Contract or Amendment U.S. \$ 1,626,000 this P.I.O/T Total Amount \$2,126,000	26. Estimated Completion/Expiration Date 9,28,88
14. Cumulative Obligation (Life of Contract) U.S. \$ 2,126,000	27. Contractor DUNS Number 00-625-3835
15. This Action Funded Through 9,28,88	28. Consultant Type Award <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
16. Date Contractual Documents Signed by AID Official 9,29,86	29. Number of Person Months (PASA/RSSA only) NA
17. Incrementally Funded Contracts <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	30. Number of Persons (PASA/RSSA only) NA
18. Host Country/Counterpart Institution (University Contracts) NA	31. CONTRACT TYPE A. Fixed Price (specify) <input type="checkbox"/> FFP <input checked="" type="checkbox"/> FPRD <input type="checkbox"/> FPEPA <input type="checkbox"/> FPI, ENTERED B. Cost Reimbursement (specify) <input type="checkbox"/> CR <input type="checkbox"/> CPFF <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPFF C. IQC and Requirements Contracts D. Grant/CA/PASA/RSSA E. Contracts with Individuals
19. Campus Coordinator (University Contracts) NA	32. ADVANCE A. No Advance B. Advance Non-FRLC C. Advance FRLC 2,126,000
20. ADVANCE A. No Advance B. Advance Non-FRLC C. Advance FRLC	33. Negotiator's Signature C R Eldridge 34. Date Signed 9,29,86

32. Negotiator's Typed Name C. Eldridge	33. Negotiator's Signature C R Eldridge	34. Date Signed 9,29,86
35. Contract/Grant Officer's Organization Symbol W/CO	36. Contract/Grant Officer's Signature J M Arch	37. Date Signed 9,29,86

CONTRACT/AGREEMENT DATA SHEET	B 12700	1. M/SER/AAM/A/SUP Action Monitor Drg for KMD	2. Date PIO/T Received in M/SER/AAM/A/SUP 9 / 23 86
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COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

1. Contract/Agreement/Number POC-3406-A-00-6203-00	
4. Contractor/Recipient Name Land O'Lakes Inc.	5. Contractor Acronym
6. Project Title Dairy Production, Processing & Marketing	7. Project Number 597-0000
8. Project Officer's Name B. Rudert	9. Bureau or USAID Symbol LAC/DR

10. PIO/T Number 597-0000-3-6651203	21. Budget Plan Code LDA86-35597-AG14
11. TYPE OF ACTION	22. Country or Region of Performance APP. 72-116102.3 ALL. 643-65-597-00-69-61

- A. New Acquisition/Assistance
- B. Amendment/Modification
 - 1. New/Revised Scope
 - 2. Funded Extension
 - 3. No Cost Extension
 - 4. Transfer of action from AID/W to Mission/Mission to AID/W
 - 5. Incremental Funding
 - 6. Overhead Rate Adjustment
 - 7. Contract Closeout
 - 8. Other

A

CFPR or FAR _____

12. Amount of this PIO/T
Obl. **U.S. \$ 500,000**

13. Amount Obligated Subobligated Deobligated
by this Contract or Amendment
U.S. \$ 500,000 this PIO/T

14. Cumulative Obligation (Life of Contract)

U.S. \$ _____

15. This Action Funded Through
/ /

16. Date Contractual Documents Signed by AID Official
/ /

17. Incrementally Funded Contracts
 YES NO

18. Host Country/Counterpart Institution (University Contracts)

19. Campus Coordinator (University Contracts)

20. ADVANCE

- A. No Advance
- B. Advance Non-FRLC
- C. Advance FRLC

23. A. This Action Increases or Decreases TEC by
\$ _____

B. Total Estimated Cost of Contractual Document
\$ _____

24. Amount of Non-Federal Funds Pledged to the Project

25. Effective Date of this Action
/ /

26. Estimated Completion/Expiration Date
/ /

27. Contractor DUNS Number

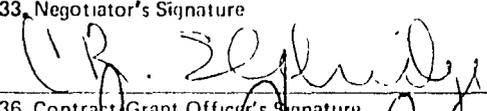
28. Consultant Type Award
 YES NO

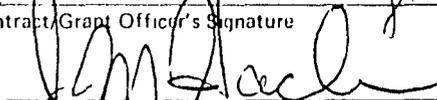
29. Number of Person Months (PASA/RSSA only)

30. Number of Persons (PASA/RSSA only)

31. CONTRACT TYPE

- A. Fixed Price (specify: FFP FPRD FPEPA FPI)
- B. Cost Reimbursement (specify CR CPFF CS CPAF CPIF)
- C. IQC and Requirements Contracts
- D. Grant/CA/PASA/RSSA
- E. Contracts with Individuals

32. Negotiator's Typed Name C. Eldridge	33. Negotiator's Signature 	34. Date Signed 9,29,86
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35. Contract/Grant Officer's Organization Symbol W/CO	36. Contract/Grant Officer's Signature 	37. Date Signed 9,29,86
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38. SUBJECT TO STATUTORY REQUIREMENT

- A. Walsh-Healey Act, Manufacturer*
- B. Walsh-Healey Act, Regular Dealer*
- C. Service Contract Act
(U.S. ONLY - Guards, Maintenance, Laborers)
- D. Davis-Bacon Act *(Construction)*
- E. Not subject to Walsh-Bacon Act
(Most AID Contracts)

E

*Equipment, Supplies, Materials, and Commodities

39. Country of Manufacture

USA

40. CURRENCY INDICATOR

- A. U.S. Dollar
- B. Local Currency
- C. Combination
- D. Unfunded

A

41. SUBCONTRACTS

Is there a provision for a subcontract? *(Contracts only)*

YES NO

42. TYPE OF SERVICE

- A. Training of Participants
- B. Technical Assistance to Host Country
(Program, Project related except A&E Services)
- C. A&E Services
- D. Construction
- E. Research
- F. Technical Services to AID
(other than training; usually operating expense)
- G. Training Service for AID
- H. Equipment, Materials, Supplies, Commodities
- I. Translation Service

