

APR 30 1980

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MEMORANDUM

Date: April 28, 1980

TO : Distribution
FROM : CM/SOD, ^{OSD} Donald Dickie
SUBJECT: Contract No. AID/NE-C-1555 between A.I.D.
and America-Mideast Educational and Training Service, Inc.

This transmits one copy of a Negotiated Indirect Cost Rate Agreement dated April 10, 1980. This Agreement is also Amendment No. 1 to the subject contract.

The purpose of this Amendment is to establish final and/or provisional indirect cost rates.

If additional copies are required, please contact CM/SOD/OSC.

DISTRIBUTION:

CM/SD/SUP, Mrs. B. Lewis
CM/SD/SUP, Mrs. J. Pellegrino
SER/FM, Mr. W. McKeel
AAG/W, Mr. A. LeBlanc (2 copies)

Contracting Officer, CM/ ROD/NE, F. Moulton

Project Manager, NE/TECH, M. Hurley

USAID/

ORIGINAL

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

NEGOTIATED INDIRECT COST RATE AGREEMENT

Date: April 10, 1980

SUBJECT Indirect Cost Rates for Use in Cost Reimbursement Type Agreements With the Agency for International Development (AID)

REFERENCE Amideast Letter dated January 29, 1980

INSTITUTION America- Mideast Educational
and Training Services, Inc.
1717 Massachusetts Avenue, N.W.
Washington, D. C. 20036

PART I - NEGOTIATED INDIRECT COST RATES (%):

Type	Effective Period		Overhead
	From	Thru	
Final	10-1-78	9-30-79	7.54
Provisional	10-1-79	Until Amended	10.0

Acceptance of the rate(s) agreed to herein is predicated upon the conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost rate proposal and that such costs are legal obligations of the grantee/contractor, (2) that the same costs that have been treated as indirect costs have not been claimed as direct costs, (3) that similar types of costs have been accorded consistent treatment, and (4) that the information provided by the grantee/contractor which was used as the basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially incomplete or inaccurate.

Base of Application

Total direct costs but excluding hospitality and renovation.

PART II - ITEMS NORMALLY TREATED AS DIRECT COSTS:

PART III - SPECIAL TERMS AND CONDITIONS:

Pursuant to § 7-3.705 of the Agency For International Development Procurement Regulations (AIDPR), the negotiated indirect cost rates set forth in Part I of this Agreement are incorporated into AID Agreements shown below. This Agreement shall not change any monetary ceiling, obligation, or specific cost allowance or disallowance provided for in the Contracts or Grants listed below or any other Agreement between the parties.

<u>Contract/Grant No.</u>	<u>Amendment No.</u>	<u>Project Number</u>
(1) AID/NE-G-1526	3	298-0147
AID/NE-C-1624	2	263-0026
(2) AID/NE-C-1555	1	298-0153

- (1) Subject to a fixed administrative fee for all activities funded under the Grant as awarded and as amended by Amendment No. 1. Thereafter, pursuant to Amendment No. 2, subject to a maximum ceiling indirect cost rate of 10%, total cost base, or \$90,706, whichever is less.
- (2) Subject to a maximum ceiling indirect cost rate of 46%, total direct labor base, as set forth in this contract.

ACCEPTED

BY *William S. Benz*
WILLIAM S. BENZ
 PRINTED OR TYPED NAME

Director, Finance + Administration
4/23/80
 DATE

Ronald Dickie

Donald Dickie
 CONTRACTING OFFICER
 Overhead and Special Costs Branch
 Services Operations Division
 Office of Contract Management
 Agency for International Development

DISTRIBUTION	<u>CM/ROD</u>	<u>CM/COD</u>	<u>OTHER</u>
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	LA	OTR	X SER/FM/PAD
	ASIA		X NE/TECH

REM

CM/SOD
 PLCT

UNITED STATES GOVERNMENT

Memorandum

TO :

~~E. H. ...~~

To OK

DATE: May 22, 79

FROM :

CM/SD/SUP, *Stacy*

SUBJECT:

Computer Data Required for COORS and FPDS Systems for those Actions Carried Over into FY-79

Attached is a special revised Contract/Grant/Cooperative Agreement Data Sheet for the basic contract/grant number NE-C-1555 that was active FY-78 and carried over into FY-79.

?
LA

Presently, our new Contract On-Line Reporting System does not contain accurate data on those contracts and grants that were carried over from FY-78 (the old COORS System) to FY-79 and the new COORS System. Therefore, it is necessary for CM/SD/SUP to obtain this data on all "carryover" contracts/grants for the purpose of updating and making more accurate the information in the new data system. Accordingly, it is necessary that you complete this revised data sheet for the above listed basic document and return the completed form to CM/SD/SUP as soon as possible.

Amer Midwest ED TRNG SVCs

Please note that this data sheet is shorter than the usual one. Hopefully, it will not take too much of your time to complete. We have been receiving your completed data control sheets for new FY-79 business. Overall, the data provided has been excellent. We appreciate your efforts in this matter.

Any questions concerning this requirement should be directed to Bill Nichols, Room 778 Pomponio Plaza or at 235-9111.

