

PD-ARW-752

93091

**HOST COUNTRY CONTRACT
263-0202-02**

AMENDMENT NUMBER TWO

between

**THE PRINCIPAL BANK FOR DEVELOPMENT
AND AGRICULTURAL CREDIT (PBDAC)
110 Kasr El Aini Street, Garden City,
Cairo, Egypt**

and

**CHEMONICS INDUSTRIES, INC.
Suite 200
2000 M Street, Northwest
Washington, D.C. 20036**

Financed by:

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Signed On:

This Amendment Number Two amends and restates in its entirety the Host Country Contract between the parties, dated September 15, 1988, as previously amended by Contract Amendment 01, dated June 28, 1990. This Amendment (hereafter referred to as the "Contract") thus states the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect thereto. The Contract consists of this cover page, table of contents, schedule, signature page, annexes A through C, and any other documents expressly incorporated herein by reference.

IN THE EVENT of inconsistency between the Schedule or the General Provisions and any specification or other provisions which are made a part of this Contract, by reference or otherwise, the Schedule and the General Provisions shall control. In the event of inconsistency between the Schedule and the General Provisions, the Schedule shall control.

SCHEDULE

TABLE OF CONTENTS

The Schedule, on pages 1 through 10, consists of this Table of Contents and the following Articles:

		Page
ARTICLE I	Description of Project and Contract	1
ARTICLE II	Statement of Work	1
ARTICLE III	Reports	1
ARTICLE IV	Key Personnel	2
ARTICLE V	Level of Effort	3
ARTICLE VI	Relationship of Parties	3
ARTICLE VII	Terms of Contract	4
ARTICLE VIII	Precontract Costs	4
ARTICLE IX	Contract Type, Amount, and Payment Mode	4
ARTICLE X	Logistic Support and/or Property	5
ARTICLE XI	Cost Provisions	6
ARTICLE XII	Host Country Taxes	10
ARTICLE XIII	Annexes	10
ARTICLE XIV	Signature	10
AMENDMENT NO. 01		11
ANNEX A	Statement of Work	A-1
ANNEX B	General Provisions	B-1
ANNEX C	Budget	C-1

ARTICLE I - Description of Project and Contract

A. Project Description

The purpose of the Project is to provide farmers with new technology, improved financial services, and expanded access to input supply, so they can take advantage of higher returns to investment in a deregulated agricultural sector. The planned deregulation of the sector through policy reforms will add to the current constraint to expanded credit and financial services in the rural areas. The Principal Bank for Development and Agricultural Credit (PBDAC) will need to increase its capital, improve its efficiency of operations, and add new lending packages to meet the demands for credit in the agricultural, rural development, and farm-related business sectors. To accomplish this, the APCP provides for five areas of activity: policy reform; a set of incremental grants from AID tied to the reforms; private enterprise support; expansion of the PBDAC's capital and available credit sources; and improvement of credit packages.

B. Contract Description

This Contract is directed primarily at the final three areas of activity of the APCP. The overall objective of the Contract is to collaborate with the PBDAC to improve the financial services to rural clients. The Contractor will assist in reorienting the PBDAC as a financial institution.

ARTICLE II - Statement of Work

In consideration of the compensation to be paid to the Contractor, the Contractor shall perform the following services: technical assistance, procurement services, and participant training services for overseas short-term training (see annex A).

ARTICLE III - Reports

- A. In addition to the reports required in General Provisions Clause 7 ("Payment"), the Contractor shall submit reports as follows:
1. Five (5) copies to the PBDAC and five (5) copies to USAID/Egypt of the work plan, based on the Contractor's first three months in Egypt, which describes the Contractor's strategy for accomplishing the work under this Contract. The work plan is due within 90 days after start-up.
 2. Five (5) copies to the PBDAC and five (5) copies to USAID/Egypt of progress reports on a quarterly basis which summarize the work performed during the

preceding period, problems encountered and the way they were (or are being) overcome, and significant findings. The first progress report is due 30 days after the end of the first quarter of implementation.

3. Five (5) copies to the PBDAC and five (5) copies to USAID/Egypt of each annual report due within sixty (60) days after the end of the Contract year.
4. Twenty-five (25) copies to the PBDAC and five (5) copies to USAID/Egypt of a final report which reviews the work performed under the Contract and the resulting findings. Problems or issues affecting the overall project and its success in the future shall be highlighted. The final report is due within sixty (60) days after departure of the Chief of Party.

- B. The Contractor shall furnish to the Contracting Agency and the USAID/Egypt Project Officer all reports required by paragraph A above no later than the required submission dates. Reports shall be printed or typewritten and may include photographs or other illustrative material as appropriate. Such reports (other than routine tabulations) shall commence with a summary and a statement of conclusions and recommendations followed by the detailed report itself. Reports shall display on their covers the name of the contractor and the relevant AID Loan/Grant and Contract Numbers. Detailed reports will generally follow the work plan format and will clearly reflect the status of activities with respect to schedules contained in the work plan. Reports will be in English.
- C. The Contractor shall submit ten (10) copies of the signed Contract to the Contracting Agency and eight (8) copies of the signed Contract and any amendments to the USAID/Egypt Project Officer.

ARTICLE IV - Key Personnel

- A. The Key Personnel under this Contract are:

<u>NAME</u>	<u>POSITION</u>
William A. Ellis	Chief of Party (COP)

- B. Prior to removing or replacing this individual, the Contractor shall obtain the approval of the Contracting Agency ninety (90) days in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the Contracting Agency and AID. The Contractor may make the suggested change if he does not receive a response from the Contracting Agency within 30 days of notification.

ARTICLE V - Level of Effort (LOE)

- A. The estimated level of effort for the performance of this Contract shall be 2,158.5 person-months of direct professional labor, including subcontractor LOE.
- B. The composition of the estimated total person-months of direct professional labor is as follows:

TOTAL EXPATRIATE LT AND ST	639
TOTAL LOCAL PROFESSIONAL LT AND ST	548
TOTAL HOME OFFICE	76
TOTAL SUBCONTRACTORS	895.5
TOTAL PROFESSIONAL EFFORT	<hr/> 2,158.5

- C. The rate at which the Contractor provides services may fluctuate, provided that such fluctuation does not exhaust the estimated total person-months of effort prior to the expiration of this Contract. The estimated number of months of effort for any classification (except for Key Personnel) may be utilized by the Contractor in any other direct labor classification, if necessary. In no event, however, shall either the total estimated level of effort specified above or the total estimated cost for "salaries" and "fringe benefits" stated in annex C be exceeded without the prior written approval of the Contracting Agency and the Agency for International Development.
- D. The Contracting Agency may, by written order, direct the Contractor to increase the average monthly rate of utilization of direct labor to such an extent that the total person-months of effort, specified above, would be utilized prior to the expiration of this Contract. Any such order shall specify the degree of acceleration required and the revised term resulting from such acceleration. Any removal of Contractor staff by the Contracting Agency shall be done in collaboration with the Contractor and shall require the approval of AID.

ARTICLE VI - Relationship of Parties and General Responsibilities

- A. The officials of the Contracting Agency who have primary responsibility for operations under this Contract are Mr. Mahmoud Noor and Mr. Kamal Nasser. They are responsible for overall guidance of the Contractor and for approvals of annual work plans and other official Contract documents.

- B. The Contractor's home office Project Supervisor will retain overall contractual responsibility, and the Chief of Party will be delegated responsibility for the management of all field staff and operations.

ARTICLE VII - Terms of Contract

- A. The Contractor shall commence work on the date of receipt of a Notice to Proceed from the Contracting Agency confirming that payment arrangements have been established. The estimated completion date for all work under the Contract is September 30, 1995.
- B. The Contracting Agency may, with the prior written approval of AID, extend the term of this Contract by written notice within the time specified in this Schedule providing that the Contracting Agency shall give the Contractor a preliminary written notice of its intent to extend at least sixty days before the Contract expires. If the Contracting Agency exercises this option, the extended Contract shall be considered to include this provision.

ARTICLE VIII- Precontract Costs

- A. As agreed during initial discussions between Contractor and Contracting Agency as evidenced by the Aide Mémoire signed July 12, 1988, the Contractor shall be allowed to invoice those precontract costs associated with mobilization of the Contract prior to signature of this Contract.
- B. Precontract costs shall be reimbursed only for those costs incurred after July 12, 1988, and up to the date of signature of this Contract.

ARTICLE IX- Contract Type, Amount, and Payment Mode

- A. This is a cost-reimbursable-plus-fixed-fee Contract financed under USAID Grant No. 263-0202. The total estimated cost for technical and training services is \$21,711,726, as set forth in the attached budget, annex C. The fixed fee for Technical and Training services is \$1,497,958 and the fee for procurement services is \$67,250. The sum of the total estimated cost and the fixed fee (\$23,276,934) is the maximum amount payable under this Contract and may not be exceeded unless the Contract is amended in accordance with General Provisions clause 18 ("Amendments"). Furthermore, except to the extent otherwise provided in paragraph A.6 of General Provisions clause 7 ("Payment"), none of the line items set forth in annex C may be exceeded unless the Contract is amended in accordance with General Provisions clause 18. (See also General Provisions clause 9, "Limitation of Costs.")
- B. A fee of \$67,250 for procurement services will be provided to the Contractor hereunder. The fixed fee and fee for procurement services shall be payable as

provided in paragraphs A.4 and A.5, respectively, or General Provisions clause 7 ("Payment").

- C. The Contracting Agency shall request the Agency for International Development to open a Bank Letter of Commitment, naming the Contractor as the approved applicant for financing the purchase of commodities agreed to between the parties (15 photocopiers, audiovisuals, 16 minicomputers, 150 microcomputers) in the approximate amount of \$2,700,000 as provided in the APCP Commodity Procurement Plan. This amount shall not be part of this Contract. A PIL will be established to reimburse the Contracting Agency for local procurement.
- D. The Contracting Agency shall request the Agency for International Development to open a Direct Letter of Commitment to the Contractor to finance all other costs of the Contract. In accordance with paragraph A.1 of General Provisions clause 7 ("Payment"), the Contractor's option and instruction for payment is as follows: U.S. Treasury check payable to "Chemonics International Consulting Division" to be issued by the U.S. Disbursing Officer, American Embassy, Cairo, Egypt, and mailed to the Contractor at the address specified on the Cover Page of this Contract.
- E. Egyptian Pound payments shall be reimbursed in U.S. Dollars as described in General Provisions clause 8 ("Payment for Local Currency").

ARTICLE X - Logistic Support and/or Property

The Contracting Agency will provide the Contractor with the following services, logistic support and/or property:

- A. Headquarters office space shall be made available in suitable amounts and locations so as to accommodate the long-term and short-term specialists with appropriate furniture, equipment, and staff support in reasonable working proximity to their respective PBDAC counterparts.
- B. Until the PBDAC provides sufficient headquarters office space, additional separate facilities will be maintained near the PBDAC in Cairo, such as at Cairo Center, containing adequate room for the Contractor's support staff offices, meeting rooms, work rooms for computers and office equipment, etc.
- C. Twelve vehicles of the new group of 70 procured by the Contractor for the PBDAC will be assigned full-time for official use by the long-term specialists. Vehicles may be used for personal purposes only if employees pay the official rate specified for personal use by AID.

- D. Work permits, visas, clearances, and other documentation needed for Contractor personnel, commodities, and transportation as required.

ARTICLE XI- Cost Provisions

A. General

All reimbursable costs under this Contract shall be allowed, allocable, and reasonable as defined in AID Handbook 11, Country Contracting, chapter 4, "Cost Principles for Borrower/Grantee Contract," as from time to time revised.

B. Salaries and Allowances

- 1. Annual salary increases may be granted to eligible direct employees, subject to the Contractor's established policy and practice.

- a. Expatriate Long-term Professionals: With respect to this Contract, expatriate long-term professionals are eligible for individual merit increases and annual increases.

Individual merit increases are periodic salary increases designed to recognize and reward achievement and contribution to the Project. These salary increases will be based on a 3% salary increase pool which includes all long-term professional salaries except those at the AID maximum salary ceiling. Within the pool, the Chief of Party has the flexibility to determine the percentage and amount of individual salary increases. The Chief of Party, based on performance evaluations and in consultation with the home office and the field administrator, shall prepare a single matrix proposing the allocation of salary increases within the pool for all eligible expatriate staff. This matrix will include a merit increase for the Chief of Party which will be proposed by the home office Project Supervisor in consultation with the PBDAC. The Chief of Party will submit this matrix for PBDAC approval no later than July 1 of each year. Once approved, the salary increases shall go into effect on the respective date-of-hire anniversaries of the employees.

All long-term expatriate professionals whose salary is below the AID maximum salary ceiling will also be eligible for an annual increase of 5%. This increase will be awarded on the anniversary of the employee's date of hire subject to satisfactory performance. The Chief of Party will submit a performance report for each eligible employee for Contracting Agency concurrence.

