



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

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18 Sixth Avenue, Ramna 5,
Post Office Box 1028
Islamabad, Pakistan

March 21, 1991

Mr. Mohammad Ashraf
Treasurer
Lahore University of Management Science (LUMS)
103-C-2 Gulberg III
Lahore 54660

Subject Grant No : 391-0470-G-00-1796-00

FILE

Dear Mr Ashraf

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Lahore University of Management Sciences (hereinafter referred to as the "LUMS" or "Grantee"), the sum of \$146,620 (Dollars One Hundred Forty-six Thousand Six Hundred Twenty only) for the purpose of arranging, hosting, and publishing the proceedings of a conference on the subject 'Financing Development in the 1990s as detailed in the attached Schedule and Program Description'

This grant is effective and obligation is made as of April 1, 1991 and shall apply to commitments made by the Grantee in furtherance of program objectives through the estimated completion date of February 1, 1992. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A I.D.

The total estimated amount of the program is \$146,620, all of which is hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

GRANT AGREEMENT NO. 391-0470-G-00-1796-00

This grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment I, entitled the "Schedule and Program Description", Attachment III, entitled "Mandatory Standard Provisions for Non-U S Nongovernmental Grantees", and Attachment IV entitled "Required As Applicable Standard Provisions for Non-U S Nongovernmental Grantees", which have been agreed to by your organization

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant Retain one set for your files and return the remaining copies to this office

By acknowledging the Grant, the Grantee assures compliance with the laws and regulations governing nondiscrimination in A I D assistance programs.

Sincerely,

John A May
Grants Officer

Attachments

- Attachment I - Schedule and Program Description
- Attachment II - List of appropriate invitees
- Attachment III - Mandatory Standard Provisions for Non-U S Nongovernmental Grantees
- Attachment IV - Required as Applicable Standard Provisions for Non-U S Nongovernmental Grantees

ACKNOWLEDGED.

BY
NAME
TITLE
DATE



 MOHAMMAD ASIF RAF

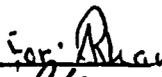
 TREASURER

 March 26, 1991

FISCAL DATA

PIO/T No	391-0470-3-00101	1478042
Appropriation No	72-110/11037	
Budget Plan Code	QESO-90-27391-KG13	
Total Estimated Amount	\$146,620	
Total Obligation Amount	\$146,620	
Technical Office	PRO	
Cognizant Project Manager	Joseph S. Ryan	
Project Number	391-0470	

Clearance.

O/PRO: 
 O/FM: 


SCHEDULE AND PROGRAM DESCRIPTION

A Purpose of Grant

The purpose of the Grant is to support a conference to be hosted by Lahore University of Management Science (LUMS) in Lahore on the subject "Financing Development in the 1990s", bringing together Pakistani economists, policymakers, and business people from both inside and outside Pakistan, as well as publication of the conference's proceedings

B Program Description

The Grantee shall host a conference on "Financing Development in the 1990s" by performing the following specific tasks

- 1 Secure the participation of a wide spectrum of Pakistani economists from both within and outside Pakistan, along with key policy makers and business leaders, through mailed invitations, telephone contacts, etc. A sample list of appropriate invitees is given in Attachment II
- 2 Facilitate the travel and lodging for participants, and arrange for meeting the costs of participants, as needed
- 3 Arrange for conference facilities including meeting rooms and facilities
- 4 Arrange for equipment and materials to be used during the conference
- 5 Organize the conference into sessions and sub-sessions on suitable topics. A sample list of suitable topics that the conference might cover could include, but not be limited to
 - Macroeconomic framework
 - Foreign trade, exchange rate and balance of payments
 - Industrial efficiency and protection
 - Public sector reform
 - Development and reform of the financial sector
 - Privatization
 - Taxation and internal resources mobilization
 - External financing and debt management
 - Financing infrastructure development
 - Agriculture taxation and pricing
 - Financing social sector programmes
 - Manpower planning and development
- 6 Arrange for making a written record of the conference proceedings and for publication and dissemination of this written record

7 Provide 15 copies of reports of proceedings to the Program Office, USAID, Islamabad

C Period of Grant

The effective date of this Grant is April 1, 1991 The expiration date of this Grant is February 1, 1992

D Amount of Grant and Payment

1 A I D hereby obligates the amount of \$146,620 for the purposes of this Grant The conversion of this amount to a local currency equivalent is hereby authorized

2 Payment shall be made to the Grantee in accordance with procedures set forth in Standard Provision entitled "Payment Periodic Advance"

