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Part II

Agency for International Development

**48 CFR Chapter 7
USAID Direct Contracts for Personal
Services; Proposed Rule**

AGENCY FOR INTERNATIONAL DEVELOPMENT

48 CFR Chapter 7

RIN 0412-AA49

USAID Direct Contracts for Personal Services

AGENCY: United States Agency for International Development.

ACTION: Proposed rule.

SUMMARY: The U.S. Agency for International Development (USAID) is proposing to consolidate its regulations on USAID Direct Contracts for all types of Personal Services into one Appendix. This will clarify and consolidate all regulations for personal services contracts and will eliminate the need for having to refer to multiple sources. This new Appendix A will replace Appendix D—Direct USAID Contracts with a U.S. Citizen or a U.S. Resident Alien for Personal Services Abroad, and Appendix J—Direct USAID Contracts with a Cooperative Country National and with a Third Country National for Personal Services Abroad. Appendix A will also incorporate all the regulations and policies currently contained in Contract Information Bulletins (CIBs) and Acquisition and Assistance Directives (AAPDs). This will eliminate the need to refer to two different appendices and other sources for regulations and policies on personal services contracting.

This Appendix will be divided into four parts—one part containing provisions for all types of Personal Services Contracts (PSCs), the second part for U.S. PSCs only, the third part for Third-Country National (TCN) PSCs only, and the fourth part for Cooperating Country National (CCN) PSCs, also known as Foreign Service National (FSN) PSCs only. The USPSC part will identify the provisions for U.S. nationals working in AID/W and those posted overseas. In addition, all non-regulatory information such as procedures and guidance currently contained in Appendices D and J will be removed and incorporated into USAID's internal policy manual—the automated directives system (ADS). We believe this separation of regulations and policies from the procedures and guidance on personal services contracting will clarify and consolidate the regulatory requirements.

DATES: Submit comments on or before April 16, 2007.

ADDRESSES: Submit comments, identified by Title: “USAID Direct Contracts for Personal Services” and

Regulatory Information Number “RIN 0412-AA49” for this rulemaking. Please include your name, title, organization, postal address, telephone number, and e-mail address in the text of the message. Comments can be submitted using any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *E-mail:* federalregistercomments@usaid.gov. Include title of the proposed action “USAID Direct Contracts for Personal Services” and “RIN 0412-AA49” in the subject line of the message.

- *Fax:* (202) 216-3395.
- *Mail:* USAID, Office of Acquisition & Assistance, Policy Division, RRB Room No. 7.9-18, 1300 Pennsylvania Avenue NW., Washington, DC 20523-0001.

FOR FURTHER INFORMATION CONTACT: Tom Henson, Telephone 202-712-5448, E-mail: thenson@usaid.gov.

SUPPLEMENTARY INFORMATION: *Public Participation:* Because security screening precautions have slowed the delivery and dependability of surface mail to USAID/Washington, USAID recommends sending all comments to the Federal e-Rulemaking Portal, e-mail address, or fax number listed above (all comments must be in writing to be reviewed). You may submit comments by electronic mail as a Microsoft Word file, avoiding the use of any special characters and any form of encryption.

All comments will be made available for public review without change, including any personal information provided, from three days after receipt to finalization of rule at <http://www.regulations.gov>.

A. Background

Since the late 1990s, the Agency's regulations regarding personal services contracts—Appendices D and J—have not been updated to include changes in the processes and interpretations of the Appendices. Further, given the changing roles and responsibilities of the Agency, it is necessary to clarify and update USAID's policy and regulation for personal services contracts. The Proposed Rule consolidates Appendices D and J of the USAID Acquisition Regulations (the “AIDAR”) into Appendix A, which was previously reserved. Appendix A standardizes the Agency's policies, rules, and regulations regarding personal services contracts, eliminates repetition between the two Appendices, updates the Agency's general provisions, and clarifies the Agency's processes and authorities for

all Personal Services Contracts awarded by the Agency.

Under this proposed rule, the Agency establishes a mechanism intended to be applicable to all types of Personal Services Contracts. This proposed rule identifies provisions applicable to all personal services contracts, distinguishes the differences, and organizes and identifies the Agency's applicable rules and regulations to more clearly understand what is considered regulatory in nature and what is considered policy.

B. Regulatory Planning and Review

This is not a significant regulatory action and, therefore, is not subject to review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

C. Regulatory Flexibility Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*), USAID has considered the economic impact of the rule and has determined that its provisions would not have a significant economic impact on a substantial number of small entities.

D. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the proposed changes to the AIDAR do not impose information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501 *et seq.*

List of Subjects in 48 CFR Chapter 7

Government procurement.

For the reasons set forth in the preamble, under the authority of Sec. 621, Pub. L. 87-195, 75 Stat. 445 (22 U.S.C. 2381) as amended; E.O. 12163, Sept. 29, 1979, 44 FR 56673; 3 CFR 1979 Comp., p. 435, the U.S. Agency for International Development proposes to amend 48 CFR Chapter 7 as follows:

1. Add Appendix A to Chapter 7 to read as follows:

Appendix A to Chapter 7—USAID Direct Contracts for Personal Services

1. General

(a) *Purpose.* This appendix sets forth the process for competition of personal services contracts, and provides the General Provisions to be included in each type of contract. There are three main types of personal services contracts:

- (1) Contracts with U.S. citizens or U.S. resident aliens, referred to as U.S. Personal Services Contractor (USPSC);
- (2) Contracts with citizens of the cooperating country or non-citizens who

reside legally within the cooperating country, referred to as Foreign Service National Personal Services Contractor (FSNPSC)¹; and

(3) Contracts with individuals who are neither U.S. citizens/U.S. resident aliens nor citizens of the cooperating country and who have repatriation rights at the end of the contract, referred to as Third Country National Personal Services Contractor (TCNPSC).

(b) *Federal Acquisition Regulations (FAR) and U.S. Agency for International Development Acquisition Regulations (AIDAR)*. Contracts for personal services are subject to the FAR and the AIDAR. Other than the limited exceptions described below, Contracting Officers must provide for full and open competition in soliciting offers and awarding Government contracts.

(c) *Definitions (See Part I, General Provision I of this Appendix)*.

2. Publicizing Solicitations

(a) Contracting Officers must publicize solicitations for U.S. citizen/U.S. Resident Alien PSCs (USPSCs) who will be based in Washington and in USAID Missions, in FedBizOpps (FBO) at <http://www.fbo.gov> for a minimum of ten (10) working days. Specific exceptions for advertising locally recruited USPSCs (also known as resident hires), Foreign Service National PSCs (FSNs), and Third Country National PSCs (TCNs) are outlined in paragraph 3 below. In addition, other exceptions to advertising federal opportunities are contained in FAR Part 5 and AIDAR Part 705. If the publicizing procedures set out above are not followed, the Contracting Officer must prepare a deviation and a separate justification as required under AIDAR 706.302–70(c)(2).

(b) In addition to advertising in FedBizOpps, the M/OAA Director, acting as head of the Agency under the authority of AIDAR 701.601(a)(1), has authorized USAID Contracting Officers to place paid advertisements and notices in newspapers and periodicals. This specific authorization is found in AIDAR 705.502. Contracting Officers must document the contract file to reflect consideration of the requirements of (48 CFR) FAR 5.101(b)(4). Any advertising in addition to FedBizOpps must be approved by the cognizant CO. When using two sources of advertising, publishing dates and deadlines must be taken into consideration as the FBO posting must occur first. Other means of advertising a solicitation prior to publication in FedBizOpps is a violation of Federal procurement regulations and statutes (FAR 5.101 and FAR 5.102).

3. Exceptions to Publicizing in FedBizOpps

(a) *Locally Recruited PSCs*. For locally recruited PSCs, advertising requirements have been met by soliciting offers from as many potential offerors as is practicable under the circumstances and by meeting the following conditions for use of the Class Justification (See Attachment 1):

(1) *Personal services contracts with United States Citizens Recruited Locally*. If recruited locally, the position is publicized in the same

way that the Mission announces direct-hire U.S. citizen positions. Renewals or extensions with the same individual for the same services do not need to be publicized.

(2) *Personal services contracts with FSNs and TCNs subject to the Local Compensation Plan*. New solicitations are publicized consistent with Mission practice on announcement of FSN positions. Renewals or extensions with the same individual for the same services do not need to be publicized.

(b) *Extensions and Renewals*. Publicizing is not required for extensions or renewals with the same individual for the same services.

(c) *Personal services contracts for six months or less*. The Head of USAID's Contracting Activity has determined that publicizing in FedBizOpps is not required for personal services contracts for six months or less. However, as required in FAR 37.104 and FAR 37.105, the CO is responsible for soliciting offers from the maximum number of offerors as is practicable under the circumstances. The CO always reserves the right to use the procedures in paragraph 2—Publicizing Solicitations. These personal services contracts must not be extended or renewed.

4. Competition

(a) *Full and Open Competition*. Contracts for personal services are subject to the Competition in Contracting Act (CICA).

(b) *Exceptions to Full and Open Competition*. USAID has special authority under the Foreign Assistance Act to waive the requirement for full and open competition when foreign aid programs would be impaired (AIDAR 706.302–70).

(1) USAID's Procurement Executive has used this special authority and approved a class justification for exception to full and open competition for USPSCs recruited locally, and for FSNs, and TCNs subject to the local compensation plan, awarded pursuant to AIDAR 706.302–70(b)(1)—“An award under Section 636(a)(3) of the Foreign Assistance Act of 1961, as amended, involving a personal services contractor serving abroad.” The term “Locally Recruited” does not apply to those individuals recruited for work in the United States. It also does not apply to those individuals who are recruited from the U.S. to work in a mission outside the U.S.

The conditions for use of this class justification are listed in 3.A above—“Locally Recruited PSCs”, and the limitations, certification and file documentation below must be satisfied. This class justification does not apply to hiring offshore-PSCs and must not be used for hiring a PSC under a sole source procurement.

(i) Limitations

When using the Class Justification, offers must be requested from as many potential offerors as is practicable under the circumstances and the advertising requirements in 3.A above—“Locally Recruited PSCs” must be followed.

(ii) Certification and File Documentation

A copy of the class justification must be included in the contract file, together with a written statement, signed by the Contracting Officer, that: The contract is being awarded

pursuant to AIDAR 706.302–70(b)(1)—“An award under Section 636(a)(3) of the Foreign Assistance Act of 1961, as amended, involving a personal services contractor serving abroad”; the conditions for use of the class justification have been met; and the cost of the contract is fair and reasonable.

(2) *Extensions and Renewals*. This exception applies to extensions or renewals with the same individual for the same or similar services. This applies to all personal services contracts except those contracts described in 3C above—“Personal services contracts for six months or less.” For extensions and renewals, the contracting officer must make the determination that the incumbent is the only practicable, potential offeror.

Regardless of the intent to continue obtaining the same services from the same individual, a new contract (as opposed to a contract modification) must be issued to that individual after a 5-year period of performance. This allows the requiring office and the CO to ensure the terms and conditions and the statement of duties are current. In all cases, the CO has the final determination as to the need for any revisions. If the changes to the statement of duties expand it beyond the scope of “same or similar services,” the CO must ensure that the appropriate competitive procedures are followed for a new procurement.

(3) *Other non-competitive procedures*. The class justification only covers circumstances outlined above in paragraph 1 of 4.B.—“Exceptions to full and open competition.” To use any other exception in FAR 6.302 or AIDAR 706.302.70, the Contracting Officer must adhere to the limitations in AIDAR 706.302.70(c) and must prepare a separate justification as required under FAR 6.303. The class justification is not valid in these instances.

5. Issuance of the Solicitation and Receipt of Applications

Once the solicitation is issued, USPSCs must submit an OF–612 or SF–171 form, completed and signed, to the individual designated for the receipt of applications in the solicitation. FSN and TCN PSCs must submit an AID Form 1420–17—Contractor Employee Biographical Data Sheet along with any other required documentation requested in the solicitation to the individual designated for the receipt of application in the solicitation. Individuals responding to the solicitation may use any transmission method authorized by the solicitation (i.e. regular mail, electronic commerce, or facsimile). See FAR Part 15.207 for handling proposals and information.

6. General Provisions

This section contains the General Provisions, which are to be used as specified in contracts with a U.S. Citizen or a Resident Alien (USPSC), Foreign Service National (FSNPSC) or a Third Country National (TCNPSC)

The General Provisions are divided into four parts as follows:

PART I: For inclusion in all types of Personal Service Contracts (USPSCs, TCNs and FSNS)

¹ Also referred to/known as Cooperating Country National Personal Services Contractor (CCNPSC).

PART II: For inclusion in U.S. Personal Service Contracts (USPSCs) only

PART III: For inclusion in Third Country National Personal Service Contracts (TCNPSCs) only

PART IV: For inclusion in Foreign Service National Personal Service Contracts (FSNPSCs) only

PART I: For Inclusion in All Types of Personal Service Contracts (USPSCs, TCNPSCs and FSNPSCs)

1. Definitions

(a) *USAID* means the United States Agency for International Development offices, bureaus, and divisions, in both Washington and field missions, and its predecessor agencies, including the International Cooperation Administration (ICA).

(b) *Administrator* means the Administrator of USAID or representative delegated administrator's authority.

(c) *Class Justification* means a document signed by the Procurement Executive that describes specific circumstances in which full and open competition is not required.

(d) *Cognizant Technical Officer (CTO)* means the individual who performs functions that are designated by the Contracting Officer, or is specifically designated by policy or regulation as part of contract administration. The CTO has no warrant and has no authority other than those noted above. In other parts of the U.S. Government, the synonymous term is usually Contracting Officer's Technical Representative (COTR).

(e) *Contracting Officer (CO)* means a person representing the U.S. Government through the exercise of his/her delegated authority to enter into, administer, and/or terminate contracts and make related determinations and findings. This authority is delegated by one of two methods: to the individual by means of a "Certificate of Appointment", SF 1402, as prescribed in FAR 1.603-3, including any limitations on the scope of authority to be exercised, or to the head of each contracting activity (as defined in AIDAR 702.170), as specified in AIDAR 701.601. (ADS 302).

(f) *Contractor* means a non-direct hire individual acting as an agent of USAID and carrying out a scope of work specified by USAID (ADS 102).

(g) *Cooperating Country or Host Country* means the country receiving the USAID assistance. Cooperating Country means the same as "host country."

(h) *Cooperating Country Government* means the government of the Cooperating Country.

(i) *Dependent(s)* means:

(1) A spouse;

(2) Children who are under 21 years of age and unmarried or, regardless of age, are incapable of self-support (children include step—and adopted—children and those who are under legal custody of the employee or spouse and are dependent upon and normally reside with the employee and are expected to be under guardianship of the employee until 21 years of age);

(3) Parents (including step—and legally adoptive—parents) who are at least 51

percent dependent on the employee for support; and

(4) Brothers and/or sisters (including step—and adoptive—brothers and/or sisters) who are 51 percent or more dependent on the employee, unmarried and under 21 years of age. However, there is no age limit if they are physically or mentally incapable of self-support.

(j) *Economy Class* means a class of air travel that is less than business or first class.

(k) *Employer-employee relationship* means an employment relationship under a service contract with an individual, which occurs when, as a result of the contract's terms or the manner of its administration during performance, the PSC is subject to the relatively continuous supervision and control of a Government officer or employee.

(l) *Foreign Service National (FSN)* means the individual who is a Cooperating Country citizen or a non-Cooperating Country citizen lawfully admitted for permanent residence in the Cooperating Country. For the purpose of this Appendix, FSN employees are the same as CCN employees and are used interchangeably. Note that FSN is the most widely used terminology to describe non-U.S. citizen employees.

(m) *Government* means the United States Government.

(n) *Local currency* means the currency of the Cooperating Country.

(o) *Locally Recruited* means recruitment of individuals residing in the cooperating country. Locally recruited does not apply to those individuals recruited for work in the United States. It also does not apply to those individuals who are recruited from the U.S. to work in a mission outside the U.S.

(p) *Mission* means the USAID Mission or the principal USAID office or representative (including an embassy designated to so act) in a Cooperating Country in which there is a program or activity administered by USAID.

(q) *Mission Director* means the principal officer in the Mission in the Cooperating Country, or the designated representative of the Mission Director.

(r) *Offshore PSCs*² means an individual who is brought into the host country at Government expense and has repatriation rights.

(s) *Period of Performance* means the PSC's period of service as defined under the contract. Time spent initially traveling to post and final travel when departing from post is not included in the period of performance and is not subject to salary even though travel expenses may be allowable.

(t) *Personal services contract* means a contract that, by its express terms or as administered, makes the contractor personnel appear, in effect, Government employees (see FAR 37.104) (FAR 2.101) The acronym "PSC" is used to describe a personal services contractor.

(u) *Resident Hire* (also referred to as Locally Recruited USPSCs) means individuals who are U.S. citizens who at the time of hiring as a PSC, reside in the cooperating country:

(1) As a spouse or dependent of a U.S. citizen employed by a U.S. Government Agency or under any U.S. Government-financed contract or agreement, or under any other contract or agreement that provides for repatriation to the United States; or

(2) For reasons other than for employment with a U.S. Government Agency or under any U.S. Government-financed contract or agreement, or under any other contract or agreement that provides for repatriation to the United States.

(3) A U.S. citizen for purposes of this definition also includes a person who at the time of contracting, is a lawfully admitted permanent resident of the United States.

(v) *Short-term personal services contract* means a contract for less than one year.

