

PDFBM 895

<b>CONTRACT/AGREEMENT DATA SHEET</b>	1. M/SER/AAM/A/SUP Action Monitor	2. Date PIO/T Received in M/SER/AAM/A/SUP 5 / 25 / 88
--------------------------------------	-----------------------------------	--

COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

3. Contract/Agreement/Number 306-0208-A-00-8829-00
--

4. Contractor/Recipient Name International Rescue Committee	5. Contractor Acronym IRC
---	---------------------------

6. Project Title Rural Assistance Program in Afghanistan	7. Project Number 306-0208
--	----------------------------

8. Project Officer's Name A. J. Nehoda	9. Bureau or USAID Symbol AID/REP
--	-----------------------------------

10. PIO/T Number 306-0208-3-80029	21. Budget Plan Code 72-1181021 BPC-QDHA-88-27306-KG13
-----------------------------------	---

11. TYPE OF ACTION A. New Acquisition/Assistance <input checked="" type="checkbox"/> A B. Amendment/Modification <input type="checkbox"/> 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  C.FPR or FAR HB-13
---

22. Country or Region of Performance Afghanistan/Pakistan
23. A. This Action Increases or Decreases TEC by \$ -
B. Total Estimated Cost of Contractual Document \$ 9,400,000

12. Amount of this PIO/T U.S. \$ 3,000,000
---

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

13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated by this Contract or Amendment U.S. \$ 3,000,000
--

25. Effective Date of this Action 6 / 15 / 88
--

14. Cumulative Obligation (Life of Contract) U.S. \$ 3,000,000
---

26. Estimated Completion/Expiration Date 4 / 30 / 90
---

15. This Action Funded Through 4 / 30 / 90
---

27. Contractor DUNS Number -
---------------------------------

16. Date Contractual Documents Signed by AID Official 6 / 27 / 88
--

28. Consultant Type Award <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
--

17. Incrementally Funded Contracts <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
---

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

18. Host Country/Counterpart Institution (University Contracts) N/A
--

30. Number of Persons (PASA/RSSA only) N/A
---

19. Campus Coordinator (University Contracts) N/A
--

31. CONTRACT TYPE A. Fixed Price (specify: <input type="checkbox"/> FFP <input type="checkbox"/> FPI) <input type="checkbox"/> FPRD <input type="checkbox"/> FPEPA B. Cost Reimbursement (specify: <input type="checkbox"/> CR <input type="checkbox"/> CPFIF <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPIF) C. IOC and Requirements Contracts D. Other (CA/PASA/RSSA) <input checked="" type="checkbox"/> D E. Contracts with Individuals
--

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

32. Negotiator's Typed Name M. Yaqub Khan	33. Negotiator's Signature <i>[Signature]</i>	34. Date Signed 6 / 27 / 88
--	--	--------------------------------

35. Contract/Grant Officer's Organization Symbol J. A. May	36. Contract/Grant Officer's Signature <i>[Signature]</i>	37. Date Signed 6 / 27 / 88
---	--	--------------------------------

ENTERED AUG 3 1988

COORS Section

**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

**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

\*Equipment, Supplies, Materials, and Commodities

**39. Country of Manufacture**

N/A

□

**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

G

**40. CURRENCY INDICATOR**

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

A

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

**41. SUBCONTRACTS**

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

YES       NO

- Private Voluntary Organizations
- H. U.S. Registered
- I. U.S. Non-Registered
- J. Foreign

**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

- 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

**43. CONTRACT/AGREEMENT SOURCE**

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

A

**48. Women Owned Business?**

YES       NO

**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. Non-Minority

G

**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

H

**45. METHOD OF SOLICITATION**

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

E

**50. Paying Office:**

Payment will be made by O/FM, USAID/Islamabad

2

51. SYNOPSIS PRIOR TO AWARD

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

C

52. COMPETITIVE SOLICITATION PROCEDURES

- 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(e) Program
  - P. Otherwise authorized by statute
- \*If, 'A', block 57 must be completed

