

NOTE: A review of these contracts will show that certain specific information has been omitted or redacted. These are standard types of omissions or redactions and have been made in accordance with Federal law, for instance, in order to safeguard business proprietary information as well as to preserve privacy and security.

(Contract begins on next page)

SOLICITATION, OFFER AND AWARD (Construction, Alteration, or Repair)	1 SOLICITATION NO M/OP-03-590	2 TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)	3 DATE ISSUED 02-07-2003	PAGE OF PAGES 1 82
	IMPORTANT - The "offer" section on the reverse must be fully completed by offeror.			

4. CONTRACT NO EEE-C-00-03-00018-00	5. REQUISITION/PURCHASE REQUEST NO.	6. PROJECT NO.
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7. ISSUED BY USAID/M/OP/E & E ROOM 7.09-102 RONALD REAGAN BUILDING 1300 PENNSYLVANIA AVE., NW WASHINGTON DC 20523-7100	CODE	8. ADDRESS OFFER TO
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9 FOR INFORMATION CALL:	A. NAME CHRISTINE E. LYONS	B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS) 202-712-0722/CELYONS@USAID.GOV
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SOLICITATION

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

10 THE GOVERNMENT REQUIRES PERFORMANCE OF THE WORK DESCRIBED IN THESE DOCUMENTS (Title, identifying no., date):
 THIS LETTER CONTRACT IS ISSUED TO REBUILD A PORT, AIRPORTS, THE ELECTRICAL POWER SYSTEMS, ROADS, BRIDGES, RAILROAD INFRASTRUCTURE, POTABLE WATER AND WASTE WATER TREATMENT FACILITIES, SOLID WASTE MANAGEMENT SERVICES, SCHOOLS AND HEALTH FACILITIES, IRRIGATION SYSTEMS, AND SELECTED LOCAL GOVERNMENT BUILDINGS IN IRAQ IN ORDER TO RESTORE FUNCTIONING OF IRAQ'S INFRASTRUCTURE. SPECIFICS ARE CONTAINED IN SECTION C.

11. The Contractor shall begin performance within calendar days and complete it within calendar days after receiving award, notice to proceed. This performance period is mandatory, negotiable. (See SECTIONS C & F.)

12A. THE CONTRACTOR MUST FURNISH ANY REQUIRED PERFORMANCE AND PAYMENT BONDS? (If "YES," indicate within how many calendar days after award in item 12B.) YES NO

12B. CALENDAR DAYS

13. ADDITIONAL SOLICITATION REQUIREMENTS.

A. Sealed offers in original and 6 copies to perform the work required are due at the place specified in item 8 by 4:00 P.M. (hour) local time 2/21/2003 (date). If this is a sealed bid solicitation, offers must be publicly opened at that time. Sealed envelopes containing offers shall be marked to show the offeror's name and address, the solicitation number, the date and time offers are due

B. An offer guarantee is, is not required.

C. All offers are subject to the (1) work requirements, and (2) other provisions and clauses incorporated in the solicitation in full text or by reference

D. Offers providing less than 30 calendar days for Government acceptance after the date offers are due will not be considered and will be rejected

OFFER (Must be fully completed by offeror)

14. NAME AND ADDRESS OF OFFEROR (Include ZIP Code)

BECHTEL NATIONAL, INC
ATTN: Craig Albert/Craig Weaver
50 BEALE STREET
SAN FRANCISCO CA 94105-1895

15. TELEPHONE NO (Include area code)
703-748-9453/f 703-748-9460

16. REMITTANCE ADDRESS (Include only if different than Item 14)

CODE FACILITY CODE

17. The offeror agrees to perform the work required at the prices specified below in strict accordance with the terms of the solicitation, if this offer is accepted by the Government in writing within _____ calendar days after the date offers are due. (Insert any number equal to or greater than the minimum requirement stated in Item 13D. Failure to insert any number means the offeror accepts the minimum in Item 13D.)