Attachment: Special Revised Contract/Grant/Cooperative Agreement Data Sheet



U

Section II.
Contract/Grant
Name.

Section II.
Contract/Grant Number

Section II. Description of Contract/Grant: PLEASE CHECK YES OR NO ITEM UNDER EACH HEADINGS: IF OTHER, PLEASE SPECIFY
(Complete both pages 1 and 2) (Not to be completed for Amendment or Modification Actions)

ND4 - CONTRACT/GRANT TYPE

- 0. FEA, (BCA, EBA, etc.)
- 1. Fixed Price (Specify: FFP, FFP-A, FFP-B, FFP-C)
- 2. Cost Reimbursement (Specify: CR, CR-F, CR-L, CR-P)
- 3. Cooperative Agreement
- 4. Grant - General Support } Complete only
- 5. Grant - Specific Support } through NSI.
- 6. Grant - 211(d)
- 7. Do not Use
- 8. IQCs
- 9. Best Country Contract/Grant } Complete only through NSI.

ND5 - TYPE CONTRACT

- 1. American Oriental
- 2. Black American
- 3. American Alchute or Bohimo
- 4. American Indian
- 5. Hispanic
- 6. Other than 1 thru 5

ND7 - AFFIRMATIVE ACTION PLAN ON FILE

Yes
No

ND8 - AFFIRMATIVE ACTION PLAN ON PREVIOUSLY HELD CONTRACTS

Yes
No

ND9 - INCIDENTAL FINANCIAL CONTRACT

Yes No

ND1 - CONSULTANT TYPE AWARD

Is the Award for Consulting Type Service to AID?
Yes No

ND3 - EXTENT OF COMPETITION IN NEGOTIATION

- COMPETITIVE
- A1. Small Business Total Set-Aside
- A2. Small Business Partial Set-Aside
- A3. Labor Surplus Set-aside
- A4. Labor Surplus/Small Business Set Aside
- A9. Other Negotiated Competitive

NON-COMPETITIVE

- B1. Buy Indian
- B2. 8(a) Program
- B3. Follow-on After Competition
- B4. Other Negotiated Non-Competitive

ND2 - SELECTION PROCEDURE

- A. Formally advertised (IFB) (AIDPR 7-2.4) & (FFR 1-2.4)
- B. Negotiated Price Competition, General Procedure (RFP) (AIDPR 7-4.36)
- C. A & E (AID/R 7-4.10)
- D. Ed. Inst and/or Intl Research (AIDPR 7-4.58)
- E. Collaborative Assistance (AIDPR 7-4.58)
- F. Predominant Capability (AIDPR 7-3.101-50(b)(3))
- G. Unsolicited Proposal (AIDPR 7-3.101-50(b)(6))
- H. Procurement to be Performed by the Contractor in Person (AIDPR 7-3.101-50(b)(1))
- I. Sole Source (AIDPR 7-3.101-50(b)(4))
- J. Impairment of Foreign Policy Objectives (AIDPR 7-3.101-50(b)(7))
- K. 8(a) Selection (FFR 1-1.713-1)
- L. Grant (Handbook 13)
- M. Do Not Use
- N. Cooperative Agreement (Handbook 13)
- O. Small Business Set-Aside (FFR 1-1.706-8)
- P. Overseas Procuring Activities (AIDPR 7-3.101-50(b)(2))

*M54=11
M55=50000*

ND6 - TYPE SERVICE

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

ND7 - TYPE CONTRACTOR/GRANTEE

- A. Firm - All profit-making firms (other than A & E)
- B. A & E Firms
- C. Individual (Non-personal service)
- D. Individual (Personal Service)
- E. Univ/other Ed Institutions
- F. Non-Profit Organ., Institutions (other than Ed or FVO)
- G. Private Voluntary Organisation (PVO)
- H. International Agri. Research Organisation
- I. Public International Organisations (UN Agencies, ICRC World Bank, etc.) (Handbook 13, Chapter 5)

ND8 - TYPE AWARD

- A. 8D Set-Aside - Awarded to Non-Minority
- B. 8F Set-Aside - Awarded to Minority
- C. 8B Not Set-Aside - Awarded to Non-Minority
- D. 8B Not Set-Aside - Awarded to Minority
- E. 8(a) SBA Awarded to Non-Minority (Women-Owned, Veterans, etc.)
- F. 8(c) SBA Awarded to Minority
- G. Personal Service Contract - Non-Minority
- H. Personal Service Contract - Minority
- I. Individual Non-Personal Service Contract - Non-Minority
- J. Individual Non-Personal Service Contract - Minority
- K. Not Small Business (Univ., Non-Profit, Large firms) Non-Minority
- L. Not Small Business (Univ., Non-Profit, Large firms) Minority
- M. U. S. Government

ND1 - ADVANCE

- 1. No Advance
- 2. Advance- Non FRLC
- 3. Advance- Federal Reserve Letter of Credit