3 The ceiling of this Grant is \$146,620 In no event, shall the Grantee exceed this amount unless authorized by the Grants Officer in writing

E Grant Budget

The following is the Budget for this Grant Revisions to this Budget may be made in accordance with the Standard Provision entitled "Revision of Grant Budget Without the prior written approval of the Grants Officer, the Grantee may not exceed the estimated cost for any individual line item shown below by more than 15 percent of such line item Any variation in excess of 15 percent among budget line items category requires the written approval of the Grants Officer

GRANT BUDGET

Budget Item	Unit Cost Rupees	Number	Total Rupees
Accommodations (participants x 3 days)	4,224	85	359,040
Meals (participants x 3 days)	1,320	150	198,000
Travel for participants from within Pakistan	2,200	83	182,600
Travel for conference coordinators	44,000	1	44,000
Conference coordinator fee	110,000	1	110,000
Rental of conf hall and rooms for discussion	44,000	1	44,000
Rental of public address system	44,000	1	44,000
Photocopying and binding	88,000	1	88,000
Portfolios	220	150	33,000
Publicity and promotion	110,000	1	110,000
Fax, telephone, telegram, and postage	44,000	1	44,000
Stationery	44,000	1	44,000
Transport	22,000	1	22,000

Budget Item	Unit Cost Rupees	Number	Total Rupees
Sound recording and photography	33,000	1	33,000
Conference brochure, printing and mailing	11,000	1	11,000
Publication of proceedings	1,210	500	605,000
Administrative Assistant (monthly)	<u>11,000</u>	<u>9</u>	<u>99,000</u>
Grant Total.			Rs. 2,070,640=
			\$94,120
Travel for Pakistani economists from abroad	\$3,500	15	<u>\$52,500</u>
			\$146,620

The Grantee agrees to furnish data which the Grant Officer may request regarding funds expended or costs accrued under this Grant in support of the budget information provided herein

F Reporting

1 Financial Reporting

- a Financial reporting requirements shall be in accordance with the Standard Provision entitled "Payment - Periodic Advance "

In view of the short term nature of this conference, the USAID agrees to advance up to eighty-five (85) percent of the Grant upon a request from the Grantee. The Grantee may request an advance upon submission of a properly completed SF 1034 and detailed budget not to exceed three months needs

The Grantee must liquidate the advance via submission of a SF 1034 and a detailed certified invoice with specified supporting documentation. The invoice is to include the names and organization of each participant alongwith a list of payments made to each person. Copies of paid receipts are to be included for each expense for services, rentals, or goods with a unit cost of \$250 or more. Copies of international participant air tickets are to be submitted in order to monitor Fly American Provisions, i.e. U.S. Flag Carriers must be used for travel across the ocean portions of the trip. AID funds may not be used for identifiable taxes, gifts, or entertainment. Fees and honorariums must be consistent with normal rates paid.

- b The original and two copies of all financial reports required in paragraph (a) above shall be submitted to the Controller, Office of Financial Management (O/FM), USAID/Pakistan, 18 - Sixth Avenue, Ramna 5, Post Office Box 1028, Islamabad, and one copy shall be submitted to the cognizant A I D Technical Office, USAID/Islamabad

- c Billings should be submitted on a monthly basis in the following format

<u>Itemized</u> <u>Budget</u>	<u>Claimed</u> <u>Previously</u>	<u>Claimed</u> <u>This Period</u>	<u>Total</u> <u>Claimed</u>
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2 Program Performance Reporting

- a Periodic Reports Events may occur that have significant impact upon the program. In such instances, the Grantee, in a written report, shall inform the cognizant A I D technical office, as soon as the following types of conditions become known
- (1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives prevent the meeting of time schedules, goals and the timely submission of any reports. This report shall be accompanied by a statement of the action taken, or contemplated.
 - (2) Favorable developments or events that enable time schedules to be met sooner than anticipated.
 - (3) If the Grantee identifies the need for a change in the budget estimates in accordance with the criteria established. The Grantee shall submit a request for a budget revision for approval to the Grant Officer, as well as the AID Technical Officer.
- b Final Report The Grantee will submit two copies of the final report on activities funded under this Grant to the cognizant A I D technical office within 60 calendar days after the expiration date of this Grant. The report should include the results of discussions for each topic. The Grantee is encouraged to share a draft of the final report with the cognizant A I D technical office for comments prior to the formal submission.