L

53. NUMBER OF OFFERORS

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

1

54. APPLICABILITY OF COMPETITION IN CONTRACT ACT (CICA)

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

2

55. AUTHORITY FOR OTHER THAN FULL & OPEN COMPETITION

- 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

G

56. SPECIAL AUTHORITY FOR NON-COMPETITIVE ACTIONS  
(Impairment of Foreign AID Programs) Authorized Under AIDAR  
Sec. 706.302.70(b)(3)

- 1. PSC's Awarded Under Sec. 636(e)(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.

4

57. SPECIAL SELECTION PROCEDURES

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

3



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE  
ISLAMABAD

June 15, 1988

Mr. Tom Yates  
Director  
International Rescue Committee (IRC)  
41-F Sanibzada Abdul Qayum Road  
University Town  
Peshawar, Pakistan

Subject: Cooperative Agreement No.: 306-0208-A-00-8829-00

Dear Mr. Yates:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the International Rescue Committee (hereinafter referred to as "IRC" or "Recipient") the sum of US\$3,000,000 (U.S. Dollars Three Million) for grants to qualified PVOS for rural assistance inside of Afghanistan, and to enable IRC to oversee and administer such grants in a responsible manner as more fully described in the Schedule of this Agreement (Attachment A) and the Program Description (Attachment B).

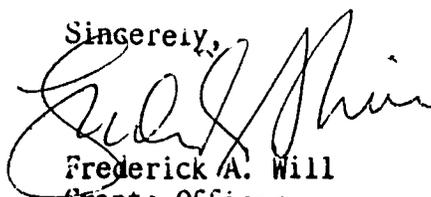
This Cooperative Agreement is effective and obligation is made as of the date hereof and shall apply to commitments made by IRC in furtherance of the project objective through the estimated completion date of April 30, 1990. Funds disbursed by AID but uncommitted by the Recipient at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is US\$9,400,000, of which US\$3,000,000 is hereby obligated. A.I.D. shall not be liable for reimbursing IRC for any costs in excess of the obligated amount. However, subject to the availability of funds, satisfactory progress in achieving the tasks set forth in the Scope of Work by the Recipient and program priorities at the time, A.I.D. may provide additional funds during the cooperative agreement period up to a maximum of US\$6,400,000.

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

Please acknowledge receipt of this cooperative agreement by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the Grants Officer, Office of Contracts & Commodities, USAID, P.O. Box 1028, 18, 6th Avenue, Ramna-5, Islamabad, Pakistan..

Sincerely,



Frederick A. Will  
Grants Officer

Enclosure:

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

ACCEPTED

INTERNATIONAL RESCUE COMMITTEE

BY: Thomas J. Yates

TYPED/PRINTED NAME: Tom Yates

TITLE: Director

DATE: 27/6/88

Fiscal Data

PIO/I No.:	306-0208-3-80029
Project Title:	Afghanistan Rural Assistance Program
Appropriation Symbol:	72-1181021
Budget Plan Code:	BPC-QDHA-88-27306-KG-13
Amount Obligated:	\$3,000,000
Total Estimated Amount:	\$9,400,000
Technical Office:	O/AID/REP

ATTACHMENT A

SCHEDULE

A. PURPOSE

The purpose of this Cooperative Agreement is to provide A.I.D. funding to the International Rescue Committee (IRC) for grants to qualified PVO's for rural assistance inside of Afghanistan, and to enable IRC to oversee and administer such grants in a responsible manner under the "Afghanistan Rural Assistance Program" as more specifically described in Attachment B to this Agreement entitled "Program Description" attached hereto and made a part of this Cooperative Agreement.

B. PERIOD OF AGREEMENT

1. The effective date of this Agreement is the date of the cover letter and the estimated expiration date is April 30, 1990.
2. Funds obligated hereunder are available for program expenditures for the estimated period June 01, 1988 to April 30, 1990 as shown in the Financial Plan below.