AMOUNTS

18. The offeror agrees to furnish any required performance and payment bonds.

19. ACKNOWLEDGMENT OF AMENDMENTS

(The offeror acknowledges receipt of amendments to the solicitation - give number and date of each)

AMENDMENT NO.										
DATE										

20A. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER
(Type or print)

20B. SIGNATURE

20C. OFFER DATE

AWARD (To be completed by Government)

21. ITEMS ACCEPTED: TO BE DEFINITIZED

22. AMOUNT

NTE \$680,000,000.00

23. ACCOUNTING AND APPROPRIATION DATA

SEE SECTION G.6
AMOUNT OBLIGATED: \$34,600,000

24. SUBMIT INVOICES TO ADDRESS SHOWN IN
(4 copies unless otherwise specified)

ITEM

25. OTHER THAN FULL AND OPEN COMPETITION PURSUANT TO

10 U.S.C. 2304(c) 41 U.S.C. 253(c) ()?

26. ADMINISTERED BY

CODE

SEE SECTION G.2

27. PAYMENT WILL BE MADE BY

SEE SECTION G.5

CONTRACTING OFFICER WILL COMPLETE ITEM 28 OR 29 AS APPLICABLE

28. NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all work, requisitions identified on this form and any continuation sheets for the consideration stated in this contract. The rights and obligations of the parties to this contract shall be governed by (a) this contract award, (b) the solicitation, and (c) the clauses representations, certification, and specifications or incorporated by reference in or attached to this contract.

29. AWARD (Contractor is not required to sign this document.) Your offer on this solicitation, is hereby accepted as to the items listed. This award consummates the contract which consists of (a) the Government solicitation and your offer, and (b) this contract award. No further contractual document is necessary.

30A. NAME AND TITLE OF CONTRACTOR OR PERSON AUTHORIZED TO SIGN (Type or print)

(b) (6)

31A. NAME OF CONTRACTING OFFICER (Type or print)

CHRISTINE E. LYONS

30B. SIGNATURE

(b) (6)

30C. DATE

4/17/03

31B. UNITED STATES OF AMERICA

Christine E. Lyons 4/17/03

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS

B.1 PURPOSE

The purpose of this letter contract is to provide the successful design, rehabilitation, upgrading, reconstruction and construction in Iraq of one port, five airports, electric power systems, road networks and rail systems, municipal water and sanitation services, school and health facilities, select government buildings, and irrigation systems as well as institutional capacity building for operation and maintenance and roadmaps for future longer term needs and investments in support of the Iraq Infrastructure Reconstruction Program.

B.2 CONTRACT TYPE

The letter and definitized contract is Cost-Plus-Fixed-Fee (CPFF) term. The Government will issue Job Orders (JOB ORDER) to undertake the design, rehabilitation, reconstruction, construction and upgrading efforts. Technical Directives will be used to have the assessments undertaken within the limitations set forth in Section G.4. For the consideration set forth below, the Contractor shall provide the deliverables or outputs described in Section F.5 in accordance with the performance standards specified herein.

B.3 ESTIMATED COST, FIXED FEE, AND OBLIGATED AMOUNT

- (a) The estimated cost for the performance of the work required hereunder, CLIN 0001-0009 and CLIN 11 exclusive of fixed fee, if any, is "To Be Definitized" (TBD). The fixed fee, if any, is TBD. The estimated cost plus fixed fee, if any, will not exceed \$80,000,000.
- (b) The estimated cost for the performance of the work required hereunder, CLIN 0010, exclusive of fixed fee, if any, is TBD. The fixed fee, if any, is TBD. The estimated cost-plus fixed fee, if any, is \$600,000,000.00.
- (c) Within the estimated cost plus fixed fee (if any) specified in paragraphs (a) and (b) above, the amount currently obligated and available for reimbursement of allowable costs incurred by the Contractor (and payment of fee, if any) for performance hereunder is \$34,600,000.00. The Contractor shall not exceed the aforesaid obligated amount.
- (d) Funds obligated hereunder are anticipated to be sufficient through May 16, 2003.