ND3 - Is any travel required outside U. S.? Yes No

ND5 - TYPE OF BUSINESS

- E1. Source: Non-U. S. and Used Outside U. S. and Possessions
- E2. Source: Non-U. S. and Possessions (Foreign Purchases Used Inside U. S.) (If U. S. Source, A - D)
- A1. Small Business - Disadvantaged 8(a)
- A2. Small Business - Owned by Minority Group
- A3. Other Small Business (including individuals)
- B1. Large Minority Business
- B2. Other Large Business
- C1. Non-Profit Private Educational Organisation
- C2. Non-Profit Hospital
- C3. Non-Profit Research Institution, Foundation, and Laboratories
- C4. Other Non-Profit Institutions
- D1. State/Local Government Educational Institution
- D2. State/Local Government Hospital
- D3. State/Local Government Research Organization
- D4. Other State/Local

ND6 - COST ACCOUNTING STANDARDS

Required
Not Required

ND7 - NUMBER OF BIDDERS OFFERING ITEMS OR SERVICES OF FOREIGN CONTENT

ND8 - WOMEN OWNED BUSINESS

Yes No

ND9 - PERCENT FOREIGN CONTENT OF COMMODITIES AND SERVICES

ND10 - LABOR SURPLUS AREA (LSA) PREFERENCE (Location of Contractor)

- 1. Labor Surplus Area - No Preference
- 2. Labor Surplus Area - Tie Bid Preference
- 3. Not a Labor Surplus Area Preference Award
- 4. Total Labor Surplus/Small Business Set-Aside Preference
- 5. Total Labor Surplus Set-Aside Preference (F.L. 93-89)

ND11 - COUNTRY OF PERFORMANCE

MID-EAST - REGIONAL (Specify)

899

COST REIMBURSEMENT TYPE CONTRACT

AGENCY FOR INTERNATIONAL DEVELOPMENT
NEGOTIATED CONTRACT NO. AID/NE-C-1555

CONTRACT TYPE

*neg - J J Tuncal
ME Tech*

NEGOTIATED PURSUANT TO THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND EXECUTIVE ORDER 11223 AMOUNT \$25,825

CONTRACT FOR: Study of Regional Cooperation Possibilities in Education in the NEAR EAST Project No. 298-0153

ISSUING OFFICE (Name and Address)
Agency for International Development
Office of Contract Management
Regional Operations Division-LAC
Washington, D. C. 20523

CONTRACTOR (Name and Address)
American Mideast Educational and Training Services, Inc.
NAME
1717 Massachusetts Avenue

STREET ADDRESS
Washington, D. C. 20036

CITY, STATE AND ZIP CODE
COGNIZANT SCIENTIFIC/TECHNICAL OFFICE

ADMINISTRATION BY
Issuing Office

NE/TECH/HRST

MAIL VOUCHERS (Original & 3 copies)
TO:
Agency for International Development
Office of Financial Management (FM/PAD)
Washington, D. C. 20523

ACCOUNTING AND APPROPRIATION DATA
PIO/T NO. 298-0153-3-6287816
APPROPRIATION NO. 72-1181079
ALLOTMENT NO. 879-62-298-00-69-81

EFFECTIVE DATE 9-29-78

ESTIMATED COMPLETION DATE 11-30-78

TYPES OF BUSINESS (CHECK APPROPRIATE BOX(ES))

<input type="checkbox"/>	SOLE PROPRIETORSHIP	<input type="checkbox"/>	SMALL BUSINESS
<input type="checkbox"/>	PARTNERSHIP	<input type="checkbox"/>	LABOR SURPLUS AREA
<input type="checkbox"/>	JOINT VENTURE		
<input type="checkbox"/>	CORPORATION, INCORPORATED IN THE STATE OF		

The United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the Contractor agree that the Contractor shall perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule or the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

This Contract consists of this Cover Page, the Schedule of 4 Pages, including the Table of Contents and the General Provisions (form AID 1420-41C, dated 7-1-76).

NAME OF CONTRACTOR
American Mideast Educational and Training Services, Inc.

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

BY (Signature of authorized individual)
Dorothy Laguardio

BY (Signature of Contracting Officer)
Gary E. Dvoskin

TYPED OR PRINTED NAME
DOROTHY LAGUARDIO

TYPED OR PRINTED NAME
Gary E. Dvoskin

TITLE
VICE PRESIDENT

CONTRACTING OFFICER

DATE **SEP 29 1978**

DATE **SEP 29 1978**

FUNDS AVAILABLE

SEP 30 1978

SCHEDULE
COST REIMBURSEMENT TYPE CONTRACT
TABLE OF CONTENTS
SCHEDULE

The Schedule, on pages 1 through 4, consists of this Table of Contents and the following Articles:

Article I	-	Statement of Work
Article II	-	Technical Directions
Article III	-	Key Personnel
Article IV	-	Period of Contract
Article V	-	Estimated Cost
Article VI	-	Budget
Article VII	-	Cost Reimbursable
Article VIII	-	Establishment of Overhead Rates
Article IX	-	Alterations in Contract

GENERAL PROVISIONS

The General Provisions applicable to this contract consist of form AID 1420-41C entitled "General Provisions - Cost Reimbursement Type Contract" dated 7/1/76, which includes provisions 1 through 44.