C. AMOUNT OF AGREEMENT AND PAYMENT

1. The total estimated cost of this Agreement is US\$ 9,400,000 subject to the availability of funds, satisfactory progress toward the objectives of this Agreement, and program priorities at the time, and the requirements of the Mandatory Standard Provision of this Agreement, entitled "Revision of Grant Budget."
2. A.I.D. hereby obligates the amount of US\$3,000,000 for program expenditures during the period set forth in B.2. above and as shown in the Financial Plan below.
3. Payment shall be made to the Recipient in accordance with the procedures set forth in Attachment C - Optional Standard Provision, entitled "Payment - Periodic Advance".

D. FINANCIAL PLAN

1. The following is the Financial Plan for this Cooperative Agreement. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Part C above).

BUDGET

	<u>June 01, 1988 - April 30, 1989</u>	<u>May 01, 1989 - April 30, 1990</u>
	\$	\$
1. <u>Administration</u>		
A. Personnel	123,500	134,700
B. International Travel	7,500	15,900
C. Local Travel	13,100	14,400
D. Transportation	19,400	23,600
E. Office Costs	26,901	19,120
F. Indirect Costs	3,913	4,645
Sub-Total:	<u>194,314</u>	<u>212,365</u>
2. <u>Program</u>		
A. Survival Grants	945,685	1,200,000
B. Village Assistance	900,000	3,387,635
C. Emergency Assistance	640,000	1,000,000
D. Resettlement Assistance	320,000	600,000
Sub-Total:	<u>2,805,686</u>	<u>6,187,635</u>
TOTAL:	<u>3,000,000</u>	<u>6,400,000</u>
Total Estimated Cost:		9,400,000

---

NOTE: Adjustments of up to 10% among line items 1.A-E above are authorized with the prior approval of the Project Officer. The AID/REP or his designee may approve shifts among line items 2.A-D. An increase in line item 2.D will require especially strong justification.

---

2. Notwithstanding the effective date of this cooperative agreement, and subject to the Mandatory Standard Provision entitled "Allowable Costs", costs incurred on or after June 01, 1988 shall be eligible for reimbursement hereunder provided such costs are allowable and allocable to this Project. Such costs are included in the Financial Plan shown above.

E. SUBSTANTIAL INVOLVEMENT UNDERSTANDINGS

1. IRC will jointly develop the sub-grant format with the Grants Officer,
2. IRC will jointly develop the criteria by which sub-grantees will be selected with the Project Officer;
3. IRC will jointly develop the sub-grantee reporting format and procedures with the Project Officer; and
4. It is understood and agreed that A.I.D will be involved in the approval of all sub-grants, as further described in the Program Description (Attachment B).

F. REPORTING

1. Financial Reporting

- a. Financial reporting requirements shall be in accordance with the Optional Standard Provision of this agreement entitled "Payment - Periodic Advance", as shown in Attachment C.
- b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, USAID/Islamabad, PAKISTAN. In addition, three copies of all financial reports shall be submitted to the Technical Office specified in the Cover letter of this Agreement.

2. Program Performance Reporting

- a. The Recipient shall submit to the Project Officer quarterly program performance reports, and a final report, which briefly presents the following information:
  - (1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
  - (2) Reasons why established goals were not met.
  - (3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

- b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform AID as soon as the following types of conditions become known:
  - 1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.
  - 2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projection.
- c. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Agreement entitled "Revision of Financial Plans", the Recipient shall submit a request for budget revision.
- d. The Recipient will provide copies of the subgrantee written reports as specified in the Program Description (Attachment B) to the Project Officer.
- e. Five copies of each program performance report shall be submitted to the Technical Office specified in the cover letter of this Agreement.

G. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this cooperative agreement/grant entitled "Negotiated Indirect Cost Rates - Predetermined/Provisional", a rate or rates shall be established for each of the Recipient's/Grantee's accounting periods which apply to this agreement/grant. Pending establishment of revised provisional or final indirect cost rates for each of the recipient's/Grantee's accounting periods which apply to this agreement/grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below:

<u>Type</u>	<u>Rate</u>	<u>Base</u>
Overhead	2.96%	All IRC administrative costs

H. Title to Property

Title to all property purchased under this agreement shall be vested in A.I.D.

I. RELATIONSHIPS AND RESPONSIBILITIES

The A.I.D. Project Office responsible for monitoring the technical requirements of this cooperative agreement will be:

Office of AID/Representative  
c/o American Embassy  
Islamabad/PAKISTAN

The recipient will work in close cooperation with the Office of the AID Representative through the Regional Affairs Officer/Afghanistan in Peshawar or other designee of the AID/REP and with PVO grantees and potential grantees who may provide cross-border assistance.

J. PRECEDENCE

Any inconsistencies in the cooperative agreement shall be resolved by applying the following descending order of precedence:

- A. Cover Letter
- B. Schedule
- C. Mandatory Standard Provisions/Optional Standard Provisions
- D. Program Description

K. ACCOUNTING, AUDIT AND RECORDS

1. The Recipient's financial performance will be closely monitored. If it is found that the Recipient is not adhering to A.I.D. financial requirements or instituting appropriate financial procedures, the Agreement will be terminated.
2. The provisions of the Agreement with respect to accounting, records and audit as specified in standard provisions shall not apply to operational costs incurred by the Recipient within Afghanistan and end-use checks of commodities and equipment located within Afghanistan. However, the Recipient agrees to the maximum reasonable extent to exert prudent oversight of such operational costs and commodities. Further, the Recipient agrees to report in detail on such costs and commodities as part of the Recipient reporting requirements.
3. The recipient will provide independent audit reports for the sub-grantees financial records and their disbursement of funds as provided through this agreement. Such audit reports will be provided not less often than annually.

L. SPECIAL PROVISIONS

a. Source/Origin of Good and Services

Authorized source/origin of goods and services shall be the United States of America, Pakistan, Afghanistan, and countries in AID Geographic Code 935.

b. Air Travel

Air travel of personnel employed by European PVO's shall not be limited to U.S. Flag carriers.

c. Sub-grants

Within 15 days after signing of this agreement, the Recipient will establish, in consultation with the O/AID/REP and O/C, USAID/Islamabad, an acceptable subgrant agreement format.

M. CROSS BORDER MOVEMENT

The Recipient shall ensure that for the period of the Agreement, no U.S. national shall be sent inside Afghanistan either under this Agreement or under any other programs or projects of the Recipient.

N. STANDARD PROVISIONS

The Standard Provisions are set forth in Attachment C.

## ATTACHMENT B

### PROGRAM DESCRIPTION

#### I. Purpose of the Cooperative Agreement

The purpose of the cooperative agreement is to provide funds to the International Rescue Committee (IRC) for grants to qualified PVO's for rural assistance inside of Afghanistan, and to enable IRC to oversee and administer such grants in a responsible manner. Under this agreement IRC may make four types of grants:

- o Survival grants - to be used for the provision of cash for food, other basic necessities, and commodities designed to insure the survival of needy individuals in their homes and villages in rural Afghanistan.
- o Village assistance - to be used for activities in support of development or reconstruction in regions which are reasonably secure and have an adequate population base to resume farming. The existence of a local administration will be an important factor in determining whether a village assistance activity will be launched. Most of the activities are to be relatively simple, and stress reconstruction and the provision of agricultural inputs.
- o Emergency Assistance - to be used for the quick provision of cash, food, livestock or other commodities to victims of disaster or military action. This agreement will support two types of emergency assistance. The first will be provided in response to large-scale offensives where levels of required assistance will be high and the extended nature of military action will permit rapid yet detailed planning. The second type of assistance will be for those situations which require immediate attention, where timing and need preclude the preparation of a full proposal. This latter form will require accelerated approval action by IRC and AID, and will be limited to \$50,000. The first type of larger emergency grants will require full proposals, and will be subject to a quicker approval process than survival grants.
- o Resettlement Grants - to be used to provide limited support to refugees who wish to return to Afghanistan from Pakistan. Funds available for this support will be limited to about ten percent of the program funds available in the cooperative agreement.