Employees whose salaries are at the AID maximum salary ceiling will be awarded increases in accordance with AID maximum salary ceiling increases,

subject to satisfactory performance. The Chief of Party will submit a performance report for each eligible employee for Contracting Agency concurrence.

b. Local Direct Employees: With respect to this Contract, local long-term direct employees are eligible for individual merit increases, annual increases, and cost of living adjustments.

Individual merit increases are periodic salary increases designed to recognize and reward achievement and contribution to the Project. These salary increases will be based on a 3% salary increase pool which includes all long-term professional and support salaries except those at the local hire maximum salary ceiling. Within the pool, the Chief of Party has the flexibility to determine the percentage and amount of individual salary increases. The Chief of Party, based on performance evaluations and in consultation with the home office and the field administrator, shall prepare a single matrix proposing the allocation of salary increases within the pool for all staff--long-term professional and support staff. The Chief of Party will submit this matrix for PBDAC approval no later than July 1 of each year. Once approved, the salary increases shall go into effect on the respective date-of-hire anniversaries of the employees.

All local long-term direct employees will also be eligible for an annual increase of 5%. This increase will be awarded on the anniversary of the employee's date of hire subject to satisfactory performance. The Chief of Party will submit a performance report for each employee for Contracting Agency concurrence.

All local long-term direct employees will receive cost of living adjustments which will be awarded twice annually on September 1 and March 1 based on the devaluation of the Egyptian Pound in relation to the U.S. Dollar. The Chief of Party will prepare an Administrative Memorandum outlining the application of these adjustments for PBDAC concurrence.

Any exceptional adjustments not covered by the above, such as bonuses, promotions, and market adjustments, will require the approval of the PBDAC and USAID/Egypt.

2. Any overseas differential, allowances, premium pay, housing, temporary lodging, education, educational travel, medical and other evacuations, emergency visitation travel, home leave, home leave travel, rest and recuperation (R & R) travel, per diem, motor vehicle shipment and packing, shipping and storage of household effects shall be reimbursed in accordance with AID regulations, as from time to time revised.

C. Work Week and Leave

1. **Non-Overseas Employees of the Contractor:** The work week for non-overseas employees shall not be less than the established practices of the Contractor.
2. **Overseas Employees:** The work week for overseas employees shall be forty hours and shall be scheduled to coincide with the counterparts of the Contracting Agency.
3. A six-day work week is authorized for all short-term specialists and home office staff on field assignments supplied under this Contract as approved by the PBDAC.
4. Holidays authorized are those holidays specified in official USAID/Egypt Administrative Memoranda, as issued from time to time.
5. Rest and Recuperation (R&R) is authorized as specified by AID regulations, as amended from time to time.
6. Home Leave is authorized for Contractor employees who have served a minimum of two years overseas under this Contract and have not taken more than thirty (30) days leave (vacation or sick leave) in the United States provided that such employees agree to return overseas for an additional two-year appointment under the Contract. In no case shall the employee spend more than 45 calendar days away from post of duty, except by written approval of the PBDAC and USAID/Egypt. Accrual of Home Leave days will be in accordance with AID regulations. Unused Home Leave is not compensable under this Contract.
7. Overtime payment for over 40 hours a week shall be considered overtime premium payment. Premium payment for overtime work must be in accordance with the Contractor's written policies and procedures. It is expected that overtime work at premium rates will be necessary, especially for field nonprofessional staff.
8. Effective from the date of the signing of the Contract Amendment, Sunday Pay is no longer authorized.

D. Indirect Costs

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 payment on account of allowable indirect costs shall be

made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below. Any written agreement to revise rates is incorporated into this Contract without need for further Contract modification.

OVERHEAD RATES FRINGE BENEFITS

<u>Type</u>	<u>From</u>	<u>Through</u>	<u>Home-</u>			<u>Host-</u>	
			<u>Office</u>	<u>Field</u>	<u>G&A</u>	<u>Expatriate</u>	<u>Country</u>
			(a)	(b)	(c)	(d)	(e)
Final	4-1-86	3-31-87	99.49	79.82	4.05	17.25	.79
Final	4-1-87	3-31-88	80.76	64.21	2.85	22.89	.41
Provisional	4-1-88	3-31-89	71.19	59.99	5.12	22.21	2.48
Provisional	4-1-89	3-31-90	74.73	60.94	2.96	23.79	.56
Provisional	4-1-90	3-31-91	96.15	83.71	3.63	26.53	.64
Provisional	4-1-91	Until Amended	73.63	62.68	3.42	22.03	.10

Base of Application

- (a) Direct Home Office Salaries and Fringe Benefit Costs
- (b) Direct Field Salaries and Fringe Benefit Costs
- (c) Total Cost Input, Excluding USAID furnished Local Currency
- (d) Direct Home Office and Expatriate Field Salaries
- (e) Direct Host Country Professional Salaries

The Contractor, as soon as possible but not later than six (6) months after the close of each of the Contractor's fiscal years during the term of this Contract and after termination of the Contract, shall submit to the AID Overhead and Special Costs Branch a proposed final indirect cost rates for the preceding period together with supporting cost data. The Overhead and Special Costs Branch shall issue a Negotiated Indirect Cost Rate Agreement (NICRA).

E. Other

1. Transportation costs for Project materials is an allowable cost under this Contract.
2. Air ticketing for Egyptian participants is funded from FT-800 Trust Funds (outside Project funding) which is estimated to be LE 325,000. Indirect costs are based on total direct costs under the Contract, exclusive of FT-800.

ARTICLE XII- Host Country Taxes

In accordance with Section B.4 of the Project Grant Standard Provisions Annex of the Project Grant Agreement No. 263-0202 dated September 30, 1986, as amended, between the Arab Republic of Egypt and AID, the General Provisions Clause 35 ("Host Country Taxes") shall govern the tax treatment of Project commodities, contractors, subcontractors and their employees financed by AID.

Article XIII- Annexes

All Annexes, as amended or changed during the life of the Contract, which are attached to this Schedule of the Contract, are an integral part of this Contract and shall be fully binding on all parties.

ARTICLE XIV- Signature

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, hereby agree to the provisions of this Contract.

(Chemonics)

(PBDAC)

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

ANNEX A

STATEMENT OF WORK

The Contractor shall perform the following services:

I. GENERAL RESPONSIBILITIES

A. Act as Prime Contractor, liaising with and coordinating Contract activities with the PBDAC, USAID/Egypt, Subcontractors, Egyptian organizations, and other entities as required.

B. Provide supervision of Contract planning, Contract management, financial control, and Contract monitoring.

C. Provide technical assistance, procurement, and participant training services as described below.

D. The Contractor shall be responsible for the satisfactory completion of all services in such a manner as will best attain the objectives of the Project. The Contractor shall cooperate fully with the PBDAC in the performance of the services. The Contractor shall be responsible for the conduct and performance of its personnel in providing the timely completion of the services in accordance with its Contract.

II. SPECIFIC RESPONSIBILITIES

A. Provide technical assistance as follows:

1. Long-term technical assistance in the following areas, as described in the position descriptions for the respective long-term specialists.

a. Banking management, organization, operations, procedures, and controls for 87 months.

b. Management of information systems and financial reporting of branches and banks to senior management for an initial assignment of 67.5 months.

c. Accounting development, standardization, and automation for an initial assignment of 43 months.

d. Agricultural lending policies, procedures, controls, and analytical techniques for an initial assignment of 25 months.

- e. Farm-related business development/marketing and lending criteria in agroindustry for an initial assignment of 37.5 months.
 - f. Farm management through coordination/interaction of research, credit, extension institutions and the farmer for an initial assignment of 32 months.
 - g. Finance and capital management of sources and uses of funds, organization, report controls, and institutional borrowing and lending for an initial assignment of 40 months.
 - h. Audit and internal control expansion and strengthening through development of simplified audit procedures, manuals, and trained audit teams for an initial assignment of 30 months.
 - i. Training and manpower development in areas of credit analysis, accounting, operations, audits, treasury, marketing and training of trainers for an initial assignment of 56 months.
 - j. Administration of ongoing, day-to-day management, budgeting, logistic requirements, monitoring and reporting of Contract operations in Cairo for 43 months.
 - k. Production of high-quality reports, manuals, and documentation in each of the areas above for 28 months.
 - l. Development Banking/Investment Lending Specialist to assist the Bank to expand and diversify its investment lending system for an initial assignment of 24 months.
 - m. Commodity Trading Specialist to assist the PBDAC to revise its corn importation practices with emphasis on privatization, for an assignment of 13 months.
 - n. Privatization/Divestiture Specialist to assist PBDAC to divest itself from the procurement, transport, and sales of selected agricultural inputs and to transfer this function to private sector businesses and farmer organizations for an initial assignment of 36 months.
2. Short-term specialized activities, projects and training as required.
- B. As the Procurement Services Agent for the PBDAC under the APCP, provide procurement services including but not limited to assisting in the development of complete specifications, and the timely and economic acquisition, shipment, and delivery of vehicles, equipment, furniture, and other commodities as required.

C. Administer offshore participant training services. The Contractor shall assist in identifying training opportunities outside Egypt which fulfill manpower development needs, and shall make administrative arrangements to expedite selection, placement, and follow-up for participants.

D. The Contractor's home-office staff shall be responsible for supporting services which shall include, but not be limited to, the following:

a. Recommend employees to be assigned to the expatriate resident staff in Egypt.

b. Provide general administration of the Contractor's services performed in Egypt. The estimated number of person-months and staff skills required shall be presented to the PBDAC for approval. For this purpose, the Contractor may dispatch appropriate professional and administrative staff to Egypt during the period of this Contract when agreed to by the PBDAC.

c. Provide procurement and training-related services as requested and agreed to, whether carried out in Washington or Egypt. The time required for such home-office services should be estimated beforehand and provided to the PBDAC for its consideration.

d. Provide such other services as provided in the Contract.

III. POSITION DESCRIPTIONS: To follow is a brief job description for each long-term expatriate and local professional position on the Chemonics APCP team.

CHIEF OF PARTY

General Responsibilities

The Chief of Party will provide overall management and direction to the technical advisors on the Chemonics team. Of equal importance, the Chief of Party will provide information on strategies and alternate tactics for developmental planning and management of the Bank during its transitional period. The Chief of Party reports to the Chemonics Project Supervisor.

Specific Responsibilities

- A. Serve as Chief of Party and senior bank advisor to the APCP project directors and key Bank officials.
- B. Serve as the primary link between the APCP project directors, the team of technical specialists, and USAID/Egypt. Have managerial authority over all long- and short-term team members.
- C. Serve as the primary contact liaison officer with the PBDAC and USAID/Egypt.
- D. Serve as the senior advisor and manager for the APCP, providing overall direction for this Contract. Coordinate and schedule all inputs from USAID/Egypt into the project, with the advice of technical assistance team members, the PBDAC, and USAID/Egypt.
- E. Review and develop detailed work plans and implementation schedules.
- F. Maintain close communications with the home office.

DEVELOPMENT BANKING/INVESTMENT LENDING SPECIALIST

General Responsibilities

The Development Banking/Investment Lending Specialist will assist the Bank to develop a creative, dynamic cost-effective investment lending function, working with senior officers in the PBDAC and the BDACs, in particular the Investment and Credit Sectors. He will coordinate with other team members, such as the Divestiture, MIS, Finance, and Training Specialists, in a "systems" approach, utilizing all elements of the APCP to achieve the tasks.

The Bank has confirmed its interest in expanding and diversifying its lending activities into a broad range of investment and rural development tasks. An orderly expansion will require clear policies, an efficient organizational structure, and a well-trained staff. It will involve a radical transformation in the way of thinking and the modus operandi of the Bank. Until now, APCP efforts in development lending have been somewhat random and unfocused. No one specialist has had the task of building an efficient, profitable investment function at all levels of the PBDAC system. This will be the task of the Development Banking/Investment Lending Specialist.

The Development Banking/Investment Lending Specialist and the Privatization/Divestiture Specialist will work as a team. The process of divestiture will: (1) create new opportunities for lending to the private sector, and (2) require the Bank to develop new business to offset the loss of revenue from inputs distribution. The new position will incorporate and consolidate elements of the Credit Management and Farm Management Specialist positions, both of which terminated at the end of the AWP-III year. This technical advisor reports to the Chief of Party.

Specific Responsibilities:

A. Analyze the Bank's organizational structure in the light of investment lending requirements and make recommendations for improvements. Particular attention will be given to the functions of loan promotion, analysis, and follow-up.

B. Review and amend policies and procedures applying to investment lending to ensure that they are comprehensive, relevant, and internally consistent.

C. Prepare guides or models for preparation and analysis of various types of investment projects.

D. Give special emphasis to lending opportunities related to divestiture in conjunction with the Divestiture Specialist.

E. Analyze human resources requirements of a development banking system and make recommendations on staffing and training requirements.

F. Design local training programs and identify valuable overseas training or observational tour opportunities, in conjunction with the Training Specialists.

