

P1) FAG 608

OK

UNITED STATES GOVERNMENT

# Memorandum

To

TO : ~~F. M. ...~~

DATE: May 22, 79

FROM : CM/SD/SUP, ~~Gloss~~

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-1-1513 that was active FY-78 and carried over into FY-79.

CACI Arc-Federal

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.

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

CR Action Office:

Section IA. Contractor/Grantee Name:

Section IB. Contract/Grant Number:

Section II. Description of Contract/Grant: PLEASE CIRCLE ONLY ONE ITEM UNDER EACH HEADING: IF OTHER, PLEASE SPECIFY. (Complete both pages 1 and 2) (Not to be completed for Amendment or Modification Actions)

M04 - CONTRACT/GRANT TYPE

- 0. RDA, (MOA, BMA, etc.)
1. Fixed Price (Specify: FFP, FPE, FIPA, FPI)
2. Cost Reimbursement (Specify: CR, CPT, CS, CMA, CIP)
3. Cooperative Agreement
4. Grant - General Support
5. Grant - Specific Support
6. Grant - All(d)
7. Do not Use
8. IQCs
9. Host Country Contract/Grant

M15 - TYPE OWNERSHIP

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

M57 - AFFIRMATIVE ACTION PLAN ON FILE

Yes
No

M58 - AFFIRMATIVE ACTION PLAN ON PREVIOUSLY HELD CONTRACTS

Yes
No

M60 - INCREMENTAL FUNDED CONTRACT

Yes No

M61 - CONSULTANT TYPE AWARD

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

M63 - 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. S(a) Program
B3. Follow-on After Competition
B7. Other Negotiated Non-Competitive

M65 - 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.)
A1. Small Business - Disadvantaged S(s)
A2. Small Business - Owned by Minority Group
A3. Other Small Business (including individuals)
B1. Large Minority Business
B7. Other Large Business
C1. Non-Profit Private Educational Organization
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

M66 - COST ACCOUNTING STANDARDS

Required
Not Required

M67 - NUMBER OF BIDDERS OFFERING ITEMS OR SERVICES OF FOREIGN CONTENT

M68 - WOMEN OWNED BUSINESS

Yes No

M69 - PERCENT FOREIGN CONTENT OF COMMODITIES AND SERVICES

M70 - 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. 95-89)

M12 - COUNTRY OF PERFORMANCE

MIDEAST - REGIONAL (Specify)

M05 - SELECTION PROCEDURES

- A. Formally advertised (IFB) (AIDPR 7-2.4) & (FPR 1-2.4)
B. Negotiated Price Competition, General Procedure (RFP) (AIDPR 7-4.56)
C. A & E (AIDPR 7-4.10)
D. Ed. Inst and/or Intl Research (AIDPR 7-4.57)
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. S(a) Selection (FPR 1-1.713-1)
L. Grant (Handbook 13)
M. Do Not Use
N. Cooperative Agreement (Handbook 13)
O. Small Business Set-Aside (FPR 1-1.706-8)
P. Overseas Procuring Activities (AIDPR 7-3.101-50(b)(2))

M06 - 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

M07 - 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 PVO)
G. Private Voluntary Organization (PVO)
H. International Agri. Research Organization
I. Public International Organizations (UN Agencies, ICRC World Bank, etc.) (Handbook 13, Chapter 5)

M08 - TYPE AWARD

- A. SB Set-Aside - Awarded to Non-Minority
B. SB Set-Aside - Awarded to Minority
C. SB Not Set-Aside - Awarded to Non-Minority
D. SB Not Set-Aside - Awarded to Minority
E. S(a) SBA Awarded to Non-Minority (Women-Owned, Veterans, etc.)
F. S(a) 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

M11 - ADVANCE

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

M13 - Is any travel required outside U. S.? Yes No

M54 = 51
M55 = 03000

2

**COST REIMBURSEMENT TYPE CONTRACT** 007 1978

**ORIGINAL**

AGENCY FOR INTERNATIONAL DEVELOPMENT  
NEGOTIATED CONTRACT NO. AID/NE-C-1553

CONTRACT TYPE

*Neg. J. Stuart*

NEGOTIATED PURSUANT TO THE FOREIGN ASSISTANCE  
ACT OF 1961, AS AMENDED, AND EXECUTIVE ORDER 11223

AMOUNT  
\$64,995

CONTRACT FOR: Study of the Economic Implications of a Middle East Peace Settlement