Article I - Statement of Work

The Contractor, as an independent Contractor and not as an agent of the Government, shall perform a study of the Economic Implications of a Middle East Peace Settlement as described in the attached Appendix A - "Statement of Work."

Article II - Technical Directions

Performance of the work hereunder shall be subject to the technical directions of the cognizant Scientific/Technical Office indicated on the Cover Page. As used herein, "Technical Directions" are directions to the Contractor which fill in details, suggest possible lines of inquiry, or, otherwise complete the general scope of the work. "Technical Directions" must be within the terms of this contract and shall not change or modify them in any way.

Article III - Key Personnel

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

Donald Perez 

B. The personnel specified above are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the

program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer. The listing of key personnel may, with the consent of the contracting parties, be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

Article IV - Period of Contract

A. The effective date of this contract is September 29, 1978 and the estimated completion date is November 30, 1978.

Article V - Estimated Cost

The total estimated cost of this contract to the Government is \$25,825.

Article VI - Budget

	<u>Budget</u>
<u>Category</u>	<u>Budget Amount</u>
Salaries and Wages	\$11,250
Travel & Transportation	2,700
Per Diem	2,200
Consultant Fees	1,000
Communication, Copy and Reproduction	2,000
Other Direct Costs	1,500
Overhead	<u>5,175</u>
Grand Total	\$25,825

The Budget shown above is for estimating purposes only. The Contractor may adjust line item amounts as reasonably necessary for the effective and efficient performance of this contract. The Contractor may not exceed the Total Estimated Cost without the prior written authorization from the Contracting Officer.

Article VII - Costs Reimbursable

The United States dollar costs allowable under the contract shall be limited to reasonable, allocable, and necessary costs determined in accordance with the Clause of the General Provisions of this Contract entitled "Allowable Cost, Fixed Fee, and Payment."

Article VIII - Establishment of Overhead Rate

Pursuant to the provisions of the Clause of the General Provisions of this contract entitled "Negotiated Overhead Rates," a rate or rates shall be established for the period of contract performance.

Pending establishment of final overhead rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base(s) which are set forth below:

Overhead	$\frac{46\%}{\text{(Rate)}}$	$\frac{\text{Total Direct Labor}}{\text{(Base)}}$
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The final overhead rate is not to exceed 46%.

Article IX - Alterations in Contract

The alterations in the contract are included in "Attachment to AID 1420-41, Cost Reimbursement Contract June 1978" which is attached hereto and made a part hereof.

Statement of Work

Objective

To prepare a study of existing conditions and potential opportunities for regional cooperation in education between countries of the Near East with particular reference to cooperation between Israel and Arab states.

Statement of Work

AID is assessing the possibility of regional projects in the Near East in development areas such as education, health, agriculture, industry and science and technology. These assessments are to focus on policies, programs and projects which "can enhance the prospects for peace and for the broad-based development of all the states and territories in the area." Inherent in all of these sectoral concerns are social, cultural and political dimensions which contribute to shaping values, attitudes and behavior. Of major importance in the development process in the Near East is the understanding of the people of the region in terms of their institutions, beliefs, and aspirations. Within Arab states and in Israel are growing education establishments which are now beginning to effectively contribute to their respective national development as well as to problems of a regional nature.

This study will be concerned with exploring what opportunities for cooperation would be most beneficial and feasible between Israel and neighboring Arab countries if conditions eventually permitted.

The study will not be conducted with direct reference to any present or anticipated set of political constraints and will make no assumptions as to the political parameters of improved relations between Arab states and/or of an eventual Arab/Israeli peace settlement. Because of the inherently sensitive nature of education, the study is to reflect an awareness of national sensitivities in regional cooperation. As problem areas are defined and specific activities are discussed an effort should be made to discern the relative feasibility of implementing these activities given the receptivity of the scholarly and policy communities in national contexts.

The term "regional" will principally refer to activities involving Israel and one or more of the Arab states, the West Bank, or Gaza Strip; projects which may initially involve only Arab states or the West Bank and Gaza; and bilateral activities which have potential for becoming regional.

The study should include but not be limited to the following tasks:

1. Identification and assessment of critical problem areas.
 - A. identification of and assignment of priority to major regional development problem areas which are (a) of mutual interest to participating States and (b) areas in which education has a potential contribution to make.
 - B. review of potential benefits to be obtained through regional cooperation.
 - C. identification of problem areas which do not have a potential for cooperation.

II. Existing Educational Capabilities

- A. review only those individual and institutional resources which have demonstrated a capacity for or an orientation toward involvement with problems of a regional character. Shortage of time for study argues against an exhaustive inventory of institutions, programs, and individuals.
- B. assessment of national policies, if any, related to encouragement and utilization of education research and development efforts.
- C. significance and impact of regional cooperation in terms of building individual and institutional capacity.

III. Overview of significant experience of countries in regional cooperation

- A. review of past and present cross-cultural and/or regional activities which could be built upon; e.g., governmental (bilateral, multilateral, joint commissions, binational foundations, regional associations, centers of excellence, etc.) and non-governmental.
- B. identification of areas for cooperation which hold the greatest promise in terms of existing resources and institutions and in terms of feasible changes in the present situation.
- C. areas where lack of cooperation has had some demonstrable negative effect.