B

43. CONTRACT/AGREEMENT SOURCE

- A. U.S. Contractor/Grantee
- B. Non-U.S. Contractor/Grantee
- C. Combination of A & B

A

44. TYPE OF AMERICAN OWNERSHIP

(U.S. Persons or Firms Only)

Minority

- A. Asian/Pacific Islander
- B. Black American
- C. American Aleuts or Eskimos
- D. American Indian
- E. Hispanic

G

G. Non-Minority

45. METHOD OF SOLICITATION

- A. Sealed Bid
- B. Competitive Proposal
- C. Combination/Competition
- D. Other Competition
- E. Noncompetitive

E

46. LABOR SURPLUS AREA PREFERENCE

Labor Surplus Area

- A. No Preference
- B. Tie Bid Preference
- C. Total Set Aside
- D. Not a Labor Surplus Area Preference Award

D

47. TYPE OF BUSINESS

- A. Source: Non-U.S. and Used Outside U.S. & Possessions
- B. Source: Non-U.S. and Possessions
(Foreign Purchases Used Inside U.S.)
(If U.S. Source, complete C through Q)
- C. Firm - Profit Making & PSC's

C

Non-Profit Organizations

- D. Private Educational Organizations
- E. Hospitals
- F. Research Institutions, Foundations, and Laboratories
- G. Other

Private Voluntary Organizations

- H. U.S. Registered
- I. U.S. Non-Registered
- J. Foreign

State/Local Government

- K. Educational Institutions
- L. Hospitals
- M. Research Organizations
- N. Other

- O. International Agricultural Research Organizations
- P. Public International Organizations
- Q. U.S. Cooperatives

48. Women Owned Business?

YES NO

49. TYPE OF AWARD

Small Business

- A. Not Set Aside
- B. Partial Set Aside
- C. Total Set Aside

Other Than Small Business

- D. Personal Service Contract
- E. Individual Non-Personal Service Contract
- F. U.S. Government
- G. University
- H. Non-Profit Organizations and PVOs
- I. Large Businesses

I

50. Paying Office

Payment will be made by

EM/PAFD

3

51. SYNOPSIS PRIOR TO AWARD

NA

- A. Synopsized prior to awards
- B. Not synopsized due to emergency
- C. Not synopsized for other reasons

52. COMPETITIVE SOLICITATION PROCEDURES

NA

- A. Normal full and open competition *
 - B. Architect - Engineer
 - C. Basic Research Proposal
 - D. Multiple Award Schedule
 - E. Alternate Source - Reduced Cost
 - F. Alternate Source - Mobilization
 - G. Alternate Source - Engineering/R&D Capability
 - H. Small Business Set-Aside
 - J. Labor Surplus Area Set-Aside
 - K. LSA/Small Business Set-Aside
 - L. Other than full and open competition
 - M. Small Purchases
 - N. 8(a) Program
 - P. Otherwise authorized by statute
- *If, 'A', block 57 must be completed*

53. NUMBER OF OFFERORS

NA

- 1. Only one offeror
- 2. More than one offeror

54. APPLICABILITY OF COMPETITION IN CONTRACT ACT (CICA)

NA

- 1. Pre-CICA
- 2. Post-CICA

55. AUTHORITY FOR OTHER THAN FULL & OPEN COMPETITION

NA

- A. Unique Source
- B. Follow-on Contract
- C. Unsolicited Research Proposal
- D. Patent/Data Rights
- E. Utilities
- F. Standardization
- G. Only One Source - Other
- H. Urgency
- J. Mobilization
- K. Essential R&D Capability
- L. International Agreement
- M. Authorized by Statute *
- N. Authorized Resale
- P. National Security
- Q. Public Interest

**If 'M', block 56 must be completed*

56. SPECIAL AUTHORITY FOR NON-COMPETITIVE ACTIONS

(Impairment of Foreign AID Programs) Authorized Under AIDAR Sec. 706,302.70(b)(3)

NA

- 1. PSC's Awarded Under Sec 636(a)(3)
- 2. An Award of \$100,000 or Less by an Overseas Contracting Activity
- 3. Written Determination by Assistant Administrator or Administrator
- 4. None of the above.

57. SPECIAL SELECTION PROCEDURES

NA

- 1. University Selection Procedures
- 2. Collaborative Assistance Procedures
- 3. None of the above

ORIGINAL

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20523

SEP 29 1986

Mr. Lee Schatz
Land O'Lakes, Inc.
P. O. Box 116
Minneapolis, MN 55440

Subject: Cooperative Agreement No. PDC-3400-A-00-6203-00

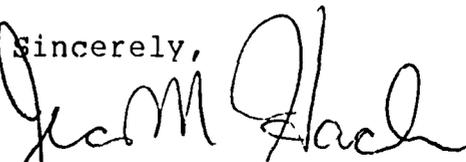
Dear Mr. Schatz:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby awards this cooperative agreement to the Land O'Lakes, Inc. (hereinafter referred to as "LOL" or "Recipient"), in the amount of \$2,126,000 to expand and encourage private sector agribusiness activity, including cooperatives, in developing countries, with particular emphasis on dairy production, processing, and marketing, as described in the Schedule and the Program Description of this agreement.

This cooperative agreement is effective as of the date of signature of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning September 30, 1986 and ending September 29, 1988.

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

Please sign the original and six copies of this letter to acknowledge your receipt of the cooperative agreement, and return the original and five copies to the Office of Procurement.

Sincerely,


Jean M. Hacken
Grant Officer
Central Operations Branch
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. Standard Provisions

Cooperative Agreement No. PDC-3400-A-00-6203-00

-2-

ACKNOWLEDGED:

LAND O'LAKES, INC.