B.4 PRICE SCHEDULE

<u>CLIN</u>	<u>DESCRIPTION</u>	<u>COST</u>
0001	Salaries:	
0001A.	Long Term	
	Nbr. of Person days: <u>TBD</u> *	\$ TBD
	*includes 7-day & 6-day workweeks	
0001B	Short Term	
	Nbr. of Person Days: <u>TBD</u>	\$ TBD
0002.	Fringe Benefits	\$ TBD
0003.	Allowances	\$ TBD
0004.	Travel and Transportation	\$ TBD
0005.	Vehicles including GPS equipment & software	\$ TBD
0006	Equipment and Furnishings	\$ TBD
0007.	Supplies	\$ TBD
0008.	Other Direct Costs:	
0008A.	Office Space, utilities and work camp	\$ TBD
0008B	Communications including phones, network, satellite services, radios, etc	\$ TBD
0008C	Vehicle operation, maintenance and repair	\$ TBD
0008D	Vehicle Insurance	\$ TBD
0008E	Office equipment maintenance and repair	\$ TBD
0008F	Processing, training & other mobilization costs	\$ TBD
0008G	DBA	\$ TBD
0008H	MEDEVAC	\$ TBD
0008I	Local medical support	\$ TBD
0009	Subcontracts	
0009A	Demining	\$ TBD
0009B	Quality Assurance Surveying	\$ TBD
0009C	Local Agency Support	\$ TBD
0010	Repairs; rehabilitation, reconstruction, construction and upgrading projects	\$600,000,000
0010A	Total Estimated Cost	\$ TBD
0010B	Fixed Fee on 0010 (subcontract portion only)	\$ TBD
0011	Indirect Costs	\$ TBD
0012	Fixed Fee (for CLINS 0001-0009 & 0011 except for Facilities Capital Cost of Money under B.5. Indirect Costs)	\$ TBD
	TOTAL NOT TO EXCEED AMOUNT	\$680,000,000

B.5 INDIRECT COSTS (DEC 1997)

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

<u>Description</u>	<u>Rate</u>	<u>Base</u>	<u>Type</u>	<u>Period</u>
Permanent office overhead				
Project office overhead				
Field/construction office overhead				
General and Administrative Facility Capital Cost Money-permanent office		(b) (4)		
Facility Capital Cost of Money-Project office				
Facility Capital Cost of Money-Construction office				
Facility Capital Cost of Money-General and Administrative office				

Base:

(b) (4)

B.6 COST REIMBURSABLE

The U.S. dollar costs allowable shall be limited to reasonable, allocable and necessary costs determined in accordance with FAR 52.216-7, Allowable Cost and Payment, FAR 52.216-8, Fixed Fee, if applicable, and AIDAR 752.7003, Documentation for Payment.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

C.1 STATEMENT OF WORK

IRAQ INFRASTRUCTURE RECONSTRUCTION

C.I. BACKGROUND

The United States Agency for International Development (USAID) has the mandate to rebuild infrastructure and public facilities and services in a post war Iraq. The Administration's goal is to provide tangible evidence to the people of Iraq that the U.S. will support efforts to bring the country to political security and economic prosperity. To accomplish this goal, USAID will provide resources and technical expertise to rebuild potable water and wastewater treatment facilities; schools and health facilities; ports and airports, the electric power system, roads and bridges; railroad infrastructure; solid waste management services; irrigation systems, and selected local government buildings. This program will seek to address the immediate short-term objectives of rebuilding urban and rural infrastructure to accelerate economic growth and the reconstruction of public health and educational facilities to protect human health and to promote productivity. A priority medium-term objective is to invest in human and institutional capacity-building to better operate and maintain infrastructure and service delivery systems. The U.S. government envisions a post-war reconstruction effort as a highly visual symbol of good faith toward building trust for economic, social and cultural benefits as well as for political stability in the region.

C.II. PURPOSE

The purpose of this letter contract is to provide construction services in support of an Iraq Infrastructure Reconstruction Program. The Contractor will assure the successful design, rehabilitation, and construction of infrastructure projects in support of United States Government's (USG) assistance to Iraq in the areas of port and airport rehabilitation, electric power systems, road networks and rail systems, municipal water and sanitation services, school and health facilities, select government buildings, and irrigation systems. To ensure the sustainability of projects, an institutional capacity building component for operation and maintenance will be implemented for all sectors. The activities carried out under this contract are designed to contribute to short-term infrastructure reconstruction, while laying the groundwork for longer-term systemic sector reform.