IV. Identification of specific future opportunities for regional cooperation

- A. Based upon identification of priority modes of cooperation the study will describe the steps to be taken to implement these activities by the US and other donors.
 - (1) mechanisms for strengthening commitments to regional cooperation (e.g., financial support, technical assistance).

- (2) mechanisms for the exchange of information and experiences significant to regional cooperation (e.g., conferences, seminars, travel and study tours).
- (3) mechanisms for fostering commitment to academic excellence within and between scientific disciplines.

B. Analysis of obstacles to regional cooperation.

Reporting

The Contractor shall submit a final report on the study. The report should be approximately 50 pages in length and contain an executive summary of principal recommendations. The complete 1st draft should be submitted to the Chief for Human Resources Science and Technology for the Near East Bureau by November 15, 1978. Final draft is due November 30, 1978.

The reports should be submitted as follows:

1 copy	Agency for International Development Contracting Officer CM/ROD/LAC Washington, D. C. 20523
2 copies	AID Reference Center Agency for International Development Washington, D. C. 20523
50 copies	Agency for International Development Attn: NE/TECH/HRST Washington, D. C. 20523

GENERAL PROVISIONS

Cost Reimbursement Type Contract

INDEX OF CLAUSES

1. Definitions
2. Changes
3. Biographical Data
4. Leave and Holidays
5. Travel and Transportation Expenses
6. Standards of Work
7. Inspection
8. Limitation of Cost
9. Allowable Cost, Fixed Fee, and Payment
10. Negotiated Overhead Rates
11. Assignment of Claims
12. Examination of Records by Comptroller General
13. Price Reduction for Defective Cost or Pricing Data
14. Audit
15. Subcontractor Cost and Pricing Data
16. Reports
17. Source Requirements of Procurement of Equipment, Vehicles, Materials, Supplies, and Services
18. Subcontracts
19. Government Property
20. Utilization of Small Business Concerns
21. Utilization of Labor Surplus Area Concerns
22. Insurance—Liability to Third Persons
23. Termination for Default or for Convenience of the Government
24. Excusable Delays
25. Stop Work Order
26. Disputes
27. Authorization and Consent
28. Notice and Assistance Regarding Patent and Copyright Infringement
29. Patent Rights*
30. Rights in Data
31. Release of Information
32. Equal Opportunity
33. Convict Labor
34. Walsh-Healey Public Contracts Act
35. Officials Not to Benefit
36. Covenant Against Contingent Fees
37. Language, Weights and Measures
38. Security Requirements
39. Utilization of Minority Business Enterprises
40. Listing of Employment Openings
41. Payment of Interest on Contractors' Claims
42. Employment of the Handicapped
43. Notices

1. DEFINITIONS (DEC. 1970)

(a) "Administrator" shall mean the Administrator or the Deputy Administrator of the Agency for International Development.

(b) "AID" shall mean the Agency for International Development.

(c) "Consultant" shall mean any especially well qualified person who is engaged, on a temporary or intermittent basis to advise the Contractor and who is not an officer or employee of the Contractor who performs other duties for the Contractor.

(d) "Contracting Officer" shall mean the person executing this contract on behalf of the United States Government, and any other Government employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(e) "Contractor Employee" shall mean an employee of the Contractor assigned to work under this contract.

(f) "Cooperating Country or Countries" shall mean the foreign country or countries in or for which services are to be rendered hereunder.

(g) "Cooperating Government" shall mean the government of the Cooperating Country.

(h) "Economy Class" air travel (also known as jet economy, air coach, tourist class, etc.) shall mean a class of air travel which is less than first class.

(i) "Federal Procurement Regulations (FPR)," when referred to herein shall include Agency for International Development Procurement Regulations (AIDPR).

(j) "Government" shall mean the United States Government.

(k) "Mission" shall mean the United States AID Mission to, or principal AID office in, the Cooperating Country.

(l) "Mission Director" shall mean the principal officer in the Mission in the Cooperating Country, or his designated representative.

2. CHANGES (DEC. 1970)

(a) The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (1) statement of work or services, (2) drawings, designs, or specifications, (3) method of shipment or packing, (4) place of inspection, delivery, or acceptance, and (5) the amount of logistic support and property of the United States or Cooperating Government to be furnished or made available to the Contractor for

*Refer to text.

ADDITIONAL GENERAL PROVISIONS

COST REIMBURSEMENT TYPE CONTRACT

(Additional General Provisions for Overseas Cost Type Contract are also attached hereto, and except for the clauses omitted as specified on the preceding pages, such Additional General Provisions are incorporated in this contract.)