(w) *Third Country National (TCN)* means an individual who is neither a citizen of the United States nor a citizen of the country to which assigned for duty, AND who is eligible for return travel to their home country or country from which recruited at U.S. Government expenses, AND who is on a limited assignment for a specific period of time.

(x) *Traveler* means:

(1) The PSC when in authorized travel status, and/or

(2) Dependent(s) of the PSC who are in authorized travel status.

(y) *U.S. Resident Alien* means a non-U.S. citizen lawfully admitted for permanent residence in the United States.

2. Compliance With Laws and Regulations

(a) *Standards of Conduct.*

(1) The PSC will be required to comply with the same ethics laws, rules, and regulations as required of USAID direct hire employees. However, if the PSC's period of performance is less than 130 days during any period of 360 days, the PSC will be subject to the same laws, rules, and regulations as a "special Government employee" and subject to the provisions of Title 18—Crimes and Criminal Procedure, Part I—Crimes, Chapter 11—Bribery, Graft, and Conflict of Interest, as set forth in 18 U.S.C. 202(a).

(2) By signing this contract, the PSC agrees to comply with all ethics laws, rules, and regulations that are applicable to other USAID direct hire employees, including 18 U.S.C. 202, 203, 205, 207, 208, 209, and 219, the USAID General Notice entitled "Employee Review of the New Standards of Conduct," and 5 CFR part 2635.

(3) If, however, the PSC's period of performance is less than 130 days during any period of 360 days, by signing this contract, the PSC agrees to comply with the same laws, rules, and regulations as a "special Government employee" and subject to the provisions as set forth in 18 U.S.C. 202(a), the USAID General Notice entitled "Employee Review of the New Standards of Conduct," and the portions of 5 C.F.R. Part 2635 that are applicable to "Special Government Employees."

(b) *Conformity to Laws and Regulations of the Cooperating Country.* PSC agrees that, while in the cooperating country, the PSC as well as dependents, must abide by all applicable laws and regulations of the cooperating country and its political subdivisions.

² Also referred to/known as "Internationally Recruited PSCs"

3. Contractor—USAID Relationships

(a) The PSC acknowledges that this contract is an important part of the U.S. Foreign Assistance Program and agrees that the duties will be carried out in such a manner as to be fully commensurate with the responsibilities which this entails.

(b) The PSC is expected to show respect for the conventions, customs, and institutions of the Cooperating Country and not interfere in its political affairs.

(c) If the PSC's conduct is not in accordance with paragraph (b) of this provision, the contract may be terminated under the General Provision of this contract, entitled "Termination". In addition, the U.S. Ambassador may direct the immediate removal of a USPSC or a TCNPSC from any country when, in the discretion of the Ambassador, the interests of the United States so require.

(d) The Mission Director is the chief representative of USAID in the Cooperating Country. In this capacity, s/he is responsible for the total USAID Program in the Cooperating Country including certain administrative responsibilities set forth in this contract and for advising USAID regarding the performance of the work under the contract and its effect on the U.S. Foreign Assistance Program. The PSC will be responsible for performing duties in accordance with the statement of duties called for by the contract, and as required and necessary, report on the progress of the work under the contract.

4. Workweek

The PSC's workweek must not be less than 40 hours, unless otherwise provided in the Contract Schedule, and must coincide with the workweek as defined by the Mission. If the contract is for less than full time (40 hours weekly), the annual and sick leave earned must be prorated (see the General Provision of this contract entitled Leave and Holidays).

5. Insurance

Worker's Compensation Benefits. USAID will provide the PSC with worker's compensation benefits in accordance with the Federal Employees' Compensation Act.

6. Termination

(This is an approved deviation to be used in place of the clause specified in FAR 52.249-12.)

(a) The Government may terminate performance of work under this contract in whole or, from time to time, in part:

(1)(i) For cause, which may be effected immediately after establishing the facts warranting the termination, by giving written notice and a statement of reasons to the PSC in the event of:

(A) A breach or violation of any obligations contained in this contract; or

(B) Fraud being committed in obtaining the contract; or

(C) Misconduct by the PSC (as determined by the USAID Mission Director or Contracting Officer) in or affecting the Cooperating Country.

(ii) Upon such a termination, the PSC's right to compensation stops when the period

specified in the written notice expires or the last day on which the PSC performs services in support of this contract, whichever is earlier. No costs of any kind incurred by the PSC after the effective date in this notice may be reimbursed except the cost of return transportation (not including travel allowances), if approved by the Contracting Officer. If any costs relating to the period subsequent to such date have been paid by USAID, the PSC must promptly refund to USAID any such prepayment as directed by the Contracting Officer.

(2) For the convenience of USAID, by giving not less than 15 calendar days advance written notice to the PSC. Upon such a termination, PSC's right to compensation stops when the period specified in the written notice expires except that the PSC is entitled to any unused vacation leave, return transportation costs and travel allowances and transportation of unaccompanied baggage costs at the rate specified in the contract and subject to the limitations that apply to authorized travel status.

(3) For the convenience of USAID, when the PSC is unable to complete performance of the services under the contract by reason of sickness or physical or emotional incapacity based upon a certification of such circumstances by a duly qualified doctor of medicine approved by the Mission. The contract will be deemed terminated upon delivery to the PSC of a written termination notice. Upon such a termination, the PSC will not be entitled to compensation except to the extent of any unused vacation or sick leave, but will be entitled to return transportation, travel allowances, and unaccompanied baggage costs at rates specified in the contract and subject to the limitations that apply to authorized travel status.

(4) For convenience, when a final security clearance is denied. The contract will be deemed terminated upon issuance to the PSC of a written termination notice. Upon such a termination, the PSC's right to compensation stops when the period specified in the written notice expires or the last day on which the PSC performs services in support of this contract, whichever is earlier. The PSC will be entitled to any unused vacation leave, and will be entitled to return transportation, travel allowances, and unaccompanied baggage costs at rates specified in the contract and subject to the limitations that apply to authorized travel status.

(b) The PSC, with the written consent of the Contracting Officer, may terminate this contract upon at least 15 days' written notice to the Contracting Officer.

7. Termination of PSCs Hired Under the Local Compensation Plan

For those PSCs hired under the local compensation plan, termination will be in accordance with the local compensation plan.

8. Release of Information

All rights in data and reports required by or developed under this contract become the property of the U.S. Government. All information gathered under this contract by

the PSC and all reports and recommendations hereunder must be treated as confidential by the PSC and must not, without the prior written approval of the Contracting Officer, be made available to any person, party, or government, other than USAID, except as otherwise expressly provided in this contract. All data and reports, including copies, will remain the property of USAID.

9. Training

The PSC may be provided job related training to expand capabilities and increase knowledge and skills.

10. Reports

(a) The PSC must prepare and submit two copies of each technical report required by the schedule of this contract to the Development Experience Clearinghouse, Via E-mail: docsubmit@dec.cdie.org; Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210 Silver Spring, MD 20910, USA; 3c) Via Fax: (301) 588-7787; or Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

(b) The title page of all reports forwarded to the Development Experience Clearinghouse under this paragraph must include a descriptive title, the author's Name(s), contract number, project number and title, PSC's name, name of the USAID project office, and the publication or issuance date of the report.

(c) When preparing reports, the PSC must refrain from using elaborate art work, multicolor printing, and expensive paper/binding, unless it is specifically authorized in the Contract Schedule. Wherever possible, pages must be printed on both sides using single spaced type.

11. Prohibition on the Use of Federal Funds To Promote, Support, or Advocate for the Legalization or Practice of Prostitution—Acquisition

(a) The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this contract may be used to promote, support, or advocate the legalization or practice of prostitution. Nothing in the preceding sentence will be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

(b) The contractor shall insert this provision in all sub-awards under this award.

(c) This provision includes express terms and conditions of the contract and any violation of it shall be grounds for unilateral termination, in whole or in part, of the contract by USAID prior to the end of its term.

12. Homeland Security Presidential Directive-12 (HSPD-12)

(a) In response to the general threat of unauthorized access to federal facilities and information systems, the President issued Homeland Security Presidential Directive—

12. HSPD-12 requires all Federal agencies to use a common Personal Identity Verification (PIV) standard when identifying and issuing access rights to users of Federally-controlled facilities and/or Federal Information Systems. USAID will begin issuing HSPD-12 "smart card" IDs to applicable contracts, using a phased approach. Effective October 27, 2006, USAID will begin issuing new "smart card" IDs to new contractors (and new contractor employees) requiring routine access to USAID controlled facilities and/or access to USAID's information systems. USAID will begin issuance of the new smart card IDs to existing contractors (and existing contractor employees) on October 27, 2007. (Exceptions would include those situations where an existing contractor (or contractor employee) loses or damages his/her existing ID and would need a replacement ID prior to Oct 27, 2007. In those situations, the existing contractor (or contractor employee) would need to follow the PIV processes described below, and be issued one of the new smart cards.)

(b) Accordingly, before a contractor (including a PSC* or a contractor employee) may obtain a USAID ID (new or replacement) authorizing him/her routine access to USAID facilities, or logical access to USAID's information systems, the individual must provide two forms of identity source documents in original form and a passport size photo. One identity source document must be a valid Federal or state government-issued picture ID. (Overseas foreign nationals must comply with the requirements of the Regional Security Office.) USAID/W contractors must contact the USAID Security Office to obtain the list of acceptable forms of documentation, and contractors working in overseas Missions must obtain the acceptable documentation list from the Regional Security Officer. Submission of these documents, and related background checks, are mandatory in order for the contractor to receive a building access ID, and before access will be granted to any of USAID's information systems. All contractors must physically present these two source documents for identity proofing at their USAID/W or Mission Security Briefing. The contractor or his/her Facilities Security Officer must return any issued building access ID and remote authentication token to USAID custody upon termination of the individual's employment with the contractor or completion of the contract, whichever occurs first.

(c) The contractor must comply with all applicable HSPD-12 and PIV procedures, as described above, and any subsequent USAID or government-wide HSPD-12 and PIV procedures/policies, including any subsequent related USAID General Notices, Office of Security Directives and/or Automated Directives System (ADS) policy directives and required procedures. This includes HSPD-12 procedures established in USAID/Washington and those procedures established by the overseas Regional Security Office.

(d) In the event of inconsistencies between this clause and later issued Agency or government-wide HSPD-12 guidance, the most recent issued guidance should take

precedence, unless otherwise instructed by the Contracting Officer.

(e) The contractor is required to include this clause in any subcontracts that require the subcontractor or subcontractor employee to have routine physical access to USAID space or logical access to USAID's information systems.

13. Federal Acquisition Regulation (FAR) Clauses To Be Incorporated in Full Text in All Personal Services Contracts

The following FAR Clauses are always to be used along with the General Provisions. They are required in full text.

(a) Covenant Against Contingent Fees 52.203-5

(b) Payment by Electronic Funds Transfer—Other than Central Contractor Registration 52.232-34

(c) Disputes 52.233-1 (Alternate 1)

(d) Preference for U.S. Flag Air Carriers 52.247-63

14. FAR Clauses To Be Incorporated by Reference in All Personal Services Contracts

The following FAR Clauses are to be used along with the General Provisions, and when appropriate, be incorporated in each personal services contract by reference:

(a) Anti-Kickback Procedures 52.203-7

(b) Limitation on Payments to Influence Certain Federal Transactions 52.203-12

(c) Audit and Records—Negotiation 52.215-2

(d) Privacy Act Notification 52.224-1

(e) Privacy Act 52.224-2

(f) Taxes—Foreign Cost Reimbursement Contracts 52.229-8

(g) Interest 52.232-17

(h) Limitation of Cost 52.232-20

(i) Limitation of Funds 52.232-22

(j) Assignment of Claims 52.232-23

(k) Protection of Government Buildings, Equipment, and Vegetation 52.237-2

(l) Notice of Intent to Disallow Costs 52.242-1

(m) Inspection of Services—Cost-Reimbursement 52.246-5

(n) Limitation of Liability—Services 52.246-25

(o) Notice of Intent to Disallow Costs 52.242-1

(p) Notice of Intent to Disallow Costs 52.242-1

(q) Inspection of Services—Cost-Reimbursement 52.246-5

(r) Limitation of Liability—Services 52.246-25

(s) Inspection of Services—Cost-Reimbursement 52.246-5

(t) Limitation of Liability—Services 52.246-25

PART II: For Inclusion in U.S. Personal Service Contracts (USPSCs) Only

1. Purchase or Sale of Personal Property or Automobiles (August 2006). (Only for inclusion in offshore USPSCs)

(a) To the extent permitted by the cooperating country, the purchase, sale, import, or export of personal property or automobiles in the cooperating country by the PSC is subject to the same limitations and prohibitions that apply to Mission U.S.-citizen direct-hire employees.

(b) *Insurance on Private Automobiles.* If the PSC or the dependents transport, or have transported, privately owned automobile(s) to the Cooperating Country or purchase an automobile within the Cooperating Country, the PSC agrees to cover such automobile(s) (during such ownership within the Cooperating Country) by a current, i.e., not in arrears, insurance policy. The insurance policy must be issued by a reliable company providing the following minimum coverage, or such other minimum coverage as may be

set by the Mission Director, payable in U.S. dollars or their equivalent in the currency of the Cooperating Country: injury to persons, \$10,000/\$20,000; and property damage, \$5,000. The PSC further agrees to deliver, or have delivered, to the Mission Director, the insurance policies required by this provision or satisfactory proof of their existence, before the automobile(s) is operated within the Cooperating Country. The premium costs for such insurance are not reimbursable under this contract.

2. Physical Exams (for Inclusion in Washington-Based USPSCs)

(a) *Physical Fitness.* Washington-based USPSCs are not required to obtain a physical exam unless their work schedule calls for overseas TDY assignments of 60 days or more in the aggregate during a 12-month period.

(b) For Washington based USPSCs whose contracts require TDYs, which in the aggregate amount to 60 days or more in a calendar year, the PSC must obtain a medical clearance from State M/MED prior to any travel overseas. The Contracting Officer will provide the USPSC with a medical clearance packet for this purpose.

3. Physical Exams and Health Room Privileges (for Inclusion in Offshore USPSCs)

(a) *Physical Fitness.*

(1) For contracts performed outside the United States for less than 60 days in a calendar year, the PSC is required to be examined by a licensed doctor of medicine and obtain from the doctor a statement of medical opinion that, in the doctor's opinion, the contractor is physically able to engage in the type of activity for which the PSC is being employed under the contract. A copy of the statement(s) shall be provided to the Contracting Officer prior to the contractor's departure overseas, or for a U.S. resident hire, before the PSC starts work under the contract. As an example, the doctor may choose to use the language of the doctor's statement of medical opinion at the end of the form AID 1420-62 which identifies the contractor by name, to meet this requirement. However, form AID 1420-62 is not required to be completed for contracts less than 60 days.

(2) For all contracts performed outside of the United States in excess of 60 days, the PSC and any authorized dependents must be examined by a licensed doctor of medicine and must obtain a medical clearance from the U.S. Department of State, Office of Medical Services, Medical Clearance Unit (M/MED). A copy of the M/MED Medical Clearance abstract must be provided to the Contracting Officer before the contract is signed.

(3) The PSC and the dependents are authorized physical examinations within 60 days after completion of the PSC's period of performance. The PSC is subject to the same re-imbursement restrictions as the initial exam.

(b) *Reimbursement.*

(1) As a contribution to the cost of medical examinations required by paragraph (a)(1) of this provision, USAID shall reimburse the contractor not to exceed \$250 for each physical examination, plus reimbursement of charges for immunizations.

(2) (i) As a contribution to the cost of medical examinations required by paragraph (a)(2) and (3) of this provision, USAID will reimburse the PSC in an amount not to exceed half of the cost of the examination up to a maximum of \$700 per examination plus reimbursement of charges for immunizations for the PSC and for each authorized dependent 12 years of age or over. The USAID contribution for dependents under 12 years of age will not exceed half of the cost of the examination up to a maximum of \$350 per individual plus reimbursement of charges for immunizations. The PSC must obtain the prior written approval of the Contracting Officer to receive any USAID obligations higher than these limits.

(ii) If M/MED requires the proposed PSC and/or dependents to have additional tests done before providing medical clearance, the proposed PSC shall notify the Contracting Officer and the responsible individual in the requiring office. These additional tests shall be reimbursed to the proposed PSC at 100% of incurred costs, minus any payments by the proposed PSC's insurance company.

(c) *Health Unit Privileges.* After the PSC and dependents receive M/MED clearance, routine medical services shall be available in their overseas location. Procedures at the Health Room shall be in accordance with post policy at the post of duty. These services do not include hospitalization or predeparture examinations. The services normally include such medications as may be available, immunizations and preventive health measures, diagnostic examinations and advice, and home visits as medically indicated. Emergency medical treatment is provided to U.S. citizen PSCs and dependents, whether or not they may have been granted access to routine health room services, on the same basis as would be to any U.S. citizen in an emergency medical situation in the country, including post support for medevac (although medevac service will be paid for by the PSC's medevac insurer) and post support for hospitalizations per the terms of the personal services contract.

4. Medical Expense Payment Responsibility

Include the following provision in all USPSCs (excluding resident hire USPSCs):

(a) Definitions. Terms used in this General Provision are defined in 16 FAM 116 (available at <http://www.foia.state.gov/REGS/fams.asp?level=2&id=59&fam=0>). Note: personal services contractors are not eligible to participate in the Federal Employees Health Programs.

