

PD-ABI-703

AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER OPAS (15 CFR 350)

RATING

PAGE OF PAGE

2. CONTRACT (Proc. Inst. Ident.) NO. 524-0329-C-00-3024-00

3. EFFECTIVE DATE June 1, 1993

4. REQUISITION/PURCHASE REQUEST/PROJECT NO. See Section G

1 | 68

5. ISSUED BY

Contracts Office AMEMB, MANAGUA USAID UNIT #2712 BOX #9 APO AA 34021

CODE

6. ADMINISTERED BY (If other than Item 5)

CODE

7. NAME AND ADDRESS OF CONTRACTOR (No. street, city, county, State and ZIP Code)

ACADEMY FOR EDUCATIONAL DEVELOPMENT 1255 23rd Street, N.W. Washington, DC 20037

Contact: Sheila S. Rabaglia

TIN No.: 13-611-0212

DUNS No.: 07-103-1280

8. DELIVERY

FOB ORIGIN

OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT

N/A

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:

ITEM

Section G.3

CODE

11. SHIP TO/MARK FOR

FACILITY CODE

CODE

N/A

12. PAYMENT WILL BE MADE BY

CODE

See Section G.3

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

10 U.S.C. 2304(c)(1)

41 U.S.C. 253(c)(1)

14. ACCOUNTING AND APPROPRIATION DATA

SEE SECTION G

15A. ITEM NO.

15B. SUPPLIES/SERVICES

15C. QUANTITY

15D. UNIT

15E. UNIT PRICE

15F. AMOUNT

The Contractor shall perform the services set forth herein. The Contractor's Technical proposal and RAFO are incorporated herein by reference with the same force and effect as if incorporated in full text.

16. TOTAL AMOUNT OF CONTRACT \$11,478,079

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 5 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the negotiation stated herein. The rights and obligations of the parties to this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications as are attached or incorporated by reference herein. (Attachment are listed herein.)

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheet. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or Print)

Sharon L. Franz Senior Vice President

19B. NAME OF CONTRACTING OFFICER

James E. Corley

BEST AVAILABLE COPY

19C. NAME OF CONTRACTOR

19D. DATE SIGNED

June 4, 1993

19E. SIGNED BY (Type or Print)

19F. DATE SIGNED

6/4/93

BY *[Signature]*
Signature of Person authorized to sign

BY *[Signature]*
Signature of Contracting Officer

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SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 OVERVIEW

The contractor shall provide/perform the technical services and submit/deliver the reports and other deliverables necessary to implement A.I.D.'s Basic Education Project (524-0329), as specified herein.

B.2. SERVICES AND SUPPLIES

This will be a Cost Reimbursement contract. For the consideration set forth in this Section B, the contractor shall, during the period specified in Section F.1 of this contract, provide and perform the following services and submit/deliver the following reports and other deliverables.

a. Services: Level of Effort

In accordance with Section C, Statement of Work and the contractor's original proposal and/or best and final offer which is accepted by A.I.D. through award of this contract, the contractor shall propose and provide/perform the employee, consultant, and/or subcontract labor, as further described hereinafter.

B.3. ESTIMATED CONTRACT COST AND FINANCING

a. The total estimated cost for the performance of the work specified in Section C of this contract, exclusive of the fixed fee, if any, is \$11,240,780. The fixed fee, if any, is \$237,299. The total estimated cost plus fixed fee, if any, is \$11,478,079.

b. The amount of funds currently obligated to this contract for performance hereunder is \$1,870,000. This amount is anticipated to be sufficient through January 31, 1994. The contractor shall not exceed this amount unless authorized by the Contracts Officer pursuant to the clause of this contract entitled "Limitation of Cost" (FAR 52.232.20) or "Limitation of Funds" (FAR 52.232.22), as applicable (see Section I of this contract.)

c. Funding for this contract will be provided in increments (hereafter referred to as "incremental funding") and will be obligated by modification to this contract. The contractor's rights and responsibilities under incrementally funded contracts are described in the clause of this contract entitled "Limitation of Funds" (FAR 52.232.22).

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B.4. BUDGET

a. The following itemized budget sets forth the estimates for reimbursement of dollar costs for individual line items of cost, and fixed fee, if any, for providing/performing the services and submitting reports and other deliverables as specified in this contract. Without the prior written approval of the Contracts Officer, the contractor shall not exceed the total estimated cost set forth in the budget hereunder, or the obligated amount, whichever is less (see Section B.3, above). Without the prior written approval of the cognizant A.I.D. Contracts Officer, the contractor shall not exceed the estimated dollar cost for any individual line item of cost shown below, or in any contract modification issued hereunder, by more than 15% of such line item, except for (1) indirect costs, which are governed by Section B.6 below, (2) salaries and wages, and consultant fees, which shall not be exceeded unless approved by the Contracts Officer, and (3) the fee which is fixed.

b. Itemized Budget

(SEE ATTACHED BUDGET)

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b. Itemized Budget Category	Year 1 Amount	Year 2 Amount	Year 3 Amount	Year 4 Amount	Year 5 Amount	Total Amount
Salaries and Wages	\$278,208	\$285,141	\$290,514	\$290,600	\$279,797	\$1,424,260
Fringe Benefits	66,029	66,765	67,438	66,478	66,924	333,634
Consultants	65,780	61,677	41,476	35,400	26,741	231,074
Travel/Transp.	81,188	89,002	101,591	98,125	50,563	420,469
Other Direct Costs	65,417	22,149	22,659	23,482	77,064	210,771
Subtotal	556,622	524,734	523,678	514,085	501,089	2,620,208
Indirect Costs	172,553	162,668	162,340	159,366	155,338	812,265
Allowances	121,900	119,584	124,210	129,047	136,223	630,963
Subcontractors	1,017,061	1,074,428	834,606	698,666	613,639	4,238,401
G&A	40,682	42,977	33,384	27,947	24,546	169,536
Participant Training	127,950	193,309	164,064	184,252	99,832	769,407
Fixed Fee	29,167	27,496	27,441	26,938	26,257	137,299
Subtotal	2,065,935	2,145,196	1,869,723	1,740,301	1,556,924	9,378,079
Equipment	400,000	400,000	400,000	400,000	400,000	2,000,000
Procurement Fee	20,000	20,000	20,000	20,000	20,000	100,000
Total Estimated Cost plus Fixed Fee	2,485,935	2,565,196	2,289,723	2,160,301	1,976,924	11,478,079

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NOTE: The inclusion of any dollar amount for subcontract(s) and/or major consultants in the above budget does not obviate the requirements of the clause of this contract entitled "Subcontracts under Cost-Reimbursement and Letter Contracts" (FAR 52.244-02), or Part 4(a) (5) of Section H of this contract for prior written approval by the A.I.D. official indicated therein.

The inclusion of any costs in the above budget does not obviate the requirement for Contracts Officer's prior approval of cost items designated as requiring such approval by the applicable cost principle (see clause of this contract entitled "Allowable Cost and Payment" (FAR 52.215.07), nor does it constitute a determination of allowability by the Contracts Officer of any item of cost, unless specifically stated elsewhere in this contract or in a modification thereto.

The foregoing budget is based on the contractor's proposal and/or best and final offer, which was accepted by A.I.D. through award of this contract, and which is incorporated herein by reference and is made a part hereof. The contractor's proposal and/or best and final offer may be used to substantiate negotiated agreements between the parties to this contract, but shall not supersede any terms and conditions under this contract.

c. The contractor agrees to furnish data which the Contracts Officer may request on costs expended or accrued under this contract in support of the budget information provided herein.

B.5. ESTABLISHMENT OF INDIRECT COST RATES

Pursuant to the clause of this contract entitled "Allowable Cost and Payment" (FAR 52.217.07), and, if applicable, the clause of this contract entitled "Predetermined Indirect Cost Rates" (FAR 52.216-15), an indirect cost rate or rates shall be established for each of the contractor's accounting periods which apply to this contract. Pending establishment of revised provisional or final indirect cost rates for each of the contractor's accounting periods which apply to this contract, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which is(are) set forth below:

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Description	Rate	Base	Type	Period
Indirect Cost	<u>31 %</u>	1/	1/	1/
Fringe Benefits	<u>30 %</u>	2/	2/	2/
G&A	<u>4 %</u>	3/	3/	3/

1/ Base of Application: Total direct costs excluding: subcontracts, equipment, overseas allowances, and participant training.

Type of Rate: Provisional

Period: 1/1/93 - Until Amended

2/ Base of Application: Direct Salaries

Type of Rate: Provisional

Period: 1/1/93 - Until Amended

3/ Base of Application: Total Subcontract Costs

Type of Rate: Provisional

Period: 1/1/93 - Until Amended

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

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

a. 1) The distribution base for establishment of indirect cost rates shall be total direct costs, excluding subcontracts, equipment, overseas allowances, and participant training costs.

2) The distribution base for establishment of final G&A rates shall be total subcontract costs.

b. The contractor shall make no change in his established method of classifying or allocating of indirect costs without the prior written approval of the Contracts Officer.

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

For Accounting Period Ending	G&A Rate	Indirect Cost
<u>1/1/93 - 5/31/98</u>	<u>4.5%</u>	<u>34.10 %</u> _____%

d. The Government shall not be obligated to pay any additional amount on account of indirect costs above the ceiling rates established herein. Final indirect cost rates exceeding the ceiling rates applied to the base shown above shall be absorbed by AED and will be considered as shared costs. Other U.S. Government contracts/agreements shall not absorb these costs.

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

f. In the event final rates are lower than the provisional or ceiling rates established in the contract, the Government shall pay the lower rate.

B.7. COSTS REIMBURSABLE, PAYMENT, AND LOGISTIC SUPPORT TO THE CONTRACTOR

a. Cost Reimbursable

In accordance with the clauses of this contract entitled "Allowable Cost and Payment" (FAR 52.216-07) and "Documentation for Payment" (AIDAR 752.7003), the contractor shall be reimbursed in U.S. dollars for reasonable, allocable, and necessary costs incurred during performance of this contract, subject to the clauses of this contract entitled "Limitation of Cost" (FAR 52.232.20) and "Limitation of Funds" (FAR 52.232.22), and other applicable terms and conditions of this contract.

b. Fixed Fee

In addition to reimbursement of costs pursuant to Section B.6.(a) above, the contractor shall, if the clause entitled "Fixed Fee" (FAR 52.216-08) is applicable to this contract, be paid a fixed fee in accordance with said clause. Payment of such a fee, if applicable, will apply at the time of each payment to the contractor for allowable dollar costs, such that 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 for allowable dollar costs is to the total

estimated cost, as amended from time to time; provided however, that whenever in the opinion of the Contracts 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 Contracts Officer, to justify further payment of fee up to the agreed ratio; provided further, that after payment of eighty-five (85) percent of the total fixed fee, the provisions of the clause of this contract entitled "Fixed Fee" (FAR 52.216-08) shall apply.

c. Payment

1) Payment shall be made in accordance with the clauses of this contract entitled "Allowable Cost and Payment" (FAR 52.216-07), "Prompt Payment" (FAR 52.232-25 and Alternate II), "Documentation for Payment (AIDAR 752.7003), and if applicable, "Fixed Fee (FAR 52.216-08) and "Letter of Credit Advance Payments" (AIDAR 752.232-70).

2) Payment shall be made by the payment office designated in Section G of this contract.

d. Logistic Support

1) The contractor shall be responsible for providing or arranging all logistic support in the United States and shall generally be responsible for providing or arranging for all logistic support for its overseas performance of this contract.

- - Office space will be provided by the cooperating country.

2) To the extent that the U.S.A.I.D. Mission or a cooperating country provides logistic support for the contractor's overseas performance under this contract, the use of such logistic support will not be charged by the Cooperating Country and/or the U.S.A.I.D. Mission to the contractor, and shall not be charged by the contractor to this contract. Logistic support provided in the form of local currency shall be paid to the contractor in a manner adapted to the local situation and as agreed to by the Mission Director, in writing. The documentation for such costs shall be on such forms and in such manner as the Mission Director shall prescribe.