G Special Provisions

- 1 Technical Office The cognizant A I D technical office is the Office of Program (O/PRO), USAID/Islamabad
- 2 Order of Precedence Any inconsistencies in this Grant shall be resolved by giving precedence in the following order
 - (a) Grant Cover Letter
 - (b) Schedule and Program Description, Attachment I
 - (c) List of appropriate invitees, Attachment II

- (d) Mandatory Standard Provisions for Non-U S Nongovernmental Grantees, Attachment III
- (e) Required as Applicable Standard Provisions for Non-US, Nongovernmental Grantees, Attachment IV

H Title to Property

Title to all property purchased under this Grant shall be vested in the Grantee in accordance with the Attachment IV Standard Provision entitled, "Title To and Use of Property (Grantee Title)"

I Source of Origin of Goods and Services

The authorized geographic codes for procurement of goods and services under this Grant are 000 (U S) and Pakistan

J Close-out Procedures

This section prescribes uniform closeout procedures

1 The following definitions shall apply for the purpose of this section

- a Closeout The closeout of a grant or agreement is the process by which AID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the recipient and AID
- b Date of Completion The date of completion is the date on which all work under grants and agreements is completed or the date on the award documents, or any supplement or amendment thereto, on which AID sponsorship ends
- c Disallowed Costs Disallowed costs are those charges to a grant or agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or agreement

2 AID closeout procedures include the following requirements

- a Upon request, AID shall make prompt payments to a recipient for allowable reimbursable costs under the grant or agreement being closed out
- b The recipient shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or agreements

- c AID shall obtain from the recipient within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the grant or agreement. AID may grant extensions when requested by the recipient.
- d The recipient shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards"
- e In the event a final audit has not been performed prior to the closeout of the grant or agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

SAMPLE LIST OF APPROPRIATE INVITEES

Desirable presenters of papers would include Pakistani economists such as, but not limited to, the following persons

Mohsin Khan	IMF
Nadeem ul Haq	IMF
Javed Hamid	IFC
Akbar Noman	World Bank
Ijaz Nabi	World Bank
Ishrat Hasain	World Bank
Abid Usman	World Bank
Sabiha Iqbal	World Bank
Ehtesham Ahmad	World Bank
Zubair Khan	World Bank
Shuja Nawaz	World Bank
Mahmood Ayub	World Bank
Naved Hamid	Asian Development Bank
Shahid Zahid	Asian Development Bank
Nawab Haider Naqvi	Pakistan Institute of Development Economics
Ashfaq Khan	Pakistan Institute of Development Economics
Rashid Amjad	Asian Employment Programme (ARTEP)
Hafeez Pasha	Applied Economics Research Centre
Ali Ercelawn	Applied Economics Research Centre
Salman Shah	Lahore University of Management Sciences
Anjum Nasim	Lahore University of Management Sciences

Other persons who might be invited to attend for purposes of discussion might include, but not be limited to, the following

Finance Minister Sartaj Aziz
Mr A G N Kazi
Mr V A Jafarey
Dr Mahbub ul Haq
Secretary, Ministry of Commerce
Economic Consultant, Ministry of Commerce
Secretary, Ministry of Education
Secretary, Ministry of Finance and Economic Affairs
Additional Secretary, External Finance, Ministry of Finance
Additional Secretary, Budget, Ministry of Finance
Economic Advisor, Privatization, Ministry of Finance
Secretary, Economic Affairs Division
Joint Secretary, Economic Affairs Division
Chief, Debt Management, Economic Affairs Division
Secretary, Planning and Development Division, Ministry of Planning and Development
Chief Economist, Ministry of Planning and Development
Joint Chief Economist, Ministry of Planning and Development
Secretary, Ministry of Food and Agriculture
Secretary, Ministry of Health Special Education and Social Welfare
Secretary, Ministry of Industries