G. Monitor actual field operations at all levels and suggest improvements.

H. Establish a loan marketing database and analytical capacity, identify areas for lending, and prepare necessary studies, in conjunction with the Bank Economist.

I. Refine the Bank's planning and budgeting systems to meet the special needs of long-term lending.

J. Design computerized systems for tracking project and loan status, in conjunction with the MIS Specialist.

PRIVATIZATION/DIVESTITURE SPECIALIST

General Responsibilities

The Privatization/Divestiture Specialist will assist in designing privatization and divestiture plans for the PBDAC, including the strategic and tactical plans for the timely divestiture/privatization of the Bank's distribution functions relating to fertilizer, animal feed, and other agricultural inputs. The divestiture and privatization plans will identify initial conditions, policy objectives, and develop an overall long-range strategic plan and a tactical, transitional plan for each of the input activities. The specialist reports to the Chief of Party.

Specific Responsibilities

A. Review documentation related to the policy reform program under Tranches Four through Six of the APCP, the PBDAC/APCP Baseline and Privatization Studies (April 1989), the APC Project Agreement, the Project Paper Amendment, policies, GOE decrees and laws pertaining to the marketing of inputs, the PBDAC Strategic Plan, and other sources.

B. Assist PBDAC counterparts and the MALR in carrying out a baseline assessment of existing conditions of the operations of each of the PBDAC-distributed inputs, including fertilizer, seed, jute bags, pesticides, machinery, corn, and spare parts.

C. In collaboration with PBDAC counterparts, set goals, develop and propose policy changes and a long-term strategic plan for divestiture/privatization of the PBDAC's retail and wholesale input supply, and import and marketing operations. Develop projections of the financial, economic, and institutional ramifications of the proposed divestiture/privatization plans.

D. Assist and work in collaboration with PBDAC counterparts to assess the current level of PBDAC staff and other personnel working in input distribution activities. Develop and propose plans for the use of these personnel during and following divestiture/privatization.

E. Develop and propose specific separate studies required for the policy reform program related to the divestiture/privatization plans.

F. Assist and work in collaboration with PBDAC counterparts to develop implementation activities including setting schedules and annual targets; identifying required resources and staffing; preparing operational plans; monitoring, evaluating, and reporting on progress; identifying constraints; and resolving problems.

FINANCE/CAPITAL MANAGEMENT SPECIALIST

General Responsibilities

The Finance and Capital Management Specialist working on the Project will assist the PBDAC in its goal to achieve better capital management. He will help the Bank: (1) develop a system to determine capital needs, sources, and their servicing requirements; (2) budget for and monitor operating cost and returns of various units; and (3) identify management information and analysis services related to the above.

There are four possible sources of funds for PBDAC. First, increasing the efficiency of operations. Second, local funds mobilization and deposits. Third, selling assets or obtaining donations of capital. And fourth, raising capital through international markets.

The Finance and Capital Management Specialist reports to the Chief of Party.

Specific Responsibilities

A. Identify current sources of funds, seasonal trends in the use of funds, and constraints to improved efficiency in cash management.

B. Assist in the design and development of an operational system with a more sustainable capital structure and capital management of the PBDAC, and assist in adoption of the financial system at the governorate Banks for Development and Agricultural Credit (BDACs).

C. Assist key Bank officials in establishing a unit capable of working with the private business sector and the policy makers of government and farm organizations to determine the trends in borrowers' needs and the likely effects of policy changes on the capital needs of the food and agricultural sector.

D. Assist the PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and selecting and orienting new APCP team members.

E. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other human resource development activities.

MANAGEMENT INFORMATION SYSTEMS SPECIALIST

General Responsibilities

The objective of the Management Information Systems Specialist, in collaboration with the local MIS Subcontractor (ArabSoft), is to assist PBDAC staff in designing and installing an automated information system for PBDAC senior managers.

The MIS Specialist will coordinate with the Bank Operations Specialist and his counterparts to carry out revisions in the PBDAC accounting system. The MIS Specialist will assist in the design and phased installation of automation of new subsystems, using computers and other equipment as appropriate. The initial task will be to help determine what changes can be instituted with the present system to produce high-quality and timely reports.

The MIS Specialist must insure compatibility and a prioritization of developmental efforts covering personnel, functional areas, communications, training and operating systems. The MIS Specialist reports to the Chief of Party.

Specific Responsibilities

A. Identify the status of past and current accounting and automation studies, pilot projects, and initiatives, including the ongoing work under the bridging contract.

B. Assist in developing an overall plan for automation of the improved accounting system as it evolves, and for an automated MIS to respond to the needs of PBDAC senior managers. Help prepare a strategy and implementation plan for carrying out this overall plan.

C. Assist in carrying out the accounting automation and MIS plan.

D. Assist in developing the specifications for the automation equipment, facilities to house the equipment, and a maintenance system.

E. Assist in developing appropriate staffing requirement plans, and a training plan to prepare staff to operate and maintain the automated systems.

F. Provide principal liaison with ArabSoft for provision of local professional expertise in the area of bank automation.

TRAINING/MANPOWER SPECIALIST

General Responsibilities

The objective is to help Bank staff obtain new knowledge or skills through training, and to assist in the restructuring of their present basic managerial and technical capacities. The specialist will help PBDAC personnel identify the training requirements of PBDAC staff for transition to new tasks and responsibilities. Major use of the successful training-of-trainers approach will be used. The specialist will assist in strengthening the role of training in PBDAC and attempt to institutionalize APCP training systems which are appropriate.

Specific Responsibilities

A. Assist in preparing a global training plan that may take any or all of the following forms: on-the-job training; specialized, short-term course training in Egypt, the U.S., or elsewhere; and technical study tours and seminars.

B. Assist in identifying specific offshore training needs and in coordinating the arrangements for such training, including travel and registration arrangements, evaluating the process and reporting the results and recommendations to USAID/Egypt and the respective Egyptian organizations.

C. Assist in coordinating or implementing specific portions of local training activities as requested and as resources are made available.

D. Assist in the identification of qualified participants for short-term training outside Egypt. Advise as requested on selection of participants.

E. Participate in developing the training-of-trainers program.

F. Assist in testing and development of SFPP training modules where required.

G. Administer general provision #37 of this contract.

H. Assist PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and in selecting and orienting new team members.

I. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other manpower development activities.

EDITOR/DOCUMENTATION SPECIALIST

General Responsibilities

The objective is to maintain quality control of all English-language documents, reports, and manuals produced by the APCP team, following a uniform style. The Editor/Documentation Specialist will insure that reports and other Project documents follow a standard format that is acceptable to PBDAC officers, fulfills the terms of the APCP Contract, and complies with AID regulations. The specialist will provide overall management for the production of all major Project documents and will develop and maintain a Project Documents Library. Internal procedures for document production will be established and maintained. This specialist will report to the Chief of Party or his designee.

Specific Tasks

- A. Develop standard formats for all reports and obtain necessary approvals to ensure acceptability.
- B. Edit all major documents, reports, and manuals in English.
- C. Maintain complete document library for team, including sequential listing of all materials produced by the team under each major category of technical assistance.
- D. Assign translation jobs to translators and editing jobs to the Arabic Language Editor.
- E. Supervise and/or coordinate with administrative and translation staff on the production of documents.

ADMINISTRATIVE SPECIALIST

General Responsibilities

The Administrative Specialist will be responsible for the day-to-day coordination and management of administrative and logistic tasks for Chemonics/APCP technical assistance team in Egypt. The specialist will be responsible for maintaining control over communications, filing systems, finances, travel, housing, and similar matters for the whole Chemonics team. The specialist will also be responsible for hiring, training, and managing all local support staff. The Administrative Specialist reports to the Chief of Party.

Specific Responsibilities

- A. Set up Chemonics' local APCP office including purchase and maintenance of all equipment, communications (fax, telex, phones, etc.), filing systems, and facilities, and be responsible for carrying out the terms of General Provision #12 regarding maintenance.
- B. Hire, train, and manage local support staff.
- C. Supervise the local accounts and ensure timely and accurate reporting to the home office.
- D. Provide complete administrative and logistical support to expatriate (long- and short-term) and local staff on the Chemonics team.
- E. Coordinate the expediting and clearing of customs for all shipments.
- F. Coordinate and liaise with the home office on procurement, accounting, administration, and personnel issues.

FARM-RELATED BUSINESS SPECIALIST

General Responsibilities

To assist the PBDAC to expand the agribusiness portfolio of the Bank. He will assist in identifying constraints in the physical distribution system; the cost-pricing and financial aspects of the marketing system in which businessmen and women operate; the attitudes of farmers and government officials toward business; and other areas. He will assist in identifying the major areas of opportunity for farm-related business development and the financing and banking systems required to capitalize on these. The Farm-related Business Specialist reports to the Chief of Party.

Specific Responsibilities

A. Identify and assist the PBDAC to establish priority areas for action within the PBDAC to enhance its non-agricultural lending, such as developing the necessary organizational and management structure for managing agribusiness and cooperative lending.

B. Work with key bank officials in identifying policy and regulatory changes needed to create an environment conducive to private enterprise lending.

C. Assist in identifying business and investment opportunities in the distribution, transportation, processing or other aspects of the marketing system which are financially rewarding to entrepreneurs, and provide essential services to the farming community. Provide recommendations to the PBDAC on how best to inform entrepreneurs about the availability of such loans and how to use it.

D. Advise the PBDAC Training Department, and Credit and Investment Lending Sector on the development and implementation of a training program for agribusiness and cooperative finance and lending.

E. Assist the PBDAC to develop systems to monitor changes in the volume of agribusiness and cooperative loans and appraise the effectiveness of these loans on reaching the target groups and achieving the projects' objective. Recommend changes in the policies, procedures and criteria, as appropriate.

F. Assist PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and in selecting and orienting new team members.

G. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other manpower development activities.

H. Coordinate with the research and extension services of the Ministry of Agriculture to:

(1) identify crops and livestock enterprises and their requirements which may need financing;

(2) identify business opportunities which support farm enterprises;

(3) provide cross-service training and exchange of technical and financial services information; and

(4) identify policies, rules, or regulations which may need to be either put in place or removed to facilitate growth and flows of information from the research/extension services to the banking and farming community.

FARM MANAGEMENT SPECIALIST

General Responsibilities

The specialist will be the principal liaison for the Contractor with the extension and research arms of the Ministry of Agriculture. He will ensure that recommendations of other team members relating to production loans be technically sound and appropriate to the agroecological and socioeconomic levels of the intended borrowers. The Farm Management Specialist reports to the Chief of Party.

Specific Responsibilities

- A. Assist PBDAC management in their efforts to ensure the technical soundness of loan products directed at agricultural production.
- B. Assist his counterpart to coordinate with the research and extension services of the Ministry of Agriculture to interpret the costs of production, input requirements, material flows, and credit requirements.
- C. If feasible, assist in the development of a program that would assess the appropriateness of new technologies to the target farmers from an agroecological and socioeconomic perspective.
- D. Assist in the coordination of follow-up activities with the extension service to ensure loans are correctly configured to increase production, and that farmers correctly use the loan funds for intended purposes.
- E. Determine the need for and terms of reference of short-term specialists in areas relating to this general area of responsibility.
- F. Assist PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and in selecting and orienting new team members.
- G. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other manpower development activities.

MONITORING AND AUDITING SPECIALIST

General Responsibilities

The Monitoring and Auditing Specialist will assist the PBDAC to develop improved quality control systems for loan analysis, approval, collections, and reporting. He will assist in developing an internal auditing system for the Bank. The Monitoring and Auditing Specialist reports to the Chief of Party.

Specific Responsibilities

A. Assist the PBDAC to develop an agricultural credit audit operation throughout the project governorates with a central audit operation in the Bank's headquarters to supervise the maintenance of an internal audit system.

B. Assist the PBDAC, in coordination with other Chemonics team members, to develop a loan monitoring and loan classification system to insure that ongoing lending operations are being carried out in conformity with approved policies and procedures to maintain control and creditability of the Bank as a financial institution.

C. Assist the PBDAC to design and implement a system whereby project loans could be evaluated as to the risk factor and a reserve for losses program established to the degree necessary and feasible.

D. Assist key Bank officials in developing staffing requirements for administration of these programs and advise on developing and implementing a training program related to quality control requirements.

E. Assist in the development of a quality control reporting and monitoring system which meets the needs of APCP (including USAID/Egypt), the PBDAC, and other special reporting requirements.

F. Assist PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and in selecting and orienting new team members.

G. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other manpower development activities.

ACCOUNTING SPECIALIST

General Responsibilities

The Accounting Specialist will assist the PBDAC in revising its accounting system. The objective of this revision is to establish a simplified, standard chart of accounts which will provide more useful information to village, markaz, governorate (BDAC), and national-level (PBDAC) managers and officers, and which will allow automation. The Accounting Specialist reports to the Chief of Party.