BY: *[Signature]*

TITLE: DIRECTOR of INTERNATIONAL DEVELOPMENT OPERATIONS

DATE: 10/27/86

FISCAL DATA

PIO/T No.: 6383400 Project No.: 938-0706
Appropriation: 72-1161021.3
Budget Plan Code (BPC): FDAA-86-13830-AG-11
Allotment: 643-38-099-00-20-61
Amount Obligated: \$1,626,000
Recipient DUNS No.: 00-625-3835
E.I. Number: 41-0365145

PIO/T No.: 6651203 Project No. 597-0000
Appropriation: 72-1161021.3
Allotment: 643-65-597-00-69-61
BPC: LDAA86-35597-AG14
Obligation: \$500,000

Cumulative Obligation: \$2,126,000

FUNDS AVAILABLE
SEP 30 1986 *[Signature]*
0/04190
Program Account 01.2.31
Office of Financial Management

[Handwritten mark]

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this cooperative agreement is to provide support for LOL to expand and encourage private sector agribusiness activity, including cooperatives, in developing countries, with particular emphasis on dairy production, processing, and marketing, as more specifically described in Enclosure 2 to this cooperative agreement entitled "Program Description." and LOL's proposal dated June 16, 1986, as amended July 16, 1986, which is incorporated herein by reference. In the event of an inconsistency between the LOL's proposal and the enclosed program description, the program description shall take precedence.

B. Period of Cooperative Agreement

1. The period of this cooperative agreement is September 29, 1986 through September 30, 1989.

2. Funds obligated hereunder are available for program expenditures for the period cited above.

C. Method of Payment and Amount of Cooperative Agreement

1. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3, Standard Provision entitled "Payment-Cost Reimbursement."

2. The total estimated amount of AID's support under this agreement is \$2,126,000

3. AID hereby obligates the amount of \$2,126,000 for the purposes of this agreement. The recipient should insure that the requirements of the Revisions to Budget provision are met in regard to the notification when expenditures are expected to exceed the total obligated amount of the agreement.

D. Budget

The following is the budget for this cooperative agreement. Revisions to this budget shall be made in accordance with the standard provision of this cooperative agreement, entitled "Revision of the Budget."

Cost Element	LAC	FVA/FFP	TOTAL
	Obligated Amount Fr:9/29/86 TO:9/28/88	Obligated Amount Fr:9/29/87 TO:9/28/88	
Program Management	\$ 62,438	\$201,106	\$263,544
Program Studies	201,352	388,783	590,135
Technical Assist.	86,821	468,114	554,935
U.S. Training	11,402	126,041	137,443
Evaluation		26,000	26,000
Overhead	137,987	415,956	553,943
Total	<u>\$500,000</u>	<u>\$1,626,000</u>	<u>\$2,126,000</u>

NOTES TO BUDGET:

1. In accordance with the standard provision entitled "Revisions to Budget", the Recipient shall not transfer line item amounts between the two columns entitled "LAC Obligated Amount" and "FVA/FFP Obligated Amount".
2. It is agreed by AID and LOL that this agreement shall be for assistance to the LOL program and in no instance be technical assistance to AID missions.
3. It is also agreed that LOL will not receive a fee or profit under this agreement.

E. SUBSTANTIAL INVOLVEMENT:

In accordance with its proposal, LOL will keep the Office of Food for Peace informed as it establishes its informational system for providing technical specialists for dairy development activities. As soon as possible after the system is established (envisaged during month 3 of the illustrative implementation plan) LOL will consult with the Office of Food for Peace to obtain its approval that the system provides for adequate participation of all qualified cooperative organizations, cooperatives, and private sector agribusiness organizations interested in participating in the system. Until such time that FFP has approved the system, LOL will obtain FFP concurrence (based on having made a reasonable effort to solicit technical expertise from interested qualified entities) before providing any technical assistance to a developing country under this agreement.

Before it forms a technical assistance team for any developing country (other than the initial prefeasibility study in cases where a request originates from the developing country), LOL will consult with the USAID mission or office in that country (or US Embassy where no USAID presence exists) to ensure that the dairy development activities proposed are consistent with U.S. interests and objectives and A.I.D. development strategy (if any) in that country. Specific approval must be obtained from FFP before the first technical assistance (including prefeasibilities studies) is provided under this agreement in any developing country, based on eligibility of that country to receive U.S. economic assistance and adequate USAID/Embassy consultation arrangements.

In each case that LOL proposes the provision of surplus U.S. dairy products for a developing country in connection with dairy development (especially when the generation and use of local currencies from monetization of such products is envisaged), FFP approval must be obtained based on consultation with the interagency Food Aid Working Group of the Development Coordination Committee (DCC). This approval should be sought by the U.S. or developing country entity that would sponsor use of the dairy products as soon as possible after adequate details are envisaged. Advance informal consultations by LOL with USAID/Embassy and with FFP are encouraged to facilitate early planning in accordance with existing US development objectives and food aid policies.

Evaluations: LOL will obtain FFP concurrence with the qualifications and statement of work for the independent consultant undertaking the evaluation.

Illustrative Implementation Plan: Consultations will be undertaken and approval obtained from FFP at points in the implementation of the program in accordance with the above provisions.

Key Personnel: Since the success of the program will rely heavily on the informational system to be established by LOL, AID expects that Mr. H. Lee Schatz, Director of International Development Operations, will retain direct management responsibilities in LOL for the program until the informational system is establishing and operating effectively.

F. REPORTING REQUIREMENTS:

1. LOL will submit one copy of an annual report by no later than two months after the end of each year of the agreement to the following AID Offices:

Director,
Office of Food for Peace
Bureau for Food for Peace and Voluntary Assistance (FVA)

Director
Office of Development Resources
Bureau for Latin America and the Caribbean (LAC)

2. One copy of all newsletters, circular notices, and other publicity and/or meetings organized by LOL in connection with setting up and operating its informational system connected with its inventory of specialists will be submitted to both of the above offices within one month after they are produced.