Secretary, Ministry of Information and Broadcasting
Secretary, Ministry of Labour Manpower & Overseas Pakistanis
Secretary, Ministry of Local Government & Rural Development
Secretary, Ministry of Production
Secretary, Ministry of Science and Technology
Chairman, Corporate Law Authority
Director General, Ministry of Agriculture
Chairman, National Tariff Commission
Governor, State Bank of Pakistan
Economic Advisor, State Bank of Pakistan
Chairman, Agricultural Prices Commission
Chairman, Planning and Development Department, Punjab
Additional Chief Secretary, Planning and Development, Sindh
Additional Chief Secretary Planning and Development, NWFP
Additional Chief Secretary Planning and Development, Baluchistan
Chief Economists Provincial Planning & Development Departments
Provincial Finance Secretaries
Chairman Pakistan Banking Council
Chairman Central Board of Revenue
Member, Customs CBR
Member, Excise and Taxation, CBR
Member, Income Tax CBR
Member, Other Taxes CBR
Managing Director PICIC
Managing Director NDFC
Managing Director, BEL
Presidents of Chambers of Commerce and Industry
President, KSE
President, LSF
Chairman, APTMA
Presidents of Nationalized Banks and Foreign Commercial Banks
Dr A.R Kemal, PIDE
Dr Sarfraz Qureshi, PIDE
Dr Joseph S Ryan, USAID
Dr Dick Goldman, USAID
Dr David Sprague, USAID
Dr Sarah Tirmizi, USAID
Dr Hanid Mukhtar, World Bank
Dr Rashid Aziz, World Bank
Dr Shamshad Akhtar, World Bank
Mr Shahid Kardar
Dr Akmal Hussain
Dr Mubashir Hassan
Syed Babar Ali
Mr Razaq Dawood
Mian Altaf Saleem
Mr Tariq Jehangir

APPENDIX 4D
MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES²

- | | |
|-----------------------------------|--|
| 1. Allowable Costs | * 7. Ineligible Countries |
| 2. Accounting, Audit, and Records | 8. Debarment, Suspension, and Other Responsibility Matters |
| 3. Refunds | 9. U.S. Officials Not to Benefit |
| 4. Revision of Grant Budget | 10. Nonliability |
| 5. Termination and Suspension | 11. Amendment |
| 6. Disputes | 12. Notices * |

1. ALLOWABLE COSTS (MAY 1986)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

(1) Reasonable Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business

(2) Allocable Costs Shall mean those costs which must be necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122, and for profit making firms use Federal Acquisition Regulation 31.2 and AID Acquisition Regulation 731.2.

²When these Standard Provisions are used for cooperative agreements, the following terms apply. "Grantee" means "Recipient" "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

* Revised

(4) Unallowable costs, direct or indirect, include but are not limited to the following examples Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization Copies of the grantee's audit reports will be provided to AID AID will review the audit reports to determine the adequacy of audit coverage If AID determines that the audit coverage is not sufficient to verify the source and application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID

(c) The following language shall be inserted in all subgrants valued in excess of \$10,000.

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the

grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS (MAY 1986)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to AID except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to AID.

4. REVISION OF GRANT BUDGET (MAY 1986)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons.

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including action under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

5. TERMINATION AND SUSPENSION (MAY 1986)

(a) For Cause This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee

(c) Suspension Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (NOVEMBER 1985)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

* (b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to AID's Deputy Assistant to the Administrator for Management Services. Any appeal made under this provision shall be in writing and addressed to the Deputy Assistant to the Administrator for Management Services, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In order to facilitate review on the record by the Deputy Assistant to the Administrator for Management Services, the grantee shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Deputy Assistant to the Administrator for Management services shall be final. *

7. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the AID grant officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

* Revised

8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (MARCH 1989).

(1) The grantee certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property,

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification, and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) The grantee agrees that, unless authorized by the Grant Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The grantee further agrees to include the following provision in any subagreements or contracts entered into under this grant

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION
(MARCH 1989)

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-financed transactions are set forth in 22 CFR Part 208.

* 9. U.S. OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

10. NONLIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

11. AMENDMENT (NOVEMBER 1985)

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

12. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on effective date of the notice, whichever is later. *

(END OF MANDATORY STANDARD PROVISIONS)

(NEXT PAGE 4D-7)

* Revised

REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of this Handbook. Each grant is required to have a payment provision. Check off the provisions which are to be included in the grant. Only those standard provisions which have been checked off are included within the grant.