III. STATEMENT OF WORK

The Infrastructure Reconstruction Program consists of four main components:

- a. engineering and construction of selected infrastructure facilities;
- b. institutional capacity building for operation and maintenance;
- c. provision of infrastructure-related equipment and materials; and
- d. developing a roadmap describing how these facilities might be sustainably managed over the long-term.

Construction will build on civilian and military relief activities as well as activities designed to rebuild the social and economic infrastructure of Iraq. Initial activities will be designed for the basic level of

infrastructure rehabilitation necessary to restore functionality and ensure its continued use. USAID will determine regional and sector priorities in collaboration with civilian and military authorities, international relief and development organizations, USAID implementing partners, the Contractor, and other US Government agencies. Based on the recommendations of the contractor USAID will approve the individual projects to be implemented under this program. The Contractor shall furnish all plant, labor, materials and equipment to perform all work in strict accordance with these specifications and Job Orders. The Contractor may be required to meet compressed schedules to deal with emergency or urgent requirements. Projects will be identified in each Job Order. Assessments will be undertaken through Technical Directives from the Cognizant Technical Officer. The roads and facilities may be in full operation, thus, the Contractor will minimize interference with their daily operation to the maximum extent possible. The Contractor will be responsible for providing all personnel, equipment, materials, supplies and facilities for its use in order to accomplish the work hereunder.

C.III SPECIFIC TASKS

C.III.1 Pre-positioning and Mobilization

The activities under this task shall include:

- (a) establishing the technical team and developing working relationships with relevant contractors, NGOs, and U.S. officials;
- (b) identifying immediate priorities and mobilizing resources to address them;
- (c) making initial project procurements, such as diesel generating packaged water treatment plants, construction materials and sets, equipment, fuel;
- (d) initiating key contracts for commodities or services;
- (e) pre-positioning contractor staff and equipment in the region to carry out the reconstruction tasks;
- (f) set-up and equip office(s) in country and/or in neighboring countries. The contractor will be responsible for providing communications equipment compatible with USG frequencies, vehicles for staff equipped with GPS transmitters, and full support for in-country expatriate staff.
- (g) The contractor will calculate estimated monthly fuel requirements for all program requirements, including fuel for operation of generator sets, vehicle use, heating fuel, pump operation, etc. for up to one year and submit within three weeks of contract start date. The contract must be prepared to implement the program in a number of geographical areas simultaneously.

C.III.2 Rapid Assessment of Infrastructure Conditions in Selected Regions

Assessment will commence in regions as soon as they become secure for civilian relief and reconstruction activities. Civilian/Mil and DART assessments will be available to guide the contractor's assessments, and to identify emergency activities for immediate implementation. The contractor should be prepared to act immediately to address emergency and priority activities identified through the Civilian/Military and DART assessments.

The rehabilitation of Umm Qasr Port and selected airports will be an immediate priority for program activities. Given their importance as gateways for the delivery of relief and reconstruction material and personnel

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the contractor should be prepared to begin rehabilitation and repair at these locations immediately. USAID will award separate contracts for airport and port administration at two international and three domestic airports to be identified by USAID, and the Umm Qasr Port. The contractor should work closely with the port and airport administration contractors in determining the needs to make the infrastructure functional and undertake priority repairs and rehabilitation.

The provision of potable water to Southern Iraq will also be an immediate priority. The water supplies, both water supply distribution systems and commercial delivery of trucked water, could be disrupted in Southern Iraq and there may be an immediate need for ensuring the population has access to potable water.

As a permissive environment is established for relief and reconstruction activities the contractor should focus immediate activities on construction needs related to supporting the relief efforts as well as ensuring basic health and sanitation and the restoration of key services. Establishing reliable transport links, restoring electricity supply, ensuring potable water supplies, and supporting the delivery of basic health care and education should be initial priorities.