3) If, under emergency circumstances, it is necessary for a Mission to pay for any in-country costs on behalf of the contractor in order to facilitate implementation of any activities under this contract, the Mission may bill the contractor for such costs, and the contractor, may, in turn,

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charge those cost against this contract (however, see paragraph 2 above where logistic support to be provided by the Mission will be provided without charge). Under no circumstances will the Mission recoup those costs via an Advice of Charge (AOC) to the paying office. In addition, in order to maintain the contractor's responsibility for compliance with the clauses of this contract entities "Limitation of Cost" (FAR 52.232-20) and "Limitation of Funds" (FAR 52.232.22), a Mission may not pay any in-country cost without the prior written approval of the contractor, which approval must indicate a maximum amount which may be paid.

END SECTION B

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SECTION C - DESCRIPTION/SPECS./WORK STATEMENT

I. Background

The prolonged civil war that ended with the election of a constitutional government on February 25, 1990, inflicted high costs on the country's educational system, particularly primary education in rural areas. As the war escalated, desertion of teachers grew and many rural people fled to Managua for safety. Compounding the problem, a depressed economic situation deprived schools of even the most basic supplies such as notebooks and pencils.

Despite this situation, access to basic education is not currently considered a major problem in Nicaragua. In 1990, for instance, the Nicaraguan gross enrollment ratios (GERs), calculated as the ratio between total primary enrollment (grades 1-6) and school-age population, was over 90 percent. This GER compares favorably with the rest of Central America.

The key concerns which the Government of Nicaragua (GON) faces are related to efficiency and quality of the educational system. The efficiency of the Nicaraguan system, measured in terms of repetition, dropout, net survival, and the percentage of students reaching sixth grade, is a serious drawback. Recent studies show that at present Nicaragua's primary education system has the lowest internal efficiency in Central America. Approximately 22 percent of those entering first grade complete sixth grade education and 16 student/years of effort are needed to produce one sixth grade graduate. Averages for Central America are about 55 percent and 10 student/years of effort.

Likewise, the quality of Nicaragua's educational system, measured in terms of the adequacy of the curriculum, teaching methods, availability of teaching materials, etc., is poor. There is currently no way to measure the skills attained by students at any level.

Projections show that Nicaragua's primary school age population will grow by over 200,000 during the 1990s. Presently, primary school enrollment totals 648,277 students, a total projected to reach 855,200 students by the year 2,000.

The teaching staff required to meet the needs of those attending school and the increasing school age population is inadequate. Currently, over one-third of the teachers are unqualified, a rate likely to continue growing unless corrective actions are taken. It is estimated that between 2,000 and 3,500 additional trained teachers will be needed to meet the projected demand during the next decade if the present teacher:student ratio

is maintained. Nicaragua's current teacher training system is unable to adequately train teachers.

II Description

The purpose of the Basic Education Project is to improve the quality and efficiency of primary education in Nicaragua. Specifically, the Project will reduce repetition, increase the percentage of children completing the sixth grade, and improve the quality of basic education.

When the Project ends in FY 1998, Nicaragua's basic education system is expected to be managed by a strong Ministry, using an effective and relevant curriculum taught by an effective and well-trained cadre of career teachers. Equally important, the quality and efficiency of basic education in Nicaragua will have improved as measured by:

- a 50 percent reduction in repetition rates in the first four grades,
- a 20 percent increase in language arts and mathematics test scores,
- improvements in academic achievement,
- an increase in primary school completion rates,
- a decrease in years to produce a 6th grade graduate,
- a reduction in the dropout rate, and
- a formalized student evaluation system will have been established.

The three components of the project are related and implementation must occur in an integrated manner in order to attain the desired impact of improving the quality and efficiency of primary education. The planned level of effort under each of these categories and the outputs or deliverables for which the contractor will be held responsible are described under Section IV of this document.

The project will finance technical assistance, training, commodities (including certain primary school materials), studies, certain primary school materials and local project implementation costs to help the Ministry of Education (MED) achieve the major outputs under the three components. A brief description of each component as well as planned project outputs follows:

II.B Institutional Strengthening of the Ministry of Education

The MED has recently modified its organizational structure but responsibilities, functions, and relationships have not yet been clearly defined. The MED lacks sound organizational sub-systems in the areas of personnel, payroll and records, planning,

budgeting, and control. Further, the MED has set a policy agenda to improve the educational system but lacks the capability to implement it effectively. Overall, the MED lacks trained human resources and adequate materials to support the implementation of the structural changes undertaken or being planned and lacks the ability to collect and analyze data to support its decision-making process.

To assist the MED in institutional strengthening, the project will finance a package of technical assistance, training, commodities, and related local costs under three broad categories: 1) Improving Central MED Operations; 2) Improving the MED Policy Formulation and Implementation Capability; and, 3) Improving the MED's Management Information System.

1) Improving Central MED Operations

The Project will finance extensive local training and some short-term external training as key means of upgrading the institutional capability of the MED. Project-funded technical assistance, in addition to providing training, will assist the new MED Training Office to create the capacity to design and carry out effective training programs in institutional procedures at both the central and local levels.

Training, mostly short-term, in the United States or in third countries will complement local training activities. The exact content and timing of training courses will be developed as a result of a training needs assessment to be carried out during the first year of project implementation. Courses will be tailored to the needs of specific MED offices, and will include financial management, inventory management and planning, personnel, and general administration.

The Project will also finance commodities required to complement the technical assistance and training efforts, especially as related to improving the MED's administrative functions. Planned commodities under this component include computers and software to support the automation efforts and to facilitate the sound functioning of personnel, planning, financial, training, and related management systems which will be developed during the life of the project.

2) Improving the MED Policy Formulation and Implementation Capability

Planned assistance under this activity will help the MED in the implementation of current policy decisions e.g. decentralization and curriculum reform. In addition, it will help the MED to develop and implement a budget allocation process with

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the GON consistent with the sectoral priorities announced by the GON, including the emphasis on primary education.

The project will support the MED in two major areas:

a. It will support the implementation of the revised functions of the new Central MED organization through the development, testing, evaluation, and installation of sound and effective management procedures.

b. It will assist the Central MED in building an implementation capacity at the local level (decentralization). To accomplish this, the project will develop various options to assist the MED in converting from an institution which directly administers the entire education system to an institution which sets policy for, monitors, and evaluates a more decentralized system. The efforts within this section will be accomplished largely through technical assistance, as described under Section IV of this document.

3) Improving Management Information Systems

To support the activities under all project components and to facilitate evaluation of project impact, the selected contractor must assist the MED in developing an effective Management Information system (MIS). At the central level, the focus of the MIS will be on the key administrative elements of personnel management, budget and finance, inventory and educational materials, educational statistics and planning, and the linking of the central MED with geographic regions to obtain pertinent data.

The improved data collection system will be supported by an automated data processing capability which will provide the MED with an ongoing analysis capability and the capacity to prepare statistical reports, models, and projections. At the municipal level, it will support the related activities of school directors, municipal delegates, and supervisors.

Project support to develop the MIS will consist of short-term technical assistance to help the MED design the system, commodities (computer systems, software, supplies, etc.), training (both of end-users and MIS development staff), and locally-contracted services (for equipment maintenance, upgrading and software development).

By the end of the project, the following activities/goals should have been accomplished:

Up to 600 MED employees, national school supervisors, and

municipal level employees trained in educational planning, policy formulation and implementation processes, management and administrative skills, accounting, budgeting, and financial management, the MED school supervision system, and the implementation of a management information system.

- A consultative mechanism established to review and formulate educational sector policies and develop action plans for their implementation.
- An employee merit hiring and promotion system, including an employee evaluation mechanism, established.
- Manuals on MED personnel policies and procedures developed.
- A Management Information System established.

II.C Teacher Training

While Nicaragua currently has an accreditation program, inadequate teacher training, as well as inadequate instructional materials, are major factors which contribute to the poor quality of the education.

To improve primary instruction, the Teacher Training Component will assist the MED in the following activities:

- 1) develop a Basic Education Guide; 2) provide in-service and pre-service teacher training in appropriate primary education methodologies and use of existing instructional materials; 3) strengthen existing teacher training delivery mechanisms such as Normal Schools; 4) create an in-service teacher training system to work with accredited and unaccredited teachers; and 5) develop demonstration and laboratory schools and teacher training centers.

To reinforce training and transfer of innovative teaching technology, two approaches are planned: 1) the establishment of 40 demonstration schools (within existing schools) near training centers at the municipal level; and 2) the establishment of laboratory schools corresponding to each of the 12 Normal Schools, each of which will be equipped with master teachers and appropriate materials.

The Project will sponsor a Master Teachers Program for which teachers will be recruited from among those teachers who are generally recognized as among the best Nicaraguan primary school teachers.

The laboratory schools will be utilized to test first-drafts

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of student materials and teacher guides to ascertain their appropriateness for the designated grade-level, as well as the clarity and practicability of the instructions to the teacher.

Micro-teaching techniques will enhance the pre-service program and future certified teachers will eventually enter the profession with the required skills to contribute to the quality and efficiency of education. Each Normal School will be provided audio/visual equipment for micro-teaching purposes, including video equipment and related accessories which will help improve the pre-service training program over the life of the project (LOP).

By the Project Assistance Completion Date (PACD), nearly all non-certified teachers will be trained and will be implementing child-centered action plans utilizing the Basic Education Guide, as well as other available instructional materials generated and distributed during the LOP. Over 9,000 certified teachers will have also received child-centered training and transfer of related technology. Approximately 3,000 newly graduated teachers will be placed through active collaboration between Normal School personnel and municipal delegations.

By the end of the project, the following achievements for this component will have been accomplished:

- A Basic Education Guide (BEG) developed and up to 20,000 copies distributed.

Note: This BEG is distinguished from the teachers' guides referred to elsewhere in this document in that the BEG will be a publication targeted not only to teachers but also to GON decision makers, community leaders, parents, etc. to set the stage for broad involvement in addressing Nicaragua's basic education issues. (It may take different forms, with sections expanded, summarized, etc... depending on the target audience.)

- A Master Teacher Training Program established.
- 12 laboratory schools within existing Normal Schools established.
- 40 Primary education demonstration schools established.
- Up to 2,800 Central MED decision makers, Normal School professors, practice teaching teachers, demonstration school teachers, methodologists, supervisors, parents, and community leaders trained on the use of the Basic Education Guide and on subjects related to improvement of the quality

of basic education.

- 120 master teachers trained.
- 12,000 primary school teachers or grades 1-4 trained.

II.D Curriculum Development and Materials Production

Among the problems related to the lack of and/or poor curriculum and instructional materials affecting the quality and efficiency of Nicaragua's primary education system are: 1) lack of guidance on grade-level competencies being presented in textbooks; 2) lack of teaching guides for new textbooks and possible inadequacies of existing guides; 3) lack of curricular flexibility; and 4) lack of quality measures for instructional impact.

The project will increase literacy, numeracy, and social skills among the Nicaraguan primary school population. By improving the quality of instructional delivery, the project will create learning situations which offer children an opportunity to: 1) make normal academic progress through primary school and 2) use their learning experiences in their daily lives.

This component will assist the MED in achieving the following results: 1) increasing the percentage of Nicaraguan primary children who meet grade level expectations and advance in grade each year, especially with regard to the first four grades of the primary education system; 2) improving the usefulness and relevance of current and future Nicaraguan primary school instructional materials; 3) creating a permanent capacity within the MED to design and produce curriculum and instructional materials; and 4) developing, in concert with other project components, the capacity within the MED for procurement, distribution, and monitoring of end product use and retrieval/reissue of low-cost instructional materials for primary grades.

Three major activities are planned:

1. The creation/revision of teacher guides to maximize the utility of current texts;
2. The development and testing of new materials for the first four grades; and
3. The development of adequate cost recovery mechanisms for instructional materials.

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These major activities will be complemented by ancillary activities including: 1) the development of student assessment procedures within the classroom; 2) the training of teachers regarding competencies to be achieved in each grade-level; 3) the provision of classroom resources; and 4) the development of standardized tests to be administered to students on a random sampling basis.