#### II. Statement of Work

The International Rescue Committee (IRC) will be responsible to the AID Representative for Afghanistan Affairs (AID/Rep) or his designee, for the management and oversight of programs under the Rural Assistance Activity in accordance with the project goal and purposes. The goal of the Rural Assistance Activity is to assist war-affected Afghans who wish to remain in or

return to their home villages and towns. The project purposes are to increase agricultural productivity and rural incomes, and to facilitate the provision of food and other subsistence related commodities in Afghan communities.

IRC will support the implementation of the project by granting funds for approved project activities to qualified organizations. Under this agreement IRC will be responsible for providing the necessary personnel and material resources to ensure its effective management and oversight of project activities. In close cooperation with the Office of the A.I.D. Representative (O/AID/Rep), IRC will be responsible for:

A. Developing Project Proposals

1. IRC will work closely with potential client or other organizations to develop proposals for implementation of project activities inside of Afghanistan in accordance with the goals and purposes of the project.
  - a. IRC will work closely with a designee of the AID/Rep to develop and standardize a format for the presentation of project proposals. The format will provide the types of information that are required for the proposal to receive further consideration. This format will be established within 15 days of the signing of this agreement.
  - b. IRC will work closely with a designee of the AID/Rep to identify and establish selection criteria against which proposals will be measured. These criteria will be established within 15 days of the signing of this agreement. Following are illustrative:
    - The purpose of the proposal is related to the provision of food, clothing, or shelter for Afghans or to small- to medium-scale rural development in Afghanistan.
    - The proposal is feasible in the context of the existing conditions inside Afghanistan.
2. Using the format and criteria which are to be developed as above, IRC will review each proposal and recommend to the Office of AID/Rep approval or disapproval of funding.
  - a. For proposals of \$500,000 or less, IRC will make the recommendation to the Regional Affairs Officer/Afghanistan (RAO/A) or other person designated by the O/AID/Rep.

- d. For proposals of more than \$500,000, for proposals of any amount which involve a disagreement between IRC and RAO/A, for proposals dealing with accelerated emergency assistance grants for up to \$50,000, for proposals involving sensitive political or policy concerns, or for proposals submitted by organizations new to A.I.D.'s cross border assistance program, IRC will make its recommendation to the AID Representative at Islamabad through the RAO/A.
      - c. The review process will occur within time limits to be established by agreement, and subject to amendment, between IRC and the O/AID/Rep. These initial time limits will be established within 15 days of the signing of this agreement.
      - d. Final approval for sub-grants will be given by the Grants Officer.
- B. Granting Funds to Qualified PVO's. Under this agreement IRC will grant funds only to qualified PVO's against approved proposals. IRC will work closely with a designee of the AID/Rep to establish criteria against which the organizational qualifications of PVO's new to the A.I.D. cross border assistance program will be measured. These criteria will be established within 15 days of the signing of this agreement. Illustrative minimum criteria are:
  - The applicant has the demonstrated technical, logistical and administrative capability to perform the activity proposed.
  - The applicant has a full-time representative in Pesnawar or Quetta with the authority to sign a grant (and necessary amendments) with IRC and to make decisions with regard to the proposed activity. This requirement may be deferred with the approval of the AID/Rep.
- C. Grant Formats and Conditions.
  - 1. IRC will grant funds within the limits established in the financial plan which is a part of this agreement, and which may be subsequently amended.
  - 2. IRC will establish, in consultation with the O/AID/REP grant officer, OCC-USAID/Islamabad, a suitable agreement for the granting of approved funds. This agreement format is to be established within 15 days of the signing of this agreement.
  - 3. Depending on the nature and timing of a proposal, IRC may advance funds to a grantee up to the entire amount of the proposal. The intent to make an advance against a grant proposal will be specified in the proposals, and in IRC's agreement with the grantee.

