

PDKAE 661

A.I.D. Project Number 538-0027

PROJECT  
GRANT AGREEMENT  
BETWEEN  
THE PAN AMERICAN HEALTH ORGANIZATION  
AND THE  
UNITED STATES OF AMERICA  
FOR  
EPIDEMIOLOGICAL SURVEILLANCE AND TRAINING

DATED: MAY 23, 1979

FISCAL DATA

APPROPRIATION: 72-1191021

ALLOTMENT: 948-54-538-00-69-91

AMOUNT OBLIGATED: \$388,912.00

CONFIRMED COPY

**RECORD COPY**



UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

P. O. BOX 302  
BRIDGETOWN  
BARBADOS

May 23, 1979

Dr. Hector R. Acuna  
Director  
Pan American Health Organization  
525 23rd St. N.W.  
Washington, D.C. 20037  
U.S.A.

SUBJECT: Grant No. 538-0027; AID Accounting  
and Appropriation Data;  
Appropriation 72-1191021  
Allotment 948-54-538-00-69-91

Dear Dr. Acuna:

1. I have the honor to refer to your letter request of April 12, 1979 relating to the Epidemiological Surveillance and Training Project.

2. I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Government of the United States of America, acting through the Agency for International Development (hereinafter referred to as AID) hereby grants the Pan American Health Organization (hereinafter referred to as PAHO or the Grantee) the sum of Three Hundred Eighty Eight Thousand Nine Hundred and Twelve United States Dollars (\$388,912) to be used to increase the capability of the Caribbean Epidemiology Center (CAREC) as more fully described in Attachment A.

3. This Grant is effective as of the date of this letter and is applicable to commitments made by the Grantee in support of the program during the period May 1979 through September 30, 1980. This Grant represents the first increment of project funding. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

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4. It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against this Grant shall be maintained in accordance with the Grantee's usual accounting procedures, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least 3 years after final disbursement of funds under this Grant.

5. The Grantee agrees to make available to AID for the Comptroller General of the United States all records and documents which support expenditures made under this program.

6. The parties agree that this grant and the activities financed therewith, shall be managed by the Grantee in accordance with its established policies and procedures. The proposed budget for this Grant is provided in Attachment A.

7. If the use of the Grant funds results in the accrual of interest to the Grantee or to any other person to whom the Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to AID any amount of interest earned.

8. The Grantee shall prepare and submit to AID at least three Quarterly copies of reports showing the status of the project in all relevant respects.

9. This agreement, in whole or in part, may be terminated by either party at any time upon 30 days written notice. This agreement may be revised only by the written mutual consent of the parties hereto.

10. Please indicate your acceptance of this Grant by signing the original and five copies of this letter in the space provided below and return the original and five copies to the AID Representative in Bridgetown, Barbados. Two copies may be retained for your files.

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11. The AID Technical Office responsible for monitoring this Grant is the AID Regional Development Office, Bridgetown, Barbados. Grant funds will be disbursed by the AID Office of Financial Management in Washington.

THE UNITED STATES OF AMERICA

BY: John J. Eddy  
John J. Eddy  
TITLE: Charge D'Affaires

DATE: May 23, 1979

THE UNITED STATES OF AMERICA

BY: William B. Wheeler  
William B. Wheeler  
TITLE: AID Representative

DATE: May 23, 1979

PAN AMERICAN HEALTH ORGANIZATION

BY: S. Paul Ehrlich, Jr.  
S. Paul Ehrlich, Jr.

TITLE: Deputy Director

DATE: May 23, 1979

WITNESSES:

Elizabeth A. Miller  
Michael  
John

Attachments:

- A. Program Description and Budget
- B. Standard Provisions

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Program Description And BudgetA. Purpose of Grant

The purpose of this Grant is to provide support for a program to increase the capability of the Caribbean Epidemiology Center (CAREC), a Subregional Center of the Pan American Health Organization (PAHO) and located in Trinidad. The Project will a) assist CAREC Member Countries (CMCs) in disease surveillance and training activities, b) improve the accuracy and efficiency of CMC diagnosis and surveillance of communicable disease and c) further develop West Indian middle management at CAREC.

B. Specific Objectives

The specific objectives of this Grant are to establish a training unit at CAREC, train various members of the National Surveillance Teams in epidemiology, statistics, laboratory techniques and management, and provide certain laboratory equipment to be used in surveillance and training programs. The Grant will also support the production and dissemination of audio-visual materials, epidemiological support for immunization programs in the CMCs, and establishment of a computerized information system at CAREC.