It is anticipated that this program will ultimately operate nationwide. As a permissive environment is established in regions, the Contractor shall conduct rapid assessments of the condition of water, wastewater, and solid waste infrastructure; health and education facilities; airports; electric power systems; irrigation; the primary and secondary road networks; rail system; and key government facilities. The Contractor will consult with civilian and military officials, USAID Local Development Advisors, other USAID contractors, and other local stakeholders to solicit input on their reconstruction, repair, rehabilitation, and/or upgrade priorities. USAID supported education and health contractors will inventory education and health infrastructure and identify needs for repair and rehabilitation. These reports will be made available to the contractor for use in the contractor's assessment.

The assessment(s) shall include the following information and must be submitted two weeks after entering a secure area:

- System configuration and condition of electric power systems, water and wastewater treatment plants, sanitation services, and irrigation systems, road networks, rail systems, and evaluation of the building stock in the health, education, and selected government sectors. This would include identifying the type and source of the existing equipment.
- The requirements, including both systems and equipment, in the specified geographical areas for restoring critical services from the power and water systems, wastewater treatment facilities, sanitation services, road and rail systems, health facilities, schools, irrigation systems, and selected government buildings. This should include a summary of the estimated impact of the repair and its significance with regards to system operation.
- An identification and categorization of emergency, short-term, and potential longer-term needs in the above infrastructure sectors.
- An identification of potential issues or challenges in restoring critical infrastructure, including the needs for demining and/or dealing with unexploded ordinance.

- An identification of the existing organization for operation and management of the critical facilities.
- Recommendations for areas of intervention that will address priority needs for restoring critical infrastructure and services, and the associated costs.

C.III.3 Implementation Plan

Once USAID has reviewed the recommended interventions and selected those to be undertaken, the Contractor shall prepare a 12-month implementation plan for carrying out the approved reconstruction, repair, rehabilitation, and/or upgrade activities within the respective geographical area. The implementation plan shall be updated and extended every quarter. The plan shall allow USAID and the Contractor to monitor, maintain control and exercise direction as appropriate. Elements of the plan shall include:

- a) the breakdown and description of the activities in the total program;
- b) an environmental assessment of the project activities per USAID Environmental Guidelines (CFR 216), and appropriate mitigation dimensions incorporated into each project activity;
- c) the identification of critical completion milestones and project interfaces;
- d) a projection of program budget and schedule of disbursements.

C.III.4 Infrastructure Reconstruction, Repair, Rehabilitation, and Upgrade

The Contractor shall be responsible for the provision of all personnel, equipment, materials, supplies, and facilities for use in carrying out the reconstruction, repair, rehabilitation, and/or upgrade program, which will include the following.

C.III.4.1 Umm Qasr Port

C.III.4.1 a. Initial Port Assessment

In conjunction with the Port operations management contractor, the contractor shall provide an assessment of all port resources, systems, utilities and facilities in place for the control, safety, service and security of vessels at the Umm Qasr port. The assessment shall include an analysis of current conditions, possible future levels of port performance and a prioritized list of improvements necessary to achieve those various future levels of performance including channel dredging and marking of sunken vessels. Any current impediments for achieving future levels of performance shall be noted. The assessment shall include a prioritized list of improvements necessary to assure the port operates in accordance with International Maritime Organization (IMO) standards and requirements. All suggested improvements to meet various future levels of performance shall be accompanied by a cost analysis for the improvements prepared by the contractor. The local maritime authority (if any) shall be consulted and a limited environmental impact and mitigation assessment conducted.

The port will be turned over to the contractor free of mines obstructing the waterway, and with basic mine and booby trap assessment, and demining and ordinance removal, conducted by the DOD on principal port facilities and access routes. The contractor should nonetheless conduct an independent mine and booby trap assessment, ensure potentially mined or booby trapped areas

are secured, and undertake any additional measures necessary to establish the safe functioning of the port.

C.III.4.1b. Planning and Implementation of Port Improvements

Following completion, and approval by USAID, of an initial port assessment for Umm Qasr, the Contractor will proceed to plan the implementation of recommended port infrastructure improvements. The Port administration contractor will undertake initial rehabilitation under their contract to restore or maintain basic functioning of the port. The construction contractor must ascertain what initial infrastructure construction and/or rehabilitation efforts have already been undertaken and what additional steps need to be taken to upgrade the port to the capacity identified in the following benchmarks. The construction contractor shall prepare an adequately detailed plan identifying material needs and specifications, implementation method, training needs, and budget for the work to be undertaken. This plan shall be submitted to USAID for review, comment, and approval.