This component will create a capacity within the MED's curriculum department to develop appropriate modular instructional materials which will have the flexibility to be used effectively in a variety of current and future instructional configurations (e.g. unitary first and second grade, multi-grade classrooms) and will be employed to improve the internal efficiency of the Nicaraguan primary education system.

As the major problems with repetition in the Nicaraguan primary education system occur in the early years of primary schooling, the curriculum development and instructional materials design component of the project will focus on the first four years of primary education. Upper primary grades will, however, also benefit through improved teacher guides that tie the use of existing texts closely to Ministry instructional objectives and through the replacement of current texts lost through natural attrition.

During the first two years of the project, the existing primary textbooks will be restocked as required while the new innovations in curriculum materials are designed, produced and tested. To complement this initial response, the project will provide funding to produce teaching guides for such books thereby enhancing their usefulness. The use of existing primary education textbooks is an adequate interim response to the problem of lack of instructional materials until instructional materials are developed, produced, and tested.

The following achievements/goals should have been achieved by the end of the project:

- A revised, relevant curriculum developed for primary education students. New curriculum reflects revisions in language arts, mathematics, and civic teaching materials.
- 7,500 new teacher's guides produced and distributed.
-
- New instructional materials developed for grades 1-4 in language arts, math, and civics.

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- **Cost and materials recovery mechanisms developed leading to a 10 percent increase in cost recovery over 1991.**
- **Procedures for student assessments and grade-level competencies developed and tested as new evaluation instruments.**
- **2,500 learning kits delivered to primary schools throughout the country to complement other teaching materials and help the teachers with practical applications tools.**

END SECTION C

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SECTION D - PACKAGING AND MARKING

1. REPORTS

Pursuant to the clause of this contract entitled, "Reports" (AIDAR 752.7026), the cover page of all reports prepared by the Contractor shall conform to the standards set forth in the aforementioned clause.

2. SUPPLIES AND COMMODITIES

Any supplies and equipment/commodities purchased and shipped or provided by the Contractor shall be marked in accordance with the clause of this contract entitled, "Marking" (AIDAR 752.7009). Unless otherwise specified, all commodities shipped overseas shall be in accordance with the suppliers standard export packaging.

END SECTION D

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SECTION E - INSPECTION AND ACCEPTANCE

1. RESPONSIBLE OFFICIAL

In accordance with the clauses of this contract entitled, "Inspection of Services - Cost Reimbursement" (FAR 52.246-05) and "Limitation of Liability - Services" (FAR 52.246-25), inspection and acceptance of all services and supplies required hereunder shall be made only by the cognizant A.I.D. Project Officer (see Section G of this contract), and not by any other official of the USAID Mission or any other A.I.D. office. Inspection and acceptance of services and supplies by the cognizant A.I.D. Project Officer shall form the basis for payments to the contractor.

2. PLACE OF INSPECTION AND ACCEPTANCE

A.I.D. inspection and testing of services and reports and other deliverables required hereunder, if any, shall take place at USAID/Nicaragua in the General Development Office (GDO) or any other location where the services are provided/performed and reports and other deliverables are produced or submitted/delivered. Acceptance of services, reports and other deliverables required hereunder shall take place in the USAID or any location where the services are provided/performed and reports and other deliverables are produced or submitted/delivered.

3. EVALUATION

The GDO will arrange to review contract activities and the Contractor's performance at any other point during contract performance as A.I.D. deems appropriate. Review results may be used within the framework of contract terms and scope to provide technical directions to the Contractor. The GDO may elect to conduct such reviews with its own staff or through the services of independent entities.

END SECTION E

SECTION F - DELIVERIES OR PERFORMANCE

1. PERIOD OF CONTRACT

The effective date of this contract is the date indicated on the cover page. The estimated completion date is five (5) years thereafter.

2. TECHNICAL DIRECTIONS

Performance of the work hereunder shall be subject to the technical directions of the cognizant A.I.D. Project Officer. Only the cognizant A.I.D. Project Officer (and not any other A.I.D. official) may issue technical directions. 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 any modifications issued hereunder, shall not change or modify them in any way, and shall not constitute changes (as described in the clause of this contract entitled "Changes - Cost Reimbursement" (FAR 52.243-02, Alternate II), which may only be issued by the Contracts Officer. The Contractor shall comply with the clause of this contract entitled "Notification of Changes" (FAR 52.243-07).

3. PLACES OF PERFORMANCE

Performance of this contract shall be in Managua, Nicaragua and its environs as well as the home office of the contractor and his subcontractors.

4. CONTRACT OBJECTIVE

The contractor shall furnish all necessary facilities, material, and personnel (not to exceed 338 person months [P/M] for the life of this contract) and services to USAID/Nicaragua and the MED to implement and manage this Project as described herein. One of the responsibilities of the contractor shall include the preparation, in concert with the MED and USAID, of a yearly implementation/workplan. The plan shall will include the details of the mix of resources to carry out the project and the timing for the provision of such resources. It will include log frame objectives to be achieved by the project and provide

milestones for achieving these objectives, and where possible the means to measure them. (See Section F.7)

5. PERSONNEL REQUIREMENTS

a) The following is a description of personnel requirements and the level of effort to be provided by the contractor hereunder. [The staffing plan described herein is illustrative, and provided to assist offerors in developing their staffing plans. However, deviations from it should be fully justified in the proposal.] Notification by the contractor subsequent to award of the contract but prior to deployment of staff, may be justification for termination of the contract for cause, and for proceeding to contract with an appropriate alternative offeror.

[FOR PROPOSAL PREPARATION PURPOSES: Offerors should submit, as part of the technical proposal, names and supporting data for all key personnel. All key personnel must be dedicated 100% time to the contract unless otherwise stated below. Curriculum vitae, letters of commitment, and proposed field placements should be included in the proposal for these individuals who should be budgeted for the number of months indicated below. Prior Contracts Officer approval and CTO concurrence will be required for all professional staff and consultants hired by the contractor and paid under the contract.]

6. LEVEL OF EFFORT AND KEY PERSONNEL

a) The key personnel that the contractor shall furnish for the performance of this contractor are as follows:

Position Title

Chief of Party
Teacher Training
Curriculum Development
& Materials Production

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 Contracts 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 written consent of the Contracts Officer; provided, the Contracts

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Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracts Officer required by this clause. Proposed substitutions must be submitted simultaneously to the Contracts Officer and the Project Officer not later than 30 days after the diversion of any of the specified individuals. Failure to comply with these terms may be considered nonperformance by the Contractor. The listing of key personnel may, with the consent of the contracting parties, be amended from time to time during the course of this contract to either add or delete personnel, as appropriate.

c) The caliber of personnel proposed by the contractor, assuming such personnel meet or exceed the personnel requirements set forth below, shall become the base level for measurement of skills requisite to perform under the resulting contract. The contractor shall retain responsibility for insuring maintenance of this skill base throughout the life of the contract. Any proposed changes to the Key Personnel skill base shall require the written consent of the Contracts Officer with concurrence of the CTO; any changes in other professional staff shall only require the concurrence of the CTO. [Offerors are advised that Letters of Commitment for key personnel shall be required before reaching contract award.]

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d) Level of Effort

1. The total life-of-contract level of effort is estimated at 180 person-months the Chief of Party and other long-term professional staff and 158 person months for short term consultants as outlined in the illustrative table below.
2. In addition to the three long-term key personnel listed below, the Contractor shall indicate the key personnel and other profession support staff (long-term, U.S.-based) essential to assure the performance of this contract.

Person Months Level of Effort by Task Category

<u>Category</u>	<u>Person-Months</u>
1. Long-Term Key Personnel	
Chief of Party	60
Teacher Training	60
Curriculum Development & Materials Production	60
Subtotal 1.	180
2. Short Term Consultants	
Institutional Strengthening	60
Teacher Training	41
Curriculum Development & Materials Production	57
Subtotal 2.	158
Total Person Months (Long & Short-Term)	338

NOTE: The provision of some of this effort may be provided through subcontracts and or/consultants. However, pursuant to the clause of this contract entitled "Subcontracts Under Cost Reimbursement and Letter Contracts (APR 1984)," such subcontracts may require the prior written approval of the Contract Officer; and, pursuant to the clause of this section entitled "Personnel Compensation", consultants may require the prior written approval of the A.I.D. Project Officer and/or the Contracts Officer, as specified herein.

3. Unless otherwise approved by the cognizant A.I.D. project officer in writing, it is understood and agreed that, with the exception of Key Personnel, the rate of person-months per year utilized may fluctuate in pursuit of the technical objective provided such fluctuation does not result in the

utilization of the total person-months of effort prior to the expiration of the term hereof. It is further understood and agreed that the number of person-months of effort for any classification, except for the person-months of the Key Personnel, may be utilized by the Contractor in any other labor classification if necessary in the performance of the work, provided that the total person-months of effort specified above is not exceeded. For the purposes of this contract, a person-month of effort is defined as one person working 8 hours per day for 22 days.

4. The Contracts Officer may, by written order, direct the contractor to increase the average daily rate of utilization of effort to such an extent that the total person-months 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

e. General Requirements

All activities to be carried out by the Contractor must be coordinated to attain the project purpose of improving the quality and efficiency of primary education in Nicaragua. Although the level of effort and deliverables described herein reflect significant implementation details based on studies carried out during the design stage of the project, offerors are encouraged to propose alternate staffing and level of effort consistent with attaining the ultimate project objective.

The offeror should propose a staffing pattern, including an organization chart, both locally and in the United States which it believes is justifiable, explaining the reasons for the staffing requirements. Offerors are encouraged to employ local Nicaraguan staff as appropriate, in lieu of expatriates.

Under the Institutional Strengthening Component, the contractor will provide one advisor in Institutional Building/Administration for up to 60 person-months and approximately 60 person-months of short-term assistance, carry out local training activities, arrange external training, and procure certain project commodities as discussed herein.

Under the Teacher Training Component, the contractor will provide the services of a long-term Teacher Training Advisor for approximately 60 person-months, approximately 41 person-

25

months of short-term assistance (mostly to carry out training workshops and studies), and procure commodities (approximately \$1.1 million) including seminar/workshop supplies, the Basic Education Guide previously described, demonstration school supplies, etc.

Under the Curriculum Development and Instructional Materials Component, the Contractor will provide one long-term advisor in the area of Curriculum Development and Instructional Materials for approximately 60 person-months; approximately 57 person-months of short-term specialists, carry out training activities and procure certain commodities, including hardware and software to prepare teaching materials, textbooks, and related instructional materials.

The three long-term technical advisors (in Administration, Teacher Training, and Curriculum Development) will work with MED counterparts in programming the short-term experts, developing the detailed scopes of work for each expert, and their actual selection. The availability of such short-term experts locally should be explored prior to considering external sources.

The Contractor will be required to prepare annual work plans, in concert with MED counterparts and in close coordination with the USAID/Nicaragua Project Manager, to implement the Project. Adjustments to the planned inputs and the corresponding budget will be made as required based on the yearly work plans.

To optimize the transfer of the experts' experience to corresponding MED counterparts, the MED plans to assign office space to each long-term advisor as close as possible to his counterpart. In addition, the MED will assign adequate space for a pool of project support personnel, such as secretaries, the project administrator, and short-term experts. Space will also be provided for periodic meetings and exchange of information between project-funded experts and MED counterparts.