INDEX OF CLAUSES

1. Definitions
2. Leave and Holidays
3. Travel Expenses
4. Transportation and Storage Expenses
5. Title to and Care of Property
6. Marking
7. Personnel
8. Differential and Allowances

9. Conversion of United States Dollars to Local Currency
10. Orientation and Language Training
11. Insurance—Workmen's Compensation, Private Automobiles, Marine and Air Cargo
12. Services Provided to Contractor
13. Post Privileges
14. Contractor-Mission Relationships
15. Notice of Changes in Regulations

1. DEFINITIONS (SEPT. 1974)

- (a) "Dependents" shall mean:
- (1) Spouse
 - (2) Children (including step and adopted children) who are unmarried and under 21 years of age or, regardless of age, are incapable of self support.
 - (3) Parents (including step and legally adoptive parents) of the employee or of the spouse, when such parents are at least 51 percent dependent on the employee for support.
 - (4) Sisters and Brothers (including step or adoptive sisters or brothers) of the employee, or of the spouse, when such sisters and brothers are at least 51 percent dependent on the employee for support, unmarried and under 21 years of age, or regardless of age, are incapable of self support.
- (b) "Local Currency" shall mean the currency of the Cooperating Country.
- (c) "Regular Employee" shall mean a Contractor employee appointed to serve one year or more in the Cooperating Country.
- (d) "Short-Term Employee" shall mean a Contractor employee appointed to serve less than one year in the Cooperating Country.
- (e) "Traveler" shall mean Contractor's Regular Employees, Dependents of the Contractor's Regular Employees, the Contractor's Short-Term Employees, Consultants and, as authorized by the Contracting Officer, the Contractor's Officers and Executives, or other persons.
- (f) "Contractor's Chief of Party" shall mean the representative of the Contractor in the Cooperating Country who shall be responsible for supervision of the performance of all duties undertaken by the Contractor in the Cooperating Country.

2. LEAVE AND HOLIDAYS (SEPT. 1974)

- (a) *Vacation Leave Overseas.*
- (1) The Contractor may grant to his employees working overseas under this Contract, vacations of reasonable duration in accordance with the Contractor's established practice for his employees, but in no event shall such vacation leave be earned at a rate exceeding twenty-six (26) work days per annum. Vacation leave is provided under this Contract primarily for purposes of affording necessary rest and recreation to regular employees during their tour of duty in the cooperating country. The Contractor's Chief of Party, the employee and the cooperating country institution associated with this project shall develop vacation leave schedules early in the employee's tour of duty taking into consideration project requirements, employee preference, and other factors.
- (2) Leave taken during the concluding weeks of an employee's tour shall be included in the established leave schedule and be limited to that amount of leave which can be earned during a twelve month period unless approved in accordance with paragraph (3) below.
- (3) Vacation leave earned but not taken by the end of the employee's tour pursuant to (1) and (2) above will be forfeited, unless the requirements of the project precluded the employee from taking such leave and the contracting officer, with the endorsement of the mission, approves one of the following as an alternative:
- (i) Taking, during the concluding weeks of the employee's tour, leave not permitted under (2) above, or
 - (ii) Lump-sum payment for leave not taken provided such leave does not exceed the number of days which can be earned by the employee during a twelve month period.

ALTERATIONS IN CONTRACT

A. The General Provisions (Form AID 1420-41C (7-1-76)) of this Contract are modified as follows:

1. General Provision 23, Termination for Default or for Convenience of the Government:

Paragraph (j) is amended by deleting the phrase "...at the rate of 6 percent per annum,..." and in its place inserting "...at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (50 U.S.C. App. 1215(b)(2)) for the Renegotiation Board,..."

2. General Provision 29, Patent Rights. The attached clause entitled (specify patent rights clause) is incorporated into the General Provisions of this Contract.

3. General Provision 40, Listing of Employment Openings, is deleted in its entirety. In its place insert the attached General Provision entitled "Disabled Veterans and Veterans of the Vietnam Era."

4. General Provision 44, Clean Air and Water, is attached hereto and is incorporated into the General Provisions of this Contract.

5. General Provision 45, Cost Accounting Standards, is attached hereto and is incorporated into the General Provisions of this Contract.

6. General Provision 46, Use of Government Facilities and Personnel, is attached hereto and is incorporated into the General Provisions of this Contract.

B. The Additional General Provisions (Form AID 1420-41D (7-1-76)) of this Contract are modified as follows:

1. Additional General Provision 3, Travel Expenses:

(a) Paragraph (i)(1)(ii) is deleted in its entirety. In its place insert the following new paragraph (i)(1)(ii):

"(ii) Death, or serious illness or injury of a member of the immediate family of the employee or the immediate family of the employee's spouse. 'Serious illness or injury' and 'immediate family' are defined in accordance with Section 699.5 of the Uniform State/AID/USIA Regulations, as in effect on the date of such travel."

- 2 -

(b) Paragraph (1), Use of U.S. Flag Carriers, is deleted in its entirety.

2. Additional General Provision 4, Transportation and Storage Expenses:

Paragraph (d)(1), International Air Transportation, is deleted in its entirety.

3. Additional General Provision 11, Insurance - Workmen's Compensation, Private Automobiles, Marine, and Air Cargo is amended by deleting paragraph (a), Workmen's Compensation Insurance, in its entirety. In its place, insert the attached clause entitled "Workmen's Compensation Insurance (Defense Base Act) (Dec. 1977)."

4. Additional General Provision 16, Preference for U.S. Flag Air Carrier is attached hereto and is incorporated into the Additional General Provisions of this Contract.