Project No. 298-0513

*PM. - H. En, Jebraek*

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)  
*NETTECH*  
C.A.C.I., Inc. - Federal  
NAME  
1815 North Fort Myer Drive  
STREET ADDRESS  
Arlington, Virginia 22209  
CITY, STATE AND ZIP CODE

ADMINISTRATION BY  
Issuing Office

COGNIZANT SCIENTIFIC/TECHNICAL OFFICE  
NEA/RA

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

ACCOUNTING AND APPROPRIATION DATA  
PIO/T NO. 298-0153-3-6287810  
APPROPRIATION NO. 72-1181079  
ALLOTMENT NO. 879-62-298-00-67-81

EFFECTIVE DATE September 29, 1978

ESTIMATED COMPLETION DATE December 20, 1978

**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 checked="" type="checkbox"/>	CORPORATION, INCORPORATED IN THE STATE OF Delaware		

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 7 Pages, including the Table of Contents and the General Provisions (form AID 1420-41C, dated 7/1/76).

NAME OF CONTRACTOR C.A.C.I., Inc.- Federal	UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT
BY (Signature of authorized individual) <i>Steven B. Asch</i>	BY (Signature of Contracting Officer) <i>Gary E. Dwoskin</i>
TYPED OR PRINTED NAME Steven B. Asch	TYPED OR PRINTED NAME Gary E. Dwoskin JMS
TITLE Director of Contracts	CONTRACTING OFFICER
DATE September 27, 1978	DATE September 27, 1978

FUNDS AVAILABLE

*SEP 30 1978*

AID 1420-41A (7-72)

Program Acctg. Division  
OFFICE OF FINANCIAL MANAGEMENT

3

SCHEDULE  
COST REIMBURSEMENT TYPE CONTRACT

TABLE OF CONTENTS

SCHEDULE

The Schedule, on pages 1 through 7, 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	-	Level of Effort
Article V	-	Period of Contract
Article VI	-	Estimated Cost and Fixed Fee
Article VII	-	Budget
Article VIII	-	Cost Reimbursable
Article IX	-	Payment of Fixed Fee
Article X	-	Establishment of Overhead Rates
Article XI	-	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:

Dr. Bertram I. Spector

Dr. David M. McCormick

Mr. Gary A. Keynon

Dr. Farid Abolfathi

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 - Level of Effort

A. The level of effort for the performance of this contract shall be 2,208 total man-hours of direct labor.

B. The estimated composition of the total man-hours of direct labor is as follows:

	<u>Number of Man-Hours</u>
Key Personnel:	1480
Other Personnel:	
Research Assistants	456
Clerical and Support	272

C. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective provided such fluctuation does not result in the utilization of the total man-hours of effort prior to the expiration of the term hereof, and it is further understood and agreed that the number of hours of effort for any classification except for the hours of the Key Personnel may be utilized by the Contractor in any other direct labor classification if necessary in the performance of the work.

D. The Contracting Officer may, by written order, direct the Contractor to increase the average monthly rate of utilization of direct labor to such an extent that the total man-hours of effort, specified above, would be utilized prior to the expiration of the term hereof. Any such order shall specify the degree of acceleration required and the revised term hereof resulting therefrom.

#### Article V - Period of Contract

A. The effective date of this contract is September 29, 1978 and the estimated completion date is December 20, 1978.

B. In the event that the Contractor fails to furnish the level of effort set forth herein for the specified term, then the Contracting Officer may require the Contractor to continue performance of the work beyond the estimated completion date until the Contractor has furnished the specified level of effort or until the estimated cost of the work for such period shall have been expended.

Article VI - Estimated Cost and Fixed Fee

The total estimated cost of this contract to the Government, exclusive of the fixed fee, is \$59,095. The fixed fee is \$5,900.

Article VII - Budget

Budget

<u>Category</u>	<u>Budget Amount</u>
Salaries and Wages	\$22,405
Direct Fringe Benefits (22%)	4,929
Consultant Fees	875
Other Direct Costs	1,671
Overhead	17,931
G&A (23.6%)	<u>11,283</u>
Grand Total	59,095

Article VIII - 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 IX - Payment of Fixed Fee

At the time of each payment to the Contractor on account of allowable dollar costs, the Contractor shall be paid a dollar amount which is in the same ratio to the total fixed fee as the related payment being made on account of allowable dollar costs is to the total estimated cost, as amended from time to time; provided however, that whenever in the opinion of the Contracting Officer such payment would result in a percentage of fee in excess of the percentage of work completion, further payment of fee may be suspended until the Contractor has made sufficient progress in the opinion of the Contracting Officer, to justify further payment of fee up to the agreed ratio; provided further, that after payment of eight-five percent (85%) of the total fixed fee, the provisions of the General Provision of this contract entitled "Allowable Cost, Fixed Fee, and Payment," shall be followed.