Even though the Project design is specific as to the various actions to be undertaken to attain the Project objective, offerors may propose refinements and improvements to the currently planned scope of work as long as such refinements and improvements facilitate the attainment of the desired Project outputs and objectives.

f. Specific Requirements

By component, the contractor's specific duties and

responsibilities include the provision of the following:

(1) Institutional Strengthening of the MED

a) Technical assistance

- One long-term Administration/Institutional Development Advisor, up to 60 person-months of short-term assistance, and related local personnel to strengthen the MED's capability, particularly as it relates to improvements in the quality and efficiency of basic education. The Administration Advisor will work at the central MED, will have the Directors General of Administration and Planning as day-to-day counterparts, and will be available to advise the Minister, when required. S/he will also act as Chief of Party (COP), and will be responsible for the coordination of all activities to improve the MED's administrative capacity and organization. This person will assure that these are implemented as necessary to support the sustained functioning of the other project components. The key tasks of this advisor will include the following tasks:
 - Coordinate the work of the external team of advisors to be provided through a qualified U.S. firm.
 - Design and implement a planning process in the MED as a decision-making tool.
 - Conduct a detailed analysis of the MED's present system for adopting, recording, disseminating, and executing organizational policies and advise concerned MED staff on the implementation of improvements to the system.
 - Plan and facilitate a yearly two-day planning and priority setting retreat for the Minister and MED Directors General. This retreat will include a report on progress of the project and a priority-setting exercise for the next year.
 - Design and carry out an on-the-job training program for selected MED personnel on MED management issues, objectives, and priority setting.
 - Help the MED Planning Office in the design and implementation of a study on the contribution of administrative improvements to the delivery of primary education services.
- Provide a yearly workplan with measurable indicators for attaining the Project outputs and objectives.

The Chief of Party (Administration/Institutional Development Advisor) will also help the MED to define policies and develop the related implementation plans. One key aspect of this role will be to identify short-term technical assistance to help in the design and implementation of such policies. Specifically, the COP, assisted by local and U.S. short-term consultants, will:

- Work with the MED Minister and the National Education Council to set-up a consultative process and a policy agenda for education. This will consist of group facilitation and organizational development activities and will take place at regular council meetings and a yearly retreat/seminar sponsored by the project.
- Conduct a study on the implementation capacity of municipalities to manage and contribute to education at the municipal level.
- Assist in the development of the Office of School Supervision's functions, policies, and procedures and in the organization of the new Offices of Departmental Coordination. Review alternatives for the possible relationships of these offices and make recommendations to the Directors and the Minister.
- Assist in the design and execution of a manual of organizational policies and procedures and a manual of procedures, including forms and instructions for the office of school supervisors.
- Review MED basic education plans and program goals and make pertinent recommendations. Assist in the design and implementation of a model of the MED planning system - its elements, staff utilization, enrollment projections, and basic system flow statistics.
- Review the MED's capability to evaluate its primary education system and make recommendations for improvements. In addition: 1) assist the evaluation unit of the MED Planning Directorate in the design and execution of a formative evaluation of the Basic Education Project; 2) train and supervise the unit in developing a project management and tracking system, and 3) provide on-the-job training to MED counterparts in the related aspects of this statement of work.
- Develop a merit and job classification system in the MED, design sound recruitment and selection processes and procedures, and assist in the design and execution of a

personnel performance appraisal system.

- Develop within the MED the capacity to coordinate donor activities to assure the effective use of resources and avoid repetition of effort.
- Assist the personnel office in conducting an inventory of personnel records kept by the MED; review alternatives for physical storage of the records and make recommendations to the MED on cost-effective storage alternatives; survey the use of the records and assist the personnel office in the design of a useful, cost-effective index system for records access; and train MED employees on the implementation of the system.
- Provide technical assistance to the new Training Office in Human Resources, including: 1) assist Training Office personnel in conducting a training needs assessment and in designing and implementing a training plan for central MED and municipal personnel involved in basic education activities; 2) design a system to carry out training needs assessments and train concerned MED personnel; 3) assist in developing and testing three training demonstration modules using video instruction; and 4) assist the Training Office in preparing and carrying out workshops on performance appraisal, management, and office skills and administration.
- Assist during the early stages of Project implementation in the design of a suitable system and manual for the MED to prepare its yearly budget in accordance with the GON budget cycle.
- Help in the early stage of the project to design a cash accounting system for the Central MED.
- Strengthen the capability of the General Services Office. Review the MED's system for receiving, storing, and shipping materials and equipment with special emphasis on textbooks and related instructional materials, and recommend pertinent improvements. In concert with the Director of General Services, assess the MED's storage and security needs at the central Ministry and the municipalities and help identify pertinent local technical assistance under the project.
- Identify suitable local (e.g. departmental and municipal) storage options for materials and help the MED to establish well-functioning storage facilities, develop a security system and design a physical auditing system for MED warehouses and materials.

In addition, the Contractor will provide the services of a local Administrative Officer, who will work under the supervision of the long-term advisor in the overall management and coordination and logistic support of project activities. This person will be responsible for office management of the contractor's office and supervision of office personnel, an estimate of which should be included in each offeror's proposal. The Administrative Officer will also be responsible for accounting and procurement. This person should have experience in office management, accounting, and, if possible, AID procedures.

b) Training

The contract will finance both local external training and training provided by long and short term technical assistance as a key means to upgrade the institutional capability of the MED. Each of the three long term advisors will carry out training needs assessments and develop an appropriate training plan. Then, they will develop training programs for their counterparts and relevant MED personnel as part of their scopes of work. Local training opportunities will be carried out by the contractor through short term and long term technical assistance.

All technical specialists under the contract, who design and install systems (e.g. budgeting personnel) will consult with the MED Training Office for training course design purposes. It is expected that approximately 200 MED personnel will be trained either on-the-job or through local seminars and workshops, carried out by the MED using either MED staff and/or contractor personnel.

In addition, the MED Training Office will develop other short-term training programs for use in workshops with the help of short-term technical assistance. As result of this effort, approximately 315 MED employees will be trained locally in general office skills and administration, general management topics, appraisal instruments, etc.

Technical assistance will assist the new MED Training Office to create the capacity to design and carry out effective training programs in institutional procedures at both the central and local levels. Included are 21 five-day workshops to be carried out by the Training office. These workshops will train over 180 municipal level employees in MED management systems, accounting, budget preparation and financial management, and supervision principles and procedures.

Training, mostly short-term, will be carried out by the contractor in-country, in the United States, or in third countries to complement the above local training activities. The exact content and timing of the training courses will be developed as a result of a training needs assessment to be carried out during the first year of project implementation. Courses will be developed and tailored to the needs of specific MED offices.

The key training fields are expected to include: financial management, inventory management and planning, personnel, and general administration. Participants to be trained will include approximately:

- 80 MED managers on general public administration, budgeting, personnel, and planning aspects.
- 12 MED personnel in specialized areas such as job classification and wage and salary administration.
- 25 persons in data planning, collection, and analysis.
- 25 persons in project management and program evaluation.
- 12 Central MED managers in budgeting and financial control.

The contractor will develop the MIS utilizing short-term assistance to help the MED in the design of the system, commodities (computer systems, software, supplies, etc.), training (both of end-users and MIS development staff), and locally-contracted services (for equipment maintenance, upgrading and software development). Planned assistance to develop and implement the MIS includes the following activities:

- assist the MED in establishing the systems design and implementation plan.
- assist the MED in the design of new applications and promotion of the utilization of system products.

The contractor may subcontract with local institutions for end-users' short-term training courses on spreadsheet, word processing and other "canned" software packages. Because of expected personnel rotation in the MED, these courses are

planned throughout the first five years of the Project, although they may be concentrated in the first year. The following is illustrative of the types of training envisaged:

- 10 participants will be trained in specialized database design techniques at a local institution. These participants will be from the Information Directorate.
- A total of 11 observation trips to other Central American countries (Guatemala, El Salvador and Costa Rica) where similar educational MIS development efforts are taking place.

B(2) Teacher Training.

a) Technical Assistance

The Contractor will provide:

- One long-term Teacher Training Advisor for approximately 60 person-months and up to 41 person-months of short-term technical assistance, mainly for the seminars and training workshops. In addition to assisting MED counterpart personnel involved in teacher training activities, this advisor will coordinate the provision of short-term technical assistance for the various activities to be carried out under this component. The long-term (60 p/m) Teacher Training Advisor will work, in concert with short-term experts as required, with MED counterparts at the Central MED level, Normal Schools, the 40 Teacher Professionalization Centers, and with Municipal Delegations.

A team of short-term technicians will work with MED counterparts to:

- Develop the Basic Education Guide which will focus on child-centered interventions which contribute to the improvement of primary education.
- Produce and distribute 20,000 copies to all primary school teachers, PTAs, 40 Teacher Professionalization Centers, 12 Normal Schools, 148 Municipal Delegations, NGOs, other donors, and key MED personnel. Additionally, copies will be placed in the 12 Normal School libraries and the 40 demonstration Schools (for teacher training or "professionalization").

To assist in activities within both the Teacher Training component and the Curriculum and Materials Production Component, the project will provide complementary U.S. and third country short-term technical assistance with expertise and experience in lessons learned in basic education, child development, active student participation, classroom management, learning centers, small group instruction, peer teaching, practical low-cost materials development, whole language acquisition principles and activities, parent and community involvement, school maintenance, and qualitative evaluation. The timing and specific duration of this assistance will be determined by the U.S. TA firm, the MED, and USAID as part of the yearly work plan preparation process.

b) Training:

Most of the required training will be provided in-country by MED personnel and external specialists. Training will focus on the use of the materials in classroom settings and will deal with encouraging student problem-solving in relation to desired student competencies. Training activities to assist the MED in this area include the following activities:

- Assist MED counterpart specialists in training a cadre of teachers from selected primary schools of Nicaragua. These teachers will assist in short-term hands-on nationwide training in the innovative utilization of reformed curriculum guides for language arts (thematic design) and math.
- Provide varying types of in-service training for approximately 12,000 primary school teachers in grades 1-4 during the LOP.
- Provide training related to the improvement of the quality of basic education to nearly 2,800 Central MED decision makers, Normal School professors, practice teaching teachers, demonstration school teachers, methodologists, supervisors, parents, and community leaders.
- Work with local counterparts in developing teaching materials to be used by the trained teachers as a measure to improve the quality of primary education, as discussed under the Curriculum Development and Instructional Materials component.

B(3) Curriculum Development and Materials Production

a) Technical Assistance

The contractor will provide one LT specialist for a period of up to 60 person months and up to 57 p/ms of short-term specialists to help the MED carry out the activities described herein. The long-term specialist will:

Assist the curriculum unit to develop a curriculum mastery plan and curriculum frameworks for each area and grade level. This detailed specification will build on the general specification work done previously and will be completed in six months (April-September 1993). The overall direction of the effort will be undertaken by the same MED technical team charged with developing the initial general competencies and teacher guides for existing texts.

Conduct workshops and assist the curriculum unit staff to develop modules emphasizing interactive child-centered approaches which encourage independent thinking by the learner. Materials will be developed and tested during the 1994 school year. Additional subject matter teams will be formed from MED subject specialists augmented by persons from other institutions such as private and public primary schools. The Project will support these teams with the long-term specialist whose area of expertise will be Spanish language arts and short-term international subject matter specialists in the areas of mathematics, natural science, social science, civics and second language acquisition. Spanish and other Nicaraguan indigenous languages will be the first subject matter areas addressed because of the importance of reading and writing to the learning of other subject matter and the possibility of language arts, through whole language approaches and thematic teaching and learning, to incorporate other subject matter.

NOTE: Mathematics and civics curriculums will be developed in subsequent years with support from short-term subject matter specialists who will be contracted each year.

In addition, the contractor will provide technical assistance to accomplish the following objectives:

Support a series of systematic interrelated activities that will take advantage of existing resources while developing both new capabilities and materials, including: i) maximize the utility of current texts through the creation/revision of new teacher guides; ii) develop and test new materials for the first four grades; and iii) develop mechanisms to

ensure adequate cost recovery for instruction materials

Improve the use and effectiveness of instructional materials. e.g. develop student assessment procedures; sensitize teachers to grade-level competencies; and provide classroom resources.

Develop general grade competencies and use them to revise teacher guides in order to maximize the usefulness of existing texts while new materials are being developed.

Assist the Ministry's curriculum development unit to establish a curriculum review committee, develop general competencies and grade level expectations and develop prototype guides which will be reviewed with end users e.g. teachers and supervisors. The guides will be intuitive in that they will include schedules and exercises that promote student-applied problem solving.

Assist the curriculum development unit to refine and produce the new curriculum guides by organizing training in word processing and desktop publishing.

Procure computers, desktop publishing software, and peripherals to be installed in the curriculum unit, allowing the unit to produce guides for the 1993 school year.