Specific Responsibilities

A. Assist key Bank officials to develop a series of studies, pilot efforts, and detailed systems design and application programs which will serve as the bases for a new computerized accounting system at the central level as well as at the governorate level. Identify, with the use of short-term technical specialists, the equipment, training, system maintenance requirements, and start-up procedures for the new system.

B. Review the current accounting system and determine what can be done to improve its effectiveness, timely reporting and operational procedures. Make recommendations to the project director and key Bank officials on improvements, changes, and implementation plans.

C. Help develop the necessary accounting manuals, codable forms, and procedures and policies for carrying out such changes. Provide advise on the necessary training and human resources development to support progress and changes.

D. Assist in the verification of the special account capital fund set up by the GOE and USAID/Egypt, and determine if it is adequately designed, from the accounting point of view, to serve its objectives.

E. Assist in the design and implementation of a human resources development program which would assure the availability of well trained cadres of PBDAC personnel in the areas of cost accounting, bookkeeping, and maintaining the accounting system.

F. Assist key Bank officials and project staff in the development of a staff training manual concerning cost accounting principles, bookkeeping, and maintaining the accounting system.

G. Assist key Bank staff and other team members in the identification of training requirements and information for improved accounting procedures, forms, and systems, and in developing strategies, action plans, and schedules for implementation.

H. Assist PBDAC and APCP staff in identifying requirements for other long- and short-term technical assistance, preparing scopes of work for such requirements, and in selecting and orienting new team members.

I. Assist counterparts and other team members in the identification of appropriate short-term training programs and observational visits, seminars, and other manpower development activities.

COMMODITIES TRADING SPECIALIST

General Responsibilities

The Commodities Trading Specialist will assist the Bank in identifying the available courses of action to minimize costs of imported corn, including more efficient management of shipping. He will also help to identify sources of financing and assistance to help the private sector in eventually taking over the PBDAC's corn importation function. This specialist reports to the Chief of Party.

Specific Responsibilities

- A. Prepare projections on cropping area for corn, corn use, current demand and potential increase for corn (2 years), current and projected corn prices, rate of exchange, and rate of inflation (2 years).
- B. Interview a sample of potential private sector importers, i.e., merchants, feed mills, and large private broiler/egg producers. The purpose is to identify their level of interest in importing corn directly, factors discouraging private sector corn importation, availability of commercial bank financing, attractiveness of financing currently provided by the PBDAC, and types of assistance needed by the private sector in order to import corn.
- C. Provide several short- and long-run strategies for stabilizing prices within Egypt. These strategies should address how the PBDAC officials can minimize/reduce cost of imported corn, evaluate tender quotations, reduce shipping costs, avoid acute shortages, and encourage private sector participation
- D. Hold training session(s) to orient potential private sector corn importers.
- E. Provide direct assistance to the PBDAC during its regularly-scheduled corn tenders. As such, provide hands-on training to the PBDAC's own commodities trading staff.

BANKING OPERATIONS SPECIALIST

General Responsibilities

The Banking Operations Specialist will continue the efforts and accomplishments of the Accounting Specialist. Thus, the objective of the new specialist is to assist the Bank in the implementation of the approved accrual system, cashier system, and on refining and simplifying financial reports. A new task will involve assistance with the procedures manual, and the coordination of the standardization of audit procedures with the following bank operations procedures (which overlap with the bank processing applications): General Ledger, Credit, Deposits, and Cashier. Secondly, the specialist will act as a coordinator with the Bank's Social Fund Task Force for development of a small rural enterprise lending program. The specialist will concentrate on utilizing and streamlining reporting requirements. He will report to the Chief of Party or his designee.

Specific Responsibilities

Primary Responsibilities:

- A. The primary operational/accounting areas of involvement will be in financial reporting, loan classification, accrual system, cashier automation, and standardization of audit procedures.
- B. Regular involvement in the design and implementation of the standardization of the regulatory, budget, credit, financial, and senior management reports--all of which should flow from the Bank's accounting system. As such, will work in close consultation with the MIS and Finance/Capital Management Specialists, as well as with the Bank's General Managers and Sector Heads for Accounting, MIS, Credit, Finance, and Planning/Budgeting.
- C. Begin governorate-wide implementation of the Chart of Accounts and General Ledger by distributing the first set of monthly entries to the BDACs, then follow up the accruals in the PBDAC headquarters (within the first six months of assignment).
- D. Complete the Accounting Procedures Manual begun by the Accounting Specialist. The modules that remain to be drafted are: deposits; foreign loans; fixed assets; unit profit and loss accounting; and automated cashier system.
- E. Supervise the work of Local Internal Audit Specialist(s) who will be hired to review, modify, and further develop internal audit/monitoring procedures. These procedures should specifically relate to the new Accounting Policies and Procedures Manual.

Secondary Responsibilities:

A. From time to time and as events develop in the Bank, continue to monitor coordination efforts in the implementation of Consolidated Credit Reporting.

B. Continue to review progress of the Unified Loan Fisha implementation throughout the village bank network, as it ties with reporting and automation.

C. When requested by the Bank, contribute time, supervision, and coordination on the PBDAC's rural small enterprise lending scheme under the Social Fund for Development's grant from The World Bank. As such, he will need a full-time PBDAC counterpart and task force with whom to coordinate this program.

BANK ECONOMIST

General Responsibilities

The Bank Economist, a local-hire professional, provides technical assistance to the Bank in the general areas of agricultural policy and, especially, assists the Bank:

- in establishing and developing an Economic Analysis Unit;
- in further developing a fully integrated planning function, and more specifically, the strategic planning components; and
- in taking a position on its long-term direction consistent with the policy agenda of the Government of Egypt and the Ministry of Agriculture and Land Reclamation.

The Bank Economist reports to the Chief of Party.

Specific Responsibilities

Specific responsibilities include, but are not restricted to, the following:

- a. Develop policies and procedures for the Economic Analysis Unit including preparing a position on the Unit's organizational implications, job descriptions, and an organizational chart.
- b. Assist in the review of policies, procedures, and practices in operational planning and budgeting functions.
- c. Assist in the production of an environmental scan report as the basis for discussing strategies, strategic goals, and strategic directions.
- d. Serve as a survey analyst and administration specialist to provide guidance and assistance to all credit operations, particularly crop loans, for the collection, analysis, and utilization of survey information concerning the operation of the Bank, and the success of operations of Bank-financed clientele.
- e. Train and support the Statistical Unit of the PBDAC to strengthen their skills in survey operations, implementation, and analysis.

LOCAL DEVELOPMENT BANKING/INVESTMENT LENDING SPECIALIST

General Responsibilities

The Local Development Banking/Investment Lending Specialist will work as the colleague of the expatriate advisor assigned to this task area. The two will assist the Bank to expand and diversify its investment lending function, working with senior officers in the PBDAC and the BDACs, in particular the Investment and Credit Sectors. Lending opportunities generated by divestiture will be given special attention; bank policies and procedures will be reviewed and updated; and a human resources base for development banking will be developed. This specialist will report to the expatriate Development Banking/Investment Lending Specialist; together they will formulate a final scope of work.

Specific Responsibilities (draft)

- a. Analyze the Bank's organizational structure in light of investment lending requirements and make recommendations for improvement. Particular attention will be given to the functions of loan promotion, analysis, and follow-up.
- b. Review and amend investment lending policies and procedures to ensure that they are comprehensive, relevant, and internally consistent.
- c. Prepare guides or models for preparation and analysis of various types of investment products.
- d. Give special emphasis to lending opportunities related to divestiture in conjunction with the divestiture technical advisor.
- e. Analyze the human resources requirements of a development banking system and make recommendations on staffing and training requirements.
- f. Establish a loan marketing database and analytical capacity, identify areas for lending, and prepare necessary studies in conjunction with the Bank Economist.

LOCAL TRAINING/MANPOWER SPECIALIST

General Responsibilities

Working closely with the expatriate Training/Manpower Specialist, this specialist helps PBDAC personnel identify PBDAC staff training requirements for transition to new tasks and responsibilities. The local specialist reports to the expatriate Training/Manpower Specialist.

Specific Responsibilities

Specific responsibilities include, but are not restricted to, the following:

- a. Assist in the preparation of a global training plan that includes on-the-job training; specialized, short-term course training in Egypt, the U.S., or third countries; technical study tours; and seminars.
- b. Assist in coordinating or implementing specific portions of local training activities as requested and as resources are made available.
- c. Participate in developing the training-of-trainers program.
- d. Assist the Bank staff and other team members in identifying appropriate short-term training programs, observational visits, seminars, and other manpower development activities.

ANNEX B
GENERAL PROVISIONS
Cost Reimbursable Contract
Index of Clauses

	<u>Page</u>
1. Definitions	B-1
2. Language	B-1
3. Laws to Govern	B-2
4. Contingent Fees	B-3
5. Work Week, Overtime and Leave	B-3
6. Legal Effect of A.I.D. Approvals and Decisions	B-4
* 7. Payment	B-4
8. Payment for Local Currency	B-8
9. Limitation of Costs	B-9
10. Audit and Records	B-10
11. Assignment	B-10
12. Logistic Support and/or Property	B-10
13. Nationality and Source	B-12
14. Travel	B-20
* 15. Air Travel and Transportation	B-20
16. Subcontracts	B-22
17. Change Orders	B-22
18. Amendments	B-23
19. Disputes and Appeals	B-23
* 20. Marking	B-23
21. Inspection	B-24
22. Report of Delays	B-24
23. Force Majeure	B-24
24. Suspension of Work	B-25
25. Termination by the Contracting Agency for Default	B-26
26. Termination by the Contracting Agency for Convenience	B-28
27. Contractor Employees	B-30
28. Physical Fitness of Employees and Dependents	B-31
29. Employee Conduct	B-32
* 30. Equal Employment Opportunity	B-32
31. Labor Standards	B-32
* 32. Worker's Compensation Insurance	B-32
33. Insurance	B-33
34. Publications and Patents	B-34
* 35. Host Country Taxes	B-35
36. Notices	B-35
37. Participant Training	B-37
38. Disposition of Personal Property	B-37
* Mandatory clause	

ANNEX B

GENERAL PROVISIONS

1. Definitions

- A. "A.R.E." means the Arab Republic of Egypt.
- B. "A.I.D." means the Agency for International Development of the United States of America, including the A.I.D. Mission in Egypt.
- C. "Contracting Agency" means the contracting instrumentality of the Government.
- D. "Government" and "GOE" mean the Government of the Arab Republic of Egypt.
- E. "Host Country" means the country of the Government.
- F. "Project" means the overall undertaking of the Government, of which the work under this Contract is only a part.
- G. "LE" means Egyptian Pounds.
- H. "Geographic Codes" means the A.I.D. Geographic Codes listed in A.I.D. Handbook 11, Chapter 1, Attachment 1A, as revised from time to time.
- I. "Expatriate Employees" means employees of the Contractor or subcontractors assigned to perform Contract or subcontract functions in A.R.E. and who are not nationals of nor ordinarily resident in the A.R.E.
- J. "Families" and "Dependents" shall have the same definition as provided for A.I.D. employees in A.I.D. Handbook 22, App. 9A, Section 117.K, as revised from time to time.
- K. "Home Office Employees" means those Contractor employees who are stationed within the United States of America and who are directly charged to this Contract.

2. Language

The English language version of this Contract shall govern. All notices pursuant to the provisions of this contract shall be in English.

3. Law to Govern

This Contract shall be interpreted in accordance with the applicable laws of the Arab Republic of Egypt.

4. Contingent Fees

- A. The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this Contract upon an agreement or understanding of commission, percentage, brokerage or contingent fee, except bona fide employees or established commercial or selling agencies maintained by the Contractor for the purpose of securing business.
- B. In the event of the breach or violation of this warranty, the contracting Agency has the right to annul this Contract without liability, or at its discretion, deduct from the Contract fee, or in some other manner recover the full amount of such commission, percentage brokerage or contingent fee.

5. Work Week, Overtime and Leave

- A. The Contractor's workweek shall not be less than the established practice of the Contractor for overseas work, and in no event less than forty (40) hours per week, and in Egypt shall be scheduled to coincide with the work hours of employees of the Contracting Agency working on the same Project.
- B. Payment for over 40 hours a week shall be considered overtime premium payment. Premium payment for overtime work must be in accordance with the Contractor's written policies and procedures. It is expected that overtime work at premium rates will be necessary, especially for field nonprofessional staff.
- C. Vacation and sick leave for Contractor's expatriate and home office employees shall accrue in accordance with the Contractor's established company policy, but in no event at a rate greater than twenty-six (26) work days per year vacation leave and thirteen (13) work days per year sick leave. Sick leave shall be charged for work days only when the employee is unable to work due to illness or injury. Normally, vacation leave earned by employees shall be taken during the period of the employee's tour of duty pursuant to a vacation schedule prepared by the Contractor. Lump-sum payments for vacation leave earned but not taken shall be made at the end of an employee's services under this agreement; however, such lump-sum payments shall not exceed the amount of vacation leave accrued during the preceding twelve (12) months; no payment shall be made for sick leave earned but not taken. Contractor's "employees hired in Egypt" shall accrue leave in accordance with applicable

labor laws, regulations and standards of the A.R.E. The Contractor shall maintain current leave records for all employees and shall provide the Contracting Agency with semi-annual leave Statements.