(b) The regulations in the Foreign Affairs Manual, Volume 16, Chapter 520 (16 FAM 520), Responsibility for Payment of Medical Expenses, apply to this contract, except as stated below. The contractor and each dependent are strongly encouraged to obtain health insurance that covers this assignment. Nothing in this provision supersedes or contradicts any other term or provision in this contract that pertains to insurance or medical costs, except that section (e) supplements General Provision entitled "MEDICAL EVACUATION (MEDEVAC) SERVICES."

(c)(1) When the contractor or dependent is covered by health insurance, that insurance

is the primary payer for medical services provided to that contractor or dependent(s) both in the United States and abroad. The primary insurer's liability is determined by the terms, conditions, limitations, and exclusions of the insurance policy.

(2) When the contractor or dependent is not covered by health insurance, the contractor is the primary payer for the total amount of medical costs incurred and the U.S. Government has no payment obligation (see paragraph (f) of this provision).

(d) USAID serves as a secondary payer for medical expenses of the contractor and dependents who are covered by health insurance, where the following conditions are met:

(1) The illness, injury, or medical condition giving rise to the expense is incurred, caused, or materially aggravated while the eligible individual is stationed or assigned abroad;

(2) The illness, injury, or medical condition giving rise to the expense required or requires hospitalization and the expense is directly related to the treatment of such illness, injury, or medical condition, including obstetrical care; and

(3) The Office of Medical Services (M/MED) or a Foreign Service medical provider (FSMP) determines that the treatment is appropriate for, and directly related to, the illness, injury, or medical condition.

(e) The Mission Director may, on the advice of M/MED or an FSMP at post, authorize medical travel for the contractor or a dependent in accordance with the Travel and Transportation Expenses General Provision section entitled "Emergency and Irregular Travel and Transportation." In the event of a medical emergency, when time does not permit consultation, the Mission Director may issue a Travel Authorization Form or Medical Services Authorization Form DS-3067, provided that the FSMP or Post Medical Advisor (PMA) is notified as soon as possible following such an issuance. The contractor must promptly file a claim with his or her MEDEVAC insurance provider and repay to USAID any amount the MEDEVAC insurer pays for medical travel, up to the amount USAID paid under this section. The contractor must repay USAID for medical costs paid by the MEDEVAC insurer in accordance with sections (f) and (g) below. In order for medical travel to be an allowable cost under General Provision entitled Travel and Transportation Expenses, the contractor must provide USAID written evidence that MEDEVAC insurance does not cover these medical travel costs.

(f) If the contractor or dependent is not covered by primary health insurance, the contractor is the primary payer for the total amount of medical costs incurred. In the event of a medical emergency, the Medical and Health Program may authorize issuance of Form DS-3067, Authorization for Medical Services for Employees and/or Dependents, to secure admission to a hospital located abroad for the uninsured contractor or dependent. In that case, the contractor will be required to reimburse USAID in full for funds advanced by USAID pursuant to the issuance of the authorization. The contractor may reimburse USAID directly or USAID

may offset the cost from the contractor's invoice payments under this contract, any other contract the individual has with the U.S. Government, or through any other available debt collection mechanism.

(g) When USAID pays medical expenses (e.g., pursuant to Form DS-3067, Authorization for Medical Services for Employees and/or Dependents), repayment must be made to USAID either by insurance payment or directly by the contractor, except for the amount of such expenses USAID is obligated to pay under this provision. The Contracting Officer will determine the repayment amount in accordance with the terms of this provision and the policies and procedures for employees contained in 16 FAM 521. When USAID pays the medical expenses, including medical travel costs (see section (e) above), of an individual (either the contractor or a dependent) who is covered by insurance, that individual promptly must claim his or her benefits under any applicable insurance policy or policies. As soon as the individual receives the insurance payment, the contractor must reimburse USAID for the full amount that USAID paid on the individual's behalf or the repayment amount determined by the Contracting Officer in accordance with this paragraph, whichever is less. If an individual is not covered by insurance, the contractor must reimburse USAID for the entire amount of all medical expenses and any travel costs the contractor receives from his/her MEDEVAC provider.

(h) In the event that the contractor or dependent fails to recover insurance payments or transfer the amount of such payments to USAID within 90 days, USAID will take appropriate action to collect the payments due, unless such failure is for reasons beyond the control of the USPSC/dependent.

(i) Before departing post or terminating the contract, the contractor must settle all medical expense and medical travel costs. If the contractor is insured, he or she must provide proof to the Contracting Officer that those insurance claims have been submitted to the insurance carrier(s) and sign a repayment agreement to repay to USAID any amounts paid by the insurance carrier(s).

5. Compensation Adjustments

(a) Annual Salary Increase.

(1) All U.S. PSC positions are classified based on the General Service (GS) schedule at the grade USAID considers to be the market value and salary range of the position. When the salary is negotiated and agreed upon, the salary must be fixed at a specific step within the salary range, as classified at the GS-equivalent grade, for the specified position (e.g., GS-13, step 5).

(2) Future salary increases based on written evaluation of satisfactory performance or better must be consistent with U. S. direct-hire employee salary increases in accordance with OMB policy in 5 CFR Section 531.405—"Waiting periods for within-grade increases."

(3) For extensions and renewals, when a PSC's current salary is between steps (for example between a step 5 and a step 6), the base for extension or renewal will be established at the higher step (for example,

step 6), and the “step increase” will be to step 7.

(4) When an individual reaches the upper limit of a position’s market value, i.e., the top of the GS-equivalent grade, the individual’s salary must be “capped” in the same way as that of a USDH salary. This does not affect the annual pay comparability adjustment.

(b) Annual Pay Comparability Adjustment. The PSC’s compensation shall be adjusted to reflect the pay comparability adjustments that are granted from time to time to U.S. direct-hire employees by Executive Order for the statutory pay systems (usually in

January). Any adjustments authorized are subject to the availability of funds and must not exceed that percentage stated in the Executive Order granting the adjustment.

Further, the adjusted compensation may not exceed the annual “USAID Contractor Salary Threshold (USAID CST)” which is equivalent to the maximum rate for agencies without a certified SES performance appraisal system (or the equivalent hourly rate).

6. Leave and Holidays

(a) Vacation Leave.

(1) The PSC shall earn vacation leave at the rate of 13 workdays per annum or 4 hours every 2 weeks. However, no vacation shall be earned if the tour of duty is less than 90 days.

(2) Notwithstanding paragraph (a)(1) above, if the PSC has had previous: USAID PSC service (i.e., has served under other personal services contracts (PSCs) covered by Sec. 636(a)(3) of the FAA or other statutory provision applicable to USAID); and/or former U.S. Government (USG) direct hire service—civilian and/or military), the PSC will earn vacation leave based on time in service as follows:

Time in service	Calculated vacation time
Up to 3 years of service	Four hours of vacation leave for each two week period.
over 3 years and up to 15 years of service	Six hours of vacation leave for each two week period (including 10 hours vacation leave for the final pay period of a calendar year).
15+ years of service	Eight hours of vacation leave for each two week period.

(3) (i) Vacation leave is provided under this contract for the purposes of affording necessary rest and recreation during the period of performance. The PSC in consultation with the USAID Mission or USAID/Washington, as appropriate, shall develop a vacation leave schedule early in the PSC’s period of performance taking into consideration project requirements, PSC preference and other factors. All vacation leave earned by the PSC must be used during the PSC’s period of performance. All vacation leave earned by the PSC, but not taken by the end of the PSC’s contract, will be forfeited. However, to prevent forfeiture of vacation leave, the Contracting Officer may approve the PSC taking vacation leave during the concluding weeks of the PSC’s contract.

(ii) As an exception to 3(i) above, the PSC may receive lump-sum payment for leave not taken. To approve this exception, the PSC’s supervisor must provide the Contracting Officer with a signed, written Determination and Findings. The Determination and Findings must set out the facts and circumstances that prevented the PSC from taking vacation leave and the Contracting Officer must find that these facts and circumstances were not caused by and were beyond the control of the contractor. This leave payment must not exceed the number of days which could be earned by the PSC during a twelve month period.

(4) With the approval of the Mission Director or the cognizant AA, as appropriate, and if the circumstances warrant, a Contracting Officer may grant the PSC advance vacation leave in excess of that earned, but in no case may the Contracting Officer grant advance vacation leave in excess of that earned in one year or over the life of the contract, whichever is less. The PSC agrees to reimburse USAID for any outstanding balance of advance vacation leave provided during the PSC’s assignment under the contract.

(5) Applicants for PSC positions will provide evidence of their PSC and/or USG direct hire service—civilian and/or military experience, as applicable, on their signed and dated SF-171 or OF-612. By signing the appropriate form, the applicant attests to the accuracy of the information provided. Any

applicant providing incorrect information is subject to the penalty provisions in the form. If required to satisfy due diligence requirements on behalf of the Contracting Officer, PSCs may be required to furnish evidence that verifies length of service, e.g., SF 50, DD Form 214, and/or signed contracts.

(b) Sick Leave. Sick leave is earned at a rate not to exceed 13 work-days per annum or 4 hours every 2 weeks. Unused sick leave may be carried over under an extension/renewal of this contract. Otherwise, sick leave will not be carried over from one post to another or from one contract to another. The PSC will not be compensated for unused sick leave upon completion of this contract.

(c) Military Leave. Military leave of not more than 15 calendar days in any calendar year may be granted to a PSC who is a reservist of the Armed Forces. The PSC must provide advance notice of the pending military leave to the Contracting Officer or the Mission Director as soon as known. A copy of any such notice must be part of the contract file.

(d) Leave Without Pay. Leave without pay may be granted only with the written approval of the Contracting Officer or Mission Director.

(e) Compensatory Time. Compensatory leave may be granted only with the written approval of the Contracting Officer or Mission Director in rare instances when it has been determined absolutely essential and used under those guidelines which apply to direct-hire employees.

(f) Sunday Pay (if applicable). Each Mission has the option whether or not to authorize Sunday pay for U.S. PSCs, with two stipulations: the decision whether or not to pay must be administered consistently throughout the Mission; and if Sunday pay is authorized, it must be paid under the same terms and conditions that Foreign Service direct-hire employees would receive in accordance with 3 FAM 3136.

(g) Leave Records. The PSC shall maintain current leave records and make them available, as requested by the Mission Director or the Contracting Officer.

FOR INCLUSION IN USPSCS Posted Overseas

(h) Home Leave.

(1) Home leave is leave earned for service abroad for use only in the United States, its commonwealths and territories.

(2) A USPSC who is a U.S. citizen or U.S. resident alien and has served at least two years overseas at the same USAID Mission, under the same contract, as defined in paragraph (c)(4) below, and has not taken more than 30 work days leave (vacation, sick or leave without pay) in the United States may be granted home leave in accordance with the following:

(i) If the PSC returns to the same overseas post upon completion of home leave for an additional 2 years under the same contract, or for such shorter period of not less than one year, as approved in writing by the Mission Director prior to the USPSC’s departure on home leave, the PSC will receive home leave, to be taken at one time, for a period of not more than 30 work days, provided advance approval is obtained from the Mission Director;

(ii) If the contractor is returning to a different USAID Mission under a USAID personal services contract immediately following completion of the USPSC’s home leave, for an additional 2 years under contract, or for such shorter period of not less than one year, as approved by the Mission Directors of the “losing” and “gaining” Missions, the PSC will receive home leave, to be taken at one time, for a period of not more than 20 work days. When the PSC is returning to a different USAID Mission, the former Mission will pay for the home leave regardless of what country the PSC will be working in following the home leave;

(iii) If home leave eligibility is based on paragraph (c)(2)(ii) of this provision, the PSC must submit written verification to the losing Mission at the time home leave is requested that the PSC has accepted a USAID personal services contract at another USAID Mission following completion of the home leave;

(iv) Travel time by the most direct route is authorized in addition to the number of work days authorized for home leave;

(v) Home leave must be taken in the United States, the Commonwealth of Puerto Rico or

the possessions of the United States, and any days spent elsewhere will be charged to vacation leave. If the PSC does not have accrued vacation leave, the PSC will be placed on leave without pay.

(vi) If the PSC does not complete the additional service required under (c)(2)(i) or (ii) (that the Contracting Officer finds are other than for reasons beyond the PSC's control), the cost of home leave, travel and transportation and any other related costs must be repaid by the PSC to the Government.

(3) Notwithstanding the requirement in paragraph (c)(2) above that the contractor must have served 2 years overseas under personal services contract with the same Mission to be eligible for home leave, the PSC may be granted advance home leave subject to all of the following conditions:

(i) Granting of advanced home leave would in each case serve to advance the attainment of the objectives of this contract; and

(ii) The PSC has served a minimum of 18 months in the Cooperating Country under this contract; and

(iii) The contractor agrees to return to the Cooperating Country to serve out the remainder of the current contract, plus an additional 2 years under the current contract or under a new contract for the same or similar services at the same Mission. If approved in advance by the Mission Director, the contractor may return to serve out the remainder of the current contract, and an additional period of not less than 1 year under the current contract or under a new contract for the same or similar services at the same Mission.

(4) The period of service overseas required under paragraph (c)(2), or paragraph (c)(3) above, will include the actual days in orientation in the United States (less language training). The actual days overseas begin on the date of arrival in the Cooperating Country inclusive of authorized delays enroute. Allowable vacation and sick leave taken while overseas, but not leave without pay, shall be included in the required period of service overseas. An amount equal to the number of days of vacation and sick leave taken in the United States, the Commonwealth of Puerto Rico, or the possessions of the United States will be added to the required period of service overseas.

(5) Salary during the travel to and from the United States for home leave will be limited to the time required for travel by the most expeditious air route. Except for reasons beyond the PSC's control as determined by the Contracting Officer, the PSC must return to duty after home leave and complete the additional required service or be responsible for reimbursing USAID for payments made during home leave. Unused home leave is not reimbursable under this contract, nor can it be taken incrementally in separate time periods.

(6) Home leave must be taken at one time, and to the extent deemed necessary by the Contracting Officer, a contractor in the United States on home leave may be authorized to spend not more than 5 days in work status for consultation at USAID/ Washington before returning to post.

Consultation at locations other than USAID/ Washington as well as any time in excess of 5 days spent for consultation must be approved by the Mission Director or the Contracting Officer.

(i) Home Leave Policy for Qualifying Posts.

(1) On June 15, 2006, the Congress passed and the President signed an amendment to the Foreign Service Act of 1980, as amended, that allows home leave for direct-hire employees following completion of 12-month overseas assignments at qualifying posts.

(2) USAID is extending this new home leave policy to its USPSCs who ordinarily qualify for home leave, and is effective as of July 20, 2006. This new home leave policy is in addition to the home leave a USPSC would earn under the contract. USAID USPSCs who complete their 12-month assignment at one of the qualifying posts on or after July 20, 2006, may be eligible for home leave under this new provision. For USAID, a list of qualifying posts can be obtained from the Human Resources Office in USAID/W.

(3) If an eligible USPSC elects to take this new home leave, the USPSC must take a minimum of ten workdays of home leave. There is no requirement that an eligible USPSC take home leave after serving 12 months at a designated post; it is only an option. If a USPSC is returning to the United States, and not returning overseas to the same or different USAID Mission, this new home leave policy will not apply.

(j) Holidays. The contractor, while serving abroad, shall be entitled to all holidays granted by the Mission to U.S.-citizen direct-hire employees.

7. Differential and Allowances (for Inclusion IN USPSCs, Excluding Resident Hires)

(a) By definition, a PSC is different from a direct-hire employee. Differentials and allowances are not entitlements. Not all differentials and allowances available to direct-hire employees are available to a PSC. As a result, differences in entitlements may result between USDH and USPSCs. While USAID strives for equity between USDH and USPSCs, it is recognized that the differences in the systems do not entirely allow for such equity.

(b) USPSCs (excluding resident hire) are granted applicable differentials and allowances to the same extent and on the same basis as they are granted to U.S. citizen direct-hire employees at the Mission by the Department of State Standardized Regulations (Government Civilians, Foreign Areas)(DSSR), as from time to time amended. The rate or percentage of the allowance/differential is not negotiable. U.S. resident-hire PSCs are not eligible for any fringe benefits (except contributions for FICA, health insurance, and life insurance), including differentials and allowances. Neither the Contracting Officer nor the Mission Director has the discretion to provide any additional benefits and allowances without M/OAA/P's clearance of a request for deviation.

(c) An explanation for each of the differentials and allowances can be found on the U.S. Department of State website at www.state.gov. If an allowance or differential

is not addressed in the DSSR, USAID reserves the right to apply any other guidance that is also used for USDH.

(d) The following differential and allowances may be granted to the PSC in accordance with governing regulations:

Applicable Reference to Standardized Regulations

(1) Post Differential Chapter 500 and Tables in Chapter 900.

(2) Living Quarters Allowance Section 130.

(3) Temporary Lodging Allowance Section 120.

(4) Post Allowance Section 220.

(5) Supplemental Post Allowance Section 230.

(6) Payments During Evacuation Section 600.

(7) Education Allowance Section 270.

(8) Separate Maintenance Allowance Section 260.

(9) Danger Pay Allowance Section 650.

(10) Education Travel Section 280.