3. Two copies of each prefeasibility study, feasibility and design study and other technical report will be submitted to the Office of Food for Peace plus at least one copy to the USAID mission or office (or US Embassy in cases where no USAID presence exists) in the developing country concerned. The Office of Food for Peace will provide one of the two copies it receives to the appropriate regional or country office in AID. In the case of Central American countries, LOL will provide only one copy to the Office of Food for Peace and another copy directly to the Office of Development Resources in the LAC Bureau.

4. By the last day of the cooperative agreement period, one copy of a final report will be submitted to AID/FVA/PVC and to the grant officer whose address appears on the cooperative agreement cover letter. The report shall include the following information:

a. A comparison of actual accomplishments with the goals established for the cooperative agreement period.

b. Reasons why established goals were not met; and

c. Other pertinent information including, when appropriate, analysis and explanations of cost overruns, or unusually high expenses.

5. Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the recipient shall inform the grant officer as soon as the following types of conditions become known:

a. Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

G. EVALUATION:

LOL will undertake an interim and a final evaluation of the activities undertaken under this agreement. At least one of these evaluations will be undertaken by an independent outside consultant.

G. Indirect Cost Rates:

Pursuant to the standard provision of this cooperative agreement entitled "Negotiated Indirect Cost Rates Provisional", a rate shall be established for each of the recipient's accounting periods which apply to this cooperative agreement. Pending the establishment of revised provisional or final indirect cost rates, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base set forth below:

<u>Type of Rate</u>	<u>Rate</u>	<u>Base</u>
Overhead	72.00%	Total Direct Costs excluding subagreement and contracts over \$25,000
Subagreement/contract Overhead	8.17%	Subagreements and contracts over \$25,000

F. Advance Understanding on Ceiling Indirect Cost Rates and Final Reimbursement for Indirect Costs

1. Notwithstanding any other provision of this cooperative agreement to the contrary, for each of the Grantee's accounting periods during the term of this cooperative agreement, including subsequent extensions thereto, the parties agree as follows:

a. The distribution base for establishment of final overhead rates (on-site) is Total Direct Costs.

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

Overhead Rate: 72.0% of Total Direct Costs excluding subagreements and contracts over \$25,000

Subagreement/contracts: 10.0% of subagreements/contracts over \$25,000.

c. The Government shall not be obligated to pay any additional amount on account of indirect costs above ceiling rates established in this cooperative agreement. Final indirect costs exceeding the rate applied to the base shown above shall be absorbed by the Recipient and considered cost sharing. Other U.S. Government Agreements shall not absorb these costs.

d. This advance understanding shall not change any monetary ceiling, cost limitation, or obligation established in this cooperative agreement.

e. In the event final rates are lower than the provisional or ceiling rates established hereunder, the government shall pay the lower rate.

2. A determination as to the adequacy and acceptability of the Recipient's accounting system has preceded the awarding of this grant. To the extent that the allocation and allowability of costs affects the advance agreement negotiated in this cooperative agreement, it is understood and agreed that the Recipient shall make no change in this accounting system without the prior written approval of the Grant Officer. Any agreement to modify or change, in any way, the Recipient's current method of allocating costs in the overhead center account is subject to negotiation.

DOC# 3136d

Program Description

I. Goals

1) To expand and encourage private sector agribusiness activity, including cooperatives, in developing countries, with particular emphasis on dairy production, processing and marketing.

2) To make increased use of surplus U.S. dairy products to support new private sector agricultural development activities and expand U.S. markets.

II. Purpose: The purpose of this cooperative agreement is to support activities of Land O' Lakes, Inc. (LOL) in private sector dairy development and the use of surplus U.S. dairy products in developing countries. It will enable LOL to establish a centralized U.S. private sector contact point and source of expertise that can be drawn on for prefeasibility studies, feasibility and design studies, and operational technical assistance and training for dairy sector development in developing countries.

Related fixed and working capital requirements of activities on which LOL is involved may be financed through monetization of surplus U.S. dairy commodities under Section 416 and PL 480 Title II programs, mission funding, local funding or multilateral organization funds.

III. Method of Operation

LOL will manage overall activities under the cooperative agreement and may obtain certain administrative and support services from other entities. In accordance with their proposal, LOL intends to enter into arrangements with cooperative organizations, cooperatives, and private sector agribusiness organizations to ensure timely and effective responses to requests for assistance.

An early LOL activity under this agreement will be the development of an informational system providing an inventory of qualified dairy specialists available through U.S. dairy and development organizations. This activity will provide LOL an opportunity to reach arrangements with others interested in international dairy development. LOL will keep AID informed of the results of this activity and will provide copies of all arrangements reached with other entities to participate under this agreement, generally through its periodic reports to be submitted under this agreement.

When an acceptable involvement in potential dairy sector development is identified in a particular developing country, the following typical sequence is foreseen:

1) LOL selects and sends a team, normally composed of a generalist and a dairy industry specialist, to do a prefeasibility study. The principal purpose of this prefeasibility study is to make an initial assessment and, if warranted, to produce a detailed plan for a follow-on feasibility study. The prefeasibility team normally completes its work in no longer than two weeks.

2) If the prefeasibility study indicates potential feasibility, and there is sufficient interest in the developing country in the report prepared by the prefeasibility team, LOL forms a feasibility and design study team. This team will produce a project design which will incorporate policy, resources (to include surplus U.S. dairy products), technical, and training requirements necessary for investment in the dairy sector of the country. The feasibility and design study team normally completes its work in no longer than three months.

3) When decisions are made to carry out dairy development projects found to be feasible by LOL teams, LOL may provide short-term and long-term technical assistance for implementing the projects; for in-country, U.S. and third country training programs; and for maintaining contact with U.S. and host country institutions involved in the delivery, storage and sale of surplus U.S. dairy products. Technical assistance and training can be financed under this agreement. In some cases, mission and other sources of funds may be used.