- | | | |
|-----|---|-------------------|
| 1 | Payment - Periodic Advance | <u>X</u> |
| 2 | Payment - Cost Reimbursement | <u> </u> |
| 3 | Air Travel and Transportation | <u>X</u> |
| 4 | Ocean Shipment of Goods | <u> </u> |
| 5 | Procurement of Goods and Services | <u>X</u> |
| 6 | AID Eligibility Rules for Goods and Services | <u>X</u> |
| 7 | Subagreements | <u> </u> |
| 8 | Local Cost Financing | <u>X</u> |
| 9 | Patents Rights | <u> </u> |
| 10 | Publications | <u>X</u> |
| 11 | Nondiscrimination | <u>X</u> |
| 12 | Regulations Governing Employees | <u>X</u> |
| 13 | Participant Training | <u> </u> |
| 14 | Voluntary Population Planning | <u> </u> |
| 15 | Protection of the Individual as a Research Subject | <u> </u> |
| 16 | Negotiated Overhead Rates - Provisional | <u> </u> |
| 17 | Government Furnished Excess Personal Property | <u> </u> |
| 18 | Title To and Use of Property (Grantee Title) | <u>X</u> |
| 19 | Title To and Care of Property (U.S. Government Title) | <u> </u> |
| 20. | Title To and Care of Property (Cooperating Country Title) | <u> </u> |
| 21 | Cost Sharing (Matching) | <u> </u> |
| 22 | Restrictions on Lobbying | <u>X</u> |

(INCLUDE THIS PAGE IN THE GRANT)

(NEXT PAGE 4D-9)

PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

(This provision is applicable when (1) the grantee has an acceptable accounting system (2) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (3) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit, and Records".)

- (a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account
- (b) Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF 1034 (original) and SF 1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached
- (c) Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format

FEDERAL CASH ADVANCE STATUS REPORT
(Report Control No. W-245)

A. Period covered by this report.

FROM (Month, day, year) _____
TO (Month, day, year) _____

Period covered by the next report:

FROM (Month, day, year) _____
TO (Month, day, year) _____

B. Cash Advance Use and Needs:

- 1. Cash advance on hand at the beginning of this reporting period
..... \$ _____
- 2. U.S. Treasury check advance(s) received during this reporting period..... \$ _____
- 3. Interest earned on cash advance during this reporting period..... \$ _____

4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3).....\$ _____

5. LESS, interest remitted to AID during this reporting period..... \$ _____

6. NET cash advance available during this reporting period (Line 4 minus Line 5)..... \$ _____

7. Total disbursements during this reporting period, including subadvances (see footnote 1) \$ _____

8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7)..... \$ _____

9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2)..... \$ _____

10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8).. \$ _____

11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to AID \$ _____

12. Total cash advances to subgrantees, if any, as of the end of this reporting period \$ _____

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly.
2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or

credit to the grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE _____ BY _____
TITLE _____

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-13)

AIR TRAVEL AND TRANSPORTATION (MAY 1986)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

- (a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival
- (b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a SF 1169, Government Transportation Request (GTR), which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant
- (c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the U.S. and/or its territories and one or more foreign countries.
- (d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant
- (e) U.S. flag air carrier service is considered available even though:
 - (1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
 - (2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies

(f) Except as provided in paragraph (b) of this section, U S flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the U.S. being performed by a foreign air carrier

(1) U S flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U S flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service, or

(3) Where a U S flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S flag air carrier service

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S or at which the traveler first debarks incident to travel from the U.S) passenger service by U.S flag air carrier will not be considered available

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed

departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

- (h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:
- (1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute,
 - (2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the U S , if the use of a U S flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad, or
 - (3) Where the travel is not part of a trip to or from the U.S.; if the use of a U S flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination
- (i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.
- (j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.
- (k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. air flag carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows

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

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above)."

(1) International Travel

(1) As used herein, the term "international travel" includes travel to all countries other than travel within the home country of the grantee.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U S Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subagreements and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules For Goods and Services".

(a) General Requirements

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. Conflict of interest situations involving employees, officers or agents or their immediate families shall be avoided. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

(iii) Positive efforts shall be made by the recipients to utilize U.S. small business and minority owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. The grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D C 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000

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

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

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

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.

(v) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(vi) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive offers are not obtained,

(C) Basis for award: cost or price

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract and subcontract shall contain in addition to provisions to define a sound and complete contract, the following contract provisions as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where AID is mentioned the grantee's name shall be substituted

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts over \$10,000 awarded by recipients shall include a provision to the effect that the recipient, AID or their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods, or for exploration into fields that directly concern public health, safety or welfare, or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters

(END OF STANDARD PROVISION)

AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

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

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment

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

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

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,

- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies)

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U.S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) Selected Free World countries (AID Geographic Code 941),
- (D) Special Free World countries (AID Geographic Code 935).