Assist the curriculum development team (after the guides are distributed) to 1) detail competencies as the basis for the development of a competency-based curriculum in each subject area at each grade level and 2) develop new instructional materials.

Develop qualitative evaluation methodology and classroom research to work with the curriculum evaluation unit.

Train field staff to collect systematic observational data on the teachers' abilities to use the materials in the pilot classrooms and the effect of the materials on children with different characteristics (e.g. sex, age). This information will be used by the curriculum development team for each subject area to revise the modular units for each grade level. Note: The Project will support vehicles to carry out the formative evaluation fieldwork and meet other needs of the curriculum development unit.

Develop student assessment measures and a study of the causes of repetition.

Develop a newsletter and similar activities that will serve

as a practical tool for teachers to use in classrooms as an additional learning resource and sensitize teachers to assessing children on grade-level competencies. This will supplement (or improve) the approach used in the current MED newsletter, "Maestro."

- Provide classroom resources in the form of school furniture for needy schools and learning resource kits for first through fourth grade classrooms.
- Assist the MED to develop mechanisms to finance the production of instructional materials over the long run. The project will support this effort by funding feasibility studies of cost recovery strategies, providing replacement costs for textbooks in the short run, and training key members of the curriculum unit in low-cost alternatives for materials production.

b) Training

Nearly all of the activities above contain training as part of the technical assistance.

/. Contractor Deliverables

It is anticipated that the overall level of effort (LOE) provided by the successful contractor will assist the MED in attaining project objectives which are indicated throughout sections of this document. The contractor will provide the necessary LOE and will include such objectives in annual work plans. For example, the contractor will assist the MED in designing and introducing new curriculum and materials, and this is reflected in the LOE and will be reflected in subsequent project plans, schedules etc. However, the actual delivery of a reformed curriculum and accompanying learning materials will depend on the MED for approval and implementation.

In addition to providing the LOE necessary to attain project objectives, the contractor will be responsible for providing the following deliverables as part of the contract. They form a part of the activities included within Section F.6 (LOE). Offerors will provide a schedule to indicate the sequence of these deliverables, during the life of the project. The contractor shall develop in concert with the project officer an Annual Implementation Plan (AIP) which will be the basis for monitoring project implementation. These annual plans shall reflect needs, priorities, and resources; include all significant activities proposed, location, timing, budget (person-months and dollars); staff.

and skills proposed; and scheduling. The proposed AIP shall be submitted for approval not less than 30 days prior to the relevant year. The first year AIP shall be submitted not later than 90 days after arrival of the contract team in country. This plan will detail the contractor's proposed activities, calendar and allocation of human and financial resources, and overall strategy for year 1. The AIP shall be updated quarterly or as often as necessary to reflect actual project progress and implementation.

In addition to an Annual Implementation Plan, the contractor shall provide the following:

1. Conduct a detailed analysis of the MED's present system for adopting, recording, disseminating, and executing organizational policies and advise concerned MED staff on the implementation of improvements to the system.
2. Design and carry out a study on the contribution of administrative improvements to the delivery of primary education services.
3. Define the organizational functions and responsibilities of the new MED offices (e.g. Planning, School Supervision).
4. Design a model of the MED planning system - its elements, staff utilization, enrollment projections, and basic system flow statistics and a planning process which the MED can use as a decision making tool.
5. Review the MED's capability to evaluate its primary education system and make recommendations for improvements. Design a formative evaluation of the Basic Education Project and develop a project management and tracking system.
6. Develop recommendations for a merit and job classification system in the MED, including sound recruitment and selection processes and procedures, and design a personnel performance appraisal, and promotion system.
7. Conduct an inventory of personnel records kept by the MED; review alternatives for physical storage of the records and make recommendations to the MED on cost effective storage alternatives. Survey the use of the records and make recommendations to the personnel office in the design of a useful, cost effective index system for records access.
8. Design a training needs assessment and a training plan for central MED and municipal personnel involved in basic education activities. Design a system to carry out training

needs assessments for concerned MED personnel including a tentative training plan outline and time table.

9. Design a system and manual for the MED to prepare its yearly budget in accordance with the GON budget cycle.
10. Design a cash accounting system for the Central MED.
11. Assess the MED's storage and security needs at the central Ministry and the municipalities and identify pertinent local technical assistance under the project to assist the MED in training personnel as required. Review the MED's system for purchasing, receiving, storing, and shipping materials and equipment with special emphasis on textbooks and related instructional materials, and recommend improvements. Identify suitable local (e.g. departmental and municipal) storage options for materials and produce an action plan which will assist the MED in establishing well-functioning storage facilities, developing a security system and designing a physical auditing system for MED warehouses and materials.
12. Conduct a study on the implementation capacity of municipalities to manage and contribute to education at the municipal level.
13. Develop the functions, policies, and procedures for the new Office of School Supervision to help organize the new Offices of Departmental Coordination. Review alternatives for the possible relationships of these offices and make recommendations to the Directors and the Minister.
14. Make recommendations to the Office of School Supervisors for the design and execution of a manual of organizational policies and procedures, including forms and instructions.
15. Establish the MIS design and implementation plan.
16. Develop detailed recommendations and a draft outline for the Basic Education Guide which will focus on child-centered interventions which contribute to the improvement of primary education.¹

¹ It is planned to produce and distribute 20,000 copies of the Basic Education Guide to all primary school teachers, PTAs, 40 demonstration Schools, (to be used as teacher training or "professionalization" centers), 12 Normal Schools, 148 Municipal Delegations, NGOs, other donors, and key MED personnel.

17. Develop recommendations for student assessment procedures including methodology and implementation for classroom use and for the evaluation of educational quality through baseline testing (e.g. random samples of standardized "achievement" tests) and testing at intervals throughout the project to measure the impact of the project in improving educational quality.
18. Provide feasibility studies for cost recovery strategies, including the replacement costs for textbooks in the short run and in low-cost alternatives for materials production.
19. Provide (or evaluate if already completed) a study of the causes of repetition including an explanation of how the study will be incorporated directly into project design through the work plan for the first and subsequent years.
20. Recommend cost recovery strategies which the MED can implement to reduce current costs.
21. Design a plan for teacher training including the recruitment and training of Master teachers, and the establishment of laboratory schools and demonstration schools. The plan will include implementation plan(s) for in-service training programs which will be sufficient in scale to impact on the problem of poor teaching and assessment techniques.
22. Develop recommendations for the contents to be included in 2,500 learning kits and complimentary teaching materials, and for the delivery of such kits as well as training in their use.
23. Provide recommendations for restocking current textbooks and teachers guides and adaptations required for guides. Provide recommendations and timeline for introducing new textbooks, materials, and guides during second year of implementation, (for use in third and subsequent years).

8. Reports

In addition to the requirement for submission of reports contained in AIDAR clause No. 752.7026 entitled "Reports," the contractor shall submit to the project officer the

Additionally, copies will be placed in the 12 Normal School Libraries and the 40 Teacher Professionalization Centers.

following management reports:

A. Annual Implementation Plan

During the first 90 days of the contract, the contractor shall draft an Annual Implementation/Workplan (See Section F.7) for the first year to be approved by USAID and the MED. The AIP will detail each project component and be properly sequenced and will measure progress towards obtaining project objectives or milestones leading to the end-of-project status (EOPS) as indicated in the project logframe etc. The AIP will detail how such objectives, EOPS, milestones etc. will be measured. Each remaining year of the project, the contractor will prepare AIP, in conjunction with Item F. above and B. below. USAID and the MED must approve each AIP.

B. Annual Report (Review)

At the end of each year during the project, the Contractor, in collaboration with the MED and USAID/Nicaragua, shall undertake an intensive review of the preceding year based on workplans and progress reports. This review will examine, among other things, planned objectives and outputs, problems encountered, lessons learned and feedback on the adequacy of logistical and other arrangements in Nicaragua and in the U.S. The contractor shall prepare an annual report based on this review as well as a final report discussing the accomplishments, problems, etc. in carrying out the scope of work. This annual report shall form the basis for drafting subsequent workplans for each remaining year of the project.

C. Quarterly Progress Reports

The contractor shall prepare quarterly progress reports which follow the format of the workplan and indicate progress and problems towards achieving objectives, deliverables, EOPS etc. during the period, expenditure data and actions to be completed for the next quarter.

D. Other Reports

The contractor shall also prepare any other reports required by USAID, in formats to be determined by USAID. In particular, the contractor will prepare statistical and financial expenditure and projected expenditure reports as required by USAID, and submit vouchers in a manner and

format acceptable to USAID.

E. Final Report

A Final Report shall be submitted one month prior to the contract's termination. This report will summarize concisely all project activities and will assess the progress made toward the achievement of project goals. It shall synthesize what has been learned from the project and suggest opportunities for future programs. The precise format of this report shall be jointly determined by the project manager and the contractor at the beginning of the final year of this project.

F. Distribution

All reports shall be submitted to the project officer and Contracts Officer in English. Financial reports shall be submitted to the project officer, Contracts Officer and Office of Finance. Any other distribution will be determined by the project officer and contractor. Prior to incurring significant cost for report distribution the Contracts Officer will be informed to determine the necessity of wider distribution at contract expense.

END SECTION F

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SECTION G - CONTRACT ADMINISTRATION DATA

1. COGNIZANT A.I.D. PROJECT OFFICE

The cognizant A.I.D. Project Office is the General Development Office at USAID/Nicaragua.

The Contractor will work under the guidance and direction of the USAID/N Education Officer who reports to the General Development Officer.

2. COOPERATING COUNTRY LIAISON OFFICIALS

The GON Minister of Education or his designee will be the counterpart for both the Mission Education Officer and the contractor.

The MED will assign a project officer, in addition to counterparts, who will provide overall GON policy guidance on all aspects of the project.

3. PAYING OFFICE

The payment office and the office to which requests for payment shall be sent is:

AID/W
FA/FM/CMP/LC
RM. 700, SA-2
Washington, D.C. 2003,

when submitting documentation for payment in accordance with AIDAR Clause 752.7003.

4. POST-AWARD CONTRACT ADMINISTRATION OFFICE

The post-award contract administration office is the Contracts Office USAID/Nicaragua.

5. ACCOUNTING DATA

Funds currently obligated in this contract are chargeable as follows:

PIO/T No.	: 524-0329-3-20057
Appropriation No.	: 72-1121021
Budget Plan Code	: LDEA-92-25524-IG13
Total Estimated Cost	: \$11,478,079
Amount Obligated	: \$ 1,870,000
Total Obligations	: \$ 1,870,000

6. MODIFICATION NUMBERS

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

524	-	0329	-	C	-	00	-	3	-	00
Issuing Office of contract	Last Four Digits of Project No.	USAID/N Funded Contract	Order No. (N/A)	Contract No.	Modifi- cation Number					

Thus, 524-0329-C-00-3-----01 would refer to the first modification to this contract.

7. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING

The Director of the A.I.D./Washington Office of Small and Disadvantaged Business (OSDBU/MRC) is hereby designated as the Contracts Officer's representative, responsible for assisting in monitoring, evaluating, and documenting the Contractor's performance under the clause of this contract entitled "Small Business and Small Disadvantaged Business Subcontracting Plan" (FAR 52.219-09, FEB 1990).

8. CONTRACTOR'S PAYMENT ADDRESS

Payments shall be made to the Contractor either by electronic funds transfer or by check mailed to the address shown on the cover page of this contract, unless otherwise indicated below:

END SECTION G

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

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

In accordance with each of the above clauses of this contract, whereunder the Contractor may not send individuals outside the United States to perform work under this contract without the prior written approval of the Contracts Officer, the Contracts Officer does, hereby, provide said approval for those individuals required to travel outside the United States; provided, however, that concurrence with the assignment of any and all said individuals outside the United States is obtained by the Contractor, in writing, from the A.I.D. Project Officer and the USAID Mission prior to their assignment abroad. Such approval must be within the terms of this contract, is subject to availability of funds, and should not be construed as authorization to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Section B of this contract), which are subject to the clauses of this contract entitled "Limitation of Funds" (FAR 52.232.22) or "Limitation of Cost" (FAR 52.232.20), as applicable (see Section I of this contract). A copy of each approval issued pursuant to this paragraph shall be retained by the Contractor for audit purposes.