- D. The contractor shall be reimbursed for holidays (to the extent they fall on regular workdays) of its employees for officially authorized Egyptian and U.S. holidays as specified in the periodic USAID administrative memoranda.

6. Legal Effect of A.I.D. Approvals and Decisions

The parties hereto understand that the Contract has reserved to A.I.D. certain right such as, but not limited to, the right to approve the terms of this contract, the Contractor, and any or all plans, reports, specifications, subcontracts, bid documents, drawings, or other documents related to this Contract and the Project of which it is part. The parties hereto further understand and agree that A.I.D., in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by A.I.D. to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing this Project and shall not be construed as making A.I.D. a party to the Contract. The parties hereto understand and agree that A.I.D. may from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties jointly or separately, without thereby incurring any responsibility or liability to the partner jointly or to any of them. Any approval (or failure to disapprove) by A.I.D. shall not bar the Contracting Agency or A.I.D. from asserting any right, or relieve the Contractor of any liability which the Contractor might otherwise have to the Contracting Agency or A.I.D.

7. Payment

A. U.S. Dollar Payment

1. Procedures - Payment to the Contractor under this contract shall be made by A.I.D. through a Direct Letter of Commitment upon request by the Contracting Agency in the full amount of the Contract or to the level of available funding, whichever is less or by a U.S. Treasury check payable to the Contractor mailed to the Contractor's address, or picked up by the Contractor at USAID/Cairo.
2. Invoicing - Invoices shall be paid upon receipt, review, and approval by A.I.D. of the following documentation in original form:
 - a. A Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal.

- b. The Contractor's commercial invoice shall be submitted monthly, in summary form (submitted vial telex or facsimile), and shall include a description of each of the budgeted line items, the budgeted amounts of each of the line items, expenditures for the current reporting period, cumulative expenditures from the start of the Contract to the end of the current reporting period, and the unexpended balance of each line item. Invoices must be submitted to:

USAID Controller
Unit 64902
APO AE 09839-4902

If any of the costs included in the Contractor's invoices are initially determined by the Contracting Agency or A.I.D. to be ineligible for reimbursement, the Contracting Agency, the Contractor and A.I.D. shall attempt to resolve the disputed amounts. Any amount subsequently approved shall be added to the next invoice amount approved for payment.

- c. Contracting Agency Certificate - The following original certificate, signed and dated by the Contracting Agency, must accompany the Contractor's invoice: "Certificate of Performance for Interim Payment. The undersigned certifies that to the best of his/her knowledge and belief (a) the services (or equipment and materials) for which reimbursement is requested have been satisfactorily delivered, (b) the costs thereof are properly reimbursable in accordance with the terms of the Contract, and (c) any reports or recommendations required have been received and are in accordance with the terms of the Contract."
- d. Contractor's Certificate and Agreement - The Contractor shall execute by hand in accordance with the instructions thereon, form A.I.D. 1440-3, "Contractor's Invoice - and - Contract Abstract."
- e. Additional Contractor's Certificate - In the event the Contracting Agency fails to certify for payment, A.I.D. will settle the amount of the Contractor's invoice upon written certification from the Contractor that the invoice was submitted to the Contracting Agency with the documentation required above and that the Agency has either not returned a copy of the invoice with the documentation or not provided a written explanation of its disapproval of any item in the invoice, within thirty (30) days

from the date of submission of the invoice to the Contracting Agency by the Contractor. This period shall not apply to the final payment; for the final payment, a ninety (90) day period is required before the contractor may settle the payment by providing written certification as described in this provision.

3. Cancellation Charges - When reimbursement or payment for cancellation charges is claimed, the required documentation must be accompanied by the following:
 - a. Written justification by the Contractor supporting in detail the claimed charge.
 - b. One of the three following certifications:
 - (i) Written concurrence by the Contracting Agency to the Contractor's claim.
 - (ii) A certified copy of an arbitration award, together with a certification by the Contractor that such award has not been disputed by the Contracting Agency in a court of law.
 - (iii) A final decree of the court showing the amount of the award.
4. Fixed Fee Payment - The invoiced amount of the fixed fee shall be in the same proportion to the total fixed fee as is the U.S. dollar portion of the invoice to the U.S. dollar portion of the total estimated cost. Payment of the fixed fee shall be made as specified, provided that after payment of 85 percent of the fixed fee, the Contracting Agency may withhold further payment of the fixed fee until a reserve is set aside in an amount that the Contracting Agency considers necessary to protect the Government's interest. This reserve shall not exceed 15 percent of the total fixed fee, or \$100,000, whichever is less.
5. Payment of Fixed Fee for Procurement Services
 - (a) The Contracting Agency will pay the Contractor the fee of \$67,250 as full remuneration for performing the procurement services called for in the Scope of Work. The fee is apportioned as follows among the categories of commodities to be procured by the Contractor:

<u>Category</u>	<u>Number of Line Items</u>	<u>Fee</u>
Photocopiers	Fifteen (15)	\$2,750
Audiovisuals	One (1)	\$2,750
Training Furniture	One (1)	\$3,750
Minicomputers	Four (4)	\$7,000
Minicomputers	Twelve (12)	\$21,000
Microcomputers	One hundred and fifty (150)	\$35,000
TOTAL		\$67,250

- (b) The Contractor will earn partial payments of the fee for commodities according to the following schedule:
- i. Forty percent (40%) of the fee for each category will be earned as orders or contracts for commodities are placed. The portion of the 40% payable for each individual order will be calculated as the ratio which the number of line items ordered for the category bears to the total number of line items in that category to be purchased under the contract. Each request for 40% payment shall include one copy of the relevant purchase order or contract.
 - ii. Fifty percent (50%) of the fee for each category will be earned as the commodities are shipped to the Host Country. The portion of the 50% payable for each individual shipment will be calculated as the ratio which the number of line items completely bears to the total number of line items in that category. Each request for payment shall include one copy of the relevant bill of lading or airway bill. In the case of local procurement, a delivery order will be included in place of a bill of lading or airway bill.
 - iii. Ten percent (10%) of the total fee for procurement services, or \$6,725, will be earned when the Contractor has satisfactorily completed all work and all commodities have arrived at their destination. This final payment will be paid as a lump sum and will not be paid in portions as individuals categories of commodities arrive.
 - iv. Invoices for payments earned will be submitted with the Contractor's monthly invoices under the Contract.

v. In the event that the contracting Agency provides the Contractor with written instructions not to procure all or part of any of the categories listed above, the contractor shall not procure the commodities to which the instructions relate, and no fee for procurement services shall be earned by or paid to the Contractor for such commodities.

6. Final Payment -

- (a) Will be made promptly by A.I.D. upon submission of the above required documentation and after all services specified in this contract have been completed, all required inspections have been made, all required certifications have been received.
- (b) Shall consist of unpaid allowable costs and fixed fee amount retained.
- (c) In addition to the Contracting Agency Certificate specified in subparagraph (2) (b) above, the following original certificate, signed and dated by the Contracting Agency must accompany the invoice for final payment: "The undersigned certifies that to the best of his/her knowledge and belief the services (or equipment and material) for which final payment is invoiced meets in all respects the specifications prescribed in the Contract and the amount invoiced is properly due and payable under the terms of the Contract."

7. Budget Reallocation - The Contractor shall be allowed to augment any line of the approved budget, for technical services other than salaries, fringe benefits, and overhead up to a maximum of 15 percent of that line item by reallocation from other line items. The Contractor shall provide to the Contracting Agency written justification for the reallocation no later than at the end of the reporting period during which the reallocation was made. Any reallocation which would augment any line item by more than 15 percent shall require the prior approval of the Contracting Agency and AID.

8. Final Accountability - final accountability shall be made to the Contracting Agency no later than thirty (30) days after the termination of the Contract.

8. Payment for Local Currency

- A. Payments. Local currency costs incurred by the Contractor under this Contract shall be reimbursed to the Contractor in United States dollars. The U.S. dollar equivalent of the Egyptian pounds costs incurred shall be paid by USAID Direct Letter of Commitment up to the U.S. Dollar Equivalent of the total estimated local currency costs, unless such amount is increased by contract amendment.
- B. Accounting, vouchering and reporting for local currency costs shall be expressed in U.S. Dollars and shall be the same as those specified in General Provision 7 above.
- C. The Contractor shall effect conversion of U.S. dollars to Egyptian pounds through official banking channels and will be reimbursed in dollars for local currency costs at the official rate or rates at which the Contractor acquired the local currency. The Contractor shall open and maintain a bank account in the A.R.E. through which currency conversions shall be effected.
- D. The following Exchange Rate Certification Statement, signed by the Contractor, shall accompany the vouchers submitted to USAID requesting reimbursement in U.S. dollars for payments made with Egyptian pounds.

"I certify that the exchange rate of (specify rate) used on this reimbursement claim to convert Egyptian pounds payments to U.S. dollars equivalents reflects the rate of exchange at which the Egyptian pounds were actually purchased."

- E. The Contractor shall maintain records on transactions involving currency conversions as part of General Provision Clause 10 - Audit and Records.

9. Limitation of Costs

- A. If at any time the Contractor has reason to believe that the total costs which it expects to incur in the performance of this Contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five (75) percent of the maximum amount payable or if, at any time, the Contractor has reason to believe that the total costs to the Contracting Agency for the performance of this Contract will be greater than the maximum amount payable, the Contractor shall notify the Contracting Agency in writing to that effect, giving the revised estimate of the total costs for the performance of this Contract.
- B. The Contracting Agency is not obligated to reimburse the Contractor for costs in excess of the total estimated costs, nor is the Contractor obligated to

continue performance and incur costs in excess of the total estimated costs unless the Contract is amended in accordance with General Provision Clause 18 ("Amendments").

10. Audit and Records

- A. The contractor shall maintain books, records, documents and other evidence and shall apply consistent accounting procedures and practices sufficient to reflect properly all transactions under or in connection with the Contract. The foregoing constitute "records" for the purpose of this clause.
- B. The Contractor shall maintain such records during the Contract term and for a period of three (3) years after final payment. However, records which relate to appeals under the "Disputes and Appeals" clause below or litigation or settlement of claims arising out of the performance of this Contract shall be retained until such appeals, litigation, or claims have been finally settled.
- C. All records shall be subject to inspection and audit by the U.S. Comptroller General and/or A.I.D. or their authorized audit agents at all reasonable times. The Contractor shall afford proper facilities for such inspection and audit.
- D. The Contractor shall include in all its subcontracts hereunder a provision that the subcontractor agrees that the U.S. Comptroller General and/or A.I.D., or their authorized audit agents, shall, until the expiration of three (3) years after final payment under the subcontract, have access to and the right to examine any records of such subcontractor involving transactions related to the subcontract.

11. Assignment

The Contractor may not assign its obligation to perform under the Contract or its right to receive payments under the Contract, except with the prior written consent of both the Contracting Agency and A.I.D.

12. Logistic Support and/or Property

A. Furnished by Contracting Agency

- (1) The completion date for the Contract is based upon the expectation that Contracting Agency-furnished property and support services will be made available to the Contractor as Provided in the Schedule. If such Contracting Agency-furnished support is not made available to the Contractor as so provided, the Contractor shall give the Contracting Agency written notice of such fact, and the Contracting Agency shall cure the failure to supply within ninety (90) days. The Contracting Agency shall then make a determination of the delay and equitably adjust the completion date or Contract price, or both, as appropriate.

- (2) Title to Contracting Agency-furnished property (including property acquired by the Contractor for the Contracting Agency account) shall remain in the Contracting Agency regardless of its incorporation or attachment to any property not owned by the Contracting Agency. Such property shall, unless otherwise provided, be used only for the performance of this Contract.
- (3) The Contractor shall maintain and administer, in accordance with sound business practice, a program for the maintenance, repair, protection, and preservation of Contracting Agency-furnished property, until disposed of in accordance with subparagraph (6) below.
- (4) Except for loss, destruction, or damage resulting from willful misconduct of a Contractor employee or a failure of any of the Contractor's personnel in a supervisory capacity to administer the program for the maintenance, repair, protection, and preservation of Contracting Agency-furnished property, the Contractor shall not be liable for loss or destruction of, or damage to, the Contracting Agency-furnished property. This clause shall not be construed as relieving a subcontractor from liability for loss or destruction of, or damage to, the Contracting Agency-furnished property while in its possession or control.
- (5) If there is any loss or destruction of, or damage to, any Contracting Agency-furnished property not chargeable to the Contractor, the Contractor shall notify the Contracting Agency and the Contracting Agency shall instruct the Contractor whether to dispose of or repair such property. If such loss or destruction is chargeable to the Contractor it shall take immediate steps to repair or replace such property at its own expense.
- (6) Except to the extent of any loss or destruction of, or damage to, Contracting Agency-furnished property for which the Contractor is relieved of liability under this clause, and except for reasonable wear and tear or depreciation, or the utilization of the Contracting Agency-furnished property in accordance with the provisions of this Contract, the Contracting Agency-furnished property shall be returned to the Contracting Agency in as good condition as when received by the Contractor.