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Variations on the typical sequence might include:

1) Assistance in using local currencies generated by surplus U.S. dairy products to promote private sector activity not totally related to the dairy industry may be desired. In such cases advance approval must be given by the Office of Food for Peace, which will consult first with the DCC Interagency Working Group for Food Aid regarding monetization aspects.

2) The developing country might prefer to work with an institution other than LOL. In such cases, LOL will utilize its system of consultation with other entities to recommend to the developing country other sources of technical assistance that might be obtained through this agreement.

3) The USAID and developing country might already have a dairy development project underway and be interested only in the use of surplus U.S. dairy products to generate local currency for new capital investment. (Again the Office of Food for Peace and DCC Interagency Working Group approval will be required.)

IV. Restriction regarding dairy exports: Technical assistance is not to be provided for production of any dairy product by a developing country for export purposes, which would be contrary to the intention of this project and to the statutory provisions of Section 522 in the Continuing Appropriations Act, 1986.

V. Reporting: LOL will submit one copy of an annual report by no later than two months after the end of each year of the grant to the following offices of AID:

Director
Office of Food for Peace
Bureau for Food for Peace and Voluntary Assistance (FVA)

Director
Office of Development Resources
Bureau for Latin America and the Caribbean (LAC)

One copy of all newsletters, circular notices and other publicity and/or meetings organized by LOL in connection with setting up and operating its informational system connected with its inventory of specialists will be submitted to both of the above offices within one month after they are produced.

Two copies of each prefeasibility study, feasibility and design study and other technical report will be submitted to the Office of Food for Peace plus at least one copy to the USAID mission or office (or US Embassy in cases where no USAID presence exists) in the developing country concerned. (The Office of Food for Peace will provide one of the two copies it receives to the appropriate regional or country office in AID.) In the case of Central American countries, LOL will provide only one copy to the Office of Food for Peace and another copy directly to the Office of Development Resources in the LAC Bureau.

VI. Evaluations: LOL will undertake an interim and a final evaluation of the activities undertaken under this agreement. At least one of these evaluations, for which funds are designated in the financial plan, will be undertaken by an independent outside consultant.

VII. Illustrative Implementation Plan: - From date of signing of agreement

Month 1: AID/W informs field posts (via circular telegram)

Month 2: LOL activity manager on board

Month 3: Supporting arrangements complete and informational system established

Month 4 and onward: Prefeasibility studies commence

Month 7 and onward: Feasibility and design studies commence

Month 10 and onward: Operational technical assistance and training programs commence

Month 12: First annual evaluation

Month 24: Final evaluation

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11.

AID Substantial Involvement
(See Program Description)

I. Goals - None

II. Purpose - None

III. Method of Operation

In accordance with its proposal, Land O' Lakes, Inc. (LOL) will keep the Office of Food for Peace informed as it establishes its informational system for providing technical specialists for dairy development activities. As soon as possible after the system is established (envisaged during month 3 of the illustrative implementation plan) LOL will consult with the Office of Food for Peace to obtain its approval that the system provides for adequate participation of all qualified cooperative organizations, cooperatives, and private sector agribusiness organizations interested in participating in the system. Until such time that FFP has approved the system, LOL will obtain FFP concurrence (based on having made a reasonable effort to solicit technical expertise from interested qualified entities) before providing any technical assistance to a developing country under this agreement.

Before it forms a technical assistance team for any developing country (other than the initial prefeasibility study in cases where a request originates from the developing country), LOL will consult with the USAID mission or office in that country (or US Embassy where no USAID presence exists) to ensure that the dairy development activities proposed are consistent with U.S. interests and objectives and A.I.D. development strategy (if any) in that country. Specific approval must be obtained from FFP before the first technical assistance (including prefeasibilities studies) is provided under this agreement in any developing country, based on eligibility of that country to receive U.S. economic assistance and adequate USAID/Embassy consultation arrangements.

In each case that LOL proposes the provision of surplus U.S. dairy products for a developing country in connection with dairy development (especially when the generation and use of local currencies from monetization of such products is envisaged), FFP approval must be obtained based on consultation with the interagency Food Aid Working Group of the Development Coordination Committee (DCC). This approval should be sought by the U.S. or developing country entity that would sponsor use of the dairy products as soon as possible after adequate details are envisaged. Advance informal consultations by LOL with USAID/Embassy and with FFP are encouraged to facilitate early planning in accordance with existing US development objectives and food aid policies.

IV. Restriction regarding dairy exports: - None

V. Reporting: - None

VI. Evaluations: LOL will obtain FFP concurrence with the qualifications and statement of work for the independent consultant undertaking the evaluation.

VII. Illustrative Implementation Plan: Consultations will be undertaken and approval obtained from FFP at points in the implementation of the program in accordance with the above provisions.

Key Personnel: Since the success of the program will rely heavily on the informational system to be established by LOL, AID expects that Mr. H. Lee Schatz, Director of International Development Operations, will retain direct management responsibilities in LOL for the program until the informational system is establishing and operating effectively.

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LOL

MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES 1/
INDEX OF
MANDATORY STANDARD PROVISIONS

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1. ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items, and the applicable* cost principles in effect on the date of this grant.

* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (NOVEMBER 1985)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

(1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

1/ When these Standard Provisions are used for cooperative agreements, the following terms apply:

"Grantee" means "Recipient"

"Grant" means "Cooperative Agreement," and

"AID Grant Officer" means "AID Agreement Officer."

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(2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

(8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of AID funds, to produce unbiased opinions, conclusions, or judgments. They shall meet the independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. It is not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of the AID grant. Such tests would include an appropriate sampling of Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the AID grant officer who shall submit it to AID's Regional Inspector General for Audit. The frequency of these examinations shall depend upon the nature,

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size, and the complexity of the activity. These grantee self-examinations do not relieve AID of its audit responsibilities, but may affect the frequency and scope of such audits.

(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraph (b) above.

3. REFUNDS (NOVEMBER 1985)

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

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

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

4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

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

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

(1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.