Article X - 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	$\frac{65.6\%}{\text{(Rate)}}$	$\frac{\text{Total Direct Labor and Fringe Benefits}}{\text{(Base)}}$
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G&A	$\frac{23.6\%}{\text{(Rate)}}$	$\frac{\text{Total Cost}}{\text{(Base)}}$
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Article XI - 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

Task 1

Develop a working research outline for Phase I (An Economic Development Framework for the West Bank and Gaza Strip) and Phase II (Migration Projections for the West Bank and Gaza Strip) that shall serve as an overall research design.

Task 2

Design an economic development model for the West Bank and Gaza Strip that shall consist of sectoral economic models that would analyze requirements for achieving an 8 percent aggregate annual growth in real income. These models shall enable 5-year sectoral projections of development prospects for the West Bank and Gaza Strip.

Task 3

Collect data and update existing files, subject to the availability of data sources and time constraints. Data shall be gathered to fit the requirements of the economic development framework and to facilitate forecasts of sectoral growth potential and limitations in the West Bank and Gaza Strip.

Task 4

This economic development model shall be employed to guide analyses during efforts to address the following basic issues:

- o The investment and assistance requirements for achieving an aggregate growth rate for approximately 8% per year.

- The capacity of sectors to absorb varying levels of investment given various constraints.

Five-year forecasts shall be produced concerning these issues.

#### Task 5

Review and evaluate available migration literature to identify the major economic, ideological, and social factors that predict the propensity to migrate.

#### Task 6

Collect and update data on the distributional characteristics of current Palestinian communities outside the West Bank and Gaza Strip area, subject to the availability of data sources and time constraints.

#### Task 7

Analyze these data in relation to the empirical generalizations developed in Task 5 to yield annual projections for a 5-year period on the probable numbers and economic profiles of Palestinians that may return to the West Bank and Gaza Strip from other countries. The analysis shall also attempt to forecast the capacity of the West Bank and Gaza Strip from other countries. The analysis shall also attempt to forecast the capacity of the West Bank Gazan economies to absorb these these immigrants.

DELIVERABLE PRODUCTS

Working outline for Phases I and II	Due October 5, 1978
Draft of Phase II Report	Due November 21, 1978
Draft of Phase I Report	Due November 29, 1978
Final Report for Phase II	Due December 8, 1978
Final Report for Phase I	Due December 20, 1978

## TECHNICAL APPROACH

### I. AN ECONOMIC DEVELOPMENT MODEL FOR THE WEST BANK/GAZA

The following section constitutes an intended technical approach to focus research objectives and guide analyses. The goals contained in this section shall be addressed subject to data availability and time constraints.

#### A. Objective

To provide an overall analysis of the possibilities for and constraints to economic growth and employment in the West Bank/Gaza area (WB-G) in the context of improving the standard of living of its residents, maintaining employment, contributing to political stability of WB-G, and increasing the economic intercourse between WB-G and its immediate neighbors. The study should examine each sector of the economy for its growth potential and how it is affected by a range of economic policies. It should examine how these policies provide incentives and/or disincentives and ultimately affect economic performance. The study should provide guidance, as quantitatively as possible, of both the potential role that internal capital mobilization and external assistance can play and the limits imposed on that role by non-financial constraints.

The model should be constructed to cover a five-year period into the future without reference to any present or anticipated political constraints or assumptions as to the political parameters of a peace settlement. It will, of course, have to make working assumptions on some of the economic considerations and describe the sensitivity of success to these assumptions. It

must examine and assess those factors which have contributed to economic growth over the past 6 years (including the period of slowdown in the Israeli economy).

The model must answer the questions: To achieve aggregate growth goals what must the growth targets of key sectors be? What infrastructure developments and/or improvements must be made? To what extent must the desired growth expect to be financed from sources outside of WB-G? The model must examine the effects of West Bank and Gaza being physically separate.

The analysis and presentation of results should include both:

1. The investment and assistance requirements of achieving an optimistic overall growth level of, say, 8% per year, and

2. The importance of non-financial constraints at different assumed levels of growth. This analysis of absorptive capacity should include:

- a. Market limits
- b. Limited entrepreneurship
- c. Limited land and water
- d. Inflationary dangers
- e. Limited institutional infrastructure and cultural constraints
- f. The time required to provide needed physical infrastructure.