(1) Post Differential. Post differential is an additional compensation for service at places in foreign areas where conditions of environment differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. In areas where post differential is paid to USAID direct-hire employees, post differential not to exceed the percentage of salary as is provided such USAID direct-hire employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas) Chapter 500 (except the limitation contained in Section 552, "Ceiling on Payment") Tables—Chapter 900, as from time to time amended, will be reimbursable hereunder for PSCs in respect to amounts earned during the time such PSCs actually spend overseas on work under this contract. When such post differential is provided to the PSC, it must be payable beginning on the date of arrival at the post of assignment and continue, including periods away from post on official business, until the close of business on the day of departure from post of assignment enroute to the United States. Sick or vacation leave taken at or away from the post of assignment will not interrupt the continuity of the assignment or require a discontinuance of such post differential payments, provided such leave is not taken within the United States or the territories of the United States. Post differential will not be payable while the employee is away from the post of assignment for purposes of home leave. Short-term employees will be entitled to post differential beginning with the forty-third (43rd) day at post.

(2) Living Quarters Allowance. Living quarters allowance is an allowance granted to reimburse an employee for substantially all of the cost for either temporary or residence quarters whenever Government-owned or Government-rented quarters are not provided to the PSC at the post without charge. Such costs are those incurred for temporary lodging (temporary lodging allowance) or one unit of residence quarters (living quarters allowance) and include rent, plus any costs not included therein for heat, light, fuel, gas, electricity and water. The temporary lodging

allowance and the living quarters allowance are never both payable to an employee for the same period of time. The PSC will receive living quarters allowance for payment of rent and utilities if such facilities are not supplied. Such allowance must not exceed the amount paid USAID employees of equivalent rank in the Cooperating Country, in accordance with either, the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 130, as from time to time amended; or other rates approved by the Mission Director. Subject to the written approval of the Mission Director, short-term employees may be paid per diem (in lieu of living quarters allowance) at rates prescribed by the Federal Travel Regulations, as from time to time amended, during the time such short-term employees spend at posts of duty in the Cooperating Country under this contract. In authorizing such per diem rates, the Mission Director must consider the particular circumstances involved with respect to each such short-term employee including the extent to which meals and/or lodging may be made available without charge or at nominal cost by an agency of the United States Government or of the Cooperating Government and similar factors.

(3) *Temporary Lodging Allowance.* Temporary lodging allowance is a quarters allowance granted to an employee for the reasonable cost of temporary quarters incurred by the employee and the family for a period not in excess of three months after first arrival at a new post in a foreign area or a period ending with the occupation of residence (permanent) quarters, if earlier, and one month immediately preceding final departure from the post subsequent to the necessary vacating of residence quarters. The PSC and authorized dependents will receive temporary lodging allowance in lieu of living quarters allowance, not to exceed the amount set forth in the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 120, as from time to time amended.

(4) *Post Allowance.* Post allowance is a cost-of-living allowance granted to an employee officially stationed at a post where the cost of living, exclusive of quarters cost, is substantially higher than in Washington, D.C. The PSC will receive post allowance payments not to exceed those paid USAID employees in the Cooperating Country, in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 220, as from time to time amended.

(5) *Supplemental Post Allowance.* Supplemental post allowance is a form of post allowance granted to an employee at the post when it is determined that assistance is necessary to defray extraordinary subsistence costs. The PSC will receive supplemental post allowance payments not to exceed the amount set forth in the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 230, as from time to time amended.

(6) *Payments during Evacuation.* The Standardized Regulations (Government Civilians, Foreign Areas) provide the authority for efficient, orderly, and equitable procedure for the payment of compensation, post differential and allowances in the event

of an emergency evacuation of employees or their dependents, or both, from duty stations for military or other reasons or because of imminent danger to their lives. If evacuation has been authorized by the Mission Director, the PSC and authorized dependents will receive payments during evacuation from their post of assignment in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 600, and the Federal Travel Regulations, as from time to time amended.

(7) *Educational Allowance.* Educational allowance is an allowance to assist the PSC in meeting the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of the service in a foreign area in providing adequate elementary and secondary education for the children. The PSC will receive educational allowance payments for the dependent children in amounts not to exceed those set forth in Standardized Regulations (Government Civilians, Foreign Areas), Chapter 270, as from time to time amended.

(8) *Separate Maintenance Allowance.* Separate maintenance allowance is an allowance to assist an employee who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at the post of assignment in a foreign area, or for the convenience of the Government, to meet the additional expense of maintaining the dependents elsewhere than at such post. The PSC will receive separate maintenance allowance payments not to exceed that made to USAID employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 260, as from time to time amended.

(9) *Danger Pay Allowance.* Danger pay allowance is an allowance to provide additional compensation above basic compensation to employees in foreign areas where civil insurrection, civil war, terrorism or wartime conditions threaten physical harm or imminent danger to the health or well-being of the employee. The danger pay allowance is in lieu of that part of the post differential, which is attributable to political violence. Consequently, the post differential may be reduced while danger pay is in effect to avoid dual crediting for political violence. The PSC will be allowed danger pay allowance not to exceed that paid USAID employees in the Cooperating Country, in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 650, as from time to time amended.

(10) *Educational Travel.* Educational travel is travel to and from a school in the United States for secondary education (in lieu of an educational allowance) and for college education. The PSC will receive educational travel payments for the dependent children provided such payment does not exceed that which would be payable in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 280, as from time to time amended. Educational travel must not be authorized for PSCs whose assignment is less than two years.

(e) The allowances provided in paragraphs (a)(1) through (10) of this provision must be

paid to the PSC in accordance with practice prevailing at the Mission, or the Mission Director may direct that the PSC be paid a per diem in lieu thereof as prescribed by the Standardized Regulations (Government Civilians, Foreign Areas), as from time to time amended.

8. *Social Security and Income Tax*

(a) F.I.C.A. and Medicare contributions at the prevailing rate, and U.S. Federal Income Tax withholding are deducted in accordance with regulations and rulings of the Social Security Administration and the U.S. Internal Revenue Service, respectively.

(b) The PSC is not eligible for the "foreign earned income" exclusion under the IRS Regulations (see 26 CFR 1.911-3(c)(3)).

9. *Advance of Dollar Funds*

If requested by the PSC and authorized in writing by the Contracting Officer, USAID will arrange for an advance of funds to defray the initial cost of travel, travel allowances, authorized pre-contract expenses, and shipment of personal property. The advance is granted on the same basis as to a USAID U.S.-citizen direct-hire employee in accordance with ADS 633.

10. *Health and Life Insurance*

(a) USAID will provide the PSC a maximum contribution of up to 50% against the actual costs of the PSC's annual health insurance costs, provided that such costs do not exceed the maximum U.S. Government contribution for direct-hire personnel as announced annually by the Office of Personnel Management.

(b) USAID will provide the PSC with a contribution of up to 50% against the actual costs of annual life insurance not to exceed \$500.00 per year.

(c) Retired U.S. Government employees must not be paid additional contributions for health or life insurance under their contracts. The Government will normally have already paid its contribution for the retiree unless the former employee can prove to the satisfaction of the Contracting Officer that the health and life insurance does not provide or specifically excludes coverage overseas. In such case, the PSC would be eligible for contributions under paragraphs (a) and (b) of this provision, as appropriate.

(d) The PSC must submit proof of health and life insurance coverage to the Contracting Officer before any contribution is paid. On assignments of less than one year, costs for health and life insurance are prorated and paid accordingly.

(e) A PSC who is a spouse of a current or retired Civil Service, Foreign Service, or Military Service member and who is covered by their spouse's Government health or life insurance policy is ineligible for the contribution under paragraphs (a) and (b) of this provision.

(f) If the PSC is covered under a spouse's health insurance plan, where the spouse's employer pays some or all of the health insurance costs for the spouse and the PSC, the PSC is ineligible for the contribution under paragraphs (a) and (b) of this provision.

(g) If the PSC is covered under a spouse's health insurance plan, where the spouse's

employer pays only for the spouse's share of the insurance cost and the employer does not pay for any portion of the premium for the PSC, the PSC is eligible for the contributions in (a) and (b) of this provision. The PSC must provide to the Contracting Officer proof of this coverage and premiums paid.

11. Travel and Transportation Expenses

(a) General.

(1) Generally a travel authorization (TA) will be provided to the PSC for transportation authorized by this contract originating in the United States. The executive officer at the Mission will provide a TA for authorized transportation which is payable in local currency or is to originate overseas. When transportation is not provided by the Government-issued TA, the PSC must procure transportation, the costs of which will be reimbursed in accordance with the terms of this contract.

(2) The PSC will be reimbursed for reasonable, allocable and allowable travel and transportation expenses incurred under and for the performance of this contract. Determination of reasonableness, allocability and allowability will be made by the Contracting Officer in accordance with USAID's established policies and procedures and the particular needs of the activity being implemented by this contract. Salary will not be paid during initial travel to the Mission and return at the end of the contract, unless specifically authorized in the contract. The following paragraphs provide specific guidance and limitations on particular items of cost.

(b) U.S. Travel and Transportation. The PSC will be reimbursed for actual transportation costs and travel allowances in the United States as authorized in the Contract Schedule or approved in advance by the Contracting Officer or the Mission Director. Transportation costs and travel allowances must not be reimbursed in any amount greater than the cost of, and time required for, Economy-class commercially scheduled air travel by the most expeditious route except as otherwise provided in paragraph (g) of this provision. Any travel other than by economy class must be approved in advance by the CO and the PSC must certify to the unavailability of economy class in the voucher or other documents submitted for reimbursement.

(c) International Travel. For travel to and from post of assignment, the PSC will be reimbursed for travel costs and travel allowances from place of residence in the United States (or other location provided that the cost of such travel does not exceed the cost of the travel from the PSC's residence in the United States) to the post of duty in the Cooperating Country and return to place of residence in the United States (or other location provided that the cost of such travel does not exceed the cost of travel from the post of duty in the Cooperating Country to the PSC's residence) upon completion of services by the individual. Reimbursement for travel must be in accordance with USAID's established policies and procedures for its direct-hire employees and the provisions of this contract, and must be limited to the cost of travel by the most direct

and expeditious route. If the contract is for longer than one year and the PSC does not complete one full year at post of duty (except for reasons beyond the PSC's control as determined by the CO), the costs of going to and from the post of duty for the PSC and dependents are not reimbursable hereunder. If the PSC serves more than one year but less than the required service in the Cooperating Country (except for reasons beyond the PSC's control as determined by the CO) the costs of going to the post of duty are reimbursable hereunder but the costs of going from post of duty to the PSC's permanent, legal place of residence at the time he or she was employed for work under this contract, or other location as approved by the Contracting Officer, are not reimbursable under this contract for the PSC and dependents. When travel is by economy class accommodations, the PSC will be reimbursed for the cost of transporting up to 10 kilograms/22 pounds of accompanied personal baggage per traveler in addition to that regularly allowed with the economy ticket provided that the total number of pounds of baggage does not exceed that regularly allowed for first class travelers. Travel allowances for travelers must not be in excess of the rates authorized in the Standardized Regulations (Government Civilians, Foreign areas)—hereinafter referred to as the Standardized Regulations—as from time to time amended, for not more than the travel time required by scheduled commercial air carrier using the most expeditious route. One stopover enroute for a period of not to exceed 24 hours is allowable when the traveler uses economy class accommodations for a trip of 14 hours or more of scheduled duration. Such stopover must not be authorized when travel is by indirect route or is delayed for the convenience of the traveler. Per-diem during such stopover must be paid in accordance with the Federal Travel Regulations as from time to time amended.

(d) Local Travel. Reimbursement for local travel in connection with duties directly referable to the contract must not be in excess of the rates established by the Mission Director for the travel costs of travelers in the Cooperating Country. In the absence of such established rates the PSC will be reimbursed for actual travel costs in the Cooperating Country or the Mission, including travel allowances at rates not in excess of those prescribed by the Standardized Regulations.

(e) Indirect Travel for Personal Convenience. When travel is performed by an indirect route for the personal convenience of the traveler, the allowable costs of such travel will be computed on the basis of the cost of allowable air fare via the direct usually traveled route. If such costs include fares for air or ocean travel by foreign flag carriers, approval for indirect travel by such foreign flag carriers must be obtained from the Contracting Officer or the Mission Director before such travel is undertaken, otherwise only that portion of travel accomplished by the United States-flag carriers will be reimbursable within the above limitation of allowable costs.

(f) Limitation on Travel by Dependents. Travel costs and allowances will be allowed for authorized dependents of the PSC and

such costs will be reimbursed for travel from place of abode to assigned station in the Cooperating Country and returned, only if the dependent remains in the Cooperating Country for at least 9 months or one-half of the required tour of duty of the PSC, whichever is greater, except as otherwise authorized hereunder for education, medical or emergency visitation travel. If the dependent is eligible for educational travel pursuant to the "Differential and Allowances" provision of this contract, time spent away from post resulting from educational travel will be counted as time at post.

(g) Delays Enroute. The PSC may be granted reasonable delays enroute while in travel status when such delays are caused by events beyond the control of the PSC and are not due to circuitous routing. It is understood that if delay is caused by physical incapacitation, the PSC will be eligible for such sick leave as provided under the "Leave and Holidays" provision of this contract.

(h) Travel by Privately Owned Automobile (POV). If travel by POV is authorized in the contract schedule or approved by the Contracting Officer, the PSC will be reimbursed for the cost of travel performed in the POV at a rate not to exceed that authorized in the Federal Travel Regulations plus authorized per diem for the employee and for each of the authorized dependents traveling in the POV, if the POV is being driven to or from the Cooperating Country as authorized under the contract, provided that the total cost of the mileage and the per diem paid to all authorized travelers must not exceed the total constructive cost of fare and normal per diem by all authorized travelers by surface common carrier or authorized air fare, whichever is less.

(i) Emergency and Irregular Travel and Transportation. Emergency transportation costs and travel allowances while enroute, as provided in this section, will be reimbursed not to exceed amounts authorized by the Foreign Service Travel Regulations for USAID direct hire employees in like circumstances under the following conditions:

(1) The costs of going from post of duty in the Cooperating Country to the employee's permanent, legal place of residence at the time the PSC was employed for work under this contract or other location for contractor employees and dependents and returning to the post of duty, subject to the prior written approval of the Mission Director that such travel is necessary for one of the following reasons.

(i) Need for medical care beyond that available within the area to which the employee is assigned, or serious effect on physical or mental health if residence is continued at assigned post of duty. The Mission Director may authorize a medical attendant to accompany the employee at contract expense if, based on medical opinion, such an attendant is necessary.

(ii) Death, or serious illness or injury of a member of the immediate family of the employee or the immediate family of the employee's spouse.

(2) When, for any reason, the Mission Director determines it is necessary to

evacuate the PSC or PSC's dependents, the PSC will be reimbursed for travel and transportation expenses and travel allowance while enroute, for the cost of the individuals going from post of duty in the Cooperating Country to the employee's permanent, legal place of residence at the time the PSC was employed for work under this contract or other approved location. The Mission Director will determine when such employees and dependents can return to the Mission.

(3) The Mission Director may also authorize emergency or irregular travel and transportation in other situations, when in the Mission Director's opinion, the circumstances warrant such action. The authorization must include the kind of leave to be used and appropriate restrictions as to time away from post, transportation of personal and household effects, etc.

(j) Home Leave Travel. To the extent that home leave has been authorized as provided in the "Leave and Holidays" provision of this contract, the cost of travel for home leave is reimbursable for travel costs and travel allowances of travelers from the post of duty in the Cooperating Country to place of residence in the United States (or other location provided that the cost of such travel does not exceed the cost of travel to the PSC's residence in the United States) and return to the post of duty in the Cooperating Country. Reimbursement for travel must be in accordance with the Department of State Standardized Regulations, as from time to time amended, and must be limited to the cost of travel by the most direct and expeditious route. Travel allowances for travelers must be in accordance with the rates authorized in the Standardized Regulations as from time to time amended, for not more than the travel time required by scheduled commercial air carrier using the most expeditious route using economy class. One stopover enroute for a period of not to exceed 24 hours is allowable when the traveler uses economy class accommodations for a trip of 14 hours or more of scheduled duration. Such stopover must not be authorized when travel is by indirect route or is delayed for the convenience of the traveler or the traveler uses other than economy class. Per-diem during such stopover must be paid in accordance with the Standardized Regulations.

(k) Rest and Recuperation Travel. If approved in writing by the Mission Director, the PSC and dependents will be allowed rest and recuperation travel on the same basis as authorized USAID direct-hire Mission employees and their dependents.

(l) Transportation of Motor Vehicles, Personal Effects and Household Goods.

(1) Transportation costs must be paid on the same basis as for USAID direct-hire employees serving the same length tour of duty, as authorized in the schedule. Transportation, including packing and crating costs, will be paid for shipping from the point of origin in the United States (or other location as approved by the Contracting Officer) to post of duty in the Cooperating Country and return to point of origin in the United States (or other location as approved by the Contracting Officer) of one privately-

owned vehicle for the PSC, personal effects of the PSC and authorized dependents, and household goods of the PSC not to exceed the limitations in effect for such shipments for USAID direct-hire employees in accordance with the Foreign Service Travel Regulations in effect at the time shipment is made. These limitations may be obtained from the Contracting Officer.

(2) The cost of transporting motor vehicles and household goods must not exceed the cost of packing, crating, and transportation by surface common carrier. In the event that the carrier does not require boxing or crating of motor vehicles for shipment to the Cooperating Country, the cost of boxing or crating is not reimbursable. The transportation of a privately owned motor vehicle for a PSC may be authorized as a replacement of the last such motor vehicle shipped under this contract for such PSC when the Mission Director determines, in advance, and so notifies the PSC in writing, that the replacement is necessary for reasons not due to the negligence or malfeasance of the PSC. The determination must be made under the same rules and regulations that apply to authorized Mission U.S. citizen direct-hire employees.