(2) The need for additional funding.

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

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

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

(6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.

(7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.

(c) When requesting approval for budget revisions, the grantee shall use the budget formats that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the grant officer shall review the request and notify the grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the grant officer shall inform the grantee in writing of the date when the grantee may expect the decision. The grant officer shall obtain the project officer's clearance on all such requests prior to communication with the grantee.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, AID determines not to provide additional funds, the AID grant officer will, upon written request of the grantee, terminate this grant

pursuant to the standard provision of this grant, entitled "Termination and Suspension."

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

5. TERMINATION AND SUSPENSION (NOVEMBER 1985)

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

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

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

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

6. DISPUTES (NOVEMBER 1985)

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

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

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

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

7. INELIGIBLE COUNTRIES (NOVEMBER 1985)

Unless otherwise approved by the AID grant officer, no funds will be expended for costs incurred in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

8. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (NOVEMBER 1985)

No person in the United States, consistent with the laws of the United States, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

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

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

10. COVENANT AGAINST CONTINGENT FEES (NOVEMBER 1985)

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

11. NONLIABILITY (NOVEMBER 1985)

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

12. AMENDMENT (NOVEMBER 1985)

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

13. NOTICES (NOVEMBER 1985)

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

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

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

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

(END OF MANDATORY STANDARD PROVISIONS)

LAND O' LAKES

OPTIONAL STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL GRANTEES

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- | | |
|---|-------------|
| 1. Payment - Letter of Credit | _____ |
| 2. Payment - Periodic Advance | _____ |
| 3. Payment - Cost Reimbursement | _____X_____ |
| 4. Air Travel and Transportation | _____X_____ |
| 5. Ocean Shipment of Goods | _____ |
| 6. Procurement of Goods and Services | _____X_____ |
| 7. AID Eligibility Rules for Goods and Services | _____X_____ |
| 8. Subagreements | _____X_____ |
| 9. Local Cost Financing with U.S. Dollars | _____ |
| 10. Patent Rights | _____ |
| 11. Publications | _____X_____ |
| 12. Negotiated Indirect Cost Rates - Predetermined | _____ |
| 13. Negotiated Indirect Cost Rates - Provisional | _____X_____ |
| 14. Regulations Governing Employees | _____X_____ |
| 15. Participant Training | _____X_____ |
| 16. Voluntary Population Planning | _____ |
| 17. Protection of the Individual as a Research Subject | _____ |
| 18. Care of Laboratory Animals | _____X_____ |
| 19. Government Furnished Excess Personal Property | _____ |
| 20. Title to and Use of Property (Grantee Title) | _____X_____ |
| 21. Title to and Care of Property (U.S. Government Title) | _____ |
| 22. Title to and Care of Property (Cooperating Country Title) | _____ |
| 23. Cost Sharing (Matching) | _____X_____ |
| 24. Use of Pouch Facilities | _____X_____ |
| 25. Conversion of United States Dollars to Local Currency | _____X_____ |

(INCLUDE THIS PAGE IN THE GRANT)

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PAYMENT - COST REIMBURSEMENT (NOVEMBER 1985)

(This provision is applicable to grants for construction, or to grants where the grantee does not meet the conditions for either a letter of credit or periodic advance payment.)

- (a) At the end of each month of this grant, the grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the payment office address specified in the schedule of this grant.
- (b) A final SF-270, shall be submitted within 60 days after the conclusion of the grant to the payment office.
- (c) The reports will be prepared on a cash basis. However, if the grantee's accounting records are not normally kept on a cash basis, the grantee shall not be required to convert its accounting system to meet this requirement.
- (d) Assignment of Claims (otherwise known as assignment of proceeds) is authorized under this grant and will be processed by the payment office.

(END OF STANDARD PROVISION)

AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

- (a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.
- (b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.
- (c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.
- (d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.
- (e) U.S. flag air carrier service is considered available even though:
- (1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
 - (2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or
 - (3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier

including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. flag air carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS. I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

(1) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S.

Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

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

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

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which AID funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

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

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

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

services; (A) Brief general description and quantity of goods or

bids; and (B) Closing date for receiving quotations, proposals, or

obtained. (C) Address where solicitations or specifications can be

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

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

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

(A) Basis for contractor selection;

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

(C) Basis for award cost or price.

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

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

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

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

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

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(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to AID.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to AID.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

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

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

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to AID and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the AID grant officer.

(END OF STANDARD PROVISION)

AID ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

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

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement. AID's policy on ineligible and restricted goods and services is contained in Chapter 4 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

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

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

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of this list upon request.

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

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

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

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

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

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

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

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Impelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

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

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to, and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U. S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (AID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (AID Geographic Code 941), and
- (4) "Special Free World" countries (AID Geographic Code 899).

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

(END OF STANDARD PROVISION)

SUBAGREEMENTS (NOVEMBER 1965)

(This provision is applicable when subgrants or cooperative agreements are financed under the grant.)

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the AID Consolidated List of Debarred, Suspended, or Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain, in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where the U.S. Government is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

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

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

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(END OF STANDARD PROVISION)

PUBLICATIONS (NOVEMBER 1985)

(This provision is applicable when publications are financed under the grant.)

- (a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.
- (b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- (c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

NEGOTIATED INDIRECT COST RATES - PROVISIONAL (NOVEMBER 1985)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

(a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the periods shown in the schedule of this grant.

(b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 proposed final indirect cost rate(s) and supporting cost data. In the event AID is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the AID Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Acquisition and Assistance Management, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rate(s) apply. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of final indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.

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(f) Any failure by the parties to agree on final rate(s) under this standard provision shall be considered a dispute within the meaning of the standard provision of this grant entitled "Disputes" and shall be disposed of in accordance therewith.

(END OF STANDARD PROVISION)

REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

(The following applies to the grantee's employees who are not citizens of the cooperating country.)