C. Implementation

To achieve the above objectives, PAHO shall carry out the following activities with funds provided by this Grant:

- (1) A training unit will be established at CAREC to organize and administer the training program to be conducted. A review of the role and activities of the training unit will be undertaken by CAREC's Advisory Committee prior to the conclusion of the AID project with a view towards incorporation of the unit in future annual budgets of the center so that training activities can continue after completion of the A.I.D. project.
- (2) CMC public health personnel will participate in training courses, workshops, and individual traineeships to be conducted in the Caribbean, both at CAREC and in the CMCs. Funding under this Grant for travel and per diem will be utilized for laboratory and epidemiological surveillance training of nationals only from the countries of : Antigua, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Dominican Republic, Grenada,

Guyana, Haiti, Jamaica, Montserrat, St. Kitts/Nevis/Anguilla, St. Lucia, St. Vincent, Suriname, Turks and Caicos. Such activities for other CAREC member countries will be financed by those governments or through the CAREC core budget.

- (3) Certain epidemiology and laboratory equipment and supplies will be procured to enable CAREC and CMCs to offer a fuller range of services.
- (4) Equipment will be procured to enable immunizations to remain cold during transport and storage before inoculation.
- (5) Expanded and diversified production and dissemination of educational materials for use in CAREC's training activities will be undertaken.
- (6) Data processing equipment will be procured and technical assistance for installation of an information system will be made available. Costs of maintaining the system will be incorporated within annual budgets of CAREC so that the activity can continue after completion of the Project.
- (7) A zoonoses surveillance study will be conducted.

D. Implementation Responsibilities

PAHO will be responsible for all technical aspects of the program, including program design, technical supervision and implementation of project activities, identification of technically qualified staff and consultants, and identification of major equipment and supply needs. Hiring, procurement of equipment and major supplies, and disbursement of funds will be performed by PAHO. PAHO and CAREC will conduct periodic consultation with CARICOM in the planning, implementation, and evaluation of the Project.

(1) Prior to initial disbursement of Grant funds, PAHO/CAREC shall provide a "Program of Activities for Year 1 of the Project" which shall indicate the costs to be financed with the A.I.D. Grant resources and all other source of funds, and which shall be satisfactory in form and substance to A.I.D.

(2) PAHO/CAREC agrees to establish with A.I.D. an evaluation program, in which CARICOM will participate as part of this Grant. Except as PAHO and A.I.D. shall otherwise agree in writing, the program will include a mid-project (after 18 months) and end of project evaluation. The evaluation will:

- (a) measure progress toward attainment of the objectives of this Grant;
- (b) identify and evaluate problem areas or constraints which may inhibit such attainment;
- (c) assess how such information may be used to help overcome such problems; and
- (d) evaluate, to the degree feasible, the overall development impact of this Grant.

E. Budget

AID will provide Grants funds of \$388,912 in the first year and an additional \$771,088 is planned for subsequent years, subject to the availability of funds and agreement of both parties to proceed with the project. The Grantee agrees that expenditure under the Grant will not exceed yearly funds actually obligated against the budget. Indirect Program Support Costs are calculated at a rate of 20% of AID Funded Direct Costs. It is a sum negotiated by AID and is contained in a PAHO letter to AID of March 28, 1979. Program Support Costs will be paid in an equal percentage as AID Funded Project Direct Costs are expended. Grant funds shall be used to finance the following items:

PROJECT BUDGET

(in US Dollars)

	<u>AID</u> <sup>1</sup>	<u>PAHO</u>	<u>TOTAL</u>
<b>I. Training</b>			
A. Training Unit	126,430	22,000	148,430
B. Traineeships	206,718	141,500	348,218
C. Training Courses	349,015	144,700	493,715
D. Strengthening of Laboratory Management/ Techniques	21,000	-	21,000
Sub-Total	703,163	308,200	1,011,363
<b>II. Equipment &amp; Supplies</b>			
A. Laboratory Equipment	41,000		41,000
B. Laboratory Supplies	30,759		30,759
C. Immunization Equipment	14,476		14,476
D. Information System	58,700		58,700
	144,935		144,935
<b>III. Other Activities</b>			
A. Audio Visual Training Materials/TA	16,000		16,000
B. Zoonoses Surveillance Study	25,000		25,000
C. Evaluation	25,000		25,000
	66,000		66,000
<b>IV. Contingency</b> <sup>2</sup>	45,705		45,705
<b>V. Program Support Costs</b>	191,961 <sup>3</sup>	207,459 <sup>4</sup>	399,420
<b>TOTAL</b>	1,151,764 <sup>5</sup>	515,659	1,667,423