(m) Unaccompanied Baggage. Unaccompanied baggage is considered to be those personal belongings needed by the traveler immediately upon arrival of the PSC and dependents, and consideration should be given to advance shipments of unaccompanied baggage. The PSC will be reimbursed for costs of shipment of unaccompanied baggage (in addition to the weight allowance for household effects) not to exceed the limitations in effect for USAID direct-hire employees in accordance with the Foreign Service Travel Regulations as in effect when shipment is made. These limitations are available from the Contracting Officer. This unaccompanied baggage may be shipped as air freight by the most direct route between authorized points of origin and destination regardless of the modes of travel used. This provision is applicable to home leave travel when authorized by the terms of this contract.

(n) International Ocean Transportation.

(1) (i) Transportation of goods. Where U.S. flag vessels are not available, or their use would result in a significant delay, the PSC may obtain a release from the requirement to use U.S.-flag vessels from the Transportation Division, Office of Acquisition and Assistance, U.S. Agency for International Development, Washington, DC 20523-1419, or the Mission Director, as appropriate, giving the basis for the request.

(ii) Transportation of persons. Where U.S. flag vessels are not available, or their use would result in a significant delay, the PSC may obtain a release from the requirement to use U.S.-flag vessels from the Contracting Officer or the Mission Director, as appropriate.

(2) Transportation of foreign-made vehicles. Reimbursement of the costs of transporting a foreign-made motor vehicle will be made in accordance with the provisions of the Foreign Service Travel Regulations.

(3) Reduced rates on U.S.-flag carriers are in effect for shipments of household goods

and personal effects of USAID contractors between certain locations. These reduced rates are available provided the shipper furnishes to the carrier at the time of the issuance of the Bill of Lading documentary evidence that the shipment is for the account of USAID. The Contracting Officer will, on request, furnish to the PSC current information concerning the availability of a reduced rate with respect to any proposed shipment. The PSC must not be reimbursed for shipments of household goods or personal effects in amounts in excess of the reduced rates, which are available in accordance with the foregoing.

(o) Storage of household effects. The cost of storage charges (including packing, crating, and drayage costs) in the U.S. of household goods of the PSC will be permitted in lieu of transportation of all or any part of such goods to the Cooperating Country under paragraph (l) above provided that the total amount of effects shipped to the Cooperating Country or stored in the U.S. must not exceed the amount authorized for USAID direct-hire employees under the Department of State Standardized Regulations. These amounts are available from the Contracting Officer.

(p) Repatriation Travel. A PSC must return to the U.S. within 30 days after termination or completion of employment or forfeit all right to reimbursement for repatriation travel.

12. Payment

(a) As approved and directed by the paying office, time and attendance will be submitted for PSCs in the same manner as is approved for direct-hire personnel.

(b) Once each month, or at more frequent intervals, if approved by the paying office indicated on the Cover Page, the PSC may be required to submit to such office form SF 1034 "Public Voucher for Purchases and Services Other Than Personal" (original) and SF 1034-A (three copies), or whatever other form is locally required or accepted. Each voucher must be identified by the USAID contract number and properly executed in the amount of dollars claimed during the period covered. The voucher forms must be supported by:

(1) The PSC's detailed invoice, in original and two copies, indicating for each amount claimed the paragraph of the contract under which payment is to be made, supported when applicable as follows:

(i) For compensation—a statement showing period covered, days worked, and days when PSC was in authorized travel, leave, or stopover status for which compensation is claimed. All claims for compensation must be accompanied by, or must incorporate, a certification signed by the PSC's supervisor covering days or hours worked, or authorized travel or leave time for which compensation is claimed.

(ii) For travel and transportation—a statement of itinerary with attached carrier's receipt and/or passenger's coupons, as appropriate.

(iii) For reimbursable expenses—an itemized statement supported by original receipts.

(2) The first voucher submitted must account for and liquidate the unexpended balance of any funds advanced to the PSC.

(c) A final voucher and release of claims certification must be submitted by the PSC promptly following completion of the duties under this contract but in no event later than 120 days (or such longer period as the Contracting Officer may approve in writing) from the date of contract completion. The PSC's claim, which includes the final settlement of compensation, must not be paid until after the performance of the duties required under the terms of this contract has been approved by USAID. Following this approval by USAID, the PSC will submit the Release of Claims Certification and the voucher designated by the PSC as the "final voucher". This final voucher must be submitted on Form SF 1034 (original) and SF 1034-A (three copies). This final voucher must include a refund check for the balance remaining on hand of any funds which may have been advanced to the PSC, or the Government must pay any amounts due and owing to the PSC.

(d) *Release of Claims Certification. The following Release of Claims Certification must be included on the final voucher, signed and dated by the PSC.*

"WHERE AS, by the terms of the contract between the PSC, (*insert name*) and the United States, it is provided that after completion of all the work, and prior to final payment, the PSC shall furnish the United States with a release of all claims.

"NOW, THEREFORE, in consideration of the above premises and the payment (by the United States to the PSC, or by the PSC to the United States, as applicable) of the amount now due under the contract, to wit, the sum of _____ dollars (\$ _____), the PSC hereby remises, releases, and forever discharges the United States, its officers, agents, and employees, of and from all manner of liabilities, obligations, accounts, claims, and demands whatsoever, in law and in equity, under or arising from the contract, except: (if there are no exceptions, state "None" on the line below).

I, _____ certify that I am the PSC in the foregoing release, and who signed this release.

Signed: _____
Date: _____"

13. Conversion of U.S. Dollars to Local Currency

The PSC will be provided the policy to be followed in the conversion of U.S. dollars to local currency. This may include, but not be limited to the conversion of said currency through the cognizant U.S. Disbursing Officer, or Mission Controller, as appropriate.

14. Post of Assignment Privileges

Privileges such as the use of APO, PX's, commissaries, and officers clubs are established at posts abroad under agreements between the U.S. and host governments. These facilities are intended for and usually limited to members of the official U.S. establishment including the Embassy, USAID Mission, U.S. Information Service and the Military. Off-shore USPSCs are entitled to use the pouch and/or APO on the same basis as U.S. Direct-hire employees. Off-shore USPSCs are also entitled to the privileges and

immunities enjoyed by U.S. direct-hire employees. Normally, the agreements do not permit these facilities to be made available to non-official Americans.

15. Security

(a) Security Requirements

(1) This entire provision applies to the extent that this contract involves access to information classified as "Confidential", "Secret", or "Top Secret" or access to administratively controlled information "Sensitive But Unclassified" (SBU). PSCs that are not U.S. citizens must not have access to classified or administratively controlled information.

(2) Security provisions apply to this contract where no individual is to be awarded a contract until a personnel security investigation is completed at the level appropriate for the position and a temporary clearance or Facility Access Authorization is issued by SEC. If the PSC does not receive a final security clearance, the contract will be terminated in accordance with the termination provision of this contract.

(3) The PSC

(i) Will be responsible for safeguarding all classified or administratively controlled information in accordance with all applicable security rules, regulations, policies and procedures and must not supply, disclose, or otherwise permit access to classified information or administratively controlled information to any unauthorized person;

(ii) Must not make or permit to be made any reproductions of classified information or administratively controlled information except with the prior written authorization of the Contracting Officer or Mission Director;

(iii) Must submit to the Contracting Officer, at such times as the Contracting Officer may direct, an accounting of all reproductions of classified or administratively controlled information; and

(iv) Must not incorporate in any other project any matter which will disclose classified and/or administratively controlled information except with the prior written authorization of the Contracting Officer.

(4) The PSC must follow the procedures for classifying, marking, handling, transmitting, disseminating, storing, and destroying official material in accordance with all applicable security rules, regulations, policies and procedures.

(5) The PSC agrees to submit immediately to the Mission Director or Contracting Officer a complete detailed report, appropriately classified, of any information which the PSC may have concerning existing or threatened espionage, sabotage, or subversive activity.

(6) The Government agrees that, when necessary, it will indicate by security classification or administratively controlled designation, the degree of importance to the national defense of information to be furnished by the PSC to the Government or by the Government to the PSC, and the Government will give written notice of such security classification or administratively controlled designation to the PSC and of any subsequent changes. The PSC is authorized to rely on any letter or other written instrument signed by the Contracting Officer changing a security classification or

administratively controlled designation of information.

(7) The PSC agrees to certify after completion of the assignment under this contract that s/he has surrendered or disposed of all classified and/or administratively controlled information in the custody in accordance with applicable security instructions.

(b) Conditions for Contracting Before Receipt of Security Clearance

(1) U.S. Resident Hire PSC. The PSC may begin work before receiving final security clearance. However, until such time as the final clearance is received, the PSC will have no access to classified or administratively controlled materials. Further, failure to obtain clearance will constitute cause for contract termination in accordance with the termination provision of this contract.

(2) Off-shore/Washington based U.S. PSC. If the Contracting Officer so authorizes, the PSC may begin travel to post to start work, or if Washington based may begin work, before receipt of the final security clearance. However, until such time as the final security clearance is received, the PSC will:

(i) Have no access to classified or administratively controlled materials;

(ii) Be authorized to travel to post but without any dependents; and

(iii) Be authorized no entitlements other than those normally authorized for short term (less than a year) USDH employees at post.

(iv) Even if the contract is for one year or more, dependents may not accompany the PSC, and transportation/storage of household/personal effects and motor vehicle will not be authorized by USAID before the receipt of the final security clearance. If appropriate, after receipt of the final clearance and given the length of time remaining, the Contracting Officer may authorize dependent travel and shipment/storage of motor vehicle and effects.

Allowances and benefits which are subsequently authorized by the Contracting Officer will be paid to or on behalf of the PSC. The Contracting Officer will determine the effective date of such allowances and benefits, subject to the availability of funds. Failure to obtain the final security clearance will constitute cause for contract termination in accordance with the termination provision of this contract.

16. Notices

(a) Any notice, given by any of the parties involved in this contract, will be sufficient only if in writing and delivered in person or sent by telegraph, telegram, registered, or regular mail as follows:

(1) To: Director of U.S. Foreign Assistance and USAID Administrator, U.S. Agency for International Development, Washington, DC 20523-0001, Attention: Contracting Officer (name of the cognizant Contracting Officer with a copy to the appropriate Mission Director).

(2) To PSC: [Name], [Address].

(b) At the post of duty while in the Cooperating Country and at the PSC's address shown on the Cover Page of this contract or to another address as either party designates by notice given as required here. Notices must be effective in accordance with

this provision or on the effective date of the notice that changes this provision, whichever is later.

17. Use of Pouch

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID off-shore USPSCs on the same basis as USDH employees. In consideration of the use of pouch facilities, the PSC agrees to indemnify and hold harmless the Department of State and USAID for loss or damage occurring in pouch transmission.

(1) Official and personal mail, sent by pouch, must be addressed in accordance with Mission instructions.

(2) Mail sent via the diplomatic pouch must not be in violation of U.S. Postal laws and must not contain material ineligible for pouch transmission.

(3) Use of military postal facilities (APO/FPO) is authorized for off-shore USPSCs on the same basis as approved for direct-hire employees at the USAID Mission. Posts having access to APO/FPO facilities and using them for diplomatic pouch dispatch, may, however, accept official and personal mail for the pouch provided, of course, adequate postage is affixed when onward transmission (mail to other than USAID/W) through U.S. postal channels is required.

(b) The PSC is responsible for compliance with the guidelines and limitations on use of pouch facilities and military postal facilities.

(c) Specific additional guidance on use of mail facilities in accordance with this provision is available from the Post Communication Center at the Embassy or USAID Mission.

18. Biographical Data

(a) The PSC agrees to furnish biographical information to the Contracting Officer on the required application forms.

(b) The PSC agrees to provide the following information to the Mission Administrative Officer on arrival in the host country regarding the PSC and dependents:

(1) PSC's full name, home address, and telephone number including any after-hours emergency number(s).

(2) The name and number of the contract, and whether the individual is the PSC or the PSC's dependent.

(3) The name, address, and home and office telephone number(s) of each individual's next of kin.

(4) Any special instructions pertaining to emergency situations such as power of attorney designees or alternate contact persons.

19. U.S. Resident Hire Personal Services Contractor (for Inclusion in U.S. Resident Hire Personal Services Contracts)

A PSC meeting the definition of a U.S. Resident Hire PSC, is subject to U.S. Federal Income Tax, but is not eligible for any allowances, differentials or fringe benefits (except contributions for FICA, health insurance, life insurance and MEDEVAC).

20. Orientation and Language Training

Orientation and language training will not be provided unless specifically required for the position and included in the contract.

21. Medical Evacuation (MEDEVAC) Insurance (Pursuant to class deviation OAA-DEV-2006-1c)

(a) The PSC must obtain MEDEVAC service coverage including coverage for authorized dependents while performing personal services abroad. USAID will reimburse the total cost of MEDEVAC insurance to the PSC. The PSC must provide proof of coverage to the CO in order to receive reimbursement.

(b) Exceptions.

(1) A PSC and authorized dependents with a health insurance program that includes sufficient MEDEVAC coverage as approved by the Contracting Officer are not required to obtain MEDEVAC service coverage.

(2) The Mission Director at the post of assignment may make a written determination to waive the requirement for such coverage. The determination must be based on findings that the quality of local medical services or other circumstances obviate the need for such coverage for PSCs and their dependents located at post.

22. Governing Law

This contract is established under the procurement authorities of the United States Government and is governed by the laws of the United States including the procurement laws of the United States. This contract contains the entire agreement of the parties with respect to the subject matter hereof, and no representations, inducements, promises or agreements, oral or written between the parties not embodied herein shall have any force or effect. This contract is a complete statement of the duties, compensation, benefits, leave, and all terms and conditions; therefore, the laws of the country of performance with respect to labor and contract matters will not apply to carrying out of the obligations of the parties under this contract, to the interpretation of this contract or to disputes arising under or relating to this contract. Any such disputes shall be resolved by the courts or administrative tribunals of the United States.

23. Incentive Awards

USPSCs may receive certain monetary and non-monetary awards. The monetary awards are limited solely to:

(a) *On-the-Spot Cash Awards.* This cash award is given to encourage and reward superior accomplishments, beyond the minimum satisfactory performance required under the contract, that contribute to the quality, efficiency, and/or economy of Government operations, or for special and specific nonrecurring commendable acts or contributions during the contract performance period. The Parameters/Limitations are as follows:

(1) (A USPSC may receive one or more On-The-Spot Award not to exceed a total of \$500 in any one year period from the individual's employing Bureau/Mission/Independent Office. A USPSC may receive additional On-The-Spot Cash Awards up to \$500 combined total from USAID organizations outside of the

individual's Bureau/Independent Office/Mission, in the same one year period.

(2) The minimum dollar value for an individual On-The-Spot Cash Award is \$25. The maximum dollar value of an individual On-The-Spot Award is \$500. An award may be provided in any amount between \$25 and \$500, ensuring compliance with the limitation noted in paragraph (a)(1) of this provision.

These awards are considered income for U.S. citizens/resident aliens by the Internal Revenue Service, and are subject to withholding and other taxes.

(b) *Special Act Awards.* This cash award recognizes a *specific nonrecurring* superior act or contribution to the public interest that is beyond or outside normal job responsibilities as covered by the individual's job description. The specific act or contribution must be beyond the standard for minimum satisfactory performance required by the contract. Unlike other cash awards, this award may *not* be given for general superior performance of the work required by the contract. The Parameters/Limitations are as follows:

(1) No more than one Special Act Award may be granted to a USPSC in any one year period.

(2) Special Act Awards are considered income by the Internal Revenue Service, and are subject to withholding and other taxes for U.S. citizens and U.S. resident aliens.

(c) *Time-Off Awards.* This award is given in the form of excused absence from official duty time, without loss of pay or charge to the individual's leave balance. This award is given to encourage and reward superior accomplishments, beyond minimum satisfactory performance required under the contract, that contribute to the quality, efficiency, and/or economy of Government operations, or for special and specific nonrecurring commendable acts or contributions during the contract performance period.

A Time Off award is granted based on the same criteria as an On-the-Spot Cash award, and there is no general preference for one or the other, as a matter of agency policy. Conditions within the operating unit and circumstances of the individual being nominated will dictate the most appropriate choice. A Time-Off Award is categorized as a "cash" award because it represents paid time away from official duty. The Parameters/Limitations are as follows:

(1) A full-time USPSC (i.e., 2087 work hours/year) may be granted up to a total of 27 hours in awards during any one-year period of the contract.

(2) The minimum amount of time for which a full-time USPSC may be granted time off is one (1) hour. The maximum amount of time for which an individual Time-Off Award may be granted is 27 hours. An award may be granted in any one-hour time increment between 1-27 hours for a full-time USPSC.

(3) The maximum amount of time for which any part-time USPSC may be granted a Time-Off Award is to be calculated by prorating the maximum available to a full-time USPSC (27 hours/year) commensurate with the number of work hours in the part-

time USPSC's work year. As an example, if the individual works approximately 1044 hours/year the maximum amount of time in a year for which he/she may be granted a time-off award is 14 hours.

(4) The following scale is provided as a general guide in determining the appropriate amount of time to grant for a Time-Off Award. The scale is based on an individual working under a full-time (2087 hours/year)

contract. The figures are to be prorated as noted above for individuals working under a part-time contract:

Contribution above and beyond satisfactory performance	Recommended time off award
A contribution that is of sufficient value to merit recognition. Beneficial change or modification to policies/procedures. Contribution benefits immediate unit or staff.	Up to One Work Day, (not to exceed 9 hours).
An important contribution to the value of an activity program, or service. Significant change to policies/procedures. Contribution benefits several units or an entire Mission/Bureau/Office.	Up to Two Work Days, (not to exceed 18 hours).
A highly significant contribution to the value of an activity, program, or service. A complete revision of policies/procedures with considerable impact. Contribution benefits an entire Mission/Bureau/Office or is of a cross-cutting nature impacting several organizations within the Agency.	Up to Three Work Days, (not to exceed 27 hours).