- D. Overseeing and Monitoring Grants IRC will oversee and monitor its grants by requiring written reports, conducting individual interviews with PVO and Afghan personnel, through visits to offices in Pakistan and abroad, and through independent verification by IRC monitors. To the maximum extent possible, such monitoring will include the assessment of the impact of the assistance provided.
1. For grants which involve the utilization of funds in a single mission within Afghanistan, IRC will require the grantee's representative who has participated in a mission to:
    - a. submit to an oral debriefing within one week of the representative's return to Pakistan. The format, time, and venue of the debriefing will be established by IRC in cooperation with a designee of the O/AID/Rep.
    - b. complete and submit, before the representative's departure from Pakistan, a written report on the mission and a reconciliation of all financial matters relating to the grant, including a complete and satisfactory financial accounting and resubmission to IRC of any unused grant funds.
  2. For grants which involve other activities in Afghanistan, IRC will require the grantee to provide, at a minimum, quarterly written reports on the progress of activities funded under the grant, and financial accounting reports on the status of grant funds.
    - a. The format of the progress report will be developed in coordination with a designee of the O/AID/Rep, so that the information in such reports may be used to measure progress against the project proposal, and impact. This format is to be established within 15 days of the signing of this agreement.
    - b. The financial reporting requirements which IRC establishes for its grantees will, at a minimum, provide information for IRC to meet in a timely fashion the reporting requirements under the provisions of this agreement.
    - c. IRC will require oral and/or written debriefing reports of non-Afghan representatives of PVO's who travel into Afghanistan in conjunction with on-going activities funded under an approved proposal.

3. For all grants, IRC will require the grantee to notify the IRC director, Deputy Director, or his designee immediately upon discovery of any financial irregularities in connection with a grant and to submit a written report, as directed by IRC, of the known details of the irregularity.
4. IRC will be required to notify the O/AID/Rep immediately, through the RAO/A or other designee, of any irregularities in conjunction with a grant, and to submit a written report of the known details of the irregularity. The report will be updated as additional information becomes available.
5. IRC will establish an independent monitoring capability under the terms of this agreement by which IRC will collect and verify information on activities conducted under an approved grant proposal their progress and impact. IRC will do this by interviewing Afghans in Afghanistan and Pakistan, and by sending monitors to spot check grantee activities in targeted project areas. In cooperation with a designee of the O/AID/Rep, IRC will prepare a monitoring plan to accomplish this. This plan is to be prepared within 60 days of the signing of this agreement.

E. Managing Finances

1. With regard to managing funds under this agreement, IRC will comply with the requirements of the standard provisions unless elsewhere excepted in this agreement.
2. In addition to the financial reporting requirements of the standard provisions of the agreement, IRC may be required by the O/AID/Rep to provide additional or supplementary financial information.
3. In connection with this agreement, IRC will receive and disburse all funds through its office in Peshawar which will establish separate bank accounts for funds provided under this agreement.
4. IRC will provide accounting advice and oversight to grantees financed under this agreement to ensure that they are in compliance with the terms of their agreements with IRC.
5. IRC will submit annual reports of an independent audit of its accounts in Peshawar and its headquarters in New York, N.Y.

F. Providing Administrative and Technical Assistance IRC may recommend the provision of technical and/or administrative assistance for activities carried out by its grantees.

1. The use of technical or administrative assistance for a single grantee should be proposed and recommended as part of that grantee's proposal.
2. The use of technical or administrative assistance to serve the requirements of more than one grantee should be proposed by IRC for O/AID/Rep funding consideration.