After approval of the proposed international travel, the Contractor shall provide the USAID Mission Director advance notification, with a copy to the A.I.D. Project Officer, of the arrival date and time and flight identification of A.I.D.-financed travellers.

2. **DEFENSE BASE ACT (DBA) INSURANCE**

Pursuant to the clause of this contract entitled "Workers' - Compensation Insurance (Defense Base Act)" (FAR 52.228-03) the contractor shall, during the period of this contract (see section F), provide and maintain such workers compensation insurance or security as the Defense Base Act (42 U.S.C 1651, et seq.) requires (U.S. citizens and U.S. residents who are hired in the U.S. must be covered by DBA insurance during the period they are performing outside the U.S.). Pursuant to the clause of this contract the contractor shall obtain such coverage from A.I.D.'s current insurance carrier for such insurance. This insurance carrier is CIGNA Corporation, Inc. The CIGNA Coordinator for this DBA program is Wright & Co.; 1400 I Street N.W.,

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Washington, D.C. 20005; telex 440508; telephone (202) 289-0200, or (800-424-9801) outside the Washington area. The costs of DBA insurance are allowable as a direct cost to this contract.

3. EMERGENCY LOCATOR INFORMATION

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

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

4. PERSONNEL COMPENSATION

a. Limitations

Compensation of personnel which is charged as a direct cost under this contract, like other costs, will be reimbursable in accordance with the Section B.4 of this contract entitled "Budget", and the clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-07) and other applicable provisions of this contract, but subject to the following additional specified understandings which set limits on items which otherwise might be reasonable, allocable, and allowable.

1) Approvals

Salaries and wages may not exceed the Contractor's

established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which will be certified to by the Contractor, nor may any individual salary or wage, without approval of the Contracts Officer, exceed the employee's current salary or wage or the highest rate of annual salary or wage received during any full year of the immediately preceding three years.

There is a ceiling on reimbursable salaries and wages paid to a person employed directly under the contract of the maximum salary rate of FS-1 (or the equivalent daily rate of the maximum FS-1 salary, if compensation is not on an annual basis), unless advance written approval is given by the Contracts Officer.

2) Salaries During Travel

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

3) Return of Overseas Employees

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

4) Annual Salary Increases

Annual salary increases may not exceed those provided by the Contractor's established policy and practice. With respect to employees performing work overseas under this contract, one annual salary increase of not more than 5% of the employee's base salary may, subject to the Contractor's established policy and practice, be granted after the employee's completion of each twelve month period of satisfactory services under the contract. Annual salary increases of any kind exceeding these limitations or exceeding the maximum salary of FS-1 may be granted only with

the advance written approval of the Contracting Officer.

5) Consultants

No compensation for consultants will be reimbursed unless their use under the contract has the advance written approval of the A.I.D. Project Officer; and if such provision has been made or approval given, compensation shall not exceed, without specific approval of the rate by the Contracts Officer, (1) the current compensation or the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or (2) the maximum daily salary rate of FS-1, whichever is less.

6) Third Country and Cooperating Country Nationals

No compensation for third country or Cooperating Country nationals will be reimbursed unless their use under the contract has the prior written approval of the USAID Mission Director or the Contracting Officer. Salaries and wages paid to such persons may not, without specific written approval of the Contracts Officer, exceed either the Contractor's established policy and practice; or the level of salaries paid to equivalent personnel by the USAID Mission in the Cooperating Country; or the prevailing rates in the Cooperating Country, as determined by A.I.D., paid to personnel of equivalent technical competence. In no event shall compensation for such persons exceed the FS-1 rate, unless approved in advance by the Contracts Officer.

7) Initial Salaries

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract must be approved, in advance and in writing, by the Contracts Officer. Subsequent salary increases shall be in accordance with paragraph 4 above.

NOTE: The daily rate of a Foreign Service Officer

Class 1 (FS-1) is determined by dividing the annual salary by 2080 hours and multiplying the quotient by 8.

NOTE: Any approvals issued pursuant to paragraphs 5, 6 and 7 above shall be retained by the Contractor for audit purposes. Approvals issued pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Section B.3 of this contract).

8) Work Week

i. Non-overseas Employee. The work week for the Contractor's non-overseas employees shall not be less than the established practice of the Contractor.

ii. Overseas Employee. The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the work week for those employees of the AID Mission and the Cooperating Country associated with the work of this contract.

b. Definitions

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

5. PROCUREMENT AND SUBCONTRACTING

A.I.D. has eligibility rules concerning goods and commodities, commodity-related services, and suppliers of goods and services (other than commodity-related services). These rules are set forth in A.I.D. Handbook 1, Supplement

B, which, as amended from time to time, is incorporated by reference as a part of this contract (see the clause of this contract entitled "Source and Nationality Requirements" [AIDAR 752.7004]). For the purposes of this contract, the following applies:

a. Authorized Geographic Code

- 1) Unless otherwise provided, the Authorized Geographic Code for procurement of goods and services hereunder shall be "000". The Authorized Geographic Code for nationality of suppliers shall be "000". This nationality provision does not apply to the employees of contractors and subcontractors, but all contractor and subcontractor employees engaged in providing services under this contract must be citizens of countries included in Geographic Code 935, or non-U.S. citizens lawfully admitted for permanent residence in the United States (see also Section J of this contract, and the clause entitled "Source and Nationality Requirements for Procurement of Goods and Services" [AIDAR 752.7004]).

2) Local Cost Financing With U.S. Dollars

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

3) Restricted Goods

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

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

4) Nationality of Supplier

a) Suppliers of Goods and Commodities

Except as may be specified elsewhere, the suppliers of goods and commodities shall have their nationality in the United States (A.I.D. Geographic Code 000), or the Cooperating Country, except as the Contracts Officer may otherwise agree in writing.

b) Suppliers of Services (Other Than Commodity-Related Services)

Except as may be specified elsewhere, the suppliers of services (other than commodity-related services) shall have their nationality in the United States (A.I.D. Geographic Code 000), or the Cooperating Country, except as the Contracts Officer may otherwise agree in writing.

5) Exception for Purchase/Procurement Transactions not Exceeding \$5,000

If the proposed purchase/procurement transaction does not exceed \$5,000 excluding transportation costs, all goods and commodities must have their source and origin in any Geographic Code 935 country, may not contain any components from a non-Free World country, and must meet other A.I.D. commodity eligibility requirements as set forth in subparagraph c. below.

6) Government Owned Organizations

Except as the Contracts Officer may otherwise agree in writing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned

by governments or agencies thereof. are not eligible for A.I.D. financing hereunder.

b. Definitions

1) Source, Origin, Componentry, and Nationality of Supplier

Source, origin, componentry requirements, and nationality of suppliers are defined in Chapter 5 of A.I.D. Handbook 1, Supplement B, which, as may be amended from time to time, is incorporated herein as part of this contract by reference.

2) A.I.D. Geographic Codes

A.I.D. Geographic Codes are defined in Appendix D of A.I.D. Handbook 18, which, as may be amended from time to time, is incorporated herein as a part of this contract by reference.

c. Air Travel and Transportation

Air travel and transportation shall be financed only on U.S. Flag Air Carriers (A.I.D. Geographic Code 000), unless service by such carriers is unavailable (see the clauses of this contract entitled "Preference for U.S.-Flag Air Carriers" [FAR 52.247-63] and "Source and Nationality Requirements" [AIDAR 752.7004]).

d. Approvals

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

e. Competition in Subcontracting

The Contractor shall secure competition to the maximum practical extent, as required by the clause of this contract

entitled, "Competition in Subcontracting" (FAR 52.244-05). Notwithstanding any approvals issued by the Contracting Officer pursuant to paragraphs (c) above or (e) and (f) below, the Contractor shall obtain the Contracts Officer's consent for purchases/subcontracts, if required by the clause of this contract entitled, "Subcontracts (Cost-Reimbursement and Letter Contracts)" (FAR 52.244-02). With the exception of any subcontractors identified in the Contractor's proposal (and/or best and final offer) which was accepted by A.I.D. through award of this contract, the Contractor shall compete all other subcontracting opportunities or provide the Contracts Officer with justification for the lack of competition.

f. Automation Equipment

In addition to the requirements of paragraph (c) above and (f) below, the Contractor must obtain the specific approval of the Contracting Officer for any purchases of automation equipment (e.g., computers, word processors, etc.), software, or related services made hereunder, if the total cost of such purchases will exceed \$100,000. The Contracts Officer must, in turn, have the concurrence of A.I.D./Washington, M/SER/IRM, before providing any such approvals.

g. Anticipated Purchases

It is anticipated that the Contractor shall purchase the items of nonexpendable equipment indicated herein. The contract with the U.S. technical assistance firm will include funds for certain types of commodities whose specifications will be verified and/or developed by Project's advisors during the course of project implementation (note that the Project Paper already contains specifications for most commodities and will be made available to the selected contractor).

Planned project commodities include (but will not be necessarily limited to): seminar supplies, the basic education guide, demonstration school supplies, incentive certificates, desktop publishing and related equipment necessary for the preparation of instructional materials, instructional materials (such as learning kits, blackboards), portable computers to be used by the TA team, commodities for the Management Information System (mostly computers and software), office equipment, VCRs, monitors, cameras, electronic calculators, FAX machines, radio base

with links, vehicles, mountain bicycles with locks, and commodities to be used by the TA firm, (desktop computers, desks/chairs, telephones, FAX equipment).

For purposes of the proposals by interested firms, offerors should keep in mind that the cost of commodities and the procurement process will be negotiated with the successful bidder as a "below the overhead line" item. This means that the contract will include funds to cover the actual cost of commodities, related costs such as shipping, insurance, handling, etc., plus a small general and administrative fee (G & A) to be negotiated during the contract negotiating process and which will be separate from the G & A rate of the contract. The successful contractor will need to mobilize quickly, especially to procure commodities for use by the long-term T.A. team and by the MED during the first year of implementation. Among such commodities will be three project vehicles, computers, office equipment, and other materials for use during the first year of implementation. Commodities for subsequent years will be determined by implementation requirements. (See Attachment J.14)

Notwithstanding the foregoing, prior to purchasing any nonexpendable equipment, the Contractor shall perform an analysis of the cost of purchasing such equipment versus the cost of leasing such equipment, and shall submit such analyses to the Contracts Officer, together with the request to lease or purchase. The Contracts Officer must approve each purchase or lease.

h. Government Property

With respect to nonexpendable equipment purchased by the Contractor hereunder, the Contractor shall comply with all requirements of the clauses of this contract entitled "Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts)" (FAR 52.245-05) and "Government Property -- A.I.D. Reporting Requirements" (AIDAR 752.245-70).

i. Small Business and Small Disadvantaged Business Subcontracting

The Contractor shall comply with the requirements of the clauses of this contract entitled "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns" (FAR 52.219-08 and AIDAR 752.219-08) and, if applicable, "Small Business and Small Disadvantaged Business Subcontracting Plan" (FAR 52.219-09).

6. LANGUAGE REQUIREMENTS

- a. A.I.D. reserves the right to test proposed individuals to ensure that they have the required language capability. In the event that the individual(s) possess(es) the required language capability, expenses for language testing shall be an allowable charge to this contract. However, if the individual(s) do(es) not have the required language capability, expenses for language testing for such individual(s) shall be borne by the Contractor.

7. ORDINARY COURSE OF BUSINESS

With respect to the clauses of this contract entitled, "Allowable Cost and Payment" (FAR 52.216-07) and "Documentation for Payment" (AIDAR 752.7003), it is understood and agreed that the Contractor may, in some circumstances, invoice and be paid for recorded costs for items or services purchased directly for this contract, even though the contractor has not yet paid for those items or services; provided, that such costs are paid in the ordinary course of business. "The ordinary course of business" is defined in accordance with the principles established by the Prompt Payment Act, Public Law 97-177 (96 Stat. 85, 31 USC 1801), i.e. within 30 days after the Contractor's receipt of payment from A.I.D. for such costs. In those instances where the Contractor properly invoices and is paid for recorded costs which have not yet been paid by the Contractor, the Contractor agrees to pay all such costs, and especially employee compensation, consultants, subcontractors, suppliers, support of participants, and costs incurred in the Cooperating Country, in the ordinary course of business. Failure to do so may be considered nonperformance by the Contractor.