1. Life of project total reflects a rounding upward of the AID contribution to the nearest ten thousand (\$1,160,000).
2. Estimated at 5%.
3. Calculated at 20% of AID direct project costs.
4. Project costs includes balance of 11.5% of AID direct project costs plus 31.5% of PAHO direct costs.
5. No line item in this budget shall be increased or decreased by more than 15% without the approval of AID

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F. Notices

Any notice given by any of the parties hereunder shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the A.I.D. Representative, Regional Development Office/Caribbean, Box 302, Bridgetown, Barbados.

To Grantee - at Grantee's address shown on this Grant Letter.

Individuals acting in those capacities shall be the Representatives of their Organizations under the Grant, unless otherwise specified.

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

## STANDARD PROVISIONS

1. ALLOWABLE COSTS AND PAYMENT

The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by AID to be allowable in accordance with the terms of this Grant and Subpart 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. ACCOUNTING, RECORDS, AND AUDIT

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. The Grantee shall preserve and make available such records for examination and audit by A.I.D. and the Comptroller General of the United States, or their authorized representatives, (a) until the expiration of three years from the date of termination of the program and (b) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures, unless written approval has been obtained from A.I.D. to dispose of the records. A.I.D. follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

3. REFUNDS

(a) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom the Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall

refund to A.I.D. an amount equivalent to the amount of interest accrued.

(b) Funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated shall revert to A.I.D., except for funds encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to A.I.D.

(c) If, at any time during the life of the Grant, it is determined by A.I.D. that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to A.I.D.

#### 4. EQUAL OPPORTUNITY IN EMPLOYMENT

(a) With regard to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S., no person shall, on the grounds of race, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination.

#### 5. LIMITATION OF FUNDS

(a) It is estimated that the cost to the U.S. Government for the performance of this Grant will not exceed the estimated cost set forth in Attachment A (hereinafter referred to as "the Schedule") to this Grant, and the Grantee agrees to perform the work specified in the Schedule and all obligations under this Grant within such estimated cost.

(b) The amount presently available, for payment and obligated under this Grant, the items covered thereby, and the period of performance which it is estimated the obligated amount will cover, are specified in the Schedule. It is contemplated that from time-to-time additional funds will be obligated under this Grant up to the full estimated cost set forth in the Schedule. The Grantee agrees to perform or have performed work on this Grant up to the point at which the total amount paid and payable by the U.S. Government pursuant to the terms of this Grant approximates but does not exceed the total amount actually obligated under the Grant.

(c) If at any time the Grantee has reason to believe that the costs which it expects to incur in the performance of this Grant in the next succeeding 30 days, when added to all costs previously incurred, will exceed 75 percent of the total amount then obligated under the Grant, the Grantee shall notify A.I.D. in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Thirty days prior to the end of the period specified in the Schedule, the Grantee will advise AID in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the Grant or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not obligated by the end of the period set forth in the Schedule or an agreed date substituted therefor, AID will, upon written request by the Grantee, terminate this Grant pursuant to the "Termination" provision of this Grant on such date. If the Grantee, in the exercise of its reasonable judgement, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extended beyond such date, it shall specify the later date in its request and AID in its discretion, may terminate this Grant on that later date.

(d) Except as required by other provisions of this Grant specifically citing and stated to be an exception from this provision, the U.S. Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the Grant, and the Grantee shall not be obligated to continue performance under the Grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the Grant, unless and until AID has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the Grant. To the extent the amount obligated exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the AID specified Representative shall affect the amount obligated under this Grant. In the absence of the specified notice, the U.S. Government shall not be obligated to reimburse the Grantee for any costs in excess of the total amount then obligated under the Grant, whether those excess costs were incurred during the course of the Grant or as a result of termination. When and to the extent that the amount obligated under the Grant has been increased, any costs incurred by the Grantee in excess of the amount previously obligated shall be allowable to the same extent as if such costs had been incurred after such increase in the amount obligated, unless AID issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Nothing in this provision shall affect the right of the U.S. Government to terminate this Grant. In the event this Grant is terminated, the U.S. Government and the Grantee shall negotiate an equitable distribution of all property produced or purchased under the Grant based upon the share of cost incurred by each.

6. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant, against which the Grantee may present payment vouchers (i.e., TUS 5401). The payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$10,000 or more than \$1,000,000. Since the FRLC method enables the recipient organization to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the recipient, there need be no time lag between disbursements by the recipient organization and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the recipient to maintain balances of Federal cash other than small balances.

(b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(c) If at any time, SER/FM determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, SER/FM shall advise the Grant Officer who may: (1) cause the FRLC to be suspended or revoked; or (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgement of SER/FM, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (3) request the Grantee to repay to AID the amount of such excess. Upon receipt of the Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact SER/FM to make suitable arrangements for the repayment of such excess funds. Advances made by primary recipient organizations (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards outlined above applicable to advances made by the Government to primary recipient organizations.

(d) Procedure for Grantee.

- (1) After arranging with a commercial bank of its choice for operation under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.
- (2) The Grantee shall subsequently receive one certified copy of the FRLC.
- (3) The Grantee shall confirm with his commercial bank that the FRLC has been opened and is available when funds are needed.
- (4) To receive payment, the Grantee shall:
  - (A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TUS 5401) in an original and three copies.
  - (B) Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.
  - (C) Present the original, duplicate and triplicate copy of the Form TUS 5401 to his commercial bank.
  - (D) Retain the quadruplicate copy of the voucher.
- (5) After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous payments has been expended or is insufficient to meet current needs.
- (6) In preparing the payment voucher, the Grantee assigns a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.
- (7) A report of expenditures (i.e., SF 269, "Financial Status Report") shall be prepared and submitted not less than quarterly within 30 days of the end of the period to the Office of Financial Management, AID, Washington, D.C. 20523.

This SF 269 Report, submitted with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal", shall be in an original and 2 copies.

(8) The SF 269 report is reviewed against the Grant provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.

(9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, "Federal Cash Transaction Report" as follows:

(A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of the reporting quarter,

(B) For advances totaling more than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and

(C) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(e) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess FRLC funds on a grant, contract, or similar instrument under which work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the

Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold payment of FRLC or other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

#### 7. TRAVEL AND TRANSPORTATION

(a) All international air travel and all international air shipments under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations, provided that the Grantee certifies to the facts in the voucher and other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

(1) Where the traveler, while enroute, has to wait 6 hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or,

(2) Where a flight by a U.S. flag air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc. and no other flight by a U.S. flag air carrier is available during the 6 hour period, or,

(3) Where by itself or in combination with other U.S. flag air carriers (if U.S. flag air carriers are "unavailable") it takes 12 hours or longer from the original airport to the destination airport to accomplish the Grantee's program than would service by a non-U.S. flag air carrier, or

(4) When the elapsed travel time on a scheduled flight from origin to destination airports by non-U.S. flag air carrier(s) is 3 hours or less, and services by U.S. flag air carrier(s) would involve twice such travel time.

NOTE: Where U.S. Government funds are used to reimburse Grantee's use of other than U.S. flag air 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 U.S. flag air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above; see 41 CFR 1-1.323-3 for further guidance).

(b) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR); however, if the Grantee's domestic and international travel allowance policies and procedures have been reviewed and approved by A.I.D. or another Federal department or agency pursuant to the applicable Federal cost principals, the Grantee may use its travel allowance system in lieu of the FTRs after it has furnished AID with a copy of such approval.

#### 8. OCEAN SHIPMENT OF GOODS

(a) All international ocean shipment made by the Grantee, to be financed hereunder, shall be made on AID Geographic Code 899 (Free World flag vessels excluding the country of destination). In all instances, Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable A.I.D. Grant Number."

9. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000

(a) 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.

If A.I.D. determines that the Grantee has procured any of the ineligible goods and services specified above under this Grant, and has received reimbursement for such purpose, the Grantee agrees to refund to A.I.D. the entire amount of the purchase.

(b) Restricted Goods

The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than A.I.D. Geographic Code 000) without the prior written authorization of the AID specified Representative.

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,

- (5) plasticizers,
- (6) used equipment, or
- (7) U.S. Government-owned excess property.