Plans for port improvement must give priority to the most immediate improvements required to facilitate the adequate flow of USAID-funded materials, supplies, and commodities. As dredging is a known need, the contractor should prepare dredging services during the mobilization period in order to begin dredging activities immediately. The Contractor will work closely with the USAID Contractor undertaking port operations management. The quantity and quality of proposed immediate improvements should be linked to the quantity and type of USAID and other donor supplied materials, supplies and commodities likely to be shipped through the port. The plan should, as feasible and needed, provide options with respect to the amounts and types of improvements to be made as they relate to the amounts and types of materials, supplies, and commodities that could be shipped through the port. Desirable improvements of secondary priority may be set out in the plan, but these should be restricted to those most directly linked to facilitating the flow of USAID-funded materials through the port. As required, plans should identify steps to be taken, along with material and training needs to strengthen national or local management of port improvements in a sustainable manner.

C.III.4.1c Benchmarks For Rehabilitation Of The Port

1. The Contractor will assess port facilities, verify channel and berth depth, and assess freight handling equipment within two weeks of gaining access to the port.
2. The Contractor will mobilize to Kuwait and locate and arrange a dredge no later than 3 weeks from the effective contract date.
3. Within the first 8 weeks from gaining access to the port, the port will allow 50,000 T ships to unload containers and pallets, accommodate 3 berths, and facilitate an unloading capacity of 5 days per ship.
4. The contractor will install 3 vacuators, 6 cranes and small equipment, as well as ensure 6 berths are returned to operational condition within 90 days of program start date.
5. The channel will be charted and hazards identified within 90 days of program start date.
6. The Contractor will arrange for the arrival of the dredge and commencement of work on the channel and berths within 60 days from the effective contract date.

7. Within 120 days from gaining access to the port, 6 berths will be in operational condition, ships of 75,000 T can dock at one berth, and unloading capacity per ship will be 72 hours.
8. Within 150 days from gaining access to the port, the Contractor will repair and ensure functional local dredges, remove wrecks from the channel, ensure 9 berths are in operational condition, and an unloading capacity per ship that does not exceed 48 hours.
9. Within 180 days from gaining access to the port, the port will allow for docking of 75,000 T ships and 6-12 berths in operational condition for bulk and other cargo.
10. Within 1 year from gaining access to the port, 12 berths will be restored to a condition that permits the handling of containerized, palletized and bulk cargo.

C.III.4.2 Airport Repair and Maintenance

Functional airports are critical to an adequate flow of relief and reconstruction materials and personnel in support of relief and reconstruction efforts. The Contractor will undertake repair of select airports in Iraq, specifically two international and three domestic airports, to be specified by USAID.

C.III.4.2 a Initial Airport Assessments

In conjunction with the airport administration contractor, the contractor shall provide an assessment of airport resources, systems, utilities and facilities in place for the control, safety, service and security of aircraft at two international and three domestic airports in Iraq, to be specified by USAID. The assessments shall include an analysis of local and international airport infrastructure requirements - including a limited environmental impact and mitigation assessment -- as well as current conditions, possible future levels of airport performance and a prioritized list of improvements necessary to achieve those various future levels of performance. The contractor shall review systems and facilities required to permit the airports to operate at required current minimal and possible future levels. Any current impediments for achieving future levels of performance shall be noted. The assessment shall be mindful of industry best practice for control and safety of aircraft, personnel and cargo. The assessment shall include a prioritized list of improvements necessary to assure the airports operate in accordance with ICAO standards and requirements. All suggested improvements to meet various future levels of performance shall be accompanied by a cost analysis for the improvements. The local civil aviation authority shall be consulted.

The airport will be turned over to the contractor after DOD demining of the runways and access routes and the immediately adjacent area, and with basic mine and booby trap assessment and demining and ordinance removal on principal airport facilities. The contractor should nonetheless conduct an independent mine and booby trap assessment, ensure potentially mined or booby trapped areas are secured, and undertake any additional measures necessary to establish the safe functioning of the airport.