- (a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- (b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations.
- (c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- (d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

(END OF STANDARD PROVISION)

PARTICIPANT TRAINING (NOVEMBER 1985)

(This provision is applicable when any participant training is financed under the grant.)

(a) Definition: A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.

(b) Application of Handbook 10: Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.

(c) Participant Training Information System: All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

The grantee shall fill out form AID 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the Office of International Training. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) Visa Requirements for Training Within The United States:

(1) Under the authority of Section 635(f) of the Foreign Assistance Act, AID-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

(2) J-1 visas are issued by the U.S. Embassy or Consulate for AID-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the AID Mission. The Mission retains one copy of the IAP-66A and forwards one copy to AID/S&T/IT.

(3) Holders of J-1 visas are subject to the Immigration and Nationality Act, as amended, and may not apply for an immigrant or an H or L nonimmigrant visa until 2 years' residency is completed in their home country, after completion of training.

(4) Participant passports and visas should normally be valid for six months beyond the duration of the proposed program to allow for program readjustments if necessary. This may not be regarded as an opportunity to encourage program extensions.

(e) Maintenance and Other Allowances: Grantees must observe the maintenance and other allowances for AID-sponsored participants in the United States and third countries as set forth in Handbook 10. No exceptions or variations are permissible except with the advance concurrence of the Office of International Training.

(f) Health and Accident Coverage (HAC) Program For Training Within The United States: The grantee shall enroll all participants training in the United States in AID's HAC Program. HAC Program coverage for an enrolled participant begins at the moment of departure from the host country to the United States until the moment of return to the host country providing, however, that there is not substantial unapproved delay between completion of training under this grant and the return, and that there is no layover at any point to or from the United States except the minimal amount necessary for plane connections.

(1) The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 6 below), in accordance with the standard coverage established by AID under the HAC Program.

(2) The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by AID under this grant, fill out form AID 1381-4 entitled "Participant Data" and mail it to the addressees indicated on the back of the form. The grantee can obtain a supply of these forms and instructions for completing them from the Office of International Training at the address indicated in section (b) above.

(3) Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. Payments will be made via check made payable to A.I.D. and submitted to:

Agency for International Development
Office of Financial Management
Central Accounting Division-Cashier (FM/CAD)
Washington, D.C. 20523

(i) The enrollment fee shall be accompanied by a letter which lists the names of the participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(ii) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant. Current rates are found in Handbook 10 Participant Training Notices.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by AID, and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from AID's responsibility, whichever occurs first. The grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the grant officer.

(5) The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from S&T/IT at the address indicated in section (b) above.

(6) If the grantee has a mandatory, nonwaivable health and accident insurance program for participants, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. However, even though the participant is covered by the grantee's mandatory, nonwaivable health and accident insurance program, the participant must be enrolled in AID's HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Claims Office.

(7) Medical costs not covered by the grantee's health service program or mandatory, nonwaivable health and accident insurance program, or AID's HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

(g) Participant Counseling For Training Within The United States: Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program, and the refusal of a participant to return to the home country upon completion of the program should be referred to the AID Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the AID Duty Officer (202-632-1512) at other times. In referring cases, give the Counselor the name, country, and current location of

the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. Following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

(h) Orientation: In addition to the above mandatory requirements for all participants, grantees are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation (see Chapter 13 of Handbook 10) and orientation in Washington at the Washington International Center (see Chapter 180 of Handbook 10). The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if request for such is directed to the grant officer, who will transmit the request to NCIV through S&T/IT.

(END OF STANDARD PROVISION)

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CARE OF LABORATORY ANIMALS (NOVEMBER 1985)

(This provision is applicable when laboratory animals are involved in research financed by the grant.)

- (a) Before undertaking performance of any grant involving the use of laboratory animals, the grantee shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The grantee shall furnish evidence of such registration to the grant officer.
- (b) The grantee shall acquire animals used in research under this grant only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.
- (c) In the care of any live animals used or intended for use in the performance of this grant, the grantee shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in (a) above. In case of conflict between standards, the higher standard shall be used. The grantee's reports on portions of the grant in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The grantee may request registration of the grantee's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the grantee's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contracting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

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

Title to all property financed under this grant shall vest in the grantee, subject to the following conditions:

(a) The grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the grantee under this provision under this grant or any other U.S. Government agreement, subagreement, contract, or subcontract.

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from AID for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by AID.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from AID or its successor Federal sponsoring agency. AID or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any,

from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by AID.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by AID; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(ii) The grantee may retain the property for other uses provided that compensation is made to AID or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from AID.

(iii) AID shall determine whether the property can be used to meet AID requirements. If no requirement exists within AID the availability of the property shall be reported to the General Services Administration by AID to determine whether a requirement for the property exists in other Federal agencies. AID shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse AID an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by AID for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

- (1) Property records shall be maintained accurately and shall include:
 - (i) A description of the property.
 - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
 - (iii) Source of the property, including grant or other agreement number.
 - (iv) Whether title vests in the grantee or the Federal Government.
 - (v) Acquisition date and cost.
 - (vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.
 - (vii) Location, use, and condition of the property and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates AID for its share.
- (2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."
- (3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.
- (4) Adequate maintenance procedures shall be implemented to keep the property in good condition.
- (5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID grantees and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or AID Mission. In consideration of the use of pouch facilities, the grantee and its employees agree to indemnify and hold harmless, the Department of State and AID for loss or damage occurring in pouch transmission:

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:

Name of individual or organization (followed by
letter symbol "G")
Name of post (USAID/_____)
Agency for International Development
Washington, D.C. 20523

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) AID grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.

(b) The grantee shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

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(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or AID Mission.