General Provision _____

DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(This clause shall be included in all contracts exceeding \$10,000)

(a) The Contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified.

The Contractor agrees to take affirmative action to employ, advance in employment, or otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

(b) The Contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local Government agencies holding Federal contracts of \$10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive Orders or regulations regarding nondiscrimination in employment

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of nondisabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The Contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, The District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particula-

opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings that are compensated on a salary basis of less than \$25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of the public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the Contractor proposed to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(i) The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(j) In the event of the Contractor's noncompliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) The contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the contractor's obligations under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by terms of the Vietnam Era Veteran Readjustment Assistance Act and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) The contractor will include the provisions of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

21

CLEAN AIR AND WATER (FPR 1-2 2302-2) (AUG 1975)

(Applicable only if the contract exceeds \$100,000, or the contracting officer has determined that orders under an indefinite quantity contract in any one year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

(1) To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Pub. L. 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Pub. L. 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use his best efforts to comply with clean air standards and clean water standards at the facility in which the contract is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subcontract, including this paragraph (a)(4).

(b) The terms used in this clause have the following meanings:

(1) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Pub. L. 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Pub. L. 92-500)

(3) The term "clean air standards"

means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term "clean water standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (33 U.S.C. 1317).

(5) The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

(6) The term "facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site or operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.

21

COST ACCOUNTING STANDARDS

(a) Unless the Cost Accounting Standards Board, or the General Services Administration in the case of non-defense contracts, has prescribed rules or regulations exempting the Contractor or this Contract from standards, rules, and regulations promulgated pursuant to 50 U.S.C. App. 2168 (P.L. 91-379, August 15, 1970), or other statutory authority, the Contractor, in connection with this Contract shall:

(1) By submission of a Disclosure Statement, disclose in writing his cost accounting practices as required by regulations of the Cost Accounting Standards Board. The required disclosures must be made prior to contract award unless the Contracting Officer provides a written notice to the Contractor authorizing postaward submission in accordance with regulations of the Cost Accounting Standards Board. The practices disclosed for this Contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contains this Cost Accounting Standards clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement will not be released outside of the Government.

(2) Follow consistently the cost accounting practices disclosed pursuant to (1), above, in accumulating and reporting contract performance cost data concerning this Contract. If any change in disclosed practices is made for purposes of any contract or subcontract subject to Cost Accounting Standards Board requirements, the change must be applied prospectively to this Contract, and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this Contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5), below, as appropriate.

(3) Comply with all Cost Accounting Standards in effect on the date of award of this Contract or if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any Cost Accounting Standard which hereafter becomes applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)(A) Agree to an equitable adjustment (as provided in the Changes clause of this Contract, if any) if the contract cost is affected by a change which, pursuant to (3) above, the Contractor is required to make to his established cost accounting practices whether such practices are covered by a Disclosure Statement or not.

(B) Negotiate with the Contracting Officer to determine the terms and conditions under which a change to either a disclosed cost accounting practice or an established cost accounting practice, other than a change under (4)(A), above, may be made. A change to a practice may be proposed by either the Government or the Contractor, provided, however, that no agreement may be made under this provision that will increase costs paid by the United States.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if he or a subcontractor fails to comply with an applicable Cost Accounting Standards or to follow any practice disclosed pursuant to subparagraphs (a)(1) and (a)(2), above, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the rate determined by the Secretary of the Treasury pursuant to P.L. 92-41, 85 Stat. 97, or 7 per cent per annum whichever is less from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable Cost Accounting Standard, rule, or regulation of the Cost Accounting Standards Board and as to any cost adjustment demanded by the United States, such failure to agree shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this Contract.

(c) The Contractor shall permit any authorized representatives of the head of the agency, of the Cost Accounting Standards Board, or of the Comptroller General of the United States to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which he enters into the substance of this clause except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that this requirement shall apply only to negotiated subcontracts in excess of \$100,000 where the price negotiated is not based on:

(1) Established catalog or market prices of commercial items sold in substantial quantities to the general public or

(2) Prices set by law or regulation, and except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to accept the Cost Accounting Standards clause by reason of Para. 331.30(b) of Title 4, Code of Federal Regulations (4 CFR 331.30(b)) or Para. 1-3.1203 (a)(2) of Title 41, Code of Federal Regulations (41 CFR 1-3.1203(a)(2)).

However, if this is a contract with an agency which permit subcontractors to appeal final decisions of the Contracting Officer directly to the head of the agency or his duly authorized representative, then the Contractor shall include the substance of paragraph (b) as well.

NOTE: (1) Subcontractors shall be required to submit their Disclosure Statements to the Contractor. However, if a subcontractor has previously submitted his Disclosure Statement a Government Contracting Officer he may satisfy that requirement by certifying to the Contractor the date of such Statement and the address of the Contracting Officer.