(ii) Application of Order of Preference When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Impelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U S goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies. Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U S dollars, shall be procured in and shipped from the U S (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant

- (c) Marine Insurance The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U S , then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.
- (d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.
- (e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical

assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

- (1) The United States (AID Geographic code 000),
 - (2) The Cooperating Country,
 - (3) Selected Free World countries (AID Geographic Code 941),
 - (4) Free World countries (AID Geographic Code 899)
- (f) Special Restrictions on the Procurement of Construction or Engineering Services Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services " In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract

(END OF STANDARD PROVISION)

* LOCAL COST FINANCING (NOVEMBER 1988)

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

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) 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 grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, 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. *

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

(1) They must be paid for in local currency.

(2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

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

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

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

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

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-35)

PUBLICATIONS (MAY 1986)

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

- (a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.
- (b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- (c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-45)

NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

(This provision is applicable when work under the grant is performed in the United States or when employees are recruited in the United States.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-47)

REGULATIONS GOVERNING EMPLOYEES (MAY 1986)

(The following applies to the grantee's employees who are not citizens of the cooperating country)

- (a) The grantee's employees shall maintain private status and may not rely on local U S. Government offices or facilities for support while under this grant
- (b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations
- (c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned
- (d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs
- (e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S Ambassador to direct the removal from a country of any U.S citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

(END OF STANDARD PROVISION)

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (MAY 1986)

(This provision is applicable only when the Government vests title to property in the grantee.)

- (a) Title to all property financed under this grant shall vest in the grantee
- (b) The grantee agrees to use and maintain the property for the purposes of the grant.
- (c) With respect to property having an acquired value of \$1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location
- (d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of \$100.

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-69)

Restrictions on Lobbying

(a) Definitions As used in this clause,

"Agency," as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1)

"Covered Federal action" means any of the following Federal actions

- (1) The awarding of any Federal contract,
- (2) The making of any Federal grant,
- (3) The making of any Federal loan,
- (4) The entering into of any cooperative agreement, and
- (5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act

Influencing or attempting to influence means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government

"Officer or employee of an agency" includes the following individuals who are employed by an agency

- (1) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment,
- (2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;

(3) A special Government employee as defined in section 202, title 18, U S code, and

(4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U S. Code, appendix 2

"Person" means an individual, cooperation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law

"Reasonable compensation" means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government

'Reasonable payment means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector

"Recipient" include all contractors and subcontractors at any tier in connection with a Federal contract The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law

'Regularly employed" means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days

"State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers

(b) Prohibitions

(1) Section 1352 of title 31, U S code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant , loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement

(2) The prohibition does not apply as follows

(1) Agency and legislative liaison by Own Employees

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract if the payment is for agency and legislative liaison activities not directly related to a covered Federal action

(B) For purposes of paragraph (A) of this section, providing any information specifically requested by an agency or Congress is allowable at any time

(C) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action

(1) Discussing with an agency (including individual demonstrations) the the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities, and

(i1) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use

(D) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered Federal action

(i) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(ii) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission, and

(iii) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub L 95-507 and other subsequent amendments

(E) Only those activities expressly authorized by paragraph (i) of this section are allowable under paragraph (i)

(ii) Professional and technical services by Own Employees

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract or an extension, continuation, renewal, amendment, or modification of a Federal contract if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is

providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents

(D) Only those services expressly authorized by paragraph (ii) of this section are allowable under paragraph (ii)

(iii) Reporting for Own Employees

No reporting is requirements with respect to payments of reasonable compensation made to regularly employed officers or employees of a person

(iv) Professional and technical services by Other than Own Employees

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of by bid, proposal, or application for that covered Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that covered Federal action

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contracts allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal

over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(D) Persons other than officer or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(E) Only those services expressly authorized by paragraph (iv) of this section are allowable under paragraph (iv).

(c) Disclosure

(1) Each person who requests or receives from an agency a covered Federal action shall file with that agency a certification that no person has not made, and will not make, any payment prohibited by paragraph (b) of this provision.

(2) Each person who requests or receives from an agency a covered Federal action shall file with that agency a disclosure form, disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (b) of this provision if paid for with appropriated funds.

(3) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (2) of this section. An event that materially affects the accuracy of the information reported includes

(i) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action, or

(ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action, or

(iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action

(4) Any person who requests or receives from a person referred to in paragraph (1) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above

(5) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (1) of this section That person shall forward all disclosure forms to the agency

(d) Penalties

(1) Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure

(2) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure

(3) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form

(f) Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would otherwise be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provision of part 31 of the Federal Acquisition Regulation

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