(5) The scheduling of Time-Off Awards must be approved by the individual's supervisor because this award type represents time away from official duty, which has the potential to impact the operating unit's operations.

(6) A PSC who becomes physically incapacitated while using a Time-Off Award may be granted sick leave for the period of incapacitation. The employee is responsible for notifying the supervisor immediately to report the illness during the period of excused absence.

(7) A Time-Off Award is granted to recognize a superior achievement and may not be used as a substitute for compensatory time off.

(8) In deciding whether a Time-Off Award is the appropriate award type, the supervisor must consider the individual's leave balance. If the individual has an excessive leave balance, a cash award may be more appropriate, so as not to adversely affect the PSC who may have annual leave subject to forfeiture at the end of the contract.

(9) Time-Off Awards must be used within 6 months of approval and may not be transferred to a new or follow-on contract with either the same or new work unit under any circumstances. In cases where the time off is not used within six months after the date of approval, the time-off must be forfeited.

(10) Under no circumstances may a Time-Off Award be converted to a lump-sum payment or transferred to any other contract. A Time-Off Award not used by the end of the contract period must be forfeited, even if less than 6 months from the date of approval.

USPSCs are not eligible for nomination for any other types of cash awards other than the specific awards outlined above.

(d) *Multiple Award Nominations:*

(1) A USPSC may be nominated for more than one award within the period of contract performance, or other benchmark period stated in the contract. Each award nomination will be reviewed on its own merit, and decisions to approve it will be based on whether the employee's performance meets the criteria for that particular award. However, a USPSC may not receive multiple cash or time-off awards for the same act or service.

(2) Cash Awards are separate and distinct from the pay comparability increase, and the annual increase for satisfactory performance available within the personal services contract.

PART III: For Inclusion in Third Country National Personal Service Contracts (TCNPSCs) Only

1. Purchase or Sale of Personal Property or Automobiles

(a) To the extent permitted by the cooperating country, the purchase, sale, import, or export of personal property or automobiles in the cooperating country by the PSC is subject to the same limitations and prohibitions that apply to Mission U.S.-citizen direct-hire employees.

(b) *Insurance on Private Automobiles.* If the PSC or the dependents transport, or have transported, privately owned automobile(s) to the Cooperating Country or purchase an automobile within the Cooperating Country, the PSC agrees to cover such automobile(s) (during such ownership within the Cooperating Country) by a current, *i.e.*, not in arrears, insurance policy. The insurance policy must be issued by a reliable company providing the following minimum coverage, or such other minimum coverage as may be set by the Mission Director, payable in U.S. dollars or their equivalent in the currency of the Cooperating Country: injury to persons, \$10,000/\$20,000; and property damage, \$5,000. The PSC further agrees to deliver, or have delivered, to the Mission Director, the insurance policies required by this provision or satisfactory proof of their existence, before the automobile(s) is operated within the Cooperating Country. The premium costs for such insurance are not reimbursable under this contract.

2. Physical Exams and Health Room Privileges

(a) *Physical Fitness.*

(1) The PSC must obtain a physical examination including for any accompanying dependents by a licensed doctor of medicine. The PSC must obtain a statement of medical opinion from the doctor that, in the doctor's opinion, the PSC is physically qualified to engage in the type of activity under the contract, and the PSC's dependents are

physically qualified to reside in the cooperating country. A copy of that medical opinion must be provided to the Contracting Officer before the PSC and the dependent's departure for the cooperating country. Neither the TCN nor the dependents will have access to the Embassy Health Unit.

(2) The PSC is reimbursed for the cost of the physical examinations mentioned in paragraph (a)(1) of this provision not to exceed \$700 per examination for the PSC and the PSC's dependents of 12 years of age and over; and not to exceed \$350 per examination for PSC's dependents under 12 years of age. The PSC will also be reimbursed by USAID for the cost of all immunizations normally authorized for USPSCs.

3. Leave and Holidays

(a) *Vacation Leave.* The PSC may accrue, accumulate, use, and be paid for vacation in accordance with the Local Compensation Plan (LCP). No vacation leave is earned if the contract is for less than 90 days. Unused vacation leave may be carried over under an extension or renewal of the contract as long as it conforms to Mission policy, practice and the LCP. With the approval of the PSC's supervisor and concurrence by the CO and if the circumstances warrant, a PSC may be granted advance vacation leave in excess of that earned, but in no case will a PSC be granted advance vacation leave in excess of that which the PSC will earn in one year of the contract. The PSC agrees to reimburse USAID for leave used in excess of the amount earned during the PSC's assignment under the contract.

(b) *Sick Leave.* The PSC may accrue, accumulate, and use sick leave in accordance with the LCP. Unused sick leave may be carried over under an extension or renewal of the contract. Leave earned but unused at the completion of this contract will be disposed of in accordance with the LCP.

(c) *Leave Without Pay.* Leave without pay may be granted only with the written approval of the PSC's supervisor and concurrence by the Contracting Officer.

(d) *Holidays.* The PSC is entitled to all holidays granted by the Mission in accordance with the LCP.

(e) *Compensatory Time.* Comp time or overtime for TCNPSCs is governed by the local compensation plans. If the LCP does not

include procedures for comp time or overtime, the prevailing practice of each respective Mission must be followed. Comp time is not transferable from one contract to another and is not reimbursable.

3A. Leave and Holidays for TCNPSCs Paid Under the General Schedule

(a) Vacation Leave.

(1) The PSC shall earn vacation leave at the rate of 13 workdays per annum or 4 hours every 2 weeks. However, no vacation shall be earned if the tour of duty is less than 90 days.

(2) Notwithstanding paragraph (a)(1) of this provision, if the PSC has had previous: USAID PSC service (i.e., has served under other personal services contracts (PSCs)

covered by Sec. 636(a)(3) of the FAA or other statutory provision applicable to USAID); and/or former U.S. Government (USG) direct hire service—civilian and/or military), the PSC will earn vacation leave based on time in service as follows:

Time in service	Calculated vacation time
Up to 3 years of service	Four hours of vacation leave for each two week period.
over 3 years and up to 15 years of service	Six hours of vacation leave for each two week period (including 10 hours vacation leave for the final pay period of a calendar year).
15+ years of service	Eight hours of vacation leave for each two week period.

(3)(i) Vacation leave is provided under this contract for the purposes of affording necessary rest and recreation during the period of performance. The PSC in consultation with the USAID Mission or USAID/Washington, as appropriate, shall develop a vacation leave schedule early in the PSC's period of performance taking into consideration project requirements, employee preference and other factors. All vacation leave earned by the PSC must be used during the PSC's period of performance. All vacation leave earned by the PSC, but not taken by the end of the PSC's contract, will be forfeited. However, to prevent forfeiture of vacation leave, the Contracting Officer may approve the PSC taking vacation leave during the concluding weeks of the PSC's contract.

(ii) As an exception to paragraph 3(i) of this provision, the PSC may receive lump-sum payment for leave not taken. To approve this exception, the PSC's supervisor must provide the Contracting Officer with a signed, written Determination and Findings. The Determination and Findings must set out the facts and circumstances that prevented the contractor from taking vacation leave and the Contracting Officer must find that these facts and circumstances were not caused by and were beyond the control of the PSC. This leave payment must not exceed the number of days which could be earned by the PSC during a twelve month period.

(4) With the approval of the Mission Director or the cognizant AA, as appropriate, and if the circumstances warrant, a Contracting Officer may grant the PSC advance vacation leave in excess of that earned, but in no case may the Contracting Officer grant advance vacation leave in excess of that earned in one year or over the life of the contract, whichever is less. The PSC agrees to reimburse USAID for any outstanding balance of advance vacation leave provided during the PSC's assignment under the contract.

(5) Applicants for PSC positions will provide evidence of their PSC and/or USG direct hire service—civilian and/or military experience, as applicable, on their signed and dated SF-171 or OF-612. By signing the appropriate form, the applicant attests to the accuracy of the information provided. Any applicant providing incorrect information is subject to the penalty provisions in the form. If required to satisfy due diligence requirements on behalf of the Contracting Officer, PSCs may be required to furnish

evidence that verifies length of service, e.g., SF 50, DD Form 214, and/or signed contracts.

(b) Sick Leave. Sick leave is earned at a rate not to exceed 13 work-days per annum or 4 hours every 2 weeks. Unused sick leave may be carried over under an extension/renewal of this contract. Otherwise, sick leave will not be carried over from one post to another or from one contract to another. The PSC will not be compensated for unused sick leave upon completion of this contract.

(c) Leave Without Pay. Leave without pay may be granted only with the written approval of the Contracting Officer or Mission Director.

(d) Compensatory Time. Compensatory leave may be granted only with the written approval of the Contracting Officer or Mission Director in rare instances when it has been determined absolutely essential and used under those guidelines which apply to direct-hire employees.

(e) Sunday Pay (if applicable). Each Mission has the option whether or not to authorize Sunday pay for PSCs, with two stipulations: the decision whether or not to pay must be administered consistently throughout the Mission; and if Sunday pay is authorized, it must be paid under the same terms and conditions that Foreign Service direct-hire employees would receive in accordance with 3 FAM 3136.

(f) Leave Records. The PSC shall maintain current leave records and make them available, as requested by the Mission Director or the Contracting Officer.

[FOR INCLUSION IN TCNPSCs, if granted country leave]

(g) Country Leave.

(1) Country leave is leave earned for service abroad for use only in the TCN's home country or country of recruitment.

(2) A TCNPSC who has been authorized country leave must have served at least two years at the same USAID Mission, under the same contract, and must not have taken more than 30 work days leave (vacation, sick or leave without pay) in the home country or country of recruitment, to be granted country leave of not more than 30 work days. This applies only if the PSC agrees to return to post upon completion of country leave under an additional two year contract, or for such shorter period of not less than one year of service under the contract as the Mission Director may approve in advance in writing. Country leave must be taken in the TCN's home country or country of recruitment, and

any days spent elsewhere are charged to vacation leave or leave without pay.

(3) Notwithstanding the requirement in paragraph (g)(2) of this provision that the PSC must have served 2 years overseas under personal services contract with the same Mission to be eligible for country leave, the PSC may be granted advance country leave subject to all of the following conditions:

(i) Granting of advanced country leave would in each case serve to advance the attainment of the objectives of this contract; and

(ii) The PSC has served a minimum of 18 months in the Cooperating Country under this contract; and

(iii) The PSC agrees to return to the Cooperating Country to serve out the remainder of the current contract, plus an additional 2 years under the current contract or under a new contract for the same or similar services at the same Mission. If approved in advance by the Mission Director, the PSC may return to serve out the remainder of the current contract, and an additional period of not less than 1 year under the current contract or under a new contract for the same or similar services at the same Mission.

(4) Salary during the travel to and from the home country or country of recruitment for country leave will be limited to the time required for travel by the most expeditious air route. Except for reasons beyond the PSC's control as determined by the Contracting Officer, the PSC must return to duty after country leave and complete the additional required service or be responsible for reimbursing USAID for payments made during home leave. Unused country leave is not reimbursable under this contract, nor can it be taken incrementally in separate time periods, or transferred to another contract, regardless of the location.

(i) Country Leave Policy for Qualifying Posts.

(1) On June 15, 2006, the Congress passed and the President signed an amendment to the Foreign Service Act of 1980, as amended, that allows home leave for direct-hire employees following completion of 12-month overseas assignments at qualifying posts.

(2) USAID is extending this new home leave policy to its TCNPSCs who ordinarily qualify for country leave, and is effective as of July 20, 2006. This new country leave policy is in addition to the country leave a TCNPSC would earn under the contract.

USAID TCNPSCs who complete their 12-month assignment at one of the qualifying posts on or after July 20, 2006, may be eligible for country leave under this new provision. For USAID, a list of qualifying posts can be obtained from the Human Resources Office in USAID/W.

(3) If an eligible TCNPSC elects to take this new country leave, the TCNPSC must take a minimum of ten workdays of country leave. There is no requirement that an eligible TCNPSC take country leave after serving 12 months at a designated post; it is only an option. If a TCNPSC is returning to the home country or country of recruitment, and not returning overseas to the same or different USAID Mission, this new country leave policy will not apply.

(j) Holidays. The contractor, while serving abroad, shall be entitled to all holidays granted by the Mission to U.S.-citizen direct-hire employees.

4. Allowances

[FOR INCLUSION IN TCNPSCs, paid under the local compensation plan]

Allowances are granted to the PSC and dependents on the same basis as FSNs under the local compensation plan. The allowances provided are paid to the PSC in the currency of the cooperating country or in accordance with the practice prevailing at the mission.

[FOR INCLUSIONS IN TCNPSCs, paid under the General Schedule (GS)]

The following allowances may be granted to the PSC and dependents on the same basis and to the same extent as off-shore USPSCs at the same Mission:

(a) By definition, a PSC is different from a direct-hire employee. Differentials and allowances are not entitlements. Not all differentials and allowances available to direct-hire employees are available to a PSC. As a result, differences in entitlements may result between USDH and USPSCs. While USAID strives for equity between USDH and USPSCs, it is recognized that the differences in the systems do not entirely allow for such equity.

(b) USPSCs (excluding resident hire) are granted applicable differentials and allowances to the same extent and on the same basis as they are granted to U.S. citizen direct-hire employees at the Mission by the Department of State Standardized Regulations (Government Civilians, Foreign Areas)(DSSR), as from time to time amended. The rate or percentage of the allowance/differential is not negotiable. U.S. resident-hire PSCs are not eligible for any fringe benefits (except contributions for FICA, health insurance, and life insurance), including differentials and allowances. Neither the Contracting Officer nor the Mission Director has the discretion to provide any additional benefits and allowances without M/OAA/P's clearance of a request for deviation.

(c) An explanation for each of the differentials and allowances can be found on the U.S. Department of State Web site at www.state.gov. If an allowance or differential is not addressed in the DSSR, USAID reserves the right to apply any other guidance that is also used for USDH.

(d) The following differential and allowances may be granted to the PSC in accordance with governing regulations:

Applicable Reference to Standardized Regulations

(1) Post Differential Chapter 500 and Tables in Chapter 900.

(2) Living Quarters Allowance Section 130.

(3) Temporary Lodging Allowance Section 120.

(4) Post Allowance Section 220.

(5) Supplemental Post Allowance Section 230.

(6) Payments During Evacuation Section 600.

(7) Education Allowance Section 270.

(8) Separate Maintenance Allowance Section 260.

(9) Danger Pay Allowance Section 650.

(10) Education Travel Section 280.

(1) Post Differential. Post differential is an additional compensation for service at places in foreign areas where conditions of environment differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. In areas where post differential is paid to USAID direct-hire employees, post differential not to exceed the percentage of salary as is provided such USAID direct-hire employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas) Chapter 500 (except the limitation contained in Section 552, "Ceiling on Payment") Tables—Chapter 900, as from time to time amended, will be reimbursable hereunder for employees in respect to amounts earned during the time such employees actually spend overseas on work under this contract. When such post differential is provided to the PSC, it must be payable beginning on the date of arrival at the post of assignment and continue, including periods away from post on official business, until the close of business on the day of departure from post of assignment enroute to the United States. Sick or vacation leave taken at or away from the post of assignment will not interrupt the continuity of the assignment or require a discontinuance of such post differential payments, provided such leave is not taken within the United States or the territories of the United States. Post differential will not be payable while the employee is away from the post of assignment for purposes of home leave. Short-term employees will be entitled to post differential beginning with the forty-third (43rd) day at post.

(2) Living Quarters Allowance. Living quarters allowance is an allowance granted to reimburse an employee for substantially all of the cost for either temporary or residence quarters whenever Government-owned or Government-rented quarters are not provided to the PSC at the post without charge. Such costs are those incurred for temporary lodging (temporary lodging allowance) or one unit of residence quarters (living quarters allowance) and include rent, plus any costs not included therein for heat, light, fuel, gas, electricity and water. The temporary lodging allowance and the living quarters allowance are never both payable to an employee for the same period of time. The PSC will receive

living quarters allowance for payment of rent and utilities if such facilities are not supplied. Such allowance must not exceed the amount paid USAID employees of equivalent rank in the Cooperating Country, in accordance with either, the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 130, as from time to time amended; or other rates approved by the Mission Director. Subject to the written approval of the Mission Director, short-term employees may be paid per diem (in lieu of living quarters allowance) at rates prescribed by the Federal Travel Regulations, as from time to time amended, during the time such short-term employees spend at posts of duty in the Cooperating Country under this contract. In authorizing such per diem rates, the Mission Director must consider the particular circumstances involved with respect to each such short-term employee including the extent to which meals and/or lodging may be made available without charge or at nominal cost by an agency of the United States Government or of the Cooperating Government and similar factors.

(3) Temporary Lodging Allowance. Temporary lodging allowance is a quarters allowance granted to an employee for the reasonable cost of temporary quarters incurred by the employee and the family for a period not in excess of three months after first arrival at a new post in a foreign area or a period ending with the occupation of residence (permanent) quarters, if earlier, and one month immediately preceding final departure from the post subsequent to the necessary vacating of residence quarters. The PSC and authorized dependents will receive temporary lodging allowance in lieu of living quarters allowance, not to exceed the amount set forth in the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 120, as from time to time amended.