8. TRAVEL EXPENSES

- a. Notwithstanding any other provision of this contract, if any of the personnel utilized hereunder are discharged by the Contractor for misconduct or inexcusable nonperformance, travel and transportation costs associated with the assignment of substitute personnel therefore shall not be an allowable cost under this contract.
- b. Misconduct shall be defined as the deliberate and/or repeated disregard for the laws and regulations of the Cooperating Country or of A.I.D., the continued existence of conflict of interest after advice that

such conflict exists, or general behavior unbecoming a professional serving as a part of the U.S. foreign assistance program (see also the clause of this contract entitled, "Personnel" [AIDAR 752.7027]).

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

9. SUBMISSION OF COMPLETION VOUCHER

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

10. ORGANIZATION CONFLICTS OF INTEREST

It is understood and agreed that some of the activities proposed hereunder may place the contractor or its personnel or its subcontractors or their personnel in the position of having any organizational conflict of interest, i.e., because of other activities or relationships with other persons (a) the contractor (or its personnel or its subcontractors or their personnel) is unable or potentially unable to render impartial assistance or advice; or (b) the contractor's (or its personnel or its subcontractors' or their personnel) objectivity in performing the contract activity is or might be impaired; or (c) the contractor or its personnel or its subcontractors or their personnel) may receive an unfair competitive advantage. To preclude or mitigate any potential conflicts of interest, the contractor

agrees not to undertake any activity which may result in an organizational conflict of interest (further discussion of organizational conflicts of interest may be found in FAR 9.5) without first notifying the contracting officer of such potential conflict of interest (See Section J of this contract) and receiving the contracting officer's approval to undertake such activities. The contracting officer's approval to undertake a such activities may be based on the contracting officer's determination that an organizational conflict of interest was identified in the contractor's proposal for the delivery order.

The Contracts Officer's approval to undertake such activities may be based on the Contracts Officer's determination that an organizational conflict of interest does not exist, or may be conditioned on the placement by the Contracts Officer and acceptance by the contractor of restrictions on the contractor's (or its personnel or its subcontractors or their personnel) future activities, as permitted by FAR 9.5. If it is discovered that the contractor (or its subcontractor personnel) engaged in any activities which constitute an organizational conflict of interest without having first obtained the contracting officer's approval to undertake such activities, restrictions as permitted by FAR 9.5 on the contractor's (and its or its subcontractor personnel) future activities may be placed unilaterally by the Contracts Officer, and other remedies (including termination for default and those permitted by the clause of this contract entitled "Price of Fee Adjustment for Illegal for Improper Activity" (FAR 52.203-10) for violations of Section 27 of the Federal Procurement Policy Act (41 U.S.C. 423), as amended by Section 814 of Pub. L. 101-189), may be taken by A.I.D. If it is discovered that the contractor (or its personnel or its subcontractors or their personnel) engaged in any activities in violation of the restrictions placed by the contracting officer on the contractor's (or its or its subcontractor's personnel) future activities, other remedies (including termination for default and those permitted by the clause of this contract entitled "Price or Fee Adjustment for Illegal or Improper Activity" (FAR 52.203-10) for violations of Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), as amended by Section 814 of Pub. L. 101-189), may be taken by A.I.D. Nothing in this provision precludes the application of any other remedies available to A.I.D. by law, regulation, or other provisions of this contract.

11. PROCUREMENT INTEGRITY

It is understood and agreed that some of the contract activities proposed hereunder may require that the contractor (or its personnel or its subcontractor or its personnel) serve as Procurement Officials (as defined in FAR 3.104-4(h) and as determined by the Contracts Officer, and/or having access to or developing proprietary or source selection information for, and during the conduct of, another procurement toward which the work under the proposed activity would be directed. In order to serve as a Procurement Official or to have access to proprietary or source selection information, neither the contractor, nor any of its or its subcontractors or their personnel who serve as Procurement Officials or who have access to proprietary or source selection information, may be a "competing contractor" (as defined in FAR 3.104-4(b), i.e., if the contractor (or its personnel or its subcontractors or their personnel) is, or is reasonable likely to become, a competitor for, or the recipient of, a contract or subcontract under the procurement for which they are serving as Procurement Officials or have access to proprietary or source selection information while performing the proposed activity). Thus, engaging in the activity would foreclose the opportunity for the contractor (or its personnel or its subcontractors or their personnel) to be a "competing contractor" on that other procurement, and appropriate restrictions on future participation in that other procurement would be imposed. In addition, if the contractor, or any of its or its subcontractor personnel do serve as Procurement Officials or do have access to proprietary or source selection information, they will be subject to Sections 27(a), (b), and (d) of the Office of Federal Procurement Policy ACT (41 U.S.C. 423), as amended by Section 814 of Pub. L. 101-189, and as implemented in FAR 3.104. As a precondition to serving as a Procurement Official or having access to proprietary or source selection information each such individual will be required to submit the Procurement Integrity Certification for Procurement Officials, set forth in Section J of this contract (see the clause of this contract entitled "Procurement Integrity - Service Contracting" FAR 52.203-13). Neither the contractor nor any of its or its subcontractors or their personnel may disclose such information to any unauthorized person. Violations of Sections 27(a), (b), or (d) of the Office of Federal Procurement Policy Act (41 U.S.C. 423), as amended by Section 814 of Pub. L. 101-189, and as implemented in FAR 3.104, by the contractor or any of its or its subcontractor personnel may result in contractual, civil, and/or criminal penalties as permitted by law (see also the clause of this contract entitled "Price or Fee Adjustment for Illegal or

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Improper Activity" (FAR 52.203-101). Nothing in this provision precludes the application of any other remedies available to A.I.D. by law, regulation, or other provisions of this contract.

END SECTION H

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SECTION I - CONTRACT CLAUSES

1. The following Federal Acquisition Regulation (48 CFR Chapter 1) and AID Acquisition Regulation (48 CFR Chapter 7) clauses apply to this contract.

52.252-02 - Clauses Incorporated by Reference (JUN 1988)

This contract incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

52.202-01	Definitions (APR 1984)
52.203-01	Officials Not to Benefit (APR 1984)
52.203-03	Gratuities (APR 1984)
52.203-05	Covenant Against Contingent Fees (APR 1984)
52.203-06	Restrictions on Subcontractor Sales to the Government (JUL 1985)
52.203-07	Anti-Kickback Procedures (OCT 1988)
52.203-09	Requirement for Certificate of Procurement Integrity - Modification (MAY 1989)
52.203-10	Remedies for Illegal or Improper Activity (MAY 1989)
52.209-06	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (MAY 1989)
52.212-13	Stop-Work Order (AUG 1989)
52.215-01	Examination of Records by Comptroller General (APR 1984)
52.215-02	Audit-Negotiation (DEC 1989)
52.215-22	Price Reduction for Defective Cost or Pricing Data (APR 1988)
52.215-24	Subcontractor Cost or Pricing Data (APR 1985)
52.215-30	Facilities Capital Cost of Money (SEP 1987) 1/
52.215-31	Waiver of Facilities Capital Cost of Money (SEP 1987) 1/
52.215-33	Order of Precedence (JAN 1986)
52.216-07	Allowable Cost and Payment (APR 1984)
52.216-08	Fixed Fee (APR 1984) 2/
52.216-11	Cost Contract-No Fee (APR 1984) 2/
52.216-15	Predetermined Indirect Cost Rates (APR 1984) 3/
52.217-08	Option to Extend Services (MAR 1989)

52.219-08	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (FEB 1990)
52.219-09	Small Business and Small Disadvantaged Business Subcontracting Plan (FEB 1990)
52.219-13	Utilization of Women-Owned Small Businesses (AUG 1986)
52.219-16	Liquidated Damages -Small Business Subcontracting Plan (AUG 1989)
52.220-01	Preference for Labor Surplus Area Concerns (APR 1984)
52.220-03	Utilization of Labor Surplus Area Concerns (APR 1984)
52.220-04	Labor Surplus Area Subcontracting Program (APR 1984)
52.222-02	Payment of Overtime Premiums (APR 1984)
52.222-03	Convict Labor (APR 1984)
52.222-26	Equal Opportunity (APR 1984)
52.222-28	Equal Opportunity Preaward Clearance of Subcontracts (APR 1984)
52.222-29	Notification of Visa Denial (APR 1984)
52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984)
52.222-36	Affirmative Action for Handicapped Workers (APR 1984)
52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (JAN 1988)
52.222-46	Evaluation of Compensation for Professional Employees (APR 1984)
52.223-02	Clean Air and Water (APR 1984)
52.223-06	Drug-Free Workplace (JUL 1990)

- 1/ These clauses only apply if the Contractor is a commercial (for-profit) firm.
- 2/ The clause entitled "Fixed Fee (FAR 52.216-08) applies if the Contractor is a commercial (for-profit) firm. The clause entitled "Cost Contract-No Fee" (FAR 52.216-11) applies if the Contractor is an educational institution or not-for-profit organization.
- 3/ The clause entitled "Predetermined Indirect Cost Rates" (FAR 52.216-15) applies if the Contractor is an educational institution and has approved predetermined indirect cost rates (see Section B.5. of this contract).

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52.225-11	Certain Communist Areas (APR 1984)
52.225-13	Restrictions on Contracting With Sanctioned Persons (MAY 1989)
52.227-01	Authorization and Consent APR 1984)
52.227-02	Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984)
52.227-03	Patent Indemnity (APR 1984)
52.227-08	Reporting of Royalties (Foreign) (APR 1984)
52.227-11	Patent Rights-Retention by the Contractor (Short Form) (APR 1984)
52.227-14	Rights in Data - General (JUN 1987)
52.228-07	Insurance-Liability to Third Persons (APR 1984)
52.229-08	Taxes-Foreign Cost-Reimbursement Contracts (APR 1984)
52.230-03	Cost Accounting Standards (AUG 1986) 4/
52.230-04	Administration of Cost Accounting Standards (APR 1984) 4/
52.230-05	Disclosure and Consistency of Cost Accounting Practices (AUG 1986) 4/
52.232-17	Interest (APR 1984)
52.232-20	Limitation of Cost (APR 1984)
52.232-22	Limitation of Funds (APR 1984)
52.232-23	Assignment of Claims (JAN 1986)
52.232-25	Prompt Payment (APR 1989)
52.232-28	Electronic Funds Transfer Payment Methods (APR 1989)
52.232-70	Letter of Credit Advance Payment (AUG 1984) 5/
52.233-01 and Alternate I	Disputes (APR 1984)
52.233-03 and Alternate I	Protest After Award (JUN 1985)
52.237-03	Continuity of Services (APR 1984)
52.237-09	Procurement Integrity - Advisory and Assistance Services (MAY 1989)
52.242-01	Notice of Intent to Disallow Costs (APR 1984)
52.243-02, Alternate II	Changes - Cost Reimbursement (AUG 1987)
52.243-07	Notification of Changes (APR 1984)
52.244-02	Subcontracts Under Cost Reimbursement and Letter Contracts (JUL 1985)
52.244-05	Competition in Subcontracting (APR 1984)
52.245-05,	Government Property (Cost-Alternate I Reimbursement, Time-and-Material, or Labor-Hour Contracts) (JAN 1986)

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52.246-03	Inspection of Supplies-Cost Reimbursement (APR 1984)
52.246-05	Inspection of Services - Cost-Reimbursement (APR 1984)
52.246-23	Limitation of Liability (APR 1984)
52.246-25	Limitation of Liability-Services (APR 1984)
52.247-01	Commercial Bill of Lading Notations (APR 1984)
52.247-63	Preference for U.S.-Flag Air Carriers (APR 1984)
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 1984)
52.249-06	Termination (Cost-Reimbursement) (MAY 1986)
52.249-14	Excusable Delays (APR 1984)
52.251-01	Government Supply Sources (APR 1984)
752.202,	Definitions (JAN 1990)
Alternate 70, 71	
752.202,	Defini
Alternate 72	
752.203-01	Officials Not to Benefit (APR 1984)
752.204-2	Security Requirements
752.209-70	Requirement for Past Performances References (NOV 1982)
752.219-08	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns
752.226-1	Disadvantaged Enterprise Representation (APR 1991)
752.226-2	Subcontracting With Disadvantaged Enterprises (APR 1991)
752.228-3	Worker's Compensation Insurance (Defense Base Act) (APR 1989)
752.228-7	Insurance - Liability to Third Persons
752.228-9	Cargo Insurance
752.229-70	Federal, State, and Local Taxes
752.232-70	Letter of Credit Advance Payment (OCT 1989)
752.245-70	Government Property-A.I.D. Reporting Requirements
752.245-71	Title To and Care of Property (APR 1984)

4/ Applicability to be determined. The clauses entitled "Cost Accounting Standards" (FAR 52.230-03) and "Administration of Cost Accounting Standards" (FAR 52.230-04) shall apply if the Contractor is not exempt from Cost Accounting Standards (CAS) (See Section K.1.p. of the solicitation). The clause

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entitled "Disclosure and Consistence of Cost Accounting Practices" (FAR 52.230-05) shall apply if the Offeror is not exempt from CAS but is eligible for modified CAS coverage (See Section K.1.p. of the solicitation).