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g. equipment, vehicles, materials, and supplies) and services, the costs of which are to be reimbursable under this Grant and which will be financed with United States 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:

- (1) the United States (AID Geographic Code 000),
- (2) "Selected Free World" countries (AID Geographic Code 941).
- (3) "Special Free World" countries (AID Geographic Code 935).
- (d) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in (a) above, it 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:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(e) The Grantee's Procurement System

(1) The Grantee may use its own procurement policies and procedures provided they conform to the Geographic source and order of preference requirements of this provision and paragraph 1 U.3 of Chapter 1, A.I.D. Handbook 13.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraph 1 U.3 and have been approved by A.I.D. or another Federal department or agency, the Grantee shall furnish AID a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to those specified in paragraph 1 U.3 of Chapter 1, A.I.D. Handbook 13.

(f) Small Business

To permit A.I.D., in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, A.I.D., Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

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

(g) Ineligible Suppliers

Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under A.I.D. Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for A.I.D. Financing" (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this

Grant. A.I.D. will provide the Grantee with this list.

10. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

The policies and procedures of Handbook 16, "Excess Property", and the appropriate provisions of 41 CFR 101-43 apply to any Government furnished excess property under this Grant.

11. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

Title to all property financed under this Grant shall vest in PAHO/CAREC, subject to the following conditions:

(a) PAHO/CAREC shall not charge for any depreciation, amortization, or use of any property, title to which remains in PAHO under this provision under this Grant or any other U.S. Government grant, subgrant, contract or subcontract.

(b) PAHO/CAREC agrees to use and maintain the property for the purpose of the Grant in accordance with the requirements of paragraph 1T of Chapter 1, Handbook 13.

(c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in PAHO, PAHO agrees:

(1) To report such items to AID from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(2) To transfer title to any such items to the U.S. Government in accordance with any written request therefor issued by AID at any time prior to final payment under this Grant.

12. ADDITIONAL FUNDS

The Grantee agrees to cause CAREC to exert its best efforts to raise additional funds from CAREC's member countries by seeking increased member country contributions during each year of this Grant. The Grantee agrees to notify A.I.D., within 30 days after the end of each fiscal year of CAREC during this Grant, of the results of such contribution-seeking.

13, TERMINATION

(a) For Cause. This Grant may be terminated for cause at any time, in whole or in part, by AID upon written notice to the Grantee, whenever for any reason he/she shall determine that such termination is in the best interest of the U.S. Government.

(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 AID to the Grantee.

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith 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, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended portions of funds theretofore paid by the U.S. Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the U.S. Government to the Grantee prior to the effective date of the termination of this Grant be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the U.S. Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this Grant, AID shall determine the amount or amounts to be paid by the U.S. Government to

the Grantee under such claim in accordance with the applicable Federal cost principles.

14. PUBLICATIONS

(a) If it is the Grantee's intention to identify A.I.D.'s contribution to any publication resulting from this Grant, the Grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.

(b) The Grantee shall provide AID with one copy of all published works developed under the Grant. The Grantee shall provide AID 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.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the Grant in accordance with paragraph 178.b. of Chapter 1, Handbook 13, provided the Grantee agrees to and does hereby grant to the U.S. Government a royalty-free, non-exclusive and irrevocable licence throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

15. PATENTS

(a) The Grantee agrees to notify AID in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this Grant. AID will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 178.a. of Chapter 1, Handbook 13.

(b) Nothing contained in this provision shall imply a licence to the U.S. Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the U.S. Government under any patent.

16. SUBORDINATE AGREEMENTS

The placement of subordinate agreements (e.g., leases, options, etc.), grants, or contracts with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the specified AID Representative if they will be funded hereunder, unless the Grantee's procurement system has been reviewed and approved pursuant to the appropriate section(s) of paragraph 1U, Chapter 1 of A.I.D. Handbook 13. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage -of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

17. U.S. OFFICIALS NOT TO BENEFIT

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.

18. NONLIABILITY

A.I.D. does not assume liability with respect to any third party claims for damages arising out of work supported by this Grant.

19. AMENDMENT

The Grant may be amended by formal modification to the basic grant document or by means of an exchange of letters between the specified Representatives of AID and of the Grantee.

20. THE GRANT

The letter to the Grantee signed by the AID Representative, the Program Description and Budget, and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant.