B. Acquired under Cost Reimbursable Provisions

- (1) Title to all equipment, materials and supplies, the cost of which is reimbursable to the Contractor by the Contracting Agency, shall, at all times,

be in the name of the Contracting Agency; but property so designated shall be under the custody and control of the Contractor until it is no longer needed by the Contractor or until the completions of work under this Contract or its termination, or as otherwise directed by the Contracting Agency, at which time custody and control shall be turned over to the Contracting Agency or disposed of in accordance with its instructions. All performance guarantees and warranties shall be taken in the name of the Contracting Agency.

- (2) The Contractor shall prepare and establish a program, to be approved by the Contracting Agency, for the receipt, use, maintenance, protection, custody and care of such equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program.
- (3) Within ninety (90) days after completion of this Contract, or at such other date as may be fixed by the Contracting Agency, the Contractor shall submit an inventory schedule covering all items of such equipment, materials and supplies under his custody title to which is in the Contracting Agency, which have not been consumed in the performance of this Contract. The Contractor shall also indicate what disposition has been made of such property.
- (4) The Contractor shall procure all equipment and materials in accordance with Paragraph C, Clause 16 of General Provisions.

13. Nationality and Source

A. A.I.D.-financed U.S. Dollar Procurement

Unless otherwise approved in writing by the Contracting Agency and A.I.D. or specified in paragraphs (E), (F), (G) or (H) below or in General Provision Clause 15 ("Air Travel and Transportation"), all goods and services provided by the Contractor and any subcontractors under this Contract and financed with U.S. dollars made available by A.I.D., shall have their nationality, source, and origin in those countries listed in A.I.D. Geographic Code 000 (the United States).

B. A.I.D.-financed Local Currency Procurement

Except as provided in paragraph (H) below or approved in writing by the Contracting Agency and A.I.D., all goods and services provided by the Contractor and any subcontractors under this Contract and financed with local currency made available by A.I.D., shall have their nationality, source, and origin in the Arab Republic of Egypt.

C. Other Procurement

Goods and services provided by the Contractor and any subcontractors under this Contract and not financed by A.I.D., shall have their nationality, source, and origin in A.I.D. Geographic Code 935 as in effect at the time orders are placed or contracts entered into for such goods or services.

D. Source/Origin/Componentry/Nationality

- (1) Source - "Source" means the country from which a commodity is shipped to the A.R.E. or the A.R.E. itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse.
- (2) Origin - "Origin" means the country or area in which a commodity is mined, grown, or produced. A commodity is produced when through manufacturing, processing, or substantial and major assembling of components a commercially recognized new commodity results that is substantially different in basic characteristics or in purpose or utility from its components.
- (3) Componentry - "Components" are the goods that go directly into the production of a produced commodity.
- (4) All equipment and materials shall have their "Source" and "Origin" in an authorized country and meet the following componentry rules:
 - (a) If the commodity contains no imported component, it meets AID's componentry rules.
 - (b) If the commodity contains components imported from countries included in Geographic Code 935 which are not included in the authorized geographic code for the procurement, the components are limited according to the following rules.
 - i. They are limited only if they are acquired by the producer in the form in which they were imported.
 - ii. The total cost of such components to the producer of the commodity (delivered at the point of production of the commodity) may not exceed 50 percent of the lowest price (excluding the cost of ocean transportation and

marine insurance) at which the Supplier makes the commodity available for export and sale (whether or not financed by AID).

- iii. AID may prescribe percentages other than 50 percent for specific commodities. The percentage of allowable foreign componentry may be decreased for a specific procurement by the USAID or AID/W at the request of the cooperating country. Other changes in the percentage of allowable foreign componentry may be authorized by the Director of the Office of Procurement in certain circumstances or may be authorized as source/origin waivers in accordance with 5B4.
- iv. Components from the cooperating country may be used in unlimited amounts whenever any geographic code other than Code 000 is authorized.

- (c) Any component from a non-Free World country makes the commodity ineligible for AID financing.

(5) Nationality -

- (a) A Contractor or subcontractor providing services under this Contract must fit one of the following three categories to be eligible for A.I.D. financing:
 - (i) An individual who is a citizen of and whose principal place of business is in a country included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States.
 - (ii) A corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (aa) or (bb) below:
 - (aa) The Corporation or partnership is more than 50 percent beneficially owned by individuals who are

citizens of a country or area included in the authorized geographic code. In the case of corporations, more than 50 percent beneficially owned means that more than 50 percent of each class of stock is owned by such individuals; in the case of partnerships, more than 50 percent beneficially owned means that more than 50 percent of each category of partnership interest (e.g., general, limited) is owned by such individuals. (With respect to stock or interest held by companies, funds or institutions, the ultimate beneficial ownership by individuals is controlling).

(bb) The Corporation or Partnership has been incorporated or legally organized in the United States for more than three years prior to the issuance date of the invitation for bids or request for proposals; has performed, within the United States, administrative and technical, professional or construction services under a contract or contracts for services and derived revenue therefrom in each of the three years prior to the date described in the preceding paragraph; employs United States citizens in more than half its permanent full-time positions in the United States; and has the existing capability in the United States to perform the Contract.

(iii) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit categories (i) and (ii) above. The eligibility of firms or joint venture of firms wholly or partially owned by the Government shall be subject to A.I.D. approval.

(b) A duly authorized officer of the firm shall certify that the participating firm meets either the requirements of subparagraphs (ii) (aa) and (ii) (bb) above. In the case of corporations, the certifying officer shall be the Corporate Secretary with respect to the requirements of subparagraph (ii) (aa). The certifying officer may presume citizenship on the basis of the stockholder's record address, provided that the certifying officer certifies, regarding any stockholder (including

any corporate funds or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying office knows of no fact which might rebut that presumption.

- (c) A supplier of commodities under this Contract must fit one of the following four (4) categories to be eligible for A.I.D. financing:
 - (i) An individual who is a citizen or legal resident of a country or area included in the authorized geographic code; or
 - (ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code;
 - (iii) A controlled foreign corporation; i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code, 26 U.S.C. 957; or
 - (iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit any of the foregoing categories.
- (d) Citizens or firms of any country not included in A.I.D. Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents in connection with A.I.D.-financed contracts for goods or services. However, non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible.
- (e) The nationality policy of subparagraph (a) above does not apply to:
 - (i) The employees of contractors or subcontractors, but all contractor and subcontractor employees engaged in providing services under A.I.D.-financed contracts must be citizens of countries included in A.I.D. Geographic Code 935 or non-U.S. citizens lawfully admitted for permanent residence in the United States.

- (ii) Suppliers of incidental services related to the procurement of equipment. "Incidental services" are defined as the installation or erection of A.I.D.- financed equipment, or the training of personnel in the maintenance, operation or use of such equipment.

E. Motor Vehicles

Procurement of motor vehicles is restricted to those manufactured in the United States. A vehicle which was assembled in the United States but then subjected to minor disassembly to reduce shipping costs is considered a United States manufactured vehicle. However, so called "knocked down vehicles," consisting of parts or sub-assemblies of vehicles shipped from the United States for final assembly into completed vehicles elsewhere, are not considered vehicles manufactured in the United States.

F. Source of Delivery Services

- (1) With respect to ocean or air freight, "source" means the flag of the carrier vessel or aircraft.
- (2) Ocean Freight -
 - (a) No less than fifty (50) percent of the gross tonnage of all goods transported to the host country on ocean vessels for use in connection with this Contract shall be transported on privately owned United States flag commercial vessels, computed separately for dry bulk carriers, dry cargo liners, and tankers, to the extent such vessels are available at fair and reasonable rates for United States flag commercial vessels. In addition, at least fifty (50) percent of the gross freight revenue generated by all shipments and transported to the host country on dry cargo liners shall be paid to or for the benefit of privately owned United States flag commercial vessels. The equipment and materials to which this requirement applies do not include (1) goods which were owned or leased by the Contractor prior to award of the Contract, (2) any other goods the procurement of which was not directly or indirectly financed by A.I.D., or (3) shelf items or consumables purchased in the host country. This requirement applies whether or not A.I.D. finances transportation.
 - (b) Goods which are not required to be transported on U.S. flag commercial vessels may be transported on Egyptian and other

Geographic Code 935 flag carriers but A.I.D. will finance ocean transportation costs only on United States flag vessels.

- (c) The Contractor shall mail a copy of the Ocean Bill of Lading to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C.
- (3) Air Freight - The Contractor will use U.S. flag air carriers to the extent they are available as set forth in General Provision Clause 15 ("Use of U.S.- Flag Air Carriers").
- (4) Charters - The Contractor shall not ship equipment, material or other goods procured for the performance of this Contract on any ocean or air carrier which has been chartered for the carriage of such items until the Contractor has received written notice from the Contracting Agency that the charter has been approved by the Transportation Support Division, Office of Commodity Management, A.I.D., Washington, D.C. 20523.

G. Source of Marine Insurance

- (1) In the case of insurance, "source" means the country in which such insurance is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by, an office located in the country.
- (2) Marine Insurance must be obtained on a competitive basis. Insurers of any Eligible Country and the host country, if the authorized Geographic Code is other than 000, may compete if the government of the country in which the insurance is placed does not discriminate against United States marine insurance carriers by statute, decree, or regulation.

If at any time A.I.D. determines that the Government of the A.R.E. by statute, decree, rule or regulation discriminates, with respect to A.I.D.- financed procurement, against any marine insurance company authorized to do business in the United States, then A.I.D. shall require that any A.I.D.- financed goods thereafter shipped to the host country shall be insured against marine risks, and that such insurance shall be placed in the United States with a company or companies authorized to do insurance business in the United States. "Discrimination" may be found to exist whenever the effect of governmental action by the host country is to hinder an importer in instructing a United States supplier to place marine insurance with a company authorized to do a marine insurance business in the United States.

H. Local Currency Procurement

(1) Indigenous Goods

Goods which have been mined, grown, or produced in the cooperating country through manufacture, processing, or assembly are eligible for financing under this contract. Goods produced with imported components must result in a commercially recognized new commodity that is substantially different in basic characteristics or in purpose or utility from its components in order to qualify as indigenous. Any components from a non-Free World country makes the indigenous commodity ineligible for AID financing.

(2) Imported Items

(a) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the project agreement may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the project agreement.

(b) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the project agreement.

(c) Imported items from any Free World country which are available locally, or imported specifically for the project, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000.

(d) Any component from a non-Free World country makes the item ineligible for AID financing.

(3) Shelf Items

Imported from Non-Free World Countries - Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for A.I.D. financing.

I. AID Handbook Amendments

The foregoing paragraphs (A) through (H) shall be deemed amended as necessary to comply with A.I.D. Handbook 11, Chapter 1 and 3, as revised from time to time.

14. Travel

- A. With respect to travel agreed upon by the parties, the Contractor shall be reimbursed up to the costs of economy class commercially scheduled air travel by the most expeditious route. The Contractor agrees to use its best efforts to obtain the lowest cost international air fares, (including student or excursion rates, when available). Per diem during such travel shall be governed by A.I.D regulations as from time to time revised.

15. Air Travel and Transportation

- A. The Contractor shall utilize U.S. flag carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carrier is available, in accordance with the following criteria:

- (1) Passenger or freight service by a U.S. flag air carrier is considered "available" even though:
 - (a) Comparable or a different kind of service by a non-U.S. flag carrier costs less, or
 - (b) Service by a non-U.S. flag air carrier can be paid for in excess foreign currency, or
 - (c) Service by a non-U.S. flag air carrier is preferred by the Contractor or traveler needing air transportation, or
 - (d) Service by a non-U.S. flag carrier is more convenient for the Contractor or traveler needing air transportation.
- (2) Passenger service by a U.S. flag air carrier will be considered to be "unavailable":
 - (a) When the traveler, while in route, has to wait six (6) hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or
 - (b) When any flight by a U.S. flag air carrier is interrupted by a stop anticipated to be six (6) hours or more for refueling, reloading, repairs, etc., and no other flight by U.S. flag air carrier is available during the six (6)-hour period, or

- (c) When by itself or in combination with other U.S. flag or non-U.S. flag air carriers (if U.S. flag carriers are unavailable) it takes twelve (12) or more hours longer from the origin airport to the destination airport to accomplish the mission than would service by a non-U.S. flag air carrier or carriers.
- (d) When the elapsed travel time on a scheduled flight from origin to destination airports by non-U.S. flag air carrier(s) is three (3) hours or less, and service by U.S. flag air carrier(s) would involve twice such scheduled travel time.