(2) In any case where a subcontractor determines that the Disclosure Statement information is privileged and confidential and declines to provide it to his Contractor or higher tier subcontractor, the Contractor may authorize direct submission of that subcontractor's Disclosure Statement to the same Government offices to which the Contractor was required to make submission of his Disclosure Statement. Such authorization shall in no way relieve the Contractor of liability as provided in paragraph (a)(5) of this clause. In view of the foregoing and since the Contract may be subject to adjustment under this clause by reason of any failure to comply with rules, regulations, and standards of the Cost Accounting Standards Board in connection with covered subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. However, the inclusion of such a clause and the terms thereof are matters the Contractor and the subcontractor, provided that they do not conflict with the duties of the Contractor under its contract with the Government. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification to be submitted by his subcontractors.

(e) The terms defined in Sec. 331.20 of Part 331 of Title 4, Code of Federal Regulations (4 CFR 331.20) shall have the same meanings herein. As there defined, "negotiated subcontract" means "any subcontract except a firm fixed-price subcontract made by a Contractor or subcontractor after receiving offers from at least two firms not associated with each other or such Contractor or subcontractor, providing (1) the solicitation to all competing firms is identical, (2) price is the only consideration in selecting the subcontractor from among the competing firms solicited, and (3) the lowest offer received in compliance with the solicitation from among those solicited is accepted."

20

Use of Government Facilities or Personnel
(May 1978)

(a) The Contractor and any employee or consultant of the Contractor is prohibited from using U.S. Government facilities (such as office space or equipment) or U.S. Government clerical or technical personnel in the performance of the services specified in the Contract, unless the use of Government facilities or personnel is specifically authorized in the Contract, or is authorized in advance, in writing, by the contracting officer.

(b) If at any time it is determined that the Contractor, or any of its employees or consultants have used U.S. Government facilities or personnel without authorization either in the Contract itself, or in advance, in writing, by the contracting officer, then the amount payable under the Contract shall be reduced by an amount equal to the value of the U.S. Government facilities or personnel used by the Contractor, as determined by the contracting officer.

(c) If the parties fail to agree on an adjustment made pursuant to this clause, it shall be considered a "dispute," and shall be dealt with under the terms of the "Disputes" clause of the Contract.

Workmens' Compensation Insurance
(Defense Base Act)
(Dec 1977)

(1) The Contractor before commencing performance under this contract shall provide and thereafter maintain such Workmens' Compensation Insurance or security as is required by the Defense Base Act, as amended (42 USC 1651 et seq.).

(2) Contractor agrees to procure Defense Base Act insurance coverage requirements pursuant to a contract between AID and its insurance carrier; unless, Contractor has a DBA self insurance program approved by the Department of Labor; an approved retrospective rating plan for DBA; entered into a long term agreement for DBA coverage with an underwriter or agent prior to November 14, 1977. However, if it would be economical to cancel the long-term coverage and pay short-term rates, contractor is required to do so.

(3) If the Contractor secures a waiver of Defense Base Act coverage for its employees who are not citizens of the United States, residents of or hired in the United States, or, AID has secured such a waiver, the contractor agrees to comply with the conditions of such waiver.

(4) The Contractor further agrees to insert in all subcontracts hereunder to which the Defense Base Act is applicable, a clause similar to this clause, including this sentence, imposing on all such subcontractors a like requirement to provide overseas Workers' Compensation Insurance coverage and obtain Defense Base Act coverage under the AID requirements contract.

ADDITIONAL GENERAL PROVISION

PREFERENCE FOR U.S. FLAG AIR CARRIERS (Jan. 1977)

[This contract clause shall be included in (a) invitations for bids, (b) requests for proposals, and (c) contracts (including contracts resulting from unsolicited proposals) whenever international air transportation of personnel (and their personal effects) or property may be required in the performance of the contract. The requirements of this clause do not apply to small purchases made in accordance with FPR 1-3.6.]

(a) Pub. L. 93-623 requires that all Federal agencies and Government contractors and subcontractors will use U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriated funds for international air transportation on other than a U.S. flag air carrier in the absence of satisfactory proof of the necessity therefor.

(b) The contractor agrees to utilize U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.

(c) In the event that the contractor selects a carrier other than a U.S. flag air carrier for international air transportation, he will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY
OF U.S. FLAG AIR CARRIERS

I hereby certify that transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reasons: (state reasons)*1

(d) The terms used in this clause have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(e) The contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase hereunder which may involve international air transportation.

NOTE:

*1. FPR 1-1.323-3, requires that expenditures for service furnished by a noncertificated air carrier generally will be allowed only when service by a certificated air carrier or carriers is "unavailable" as indicated by the June 17, 1975, Comptroller General's memorandum (B-138942) entitled "Guidelines for Implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974". The criteria contained in the memorandum are reproduced below:

- (a) Passenger or freight service by a certificated air carrier is considered "available" even though:
- (1) Comparable or a different kind of service by a noncertificated air carrier costs less, or
 - (2) Service by a noncertificated air carrier can be paid for in excess foreign currency, or
 - (3) Service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or
 - (4) Service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.
- (b) Passenger service by a certificated air carrier will be considered to be "unavailable":
- (1) When the traveler, while en route has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or
 - (2) When any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6 hour period, or
 - (3) When by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.
 - (4) When the elapsed traveltime on a scheduled flight from origin to destination airports by noncertificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled traveltime.