(END OF STANDARD PROVISION)

CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the grantee's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

(END OF STANDARD PROVISION)

AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Worldwide	Page 1 of 3 Pages
		2. PIO/T No 638-3400	3. <input checked="" type="checkbox"/> Original or Amendment No _____
		4. Project/Activity No and Title 938-0706 Linking Dairy Products with Development	

DISTRIBUTION	5. Appropriation Symbol 72-1161021.3	6. Allotment Symbol and Charge 643-38-099-00-20-61 EDAA86 13830 AG11
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo. Day, Yr) 12/31/88
	9. Authorized Agent	10. This PIO/T is in full conformance with PRO/AG Date _____
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no _____)					
Maximum AID Financing	A. Dollars	(1) Previous Total ---	(2) Increase 1,626,000	(3) Decrease ---	(4) Total to Date 1,626,000
	B. U.S. Owned Local Currency				

13. Mission References	14a. Instructions to Authorized Agent SER/OP is requested to execute a cooperative agreement with Land O'Lakes, Inc. as described in the attached Statement of Work and Illustrative Budget. A separate PIO/T for \$500,000 is being issued by the LAC Bureau.
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14b. Address of Voucher Paying Office AID/FM/PAFD, Washington, D.C. 20523
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15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.	
A. The project officer certifies that the specifications in the statement of work are technically adequate FVA/FFP/II, Michael Dwyre <i>MD</i>	Phone No. 235-2844 Date 8/5/86
C. FVA/FFP/II, Willard Pearson <i>WP</i>	Date 8/20/86
E. LAC/DR, Brian Rudert (draft)	Date 8/5/86
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature _____ N/A Date _____ Title _____	B. The statement of work lies within the purview of the initiating and approved agency programs FVA/FFP/C, Thomas H. Reese, III <i>THR</i> Date 8/20/86 D. Funds for the services requested are available FUNDS RESERVED BY <i>WR</i> Date 8/25/86 17. For the Agency for International Development Signature <i>LS</i> M/FM/PAFD Date 8/22/86 Louis C. Stamberg Title Acting Director, FVA/PPE

AID 1350-1 (10-79) PIO/T	1. Cooperating Country Worldwide	2. PIO/T No	Page 2 of 3 Pages
	4. Project/Activity No. and Title Linking Dairy Products with Development		

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER _____ HERETO ENTITLED "STATEMENT OF WORK"

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY) N/A
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS)
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 - HAS BEEN OBTAINED
 - HAS NOT BEEN OBTAINED will be obtained on a case-by-case basis
 - IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- 2 DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- 3 JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14) Action Memo for AA/FVA approved Aug. 13, 1986
- 1 STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)

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AID 1350-1 (10-79)	1. Cooperating Country Worldwide	2. PIO/T No.	Page 3 of Pages	
	4. Project/Activity No. and Title Linking Dairy Products with Development			

22 Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

See Statement of Work

B. Cooperating Country Liaison Official

C. AID Liaison Officials Chief, Program Support Branch, Office of Food for Peace, FVA, Washington
USAID officials overseas on case-by-case basis.

LOGISTIC SUPPORT

23. Provisions for Logistic Support N/A		IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
		AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")						
	(1) Office Space					
	(2) Office Equipment					
	(3) Housing and Utilities					
	(4) Furniture					
	(5) Household Equipment (Stoves, Refrig., etc.)					
	(6) Transportation in Cooperating Country					
	(7) Transportation To and From Country					
	(8) Interpreter Services/Secretarial					
	(9) Medical Facilities					
	(10) Vehicles (official)					
	(11) Travel Arrangements/Tickets					
(OTHER SPECIFY)	(12)					
	(13)					
	(14)					
	(15)					

B. Additional Facilities Available From Other Sources

APO/FPO

PX

COMMISSARY

OTHER (Specify, e.g., duty free entry, tax exemption)

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AID 1350-1 (10-79) PIO/T	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country C.A. Regional	Page 1 of 1 Pages
		2. PIO/T No. 597-0000-3-6651203	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title 597-0000 (PD&S) Dairy Production, Processing & Marketing	

DISTRIBUTION	5. Appropriation Symbol 72-1161021.3 LDAA86-35597-AC14		6. Allotment Symbol and Charge 643-55-597-00-69-61	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		B. Project Assistance Completion Date (Mo., Day, Yr.) 12/31/88	
	9. Authorized Agent AID/W		10. This PIO/T is in full conformance with PRO/AG Date _____	
	11a. Type of Action and Governing AID Handbook <input checked="" type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other		11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment)	
	12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)			

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					\$500,000
	B. U.S. Owned Local Currency				

13. Mission References Ref A: PIO/T #638-3400	14a. Instructions to Authorized Agent Reference A requested SER/OP to execute a cooperative agreement with Land O'Lakes, Inc., to expand and encourage private sector agribusiness activities in LDCs with emphasis on dairy production, processing and marketing. M/SER/OP is requested to increase Land O'Lakes cooperative agreement funding levels by \$500,000. These funds are to be exclusively used to further the program in the Central America Region. Up to \$90,000 may be used to fund the administrative costs. The proportion for administrative cost funded under this PIO/T will be no higher than the percentage funded under ref A. Brian Rudert, LAC/DR/RD will manage this fund for the LAC Bureau
	14b. Address of Voucher Paying Office M/FM/PAFD

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.			
A. The project officer certifies that the specifications in the statement of work are technically feasible LAC/DR/RD, Brian Rudert <i>BR</i>	Phone No. 647-5284	B. The statement of work files within the purview of the initiating and approved agency program LAC/DR, Al Bisset <i>ABisset</i>	Date 8/25/86
	Date 8/20/86		
C. FVA/FFP/II, Michael Dwyre (SUBS) LAC/DR/RD, Steve Wingert	Date 8/20/86	D. Funds for the services requested are available	
E. LAC/DP, Cheryl Williams <i>CW</i> LAC/DP, Dave Erbe <i>D Erbe</i>	Date 8/22/86		

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to		17. For the Agency for International Development	
Signature _____	Date _____	Signature <i>T. J. Brown</i>	Date <i>8/26/86</i>
Title _____		Title Terrence J. Brown Director, LAC/DR	