B. In the event that the Contractor selects a carrier other than a U.S. flag air carrier for international air transportation, it will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that transportation service for personnel (and their personal effects) or property by U.S. flag air carrier was unavailable for the following reasons:

(state reasons)"

C. The terms used in this clause have the following meanings:

- (1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.
- (2) "U.S. flag air carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President of the United States, authorizing operations between the United States and/or its territories and one or more foreign countries.

D. The Contractor shall include the substance of this Clause, including this paragraph D, in each subcontract or purchase order hereunder, which may involve international air transportation.

E. The foregoing paragraphs A through C shall be deemed amended as necessary to comply with A.I.D. Handbook 11, Chapter 1, as revised from time to time.

WAIVERS to these regulations applicable to USAID Direct Hire Employees shall also apply to the Contractor and contract employees.

16. Subcontracts and Purchase Orders

A. All subcontracts in excess of \$100,000 must be approved in advance, in writing, by the Contracting Agency and A.I.D. Such approval, if given, shall not relieve the Contractor from any liability or obligation under this Contract. Cost-plus-percentage-of-cost contracts shall not be utilized for performance of any work.

B. The Contractor shall include at least the following provisions of this Contract in all subcontracts wholly or partly financed by A.I.D.:

Legal Effect of A.I.D. Approvals and Decisions (6); Payment (7); Nationality and Source (13); Use of U.S. Flag Air Carriers (15); Marking (20); Equal Employment Opportunity (30); Worker's Compensation Insurance (32); Host Country Taxes (35); and Disposition of Personal Property (38).

C. The Contractor shall procure all equipment, materials and services in accordance with A.I.D. Handbook 11, chapter 1 and chapter 3; provided, however, that any procurement of services of equipment and supplies for which solicitations will be made solely within the Host country and any procurement of equipment and materials which are available within the Host Country may be conducted in accordance with the procedures specified in AID Handbook 1B, Chapter 18. The provisions of these three chapters, as amended from time to time, are hereby incorporated into this Contract. The version of these provisions which shall apply to a procurement shall be the version in effect on the date on which offers are first solicited.

17. Change Orders

The Contractor Agency may at any time by a written order make changes within the statement of work as set forth in the Schedule. If any such change causes an increase or decrease in the work or the time required for performance of this Contract, an equitable adjustment shall be made:

- (1) the Contract price or completion date, or both, and
- (2) in any other affected provisions, and the Contract shall be amended to reflect the change. Any increase in the Contract amount not approved by A.I.D shall not be financed by A.I.D

18. Amendments

Modification of the terms of this Contract shall be made by amendment signed by the parties. Any amendments, including letter amendments, which increase the Contract amount or extend the completion date of the Contract must be approved by A.I.D.

19. Disputes and Appeals

- A. In the event of a dispute relation to this Contract, which cannot be satisfactorily disposed of by mutual agreement, the Contractor shall, within a reasonable time, submit a written statement to the Contracting Agency, briefly describing the nature of the problem, the position of the Contractor regarding the issue and a narrative of the facts in support of the Contractor's position.
- B. Within thirty (30) days after receipt of the Contractor's statement, the Contracting Agency shall decide the issue and furnish a copy of the written decision to the Contractor, including the reasons supporting the decision, if adverse to the Contractor.
- C. Such decision shall be final and conclusive unless within thirty (30) days from the date of receipt of such copy, the Contractor furnishes a written Notice of Appeal to the Contracting Agency with a copy to the USAID Project Officer. This Notice shall include a detailed description of the facts of the dispute with relevant documentation (with copies attached), the pertinent contract provision(s), the Contractor's contentions and conclusions, and a statement of why the Contracting Agency's decision is being questioned.
- D. If within thirty (30) days after delivery of a Notice of Appeal, the parties cannot mutually agree to a satisfactory settlement, the matter shall be presented for arbitration in the A.R.E. following the rules of the International Chamber of Commerce.

20. Marking

Except as A.I.D. may otherwise agree in writing, the Contractor shall insure that all A.I.D.-financed equipment and materials (commodities) and their shipping containers, if any, carry the official A.I.D. (red, white, and blue clasped hand) emblem. Emblems shall be affixed by metal plate; decal, stencil, label, tag, or other means, depending upon the type of commodity or shipping container and the nature of the surface to be marked. The emblem placed on the commodities shall be as durable as the trademark, company, or brand name affixed by the producer. The emblem on each shipping container must remain legible until the container reaches the consignee. The last set of digits of the A.I.D. identification number of the pertinent agreement or other document shall be

56

marked in characters at least equal in height to the shipper's marks on each shipping container. Project sites shall identify projects financed by the United State Government.

21. Inspection

The Contractor agrees to permit authorized representatives of the contracting Agency and A.I.D. at all reasonable times to inspect the facilities, activities, and work pertinent to this Contract, to take measurements of work in place, and to conduct tests.

22. Report of Delays

The Contractor shall report in writing to the Contracting Agency any event or condition which might delay progress or prevent completion of the work under this Contract as soon as the facts are known to the Contractor.

23. Force Majeure

A. The term "Force Majeure" must mean any cause beyond the control of the Contractor, which the Contractor could not foresee and/or reasonably provide against and which prevents the Contractor from wholly or partly performing any duties under the Contract. Force Majeure include, but is not limited to, any of the following:

- War, revolution, insurrection or hostilities (whether declared or not);
- riot, civil commotion or civil uprising (other than among the Contractor's employees);
- earthquake, flood, tempest, hurricane, lighting, or other natural disaster;
- any fire of major proportions, or explosion;
- epidemic;
- strike or lockout;
- action or inaction of the Contracting Agency or the Government.

B. If any event occurs constituting Force Majeure, the Contractor shall give written notice to the Contracting Agency as soon as possible after the occurrence but within fifteen (15) days, including a statement describing the Force Majeure and its effect upon the performance of this contract. The

parties shall, within ten (10) days after such notice, consult regarding action to be taken.

- C. In the event of a Force Majeure, the Contractor, unless otherwise directed by the Contracting Agency in writing, shall continue to undertake and perform the duties set forth in this Contract as far as is reasonably practicable.
- D. In the event of a Force Majeure resulting in a suspension of work, this Contract shall be extended by a period equal to that of which the Contractor was prevented from performing.
- E. The Contractor shall be entitled to reasonable costs incurred as a consequence of a Force Majeure.
- F. If the Contractor's inability to perform by reason of the Force Majeure lasts for more than forty-five (45) days after notice has been given to the Contracting Agency, either party may terminate this Contract and the Contractor shall be entitled to any sums which would be payable in case of termination of this contract for convenience of the Contracting Agency.

24. Suspension of Work

- A. The contracting Agency may, at any time, by written order to the Contractor (Suspension of Work Order), require the Contractor to stop all, or any part, of the work required by the Contract for a period up to ninety (90) days from the specified effective date.
- B. Upon receipt of such an order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of cost allocable to the work covered by the order.
- C. Within the period of the Suspension of Work Order, the Contracting Agency shall either:
 - (1) cancel the Suspension of Work Order; or
 - (2) terminate the work covered by such order as provided in the termination clause of the Contract.
- D. If the Suspension of Work Order is canceled or the Order expires, the Contractor shall resume work. An equitable adjustment shall be made as necessary in the time schedule, the budget, or a combination thereof, or any other provisions of the Contract that may be effected and the Contractor shall be amended accordingly, if the Contractor asserts a claim for such adjustment

within thirty (30) days after the end of the period of work suspension. Failure to agree to any adjustment shall be a dispute under General Provision Clause 19 ("Disputes and Appeals").

25. Termination by the Contracting Agency for Default

- A. The performance of work under the Contract may be terminated by the Contracting Agency in whole, or from time to time in part, in accordance with this clause, whenever the Contractor defaults in performance of this Contract and shall fail to cure such default within a period of ten (10) days (or such longer period as the Contracting Agency may allow) after receipt from the Contracting Agency of a written notice specifying the default. For the purpose of this clause "default" means:
- (1) Failure to perform the work within the time(s) specified or any extension thereof, or
 - (2) Failure to perform any of the other provisions of this Contract, or
 - (3) Failure to prosecute the work so as to endanger performance of this Contract in accordance with its terms.
- B. Termination shall be effected by a Notice of Termination to the Contractor specifying that termination is for the default of the Contractor, the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.
- C. After receipt of a Notice of Termination and except as otherwise directed by the Contracting Agency, the Contractor shall:
- (1) Stop work under the contract on the date and to the extent specified in the Notice of Termination; and place no further orders or subcontracts except as may be necessary for completion of the portion of the work under the Contract which is not terminated;
 - (2) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;
 - (3) Assign to the Contracting Agency as it may direct, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Contracting Agency shall have the right to settle or pay any claims arising out of the termination of such orders and subcontracts;

- (4) With the approval or ratification of the Contracting Agency, to the extent the Contracting Agency may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part in accordance with the provisions of this Contract;
 - (5) Transfer title to the Contracting Agency and deliver as directed by the Contracting Agency, the completed or partially completed plans, drawings, information, and other property which would be required to be furnished to the Contracting Agency under the Contract except that this requirement shall not apply to goods for which the Contractor has not been reimbursed;
 - (6) Complete performance of the part of the work which has not been terminated by the Notice of Termination; and
 - (7) Take such action as may be necessary for the protection of the property related to this Contract which is in the possession of the Contractor and to which the Contracting Agency has title.
- D. The Contractor shall submit to the Contracting Agency its written claim promptly but not later than three (3) months from the effective date of termination, except as the Contracting Agency may agree in writing.
- E. The contractor and the Contracting Agency shall consult within thirty (30) days of the submission of the claim concerning the whole or any part of the amount to be paid (including any allowance for the fee) to the Contractor by reason of the termination of work. The Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.
- F. If the Contractor and the Contracting Agency fail to agree to the amounts to be paid to the Contractor pursuant to this clause, the Contracting Agency shall pay the amount, if any, it determines to be due the Contractor considering:
- (1) Costs and expenses reimbursable in accordance with this Contract, not previously paid, for the performance of this Contract prior to the effective date of the Notice of Termination, and such costs as may continue for a reasonable time thereafter with approval of, or as directed by, the Contracting Agency.

- (2) The cost incurred by the Contractor in settling and paying claims arising out of the termination of work under subcontracts or orders which are properly chargeable to the terminated portion of the Contract. Any amount for preparation of the Contractor's settlement claim shall not be included.
- G. In deciding the amount due the Contractor, all unliquidated advance or other payments made to the Contractor applicable to the terminated portion of this Contract; all settled claims which the Contracting Agency may have against the Contractor in connection with this Contract; and the agreed price for, or the proceeds of sale of property acquired by the Contractor or sold and not otherwise recovered by or credited to the Contracting Agency, shall be deducted.
- H. If the total payments in connection with the terminated portion of the Contract exceeds the amount determined to be due under this clause, such excess shall be payable by the Contractor to the Contracting Agency upon demand, together with interest at the rate of ten (10) percent, for the period from the date such excess payment was received by the Contractor to the date on which such excess is repaid to the Contracting Agency.
- I. Any disagreement regarding termination amounts or procedures shall be settled under General Provision Clause 19 ("Disputes and Appeals").