-----

OMB Control No. 0412-0510  
Expiration Date: 1/31/87

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

- |                                   |   |
|-----------------------------------|---|
| 1. Allowable Costs                | 8. Nondiscrimination in Federally Assisted Programs |
| 2. Accounting, Audit, and Records | 9. U.S. Officials Not to Benefit                    |
| 3. Refunds                        | 10. Covenant Against Contingent Fees                |
| 4. Revision of Grant Budget       | 11. Nonliability                                    |
| 5. Termination and Suspension     | 12. Amendment                                       |
| 6. Disputes                       | 13. Notices   |
| 7. Ineligible Countries           |   |

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."

- (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,

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)

24

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

(INCLUDE THIS PAGE IN THE GRANT)

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

PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

(This provision is applicable when the conditions for use of letter of credit cannot be met (including those pertaining to mixed dollar and local currency advances) and when the grantee meets the requirements of paragraph 1.0.6 of Handbook 13.)

(a) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Cash advances made by the grantee to secondary recipient organizations or the grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by A.I.D. to the grantee.

(b) Grantees shall submit requests for advances at least monthly on SF-270, "Request for Advance or Reimbursement," in an original and two copies, to the address specified in the Schedule of this grant.

(c) The grantee shall submit one copy of SF-272, "Federal Cash Transactions Report," 15 working days following the end of each quarter to the payment office address specified in the schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 the amount of cash advances in excess of thirty days requirement in the hands of subrecipients or the grantee's overseas field organizations and shall provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(d) A "Financial Status Report," SF-269, shall be prepared on an accrual basis by the grantee and submitted quarterly no later than 30 days after the end of the period in an original and two copies to the payment office specified in the schedule. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final SF-269 must be submitted to the payment office within 90 days after the conclusion of the grant.

(e) If at any time, the A.I.D. Controller determines that the grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (2) timely report cash disbursements and balances as required by the terms of the grant, and (3) impose the same standards of timing of advances

26

---

and reporting on any subrecipient or any of the grantee's overseas field organizations; the A.I.D. Controller shall advise the grant officer who may suspend or revoke the advance payment procedure.

(END OF STANDARD PROVISION)

---

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

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 A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, A.I.D. 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 A.I.D. 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 A.I.D.'s requirements listed below and the standard provision entitled "A.I.D. 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 A.I.D. funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which A.I.D. 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/offeree 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/offeree 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 A.I.D. funds. To permit A.I.D., 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, A.I.D., Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

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

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

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

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. 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 A.I.D. 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.

(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 A.I.D.

(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 A.I.D.

(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, A.I.D., 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 A.I.D. 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 A.I.D. grant officer.

(END OF STANDARD PROVISION)

A.I.D. 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 A.I.D. 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 A.I.D. the entire amount of the reimbursement. A.I.D.'s policy on ineligible and restricted goods and services is contained in Chapter 4 of A.I.D. 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 A.I.D. Consolidated List of Debarred, Suspended, and Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. 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. A.I.D. policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of A.I.D. 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., A.I.D. Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (A.I.D. Geographic code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (D) "Special Free World" countries (A.I.D. 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 A.I.D.-financed procurement against any marine insurance company authorized to do business in the U. S., then any A.I.D.-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 A.I.D. 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 (A.I.D. Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (4) "Special Free World" countries (A.I.D. Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that A.I.D. 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 1985)

(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 A.I.D. Consolidated List of Debarred, Suspended, or Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. 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, A.I.D., 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)

---

## LOCAL COST FINANCING (MAY 1986)

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item.

Imported shelf items are eligible in unlimited quantities if they have their origin in a country included in A.I.D. Geographic Code 941. Imported shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantities; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied that which is customarily used in quoting prices. The total amount of imported shelf items purchased from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by A.I.D. for the grant, whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver. Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for A.I.D. financing.