(4) Post Allowance. Post allowance is a cost-of-living allowance granted to an employee officially stationed at a post where the cost of living, exclusive of quarters cost, is substantially higher than in Washington, DC. The PSC will receive post allowance payments not to exceed those paid USAID employees in the Cooperating Country, in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 220, as from time to time amended.

(5) Supplemental Post Allowance. Supplemental post allowance is a form of post allowance granted to an employee at the post when it is determined that assistance is necessary to defray extraordinary subsistence costs. The PSC will receive supplemental post allowance payments not to exceed the amount set forth in the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 230, as from time to time amended.

(6) Payments during Evacuation. The Standardized Regulations (Government Civilians, Foreign Areas) provide the authority for efficient, orderly, and equitable procedure for the payment of compensation, post differential and allowances in the event of an emergency evacuation of employees or their dependents, or both, from duty stations for military or other reasons or because of

imminent danger to their lives. If evacuation has been authorized by the Mission Director, the PSC and authorized dependents will receive payments during evacuation from their post of assignment in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 600, and the Federal Travel Regulations, as from time to time amended.

(7) Educational Allowance. Educational allowance is an allowance to assist the PSC in meeting the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of the service in a foreign area in providing adequate elementary and secondary education for the children. The PSC will receive educational allowance payments for the dependent children in amounts not to exceed those set forth in Standardized Regulations (Government Civilians, Foreign Areas), Chapter 270, as from time to time amended.

(8) Separate Maintenance Allowance. Separate maintenance allowance is an allowance to assist an employee who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at the post of assignment in a foreign area, or for the convenience of the Government, to meet the additional expense of maintaining the dependents elsewhere than at such post. The PSC will receive separate maintenance allowance payments not to exceed that made to USAID employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 260, as from time to time amended.

(9) Danger Pay Allowance. Danger pay allowance is an allowance to provide additional compensation above basic compensation to employees in foreign areas where civil insurrection, civil war, terrorism or wartime conditions threaten physical harm or imminent danger to the health or well-being of the employee. The danger pay allowance is in lieu of that part of the post differential, which is attributable to political violence. Consequently, the post differential may be reduced while danger pay is in effect to avoid dual crediting for political violence. The PSC will be allowed danger pay allowance not to exceed that paid USAID employees in the Cooperating Country, in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 650, as from time to time amended.

(10) Educational Travel. Educational travel is travel to and from a school in the United States for secondary education (in lieu of an educational allowance) and for college education. The PSC will receive educational travel payments for the dependent children provided such payment does not exceed that which would be payable in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), Chapter 280, as from time to time amended. Educational travel must not be authorized for PSCs whose assignment is less than two years.

(e) The allowances provided in paragraphs (a) (1) through (10) of this provision must be paid to the PSC in accordance with practice prevailing at the Mission, or the Mission Director may direct that the PSC be paid a

per diem in lieu thereof as prescribed by the Standardized Regulations (Government Civilians, Foreign Areas), as from time to time amended.

5. Cooperating Country Taxes and Social Security

Funds for the Cooperating Country's Social Security, retirement, pension, vacation or other cooperating country programs as required by local law are deducted and withheld in accordance with laws and regulations and rulings of the cooperating country or any agreement concerning such withholding entered into between the cooperating government and the United States Government.

6. Advance of Funds

If requested by the PSC and authorized in writing by the Contracting Officer, USAID will arrange for an advance of funds to defray the initial cost of travel, authorized pre-contract expenses, and shipment of personal property. The advance is granted on the same basis as to a USAID U.S.-citizen direct-hire employee.

7. Health and Life Insurance

Health and Life Insurance. The PSC is provided personal health and life insurance benefits in accordance with the LCP.

8. Travel and Transportation

(a) General.

The PSC will be reimbursed in currency consistent with the prevailing practice at post and at the rates established by the Mission Director for authorized travel in the cooperating country in connection with duties directly referable to work under this contract. In the absence of such established rates, the PSC will be reimbursed for actual costs of authorized travel in the cooperating country if not provided by the cooperating government or the Mission in connection with duties directly referable to work hereunder, including travel allowances at rates prescribed by the Department of State Standardized Regulations (DSSR) as from time to time amended. The Executive Officer at the Mission may furnish Travel Authorizations (TAs) for transportation authorized by this contract which is payable in local currency or is to originate outside the United States. When transportation is not provided by the Government-issued TA, the PSC must procure transportation, the costs of which will be reimbursed in accordance with the terms of this contract.

(b) International Travel. For travel to and from post of assignment the TCN PSC will be reimbursed for travel costs and travel allowances from place of residence in the country of recruitment (or other location provided that the cost of such travel does not exceed the cost of the travel from the place of residence) to the post of duty in the cooperating country and return to place of residence in the country of recruitment (or other location provided that the cost of such travel does not exceed the cost of travel from the post of duty in the cooperating country to the PSC's residence) upon completion of services by the individual. Reimbursement for travel must be in accordance with USAID's established policies and procedures

and the provisions of this contract, and must be limited to the cost of travel by the most direct and expeditious route. If the contract is for longer than one year and the PSC does not complete one full year at post of duty (except for reasons beyond the PSC's control), the cost of going to and from the post of duty for the PSC and dependents are not reimbursable hereunder. If the PSC serves more than one year but less than the required service in the cooperating country (except for reasons beyond the PSC's control) costs of going to the post of duty are reimbursable hereunder but the cost of going from post of duty to the PSC's permanent, legal place of residence at the time the PSC was employed for work under this contract are not reimbursable under this contract for the PSC and dependents. When travel is by economy class accommodations, the PSC will be reimbursed for the cost of transporting up to 10 kilograms/22 pounds of accompanied personal baggage per traveler in addition to that regularly allowed with the economy ticket provided that the total number of pounds of baggage does not exceed that regularly allowed for first class travelers. Travel allowances for travelers must not be in excess of the rates authorized in the Standardized Regulations (Government Civilians, Foreign Areas) hereinafter referred to as the Standardized Regulations—as from time to time amended, for not more than the travel time required by scheduled commercial air carrier using the most expeditious route. One stopover enroute for a period of not to exceed 24 hours is allowable when the traveler uses economy class accommodations for a trip of 14 hours or more of scheduled duration. Such stopover must not be authorized when travel is by indirect route or is delayed for the convenience of the traveler. Per-diem during such stopover must be paid in accordance with the Federal Travel Regulations as from time to time amended.

(c) Local Travel. Reimbursement for local travel in connection with duties directly referable to the contract must not be in excess of the rates established by the Mission Director for the travel costs of travelers in the Cooperating Country. In the absence of such established rates the PSC will be reimbursed for actual travel costs in the Cooperating Country by the Mission, including travel allowances at rates not in excess of those prescribed by the Standardized Regulations.

(d) Indirect Travel for Personal Convenience of a TCN. When travel is performed by an indirect route for the personal convenience of the traveler, the allowable costs of such travel will be computed on the basis of the cost of allowable air fare via the direct usually traveled route. If such costs include fares for air or ocean travel by foreign flag carriers, approval for indirect travel by such foreign flag carriers must be obtained from the Contracting Officer or the Mission Director before such travel is undertaken, otherwise only that portion of travel accomplished by the United States-flag carriers will be reimbursable within the above limitation of allowable costs.

(e) Limitation on Travel by TCN Dependents. Travel costs and allowances will

be allowed for authorized dependents of the PSC and such costs will be reimbursed for travel from place of abode in the country of recruitment to the assigned station in the Cooperating Country and return, only if the dependent remains in the Cooperating Country for at least 9 months or one-half of the required tour of duty of the contract, whichever is greater, except as otherwise authorized hereunder for education, medical, or emergency visitation travel. Dependents of the TCN PSC must return to the country of recruitment or home country within thirty days of the termination or completion of the PSC's employment, otherwise such travel will not be reimbursed under this contract.

(f) Delays Enroute. The PSC may be granted reasonable delays enroute while in travel status when such delays are caused by events beyond the control of the PSC and are not due to circuitous routing. It is understood that if delay is caused by physical incapacitation, the PSC will be eligible for such sick leave as provided under the "Leave and Holidays" provision of this contract.

(g) Travel by Privately Owned Automobile (POV). If travel by POV is authorized in the contract schedule or approved by the Contracting Officer, the PSC will be reimbursed for the cost of travel performed in the POV at a rate not to exceed that authorized in the Federal Travel Regulations plus authorized per diem for the employee and, if the POV is being driven to or from the cooperating country as authorized under the contract, for each of the authorized dependents traveling in the POV, provided that the total cost of the mileage and per diem paid to all authorized travelers must not exceed the total constructive cost of fare and normal per diem by all authorized travelers by surface common carrier or authorized air fare, whichever is less.

(h) Emergency and Irregular Travel and Transportation. Emergency transportation costs and travel allowances while enroute, as provided in this section, will be reimbursed not to exceed amounts authorized by the DSSR in like circumstances under the following conditions:

(1) The costs of going from post of duty in the cooperating country to another approved location for the PSC and authorized dependents and returning to post of duty, subject to the prior written approval of the Mission Director, when such travel is necessary for one of the following reasons:

(i) Need for medical care beyond that available within the area to which PSC is assigned.

(ii) Serious effect on physical or mental health if residence is continued at assigned post of duty.

(iii) Serious illness, injury, or death of a member of the PSC's immediate family or a dependent, including preparation and return of the remains of a deceased PSC or dependents.

(2) Emergency evacuation when ordered by the principal U.S. Diplomatic Officer in the cooperating country. Transportation and travel allowances at safe haven and the transportation of household effects and automobile or storage thereof when authorized by the Mission Director, must be payable in accordance with established Government regulations.

(3) The Mission Director may also authorize emergency or irregular travel and transportation in other situations when in the Mission Director's opinion the circumstances warrant such action. The authorization must include the kind of leave to be used and appropriate restrictions as to time away from post, transportation of personal and household effects, etc.

(i) Country of Recruitment Travel and Transportation. The PSC will be reimbursed for actual transportation costs and travel allowances in the country of recruitment as authorized in the Schedule or approved in advance by the Contracting Officer or the Mission Director. Transportation costs and travel allowances must not be reimbursed in any amount greater than the cost of, and time required for, economy-class commercial-scheduled air travel by the most expeditious route except as otherwise provided in paragraph (h) of this provision, unless economy air travel is not available and the PSC adequately documents this to the satisfaction of the Contracting Officer in documents submitted with the voucher.

(j) Rest and Recuperation Travel. If a TCN is being compensated under the LCP, the TCN is not entitled to R&R unless specified in the LCP, and only then as specified and applied to Foreign Service Nationals (FSNs). If however, a TCN is compensated outside of the LCP, the TCN is entitled to the R&R in the same way as applied to offshore USPSCs and USDH, provided that the post is classified an "R&R Post" by the Department of State and the Mission Director approves in writing the R&R travel for the TCN and the TCN's dependents at Post.

(k) Transportation of Personal Effects (Excluding Automobiles and Household Goods).

(1) General. Transportation costs must be paid on the same basis as for direct-hire employees at post serving the same length tour of duty, as authorized in the schedule. Transportation, including packing and crating costs, will be paid for shipping from PSC's residence in the country of recruitment or other location, as approved by the Contracting Officer (provided that the cost of transportation does not exceed the cost from the PSC's residence) to post of duty in the cooperating country and return to the country of recruitment or other location provided the cost of transportation of the personal effects of the PSC not to exceed the limitations in effect for such shipments for USAID direct-hire employees in accordance with the DSSR in effect at the time shipment is made. These limitations may be obtained from the Contracting Officer. The cost of transporting household goods must not exceed the cost of packing, crating, and transportation by surface common carrier.

(2) Unaccompanied Baggage. Unaccompanied baggage is considered to be those personal belongings needed by the traveler immediately upon arrival of the PSC and dependents. To permit the arrival of effects to coincide with the arrival of the PSC and dependents, consideration should be given to advance shipments of unaccompanied baggage. The PSC will be reimbursed for costs of shipment of unaccompanied baggage (in addition to the

weight allowance for household effects) not to exceed the limitations in effect for USAID direct-hire employees in accordance with the DSSR in effect when shipment is made. These limitations are available from the Contracting Officer. This unaccompanied baggage may be shipped as air freight by the most direct route between authorized points of origin and destination regardless of the modes of travel used.

(l) Reduced Rates on U.S.-Flag Carriers. Reduced rates on U.S.-flag carriers are in effect for shipments of household goods and personal effects of USAID contractors between certain locations. These reduced rates are available provided the shipper furnishes to the carrier at the time of the issuance of the Bill of Lading documentary evidence that the shipment is for the account of USAID. The Contracting Officer will, on request, furnish to the PSC current information concerning the availability of a reduced rate with respect to any proposed shipment. The PSC must not be reimbursed for shipments of household goods or personal effects in amounts in excess of the reduced rates which are available in accordance with the foregoing.

(m) Transportation of Goods. Where U.S. flag vessels are not available, or their use would result in a significant delay, the PSC may obtain a release from the requirement to use U.S. flag vessels from the Transportation Division, Office of Acquisition and Assistance, U.S. Agency for International Development, Washington, DC 20523-1419, or the Mission Director, as appropriate, giving the basis for the request.

(n) Repatriation Travel. Notwithstanding other provisions of this provision, a TCN must return to the country of recruitment or to the TCN's home country within 30 days after termination or completion of employment or forfeit all right to reimbursement for repatriation travel. The return travel obligation [repatriation travel] assumed by the U.S. Government may have been the obligation of another employer in the area of assignment if the employee has been in substantially continuous employment which provided for the TCN's return to home country or country from which recruited.

(o) Storage of household effects. Storage charges for household goods (including packing, crating, and drayage costs), in the home country or the country of recruitment, will be permitted in lieu of transportation of all or any part of such goods to the Cooperating Country under paragraph (k) above provided that the total amount of effects shipped to the Cooperating Country or stored in the home country or country of recruitment must not exceed the amount authorized for USAID direct-hire employees under the DSSR. These amounts are available from the Contracting Officer.

9. Payment

(a) Payment of compensation is based on written documentation supporting time and attendance. Such written documentation must be in accordance with Mission policy and practice.

(b) Any other payments due under this contract are as prescribed by Mission policy.

(c) A final voucher and release of claims certification must be submitted by the PSC promptly following completion of the duties under this contract but in no event later than 120 days (or such longer period as the Contracting Officer may approve in writing) from the date of contract completion. The PSC's claim, which includes the final settlement of compensation, must not be paid until after the performance of the duties required under the terms of this contract has been approved by USAID. Following this approval by USAID, the PSC will submit the Release of Claims Certification and the voucher designated by the PSC as the "final voucher". This final voucher must be submitted on Form SF 1034 (original) and SF 1034-A (three copies). This final voucher must include a refund check for the balance remaining on hand of any funds which may have been advanced to the PSC, or the Government must pay any amounts due and owing to the PSC.

(d) *Release of Claims Certification. The following Release of Claims Certification must be included on the final voucher, signed and dated by the PSC:*

"WHERE AS, by the terms of the contract between the PSC, (*insert name*) and the United States, it is provided that after completion of all the work, and prior to final payment, the PSC shall furnish the United States with a release of all claims.

"NOW, THEREFORE, in consideration of the above premises and the payment (by the United States to the PSC, or by the PSC to the United States, as applicable) of the amount now due under the contract, to wit, the sum of _____ dollars (\$ _____), the PSC hereby remises, releases, and forever discharges the United States, its officers, agents, and employees, of and from all manner of liabilities, obligations, accounts, claims, and demands whatsoever, in law and in equity, under or arising from the contract, except: (if there are no exceptions, state "None" on the line below).

I, _____, certify that I am the PSC in the foregoing release, and who signed this release.

Signed: _____
Date: _____"

10. Conversion of Currency

Conversion of one currency to another currency at the Mission must be in accordance with Mission policy. This may include the conversion of currency through the cognizant U.S. Disbursing Officer, or Mission Controller, as appropriate.

11. Post of Assignment Privileges

Privileges such as the use of APO, PX's, commissaries, and officers clubs are established at posts abroad under agreements between the U.S. and host governments. These facilities are intended for and usually limited to U.S. citizens who are officials of the U.S. Government. Normally, these facilities are not available to non U.S. citizens. However, in those cases where facilities are open to non U.S. citizens, they may be used by the PSC.

12. Security

(a) The PSC is obligated to immediately notify the Contracting Officer if the PSC is arrested or charged with any offense during the term of this contract.

(b) The PSC will not normally have access to classified or administratively controlled information and must take conscious steps to avoid receiving or learning of such information. However, based on PSC's need to know, the Mission may authorize access to administratively controlled information for performance of assigned scope of work on a case-by-case basis in accordance with security policies and procedures.

(c) The PSC agrees to immediately submit to the Mission Director or Contracting Officer a complete detailed report, marked "Privileged Information" of any information which the PSC may have concerning existing or threatened espionage, sabotage, or subversive activity against the United States of America or the USAID Mission or the cooperating country government.

13. Notices

(a) Any notice, given by any of the parties involved in this contract, will be sufficient only if in writing and delivered in person or sent by telegraph, telegram, registered, or regular mail as follows:

(1) TO USAID: To the Mission Director of the Mission in the Cooperating Country with a copy to the cognizant Contracting Officer.