26. Termination by the Contracting Agency for Convenience

- A. The performance of work under the Contract may be terminated by the Contracting Agency in whole, or from time to time in part, in accordance with this clause whenever the Contracting Agency shall determine that such termination is in the best interest of the Contracting Agency.
- B. Termination shall be effected by a Notice of Termination to the Contractor specifying that termination is for the convenience of the Contracting Agency, the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effective.
- C. After receipt of a Notice of Termination and except as otherwise directed by the Contracting Agency, the Contractor shall:
 - (1) Stop work under the contract on the date and to the extent specified in the Notice of Termination; and place no further orders or subcontracts except as any be necessary for completion of the portion of the work under the Contract which is not terminated;

- (2) Terminate all orders and subcontracts to the extent that they relate to the performance or work terminated by the Notice of Termination;
 - (3) Assign to the Contracting Agency as it may direct, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Contracting Agency shall have the right to settle or pay any claims arising out of the termination of such orders and subcontracts.
 - (4) With the approval or ratification of the Contracting agency, to the extent the Contracting Agency may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part in accordance with the provisions of this Contract;
 - (5) Transfer title to the Contracting Agency and deliver as directed by the Contracting Agency, the completed or partially completed plans, drawings, information, and other property which would be required to be furnished to the Contracting Agency under the Contract, except that this requirement shall not apply to goods for which the Contractor has not been reimbursed;
 - (6) Complete performance of the part of the work which has not been terminated by the Notice of Termination; and
 - (7) Take such action as many be necessary for the protection of the property related to this Contract which is in the possession of the Contractor and to which the Contracting Agency has title.
- D. The Contractor shall submit to the Contracting Agency its written claim promptly but not later than three (3) months from the effective date of termination, except as the Contracting Agency may agree in writing.
- E. The Contractor and Contracting Agency shall consult within thirty (30) days of the submission of the claim concerning the whole or any part of the amount to be paid (including any allowance for the fee) to the Contractor by reason of the termination of work. The Contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.
- F. If the Contractor and the Contracting Agency fail to agree to the amounts to be paid to the Contractor pursuant to this clause, the Contracting Agency shall pay the amount, if any, it determines to be due the Contractor considering:

- (1) Costs and expenses reimbursable in accordance with this Contract, not previously paid, for the performance of this Contract prior to the effective date of the Notice of Termination, and such cost as may continue for a reasonable time thereafter with approval of, or as directed by, the Contracting Agency;
 - (2) the cost incurred by the Contractor in settling and paying claims arising out of the termination of work under subcontracts or orders which are properly chargeable to the terminated portion of the Contract;
 - (3) the reasonable costs of the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination and settlement of subcontracts, together with reasonable costs incurred in connection with the protection or disposition of termination inventory;
 - (4) the percentage of the total fee proportional to the percentage of the work completed prior to termination related to the estimated cost of the Contract. Subcontractor effort included in subcontractors' termination claims, and fee payments previously made are not included.
- G. In deciding the amount due the Contractor, all unliquidated advance or other payment made to the Contractor applicable to the terminated portion of this Contract; all settled claims which the Contracting Agency may have against the Contractor in connection with this Contract; and the agreed price for, or the proceeds of sale of property acquired by the Contractor or sold and not otherwise recovered by or credited to the contracting Agency, shall be deducted.
- H. If the total of payment in connection with the terminated portion of the Contract exceeds the amount determined to be due under this clause, such excess shall be payable by the Contractor to the Contracting Agency upon demand, together with interest at the rate of ten (10) percent, for the period from the date such excess payment was received by the Contractor to the date on which such excess is repaid to the Contracting Agency.
- I. Any disagreement regarding termination amounts or procedures shall be settled under general Provision Clause No. 19 ("Disputes and Appeals").

27. Contractor Employees

- A. Upon written request of the Contracting Agency, the Contractor will remove or replace any of its employees present in the A.R.E. The contractor shall not be reimbursed or paid extra amounts for the return transportation costs of any

employee, his or her dependents and their household effects nor shall the Contractor be reimbursed for transportation costs to the host country of a replacement for such employee, his or her dependents and their household effects, if any employee removed under this paragraph is guilty of willful misconduct.

- B. In the event an employee voluntarily resigns, is discharged or reassigned by the Contractor, is removed or replaced at the request of the Contracting Agency before the employee has completed his or her required stay in Egypt, the salary of such employee shall not be reimbursed for any days beyond his last actual work day in Egypt and a reasonable administrative debriefing period in the Contractor's home office, except to cover any accumulated vacation time which may be due.
- C. All Contractor and subcontractor employees shall at all times while in the A.R.E. conduct themselves in accordance with the laws and regulations of such country.

28. Physical Fitness of Employees and Dependents

- A. The Contractor shall ensure that all employees (other than those hired in the A.R.E.) and dependents authorized to accompany the employee to the host country are physically fit for work under this contract and/or residence in the host country.
- B. The contractor shall require all such employees and their authorized dependents to be examined by a doctor of medicine, prior to departure for the host country.
- C. The doctor shall certify that, in the doctor's opinion, the employee is physically qualified to engage in the type of activity for which he or she is employed and the employee and authorized dependents are physically qualified to reside in Egypt.
- D. If the Contractor has no medical certificate on file prior to the departure for Egypt of any employee or authorized dependent, and the employee is unable to perform the type of activity for which he/she was employed and complete the tour of duty because of any physical disability (other than physical disability arising from an accident or illness while employed under this Contract) or an authorized dependent is unable to reside in the host country because of any physical disability (other than physical disability arising from an accident or illness while a dependent of an employee under this Contract), the Contractor shall not be reimbursed for the return transportation costs of the physically disabled employee and/or dependents and their household effects, nor shall the

Contractor be reimbursed for travel to Egypt and shipment of household effects for a replacement of such disabled employee.

29. Employee Conduct

Other than work to be performed under this contract for which an employee or consultant is assigned by the Contractor or except as the Contracting Agency shall agree in writing, no such employee or consultant of the Contractor shall engage, directly or indirectly either in his own name or in the name or through the agency of another person, receive, agree to receive, or solicit any compensation for any services rendered or to be rendered by said employee or consultant under this Contract.

30. Equal Employment Opportunity

The Contractor will not discriminate in the recruitment or employment conditions of personnel hired in the United States or the A.R.E. because of race, religion, color, sex, or national origin. The Contracting Agency and A.I.D. encourage and welcome in this contract the participation, to the fullest extent possible, of minorities and women, both as Contractor employees and as members and employees of subcontracting firms. In this respect, the Contractor shall make every reasonable effort to identify and make the maximum practicable use of such personnel and firms.

31. Labor Standards

- A. The Contractor shall comply with all applicable labor laws, regulations, and labor standards of the A.R.E.
- B. The Contractor shall formulate and enforce an adequate safety program with respect to all work under this Contract, whether performed by the Contractor or subcontractor. The Contracting Agency assures the Contractor of cooperation where the implementation of these safety measures require joint cooperation.
- C. The Contractor shall be responsible for Social Insurance covering all employees under the contract who are nationals or permanent residents of the A.R.E. Payments made for Social Insurance are an allowable cost under this contract.

32. Worker's Compensation Insurance

- A. The Contractor shall provide and thereafter maintain Worker's Compensation Insurance assuring payment of benefits comparable to those provided under the Defense Base Act (42 U.S.C. 12951 et. seq.) with respect to and prior to the

departure for overseas employment under this Contract of all employees who are hired in the United States or who are American citizens or bona fide residents of the United States. In order to obtain the required coverage at the guaranteed rate afforded under a blanket contract between A.I.D. and the Cigna Worldwide, Inc. (CIGNA), the Contractor shall obtain such coverage by contacting the CIGNA coordinator, Wright and Company, 1400 I Street, N.W., Suite 1100, Washington D.C. 20005.

- B. The Contractor shall provide and thereafter maintain for all employees under the Contract who are nationals or permanent residents of the A.R.E., security compensation benefits meeting at least the minimum requirement of the applicable law of the A.R.E. for injury or death in the course of such employment or in the absence of such law, employer's liability insurance.
- C. For all other employees under the Contract, the Contractor shall provide and thereafter maintain security for compensation benefits meeting at least the minimum requirements of the applicable law of the country in which the employee was hired and of the A.R.E. for injury or death in the course of such employment, or in the absence of such law, employer's liability insurance.

33. Insurance

The Contractor shall secure and maintain for the duration of this Contract the following insurance protection with a reputable insurance company and shall furnish to the Contracting Agency a certificate of insurance fully executed by the insurance company for the insurance policies required by this clause.

A. Marine Insurance

The Contractor shall insure all goods, equipment, and materials financed hereunder or supplied to it by the Contracting Agency against risks incident to their transit to the point of their use in the performance of this Contract, and to their storage, if any, prior to incorporation in the Project. Such insurance shall insure the full value of goods, equipment and materials and the insurance proceeds shall be payable in U.S. dollars or any full convertible or acceptable currency. With respects to goods, equipment, and materials, the cost of which is reimbursable under this Contract, the Contractor shall give prompt notice of payment to it of proceeds form insurance or any such item. Such proceeds shall be used to pay for the replacement of the items from any Code 935 country. The reasonable cost of such insurance is an allowable cost under this Contract.

B. Third Party Liability Insurance

The Contract shall provide for the following insurance: professional liability, comprehensive general liability, and comprehensive automobile liability (bodily injury and property damage) insurance, with respect to performance under this Contract. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amounts, and for such period of time, and covering such risks as the Contracting Agency may require, subject to A.I.D. approval. The reasonable cost of such insurance is an allowable cost under this Contract.

34. Publications and Patents

- A. Technical data, recommendations, notes, memoranda and other information and data prepared by the Contractor pursuant to or developed in connection with this Contract shall become the property of the Contracting Agency. This provision shall not be interpreted to limit the right of the Contractor or its personnel to make, keep, and use copies of personal or professional records, notes, reports, and other data. Neither party shall publish any material referring to information obtained or developed pursuant to the Contract without giving thirty (30) days notice to the other party of its intention to publish, together with a copy of the proposed material. All publication shall acknowledge the contributions of the parties to the Contract unless such acknowledgement is not desired by the contributing party.
- B. The Contracting Agency and A.I.D. shall be granted all benefits of any patentable results developed under this Contract. The Contractor agrees to cooperate in the preparation and prosecution of any domestic and foreign patent applications, to execute all papers requisite in the prosecution of such application, and to secure the cooperation of any employee.
- C. The Contractor shall report to the Contracting Agency, promptly and in reasonable detail, each notice or claim of patent or copyright infringement based on the performance of this Contract of which the Contractor has knowledge. The Contractor shall furnish to the Contracting Agency, upon request, all evidence and information in its possession pertaining to the suit or claim at the expense of the Contracting Agency. The Contractor indemnifies the Contracting Agency against any patent or copyright infringement of patents or copyright held in the Contractor's home country.

35. Host Country Taxes

- A. The Contractor, its subcontractors and those of their employees and their families who are not citizens or permanent residents of the A.R.E. shall be exempted from all taxes, fees, levies, duties or impositions imposed under the laws of the A.R.E., with respect to all work and services performed under this Contract.
- B. The personal effects (including personal vehicles) of the Contractor, its subcontractors and those of their employees and their families who are not citizens or permanent residents of the A.R.E., shall be free of all taxes, duties, fee, levies or impositions imposed under the laws of the A.R.E.
- C. All materials and equipment (including spare parts and consumable items) required by the Contractor or its subcontractors to perform work pursuant to the Contract shall be exempted from all taxes, fees, levies, duties or impositions imposed under the laws of the A.R.E. provided that such items are either consumed in performance, re-exported or transferred to the Contracting Agency at the conclusion of the Contract.
- D. Upon notification by any agency of the A.R.E. that any of the above taxes, fees, levies or other impositions are not exempted, the contractor shall immediately notify the Contracting Agency who shall arrange for payment from sources other than those provided by A.I.D.

36. Notices

Any notice given by either party shall be sufficient only if in writing and delivered in person or sent by telegraph or by registered or certified mail to the following addresses:

To Contractor: Use address on cover page of this Contract.

To Contracting Agency: Use address on cover page of this Contract.

Copies of all notices are required to be delivered to:

USAID Director
American Embassy
5, Latin America Street
Garden City, Cairo

Mailing address for mail to USAID/Cairo from the United States:

USAID Director
American Embassy, Cairo
Box 10
F.P.O. New York 09527

A.I.D. regulations and any revision thereof, incorporated by reference in this contract may be obtained from the USAID Project Officer and/or the Publications Office, SER/MO, A.I.D./Washington.

37. Participant Training

- A. Participant Training, i.e., the training of non-U.S. nationals outside their home country, under this contract will be accomplished in accordance with the provisions of A.I.D. Handbook 10, Participant Training, as from time to time amended, and attendant Participant Training Notices that are issued thereunder by the A.I.D. Office of International Training. Prior to commencement of such training, the Contractor will notify the Office of Education and Training, Division of Human Resources and Development Cooperation, USAID/Cairo. The Contractor will, in addition, coordinate all participant training activities with this office.
- B. Changes in A.I.D. Handbook 10 and additional notices that are issued by A.I.D. during the term of the contract shall constitute change orders to the contract in accordance with the clause entitled Change Orders, as though the change order has been issued by the Contracting Agency. Such changes shall be effective as of the date of the issuance by A.I.D. or such other date as may be specified in that change.

38. Disposition of Personal Property

Contractor employees shall be bound by the regulations entitled "Personal Property Disposition at Posts Abroad" (published at 22 Code of Federal Regulations Part 136) and any policies, rules or procedures issued thereunder by the chief of mission at USAID/Cairo. Copies of the chief of mission's policies, rules, or procedures are available from the Office of Project Support at USAID/Cairo. The purpose of these regulations is to ensure that contractor employees who enjoy exemptions from import limitations, customs duties, or taxes on personal property in connection with performance of A.I.D.-financed contracts do not profit personally from sales of such property to persons not entitled to the same exemptions.

ANNEX C BUDGET	
LINE ITEM	AMOUNT (U.S. Dollars)
I. SALARIES	5,424,922
II. FRINGE BENEFITS	1,082,369
III. OVERHEAD	3,761,253
IV. TRAVEL & TRANSPORTATION	1,245,485
V. ALLOWANCES	2,626,655
VI. ODC	1,660,140
VII. EQUIPMENT	2,344,323
VIII. PARTICIPANT TRAINING	650,000
IX. SUBCONTRACTS	2,189,957
SUBTOTAL	20,985,105
X. G & A	726,621
SUBTOTAL	21,711,726
XI. FIXED FEE	1,497,958
XII. PROCUREMENT SERVICES FEE	67,250
GRAND TOTAL	23,276,934

28