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

- (1) They must be paid for in local currency.
  - (2) They must not be specifically imported for this grant.
  - (3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in A.I.D. Handbook 1B, Chapter 5.
  - (4) Any component from a country not included in A.I.D. geographic code 935 renders a commodity ineligible for financing.
-

---

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

- (1) Military equipment,
- (2) Surveillance equipment,
- (3) Commodities and services for support of police or other law enforcement activities,
- (4) Abortion equipment and services,
- (5) Luxury goods and gambling equipment, or
- (6) Weather modification equipment.

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

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

- (1) Agricultural commodities,
- (2) Motor vehicles,
- (3) Pharmaceuticals,
- (4) Pesticides,
- (5) Rubber compounding chemicals and plasticizers,
- (6) Used equipment,
- (7) U.S. Government-owned excess property, or
- (8) Fertilizer.

(f) If A.I.D. determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to A.I.D. the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

---

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

PUBLICATIONS (NOVEMBER 1985)

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

(a) If it is the grantee's intention to identify A.I.D.'s contribution to any publication resulting from this grant, the grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the A.I.D. 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 A.I.D. 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 (MAY 1986)

(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 A.I.D. 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 A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, 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.

---

(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 A.I.D. 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 A.I.D. 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)

---

GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1985)

(This provision applies when personal property is furnished under the grant.)

The policies and procedures of Handbook 16, "Excess Property," and the appropriate provisions of 41 CFR 101-43 apply to the Government furnished excess property under this grant.

(END OF STANDARD PROVISION)

TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE) (NOVEMBER 1985)

(This provision is applicable when title to property is vested in the U.S. Government.)

(a) Property, title to which vests in the Government under this grant, whether furnished by the Government or acquired by the grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any real property.

(b) Use of Government Property: Government property shall, unless otherwise provided herein or approved by the grant officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property:

(1) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the grant officer may prescribe as reasonably necessary for the protection of the Government property.

(2) The grantee shall submit, for review and written approval of the grant officer, a records system for property control and a program for orderly maintenance of Government property; however, if the grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

(3) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of Government property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."

(ii) The price of each item of property acquired or furnished under this grant.

---

(iii) The location of each item of property acquired or furnished under this grant.

(iv) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the grant.

(vi) Date of order and receipt of any item acquired or furnished under the grant.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this grant, the status of property acquired or furnished under this grant may be readily ascertained. A report of current status of all items of property acquired or furnished under the grant shall be submitted yearly concurrently with the annual report.

(4) Maintenance Program: The grantee's maintenance program shall be consistent with sound business practice, the terms of the grant, and provide for:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and

(iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The grantee's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of Government property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss:

(1) The grantee shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except

---

that the grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the grantee's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the grantee's business, or all or substantially all of the grantee's operation at any one plant, laboratory, or separate location in which this grant is being performed;

(ii) Which results from a failure on the part of the grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the grant officer under (c) above;

(iii) For which the grantee is otherwise responsible under the express terms designated in the schedule of this grant;

(iv) Which results from a risk expressly required to be insured under some other provision of this grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the grantee's liability under any one exception shall not be limited by any other exception.

(2) The grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the grantee to carry such insurance under any other provision of this grant.

(3) Upon the happening of loss or destruction of or damage to the Government property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the

Government property in the best possible order, and furnish to the grant officer a statement of:

- (i) The lost, destroyed, or damaged Government property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the Government property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the grant officer. The grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the grant officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) Final Accounting and Disposition of Government Property: Upon completion of this grant, or at such earlier dates as may be fixed by the grant officer, the grantee shall submit, in a form acceptable to the grant officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposition of the Government property as may be directed or authorized by the grant officer.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(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 A.I.D. 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 A.I.D. 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 A.I.D. 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) A.I.D. 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.

---

(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 A.I.D. 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)

---