(2) TO THE PSC: At the post of duty while in the Cooperating Country and at the PSC's address shown on the Cover Page of this contract or to another address as either party designates by notice given as required here.

(b) Notices must be effective when delivered in accordance with this provision or on the effective date of the notice that changes this provision, whichever is later.

14. Medical Evacuation (MEDEVAC) Services (Pursuant to class deviation OAA-DEV-2006-1c)

(a) The PSC must obtain MEDEVAC service coverage including coverage for authorized dependents while performing personal services abroad.

(b) Exceptions.

(1) A PSC and authorized dependents with a health insurance program that includes sufficient MEDEVAC coverage as approved by the Contracting Officer are not required to obtain MEDEVAC service coverage.

(2) The Mission Director at the post of assignment may make a written determination to waive the requirement for such coverage. The determination must be based on findings that the quality of local medical services or other circumstances obviate the need for such coverage for PSCs and their dependents located at post.

15. Incentive Awards

(a) TCNs paid under the local compensation plan are eligible to participate in the Joint Embassy Incentive Awards Program. The program is administered by an Embassy Joint Country Awards Committee.

(b) Meritorious step increases may be granted to TCNs paid under the local compensation plan provided the granting of such increases is the general practice locally.

(c) TCNPSCs whose compensation is based on the General Schedule for U.S. direct-hires may receive certain monetary and non-monetary awards. The monetary awards are limited solely to:

(1) *On-the-Spot Cash Awards.* This cash award is given to encourage and reward superior accomplishments, beyond the minimum satisfactory performance required under the contract, that contribute to the quality, efficiency, and/or economy of Government operations, or for special and specific nonrecurring commendable acts or contributions during the contract performance period. The Parameters/Limitations are as follows:

(i) A TCNPSC may receive one or more On-The-Spot Award not to exceed a total of \$500 in any one year period from the individual's employing Bureau/Mission/Independent Office. A TCNPSC may receive additional On-The-Spot Cash Awards up to \$500 combined total from USAID organizations outside of the individual's Bureau/Independent Office/Mission, in the same one year period.

(ii) The minimum dollar value for an individual On-The-Spot Cash Award is \$25. The maximum dollar value of an individual On-The-Spot Award is \$500. An award may be provided in any amount between \$25 and \$500, ensuring compliance with the limitation noted in paragraph (c)(1) of this provision.

(2) *Special Act Awards.* This cash award recognizes a *specific nonrecurring* superior act or contribution to the public interest that is beyond or outside normal job responsibilities as covered by the individual's job description. The specific act or contribution must be beyond the standard for minimum satisfactory performance required by the contract. Unlike other cash awards, this award may *not* be given for general superior performance of the work required by the contract. No more than one Special Act Award may be granted to a TCNPSC in any one year period.

(3) *Time-Off Awards.*

(i) This award is given in the form of excused absence from official duty time, without loss of pay or charge to the individual's leave balance. This award is given to encourage and reward superior accomplishments, beyond minimum satisfactory performance required under the contract, that contribute to the quality, efficiency, and/or economy of Government operations, or for special and specific nonrecurring commendable acts or contributions during the contract performance period.

(ii) A Time Off award is granted based on the same criteria as an On-the-Spot Cash award, and there is no general preference for one or the other, as a matter of agency policy. Conditions within the operating unit and circumstances of the individual being nominated will dictate the most appropriate choice. A Time-Off Award is categorized as a "cash" award because it represents paid time away from official duty. The Parameters/Limitations are as follows:

(A) A full-time TCNPSC (*i.e.*, 2087 work hours/year) may be granted up to a total of 27 hours in awards during any one-year period of the contract.

(B) The minimum amount of time for which a full-time TCNPSC may be granted time off is one (1) hour. The maximum amount of time for which an individual Time-Off Award may be granted is 27 hours. An award may be granted in any one-hour time increment between 1–27 hours for a full-time TCNPSC.

(C) The maximum amount of time for which any part-time TCNPSC may be granted

a Time-Off Award is to be calculated by prorating the maximum available to a full-time TCNPSC (27 hours/year) commensurate with the number of work hours in the part-time TCNPSC's work year. As an example, if the individual works approximately 1044 hours/year the maximum amount of time in a year for which he/she may be granted a time-off award is 14 hours.

(D) The following scale is provided as a general guide in determining the appropriate amount of time to grant for a Time-Off Award. The scale is based on an individual working under a full-time (2087 hours/year) contract. The figures are to be prorated as noted above for individuals working under a part-time contract:

Contribution above and beyond satisfactory performance	Recommended time off award
A contribution that is of sufficient value to merit recognition. Beneficial change or modification to policies/procedures. Contribution benefits immediate unit or staff.	Up to One Work Day, (not to exceed 9 hours).
An important contribution to the value of an activity program, or service. Significant change to policies/procedures. Contribution benefits several units or an entire Mission/Bureau/Office.	Up to Two Work Days, (not to exceed 18 hours).
A highly significant contribution to the value of an activity, program, or service. A complete revision of policies/procedures with considerable impact. Contribution benefits an entire Mission/Bureau/Office or is of a cross-cutting nature impacting several organizations within the Agency.	Up to Three Work Days, (not to exceed 27 hours).

(E) The scheduling of Time-Off Awards must be approved by the individual's supervisor because this award type represents time away from official duty, which has the potential to impact the operating unit's operations.

(F) A PSC who becomes physically incapacitated while using a Time-Off Award may be granted sick leave for the period of incapacitation. The employee is responsible for notifying the supervisor immediately to report the illness during the period of excused absence.

(G) A Time-Off Award is granted to recognize a superior achievement and may not be used as a substitute for compensatory time off.

(H) In deciding whether a Time-Off award is the appropriate award type, the supervisor must consider the individual's leave balance. If the individual has an excessive leave balance, a cash award may be more appropriate, so as not to adversely affect the PSC who may have annual leave subject to forfeiture at the end of the contract.

(I) Time-Off Awards must be used within 6 months of approval and may not be transferred to a new or follow-on contract with either the same or new work unit under any circumstances. In cases where the time off is not used within six months after the date of approval, the time-off must be forfeited.

(J) Under no circumstances may a Time-Off Award be converted to a lump-sum payment or transferred to any other contract. A Time-Off Award not used by the end of the contract period must be forfeited, even if less than 6 months from the date of approval.

TCNPSCs are not eligible for nomination for any other types of cash awards other than the specific awards outlined above.

(4) Multiple Award Nominations:

(i) A TCNPSC may be nominated for more than one award within the period of contract performance, or other benchmark period stated in the contract. Each award nomination will be reviewed on its own merit, and decisions to approve it will be based on whether the employee's

performance meets the criteria for that particular award. However, a TCNPSC may not receive multiple cash or time-off awards for the same act or service.

(ii) Cash Awards are separate and distinct from the pay comparability increase, and the annual increase for satisfactory performance available within the personal services contract.

16. Governing Law

This contract is established under the procurement authority of the United States Government and is governed by the laws of the United States including the procurement laws of the United States. This contract contains the entire agreement of the parties with respect to the subject matter thereof, and no representations, inducements, promises or arrangements, oral or written between the parties not embodied here shall have any force or effect. This contract is a complete statement of duties, compensation, benefits, leave, and all terms and conditions. Any disputes shall be resolved by the courts or administrative tribunals of the United States.

PART IV: For Inclusion in Foreign Service National Personal Service Contracts (FSNPSCs)

1. Physical Exams

Physical Fitness. The PSC must be examined by a licensed doctor of medicine, and must obtain a statement of medical opinion that, in the doctor's opinion, the PSC is physically qualified to engage in the type of activity for which s/he is to be employed under the contract. A copy of the medical opinion is provided to the Contracting Officer before the PSC starts work under the contract. USAID will pay for the cost of the physical examination based on current Mission practice.

2. Leave and Holidays

(a) *Vacation Leave.* The PSC may accrue, accumulate, use, and be paid for vacation in accordance with the Local Compensation Plan (LCP). No vacation leave is earned if the

contract is for less than 90 days. Unused vacation leave may be carried over under an extension or renewal of the contract as long as it conforms to Mission policy, practice and the LCP. With the approval of the individual's supervisor and concurrence by the CO and if the circumstances warrant, a PSC may be granted advance vacation leave in excess of that earned, but in no case will a PSC be granted advance vacation leave in excess of that which the PSC will earn in one year of the contract. At the end of the contract, the PSC agrees to reimburse USAID for leave used in excess of the amount earned during the period of performance under the contract.

(b) *Sick Leave.* The PSC may accrue, accumulate, and use sick leave in accordance with the LCP. Unused sick leave may be carried over under an extension or renewal of the contract. Leave earned but unused at the completion of this contract will be disposed of in accordance with the LCP.

(c) *Leave Without Pay.* Leave without pay may be granted only with the written approval of the PSC's supervisor and concurrence by the Contracting Officer.

(d) *Holidays.* The PSC is entitled to all holidays granted by the Mission in accordance with the LCP.

(e) *Compensatory Time.* Comp time or overtime for FSNPSCs is governed by the local compensation plan. If the LCP does not address compensatory time, then the prevailing practice of the Mission must be followed. Comp time is not transferable from one contract to another.

3. Cooperating Country Taxes and Social Security

Funds for the Cooperating Country's Social Security, retirement, pension, vacation or other cooperating country programs as required by local law are deducted and withheld in accordance with laws and regulations and rulings of the cooperating country or any agreement concerning such withholding entered into between the cooperating government and the United States Government.

4. Insurance

Health and Life Insurance. The PSC is provided personal health and life insurance benefits in accordance with the Local Compensation Plan.

5. Travel and Transportation

(a) **General.** The Executive Officer at the Mission may furnish Travel Authorization (TAs) for travel authorized by this contract. When travel is not provided by Government issued TA, the PSC will procure the travel, and the costs are reimbursed. The following paragraphs provide specific guidance and limitations on particular items of cost.

(b) **Travel by Privately Owned Automobile (POV).** If travel by POV is authorized, USAID will reimburse the PSC for the cost of travel performed in the POV, provided that

(1) The POV is being driven within the cooperating country as authorized under the contract,

(2) The total cost of the mileage and per diem, if any, will be paid in accordance with Mission policy and procedures and Federal Travel Regulations.

6. Payment

(a) Payment of compensation is based on written documentation supporting time and attendance in accordance with Mission policies and procedures.

(b) Any other payments due under this contract are as prescribed by Mission policy for the type of payment being made.

(c) A final voucher and release of claims certification must be submitted by the PSC promptly following completion of the duties under this contract but in no event later than 120 days (or such longer period as the Contracting Officer may approve in writing) from the date of contract completion. The PSC's claim, which includes the final settlement of compensation, must not be paid until after the performance of the duties required under the terms of this contract has been approved by USAID. Following this approval by USAID, the PSC will submit the Release of Claims Certification and the voucher designated by the PSC as the "final voucher". This final voucher must be submitted on Form SF 1034 (original) and SF 1034-A (three copies). This final voucher must include a refund check for the balance remaining on hand of any funds which may have been advanced to the PSC, or the Government must pay any amounts due and owing to the PSC.

(d) **Release of Claims Certification.** The following Release of Claims Certification must be included on the final voucher, signed and dated by the PSC.

"WHERE AS, by the terms of the contract between the PSC, (*insert name*) and the United States, it is provided that after completion of all the work, and prior to final payment, the PSC shall furnish the United States with a release of all claims.

"NOW, THEREFORE, in consideration of the above premises and the payment (by the United States to the PSC, or by the PSC to the United States, as applicable) of the amount now due under the contract, to wit, the sum of _____ dollars (\$ _____), the PSC hereby remises, releases, and forever discharges the United States, its officers,

agents, and employees, of and from all manner of liabilities, obligations, accounts, claims, and demands whatsoever, in law and in equity, under or arising from the contract, except: (if there are no exceptions, state "None" on the line below).

I, _____, certify that I am the PSC in the foregoing release, and who signed this release.

Signed: _____ Date: _____"

7. Security

(a) The PSC is obligated to immediately notify the Contracting Officer if the PSC is arrested or charged with any offense during the term of this contract.

(b) The PSC will not normally have access to classified or administratively controlled information and must take conscious steps to avoid receiving or learning of such information. However, based on PSC's need to know, the Mission may authorize access to administratively controlled information for performance of assigned scope of work on a case-by-case basis in accordance with current security policies and procedures.

(c) The PSC agrees to submit immediately to the Mission Director or Contracting Officer a complete detailed report, marked "Privileged Information" of any information which the PSC may have concerning existing or threatened espionage, sabotage, or subversive activity against the United States of America or the USAID Mission or the cooperating country government.

8. Notices

(a) Any notice, given by any of the parties involved in this contract, will be sufficient only if in writing and delivered in person or sent by telegraph, telegram, registered, or regular mail as follows:

(1) TO USAID: To the Mission Director of the Mission in the Cooperating Country with a copy to the appropriate Contracting Officer.

(2) TO THE PSC: At the post of duty while in the Cooperating Country and at the PSC's address shown on the Cover Page of this contract or to another address as either party designates by notice given as required here.

(b) Notices must be effective when delivered in accordance with this provision or on the effective date of the notice that changes this provision, whichever is later.

9. Incentive Awards

(a) The PSC is eligible to participate in the Joint Embassy Incentive Awards Program. The program is administered by each post's Embassy Joint Country Awards Committee.

(b) Meritorious step increases may be granted to FSNs paid under the local compensation plan provided the granting of such increases is the general practice locally.

10. Governing Law

This contract is established under the procurement authority of the United States Government and is governed by the laws of the United States including the procurement laws of the United States. This contract contains the entire agreement of the parties with respect to the subject matter thereof, and no representations, inducements, promises or arrangements, oral or written

between the parties not embodied here shall have any force or effect. This contract is a complete statement of duties, compensation, benefits, leave, and all terms and conditions. Any disputes shall be resolved by the courts or administrative tribunals of the United States.

Attachment 1 to Appendix A—Class Justification for Other Than Full and Open Competition for Personal Services Contracts With U.S. Citizens Contracted With Locally, With CCNs and TCNs Subject to the Local Compensation Plan, and for Overseas Contracts of \$250,000 or Less

I. General

This document is a class justification for other than full and open competition as authorized by Section 6.303-1(c) of the Federal Acquisition Regulation (FAR). This class justification may be used in accordance with its terms by any USAID Contracting Officer acting within the scope of his/her delegated authority. This class justification is applicable to locally recruited U.S. personal services contracts and CCN and TCN personal services contracts, subject to the local compensation plan awarded pursuant to AID Acquisition Regulation (AIDAR) 706.302-70(b)(1), and to any contract of \$250,000 or less awarded by an overseas contracting activity pursuant to AIDAR 706.302-70(b)(2), as authorized by 40 U.S.C. 474, provided the appropriate requirements for competition in Section II of this class justification are followed.

It has been determined that requiring full and open competition for procurement of U.S. locally recruited personal services contracts and CCN and TCN personal services (subject to the local compensation plan) or for procurement of \$250,000 or less by overseas contracting activities would impair USAID's ability to meet the objectives of the foreign assistance program. Thus, Section 706.302-70 of the AIDAR provides that such procurements may be exempted from the full and open competition requirements. This class justification may be used to satisfy the requirements of AIDAR 706.302-70(c)(2) regarding preparation of justifications pursuant to FAR 6.303. It applies only to procurements specified above.

II. Conditions for Use

A. PSCs With United States Citizens Recruited Locally

If recruited locally, the position was publicized in the same way that the Mission announces direct-hire U.S. citizen positions. Renewals or extensions with the same individual for continuing service³ do not need to be publicized.

B. PSCs With Cooperating Country Nationals and Third Country Nationals Subject to the Local Compensation Plan

New contracts were publicized consistent with Mission/Embassy practice on announcement of direct-hire FSN positions.⁴ Renewals or extensions with the same

³ "continuing service" means "same services."

⁴ The reference to direct-hire means all FSN positions including FSN/CCN PSCs.

individual for continuing service⁵ do not need to be publicized.

C. Local Procurements for Supplies and Services⁶ Up to \$250,000

This applies to procurements where the aggregate amount of the contract does not exceed the limits stated below:

(1) Procurements up to \$100,000 were competed as provided in FAR 13.106, except that synopsis in the Commerce Business Daily⁷ is not required in any case.

(2) Procurements between \$100,001 and \$250,000 were publicized locally sufficiently to ensure that a reasonable number of

contractors were notified. This class justification may not be used if only one source was considered.

D. Certification, File Documentation

A copy of this class justification must be included in the contract file, together with a written statement, signed by the Contracting Officer, that: the contract is being awarded pursuant to AIDAR 706.302-70(b)(1) or (2), as applicable; that the conditions in Section II of this class justification have been met; and that the cost of the contract is fair and reasonable.

III. Effective Date

This class justification is effective on the date of signature below.

Date: July 22, 1997

/s/ Marcus L. Stevenson
USAID Procurement Executive

Appendix D [Removed and Reserved]

2. Remove and Reserve Appendix D—“Direct USAID Contracts with a U.S. Citizen or a U.S. Resident Alien for Personal Services Abroad” in its entirety.

Appendix J [Removed and Reserved]

3. Remove and Reserve Appendix J—“Direct USAID Contracts with a Cooperating Country National and with a Third Country National for Personal Services Abroad” in its entirety.

Michael F. Walsh,

Procurement Executive.

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BILLING CODE 6116-01-P

⁵ “continuing services” means “same services.”

⁶ The term “services” in this part of the class justification does not include “personal services.”

⁷ “Commerce Business Daily” has been replaced with “FedBizOpps.”