The model will include, but not be limited to, the following areas and subjects:

1. Aggregate Growth Goals

- a. Real per capita income: growth of 8% per annum
- b. Sectoral components to achieve this growth

2. Sectoral Growth Targets to Support Goals.

For each sector the analysis should indicate the investment required to meet the target, whether this investment is realistic, whether additional investment would be practicable if financing were available, and the employment possibilities for the sector.

- a. Industrialization
- b. Housing Expansion
- c. Trade & Commerce
  - internal
  - external
- d. Agriculture
  - mechanization
  - irrigation
  - improved techniques

- e. Government Services
3. Employment Goals & Targets
  4. Infrastructure Development Needed and Indications of Costs
    - a. Communications
    - b. Transportation Facilities
    - c. Educational Facilities Necessary to Sustain Higher Levels of Economic Activity
      - (1) Schools and general education needs
      - (2) Training institutes and programs to support industrialization and raise technology levels
    - d. Other infrastructure requirements
  5. Finance - Capital Requirements
    - a. Aggregate requirements

These should be broken down on the different bases indicated under II above.
    - b. Sources
      - (1) Domestic
        - (a) Private capital formation
        - (b) Public finance
      - (2) Foreign
        - (a) Private investment from abroad
        - (b) Loans from foreign governments and/or institutions
        - (c) Grants from foreign governments and/or institutions

## II. The West Bank and Gaza's Capacity to Absorb Returning Palestinians and the Propensity of Palestinians to Return to WB-G from Other Countries

### A. Objectives

To determine (1) the probable numbers and the economic characteristics of Palestinians that will return to the West Bank or Gaza (WB-G) from other countries (following a peace settlement between Israel and her neighbors, both during a possible five-year transition period and thereafter and (2) the capacity of the West Bank and Gazan economies to absorb these immigrants.

The study is to be constructed without reference to any present or anticipated political constraints or political parameters of a peace settlement. The study, however, will assume that significant numbers of Palestinians will be permitted repatriation to WB-G following a negotiated settlement, both during a possible five-year transition period and thereafter.

In determining objective (1) the study must address and analyse Palestinian communities outside the WB-G area to determine how many are likely to seek immigration to WB-G and their economic profile. The profile should include their levels of education, labor-skills, and wages, as well as other economic characteristics that might effect their effective integration into the growing West Bank and Gazan economies.

The determination of objective (2) must include, but not be restricted to, examination of the requirements to provide employment, housing, educational and training facilities, etc., to permit absorption of immigrants without disruption of a growing West Bank and Gaza economies. The extent to which remittances will be replaced by immigrants seeking employment as well as the prospects for continued emigration or workers to daily jobs in neighboring countries or to longer-term employment abroad must also be factored into the study's analysis of the West Bank and Gaza labor markets.

### III. Reports

#### A. Schedule

1. Prior to October 5, 1978 the Contractor shall submit a working outline of the Model required in I. above and an outline of the study required in II above for approval by the Government.

2. The Contractor shall submit a draft report with bibliography on the effort required by Part I above no later than November 29, 1978. The Government will review the report and have the opportunity to raise questions about its organization and content communicating these to the contractor no later than December 9. The final report on Part I shall be submitted no later than December 20, 1978.

3. The contractor shall submit a draft report with bibliography on the effort required by Part II above no later than November 21, 1978. The Government will review the report and have the opportunity to raise questions about its organization and content, communicating these to the

contractor by November 29, 1978. The final report on Part II shall be submitted no later than December 8, 1978.

B. Report Submission

1. Working Outlines

1 copy                      Mr. H. A. Engelbrecht, NEA/RA  
Department of State  
Washington, D.C. 20520

2. Draft Reports

5 copies                    Mr. H. A. Engelbrecht  
  
1 copy                      Contracting Officer  
CM/ROD/LAC  
Agency for International Development  
Washington, D.C. 20523

3. Final Reports

25 copies                  Mr. H. A. Engelbrecht  
  
1 copy                      Contracting Officer  
  
2 copies                    AID Reference Center  
Agency for International Development  
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.

\*Refer to text.

(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

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."

Attachment to AID 1420-41,  
Cost Reimbursement Contract  
June 1978

- 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 particular

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.

(1) 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.

(1) 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's 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.

26

LEAN 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.

## 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 permits 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."

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.

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76

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 PPR 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.

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NOTE:

\*1. PPR 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.

207