5/ Applicability to be determined. Will not apply for commercial (for-profit firms).

752.7001	Biographical Data (DEC 1988)
752.7002	Travel and Transportation (JAN 1990)
752.7003	Documentation and Payment (APR 1984)
752.7004	Source and Nationality Requirements (APR 1989)
752.7005	Language, Weights, and Measures (APR 1984)
752.7006	Notices (APR 1984)
752.7007	Personnel Compensation (AUG 1984)
752.7008	Use of Government Facilities or Personnel (APR 1984)
752.7009	Marking (APR 1984)
752.7010	Conversion of U.S. Dollars to Local Currency (APR 1984)
752.7011	Orientation and Language Training (APR 1984)
752.7013,	Contractor-Mission Relationships (OCT 1989)
752.7014	Notice of Changes in Travel Regulations (JAN 1990)
752.7015	Use of Pouch Facilities (JUNE 1991)
752.7017	Local Cost Financing With U.S. Dollars (APR 1984) 6/
752.7021	Changes in Tuition and Fees (APR 1984) 8/
752.7023	Required Visa Form for AID Participants (APR 1984)
752.7024	Withdrawal of Students (APR 1984) 8/
752.7025	Approvals (APR 1984)
752.7026	Reports (OCT 1989)
752.7027	Personnel (DEC 1990)
752.7028	Differentials and Allowances (DEC 1988)
752.7029	Post Privileges (DEC 1990)
752.7030	Inspection Trips by Contractor's Officers and Executives (APR 1984) 9/
752.7031,	Leave and Holidays (OCT 1989)
752.7032	International Travel Approval and Notification Requirements (JAN 1990)

6/ See Sector H.6.a.2) of this contract.

7/ Paragraph (d) through (g) apply only to educational institutions.

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- 8/ Applies if the Contractor is an educational institution.
- 9/ Applies if the Contractor is an educational institution (as defined in AIDAR 715.613-70[b]).

2. 52.252-04 - Alterations in Contract (APR 1984)

Portions of this contract are altered as follows:

- a. If the Contractor is an educational institution, in the clause entitled "Allowable Cost and Payment" (FAR 52.216-07), delete "...Subpart 31.2...", and in lieu thereof, substitute "...Subpart 31.3...".
- b. If the Contractor is a not-for-profit organization, other than an educational institution, in the clause entitled "Allowable Cost and Payment" (FAR 52.216-07), delete "...Subpart 31.2...", and in lieu thereof, substitute "...Subpart 31.7...".
- c. In the clause entitled "Option to Extend Services" (FAR 52.217-08), insert "10 working days" in the blank.
- d. The following is added to Clause 52.219-08 entitled "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (APR 1984)" in accordance with AIDAR 752.219-08:

"AID small business provision. To permit AID, in accordance with the small business provisions of the Foreign Assistance Act, to give small business firms an opportunity to participate in supplying equipment, supplies and services financed under this contract, the Contractor shall, to the maximum extent possible, provide the following information to the Office of Small and Disadvantaged Business Utilization (PRE/SDB), AID, Washington, D. C. 20523, at least 45 days prior to placing any order in excess of five thousand dollars (\$5,000), except where a shorter time is requested of, and granted by PRE/SDB:

- (1) Brief general description and quantity of commodities or services;
- (2) Closing date for receiving quotations or bids; and
- (3) Address where invitations or specifications may be obtained."

- e. In the clause entitled "Payment for Overtime Premiums" (FAR 52.222-02), insert "zero" in the blank in paragraph (a).
- f. If the clause entitled "Cargo Insurance" (FAR 52.228-09) applies, insert "\$ " and "\$ " in the blanks in paragraph (a), and "A.I.D." in the blanks in paragraphs (b) and (c).
- g. In the clause entitled "Taxes - Foreign Cost Reimbursement Contracts (FAR 52.229-08), insert "the Cooperating Country" and "the Cooperating Country", respectively, in the blanks.
- h. In the clause entitled "Notification of Changes" (FAR 52.243-07), insert "7 days" in the blank in paragraph (b).
- i. The following is inserted preceding the text of Clause 52.245-05 entitled "Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts) (APR 1984)" in accordance with AIDAR 752.245-70:

"The term 'Government furnished property' wherever it may appear in the following clause, shall mean (1) non-expendable personal property owned by or leased to the U.S. Government and furnished to the contractor and (2) personal property furnished either prior to or during the performance of this contract by any U.S. Government accountable officer to the contractor for use in connection with performance of this contract and identified by such officer as accountable. The term 'government property', wherever it may appear in the following clause, shall mean government-furnished property and non-expendable personal property title to which vests in the U.S. Government under this contract. Non-expendable property, for purposes of this contract, is defined as property which is complete in itself, does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of more than \$500."

- j. The following is inserted following the text of Clause 52.245-05 entitled "Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts) (APR 1984)" in accordance with AIDAR

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752.245-70:

"Reporting Requirements: The contractor will submit an annual report on all non-expendable property in a form and manner acceptable to AID substantially as follows:

ANNUAL REPORT OF GOVERNMENT PROPERTY
IN CONTRACTOR'S CUSTODY

(Name of Contractor)

As of (End of Contract Year), 19xx

Motor
vehicles

Furniture
furnishings
Office Living
quarters

Other
nonexpendable
property

A. Value of property as of last report.

B. Transactions during this reporting period.

1. Acquisitions (add):
 - a. Purchased by contractor 1/
 - b. Transferred from AID 2/
 - c. Transferred from others-without reimbursement 3/
2. Disposals (deduct):
 - a. Returned to AID
 - b. Transferred to AID-Contractor Purchased
 - c. Transferred to other Government agencies 3/
 - d. Other disposals 3/

C. Value of property as of reporting date.

D. Estimated average age of contractor-held property.

Years

Years

Years

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I attest that (1) physical inventories of Government property are taken not less frequently than annually; (2) the accountability records maintained for Government property in our possession are in agreement with such inventories; and (3) the total of the detailed accountability records maintained agrees with the property value shown opposite line C above, and the estimated average age of each category of property is as cited opposite line D above.

Authorized Signature:

(1) Property which is complete in itself, does not lose its identity of become a component part of another article when put into use; is durable, with an expected service life of two years or more; and which has a unit cost of more than \$500.

(2) Government furnished property listed in this Contract as non-expendable.

(3) Explain if transactions were not processed through or otherwise authorized by AID.

3. 52.219-09 Small Business and Small Disadvantaged Business Subcontracting Plan (FEB 1990)

a. This clause does not apply to small business concerns.

b. "Commercial product," as used in this clause, means a product in regular production that is sold in substantial quantities to the general public and/or industry at established catalog or market prices. It also means product which, in the opinion of the Contracting Officer, differs only insignificantly from the Contractor's commercial product.

"Subcontract," as used in this clause, means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

c. The offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, which addresses separately, subcontracting with small business concerns and small disadvantaged business concerns, and which shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time

specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract.

- d. The offeror's subcontracting plan shall include the following:
- 1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business concerns and small disadvantaged business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.
 - 2) A statement of--
 - a) Total dollars planned to be subcontracted;
 - b) Total dollars planned to be subcontracted to small business concerns; and
 - c) Total dollars planned to be subcontracted to small disadvantaged business concerns.
 - 3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to:
 - a) small business concerns; and
 - b) small disadvantaged business concerns.
 - 4) A description of the method used to develop the subcontracting goals in 1) above.
 - 5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Procurement Automated Source System (PASS) of the Small Business Administration, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small and small disadvantaged business concerns trade associations).
 - 6) A statement as to whether or not the offeror

included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with (i) small business concerns and (ii) small disadvantaged business concerns.

- 7) The name of the individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.
- 8) A description of the efforts the offeror will make to assure that small business concerns and small disadvantaged business concerns have an equitable opportunity to compete for subcontracts.
- 9) Assurances that the offeror will include the clause in this contract entitled "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns" in all subcontracts that offer further subcontracting opportunities , and that the offeror will require all subcontractors (except small business concerns) who receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility), to adopt a plan similar to the plan agreed to by the offeror.
- 10) Assurances that the offeror will:
 - a) cooperate in any studies or surveys as may be required,
 - b) submit periodic reports in order to allow the Government to determine the extent of compliance by the offeror with the subcontracting plan,
 - c) submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, in accordance with the instructions on the forms, and
 - d) ensure that its subcontractors agree to submit Standard Forms 294 and 295.
- 11) A recitation of the types of records the offeror will maintain to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source

lists; and a description of its efforts to locate small and small disadvantaged business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

- a) Source lists, guides, and other data that identify small and small disadvantaged business concerns.
- b) Organizations contacted in an attempt to locate sources that are small or small disadvantaged business concerns.
- c) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating:
 - whether small business concerns were solicited and if not, why not,
 - whether small disadvantaged business concerns were solicited and if not, why not, and
 - if applicable, the reason award was not made to a small business concern.
- d) Records of any outreach efforts to contact
 - trade associations,
 - business development organizations, and
 - conferences and trade fairs to locate small and small disadvantaged business sources.
- e) Records of internal guidance and encouragement provided to buyers through:
 - workshops, seminars, training, etc., and
 - monitoring performance to evaluate compliance with the program's requirements.
- f) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, include the name, address, and business size of each subcontractor.

Contractors having company or division-wide annual plans need not comply with this requirement.

- e. In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:
- 1) Assist small business and small disadvantaged business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business and small disadvantaged subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
 - 2) Provide adequate and timely consideration of the potentialities of small business and small disadvantaged business concerns in all "make-or-buy" decisions.
 - 3) Counsel and discuss subcontracting opportunities with representatives of small and small disadvantaged business firms.
- f. A master subcontracting plan on a plant or division-wide basis which contains all the elements required by d. above, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided, (1) the master plan has been approved, (2) the offeror provides copies of the approved master plan and evidence of its approval to the Contracting Officer, and (3) goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.
- g. 1) If a commercial product is offered, the subcontracting plan required by this clause may relate to the offeror's production generally, for both commercial and noncommercial products, rather than solely to the Government contract. In these cases, the offeror shall, with the concurrence of the Contracting Officer, submit one company-wide or division-wide annual plan.

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- 2) The annual plan shall be reviewed for approval by the agency awarding the offeror its first prime contract requiring a subcontracting plan during the fiscal year, or by an agency satisfactory to the Contracting Officer.
 - 3) The approved plan shall remain in effect during the offeror's fiscal year for all of the offeror's commercial products.
- h. Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.
- i. The failure of the Contractor or subcontractor to comply in good faith with (1) the clause of this contract entitled "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns," or (2) an approved plan required by this clause, shall be a material breach of the contract.

END SECTION I