The contractor will complete airport assessments within two weeks of obtaining access to the airport. It is assumed that assessments will be phased corresponding to available access to the facilities. The focus will be prioritizing those issues and recommendations most directly required for the transport of relief and reconstruction personnel, materials, equipment, and

supplies. Desirable but not priority airport improvements shall be included only when they have the potential to impact negatively on the adequate flow of critical personnel and goods. Initial airport assessments should include an executive summary, a concise background of existing status and conditions, a concise description of constraints (particularly those that may impede the adequate flow of relief and reconstruction materials, supplies, and personnel), and a concise set of recommended solutions to priority constraints. Areas needing further inquiry should be identified provided they have a reasonably direct bearing on improving specific airport infrastructure to meet USAID needs. Initial airport assessments should include an illustrative but reasonably accurate budget for priority improvements and, as feasible, present expenditure options related to increased levels of airport improvement.

C.III.4.2 b Planning Implementation of Airport Improvements

Following completion and approval by USAID of initial airport assessments, the Contractor will prepare a plan for the implementation of recommended airport improvements in conjunction with the airport operations management contractor identifying actions to be taken by each party. This plan shall be submitted to USAID within two weeks for review, comment, and approval.

Plans for airport improvement must give priority to the most immediate improvements required to facilitate the adequate flow of relief and reconstruction materials and personnel. The quantity and quality of proposed improvements should be linked to the quantity and type of relief and reconstruction materials, equipment, supplies and commodities likely to be delivered through the airports. The plan should, as feasible and needed, provide options with respect to the amounts and types of improvements to be made as they relate to the amounts and types of materials and personnel that could be delivered through the airport. As required, plans should identify steps to be taken, along with material and training needs to strengthen national or local management of airport improvements in a sustainable manner. The Contractor shall work closely with the USAID contractor responsible for airport administration.

C.III.4.2c Deliverables/Benchmarks Airports:

1. The Contractor will begin repairs to runways and other critical facilities within 30 days from gaining access to the site.
2. The Contractor shall ensure that the infrastructure at the first international airport to be reconstructed is sufficient to handle international freight and passenger service during both daylight and nighttime hours within 6 months from gaining access to the site.
3. The Contractor shall ensure that the infrastructures of two major International airports are sufficient to handle international freight and passenger service within 12 months of start date. By the end of one year, it is anticipated that international commercial air links and international air connections will be restored.

C.III.4.3 Electric Power Systems:

Under this component, the Contractor will reconstruct, repair, rehabilitate, and/or upgrade the power system including generation, transmission, and distribution in order to restore and improve power supply. The Contractor's assessment should focus on the condition of existing power facilities and systems in-country to identify critical and emergency repairs that will lead

to rapid and significant improvements in the quality and reliability of electricity services. The assessment will include an analysis of the configuration and condition of the power system including power plant capacities and availability; fuel use capabilities; system condition and original sourcing of equipment; system control and operation systems; and transmission and distribution networks and their condition. Information on supply and demand including generation and loss estimates; profile of consumption by customer category, including estimates of unmet demand (if any); load profile including daily and seasonal peaks; estimated geographic distribution of the demand including ethnic groupings and information on distributed generation shall also be included. It is envisioned that by the end of the contract reliable power will be available to at least 75% of the population.

The Contractor will focus immediate repair activities on restoring or maintaining electric supply to key services such as health facilities and water supply systems. Generator sets will be supplied where necessary to restore immediate electric supply, remaining as a back up once grid supply is re-established. It is envisioned that up to 500 generator sets will be required to ensure the immediate functioning of facilities crucial to the health and welfare of the population and in support of humanitarian, relief, and reconstruction activities.

Within 6 months the contractor will be expected to establish reliable electric supply to 40% of the previously serviced population in permissive areas. It is estimated this will entail repair of 15% of the HV & LV distribution network, up to 50 substations, and 5 generation plants. Within 12 months generating capacity will be restored to 75% of the pre 1991 level of 9000 kW and up to 110 substations and 10 generation facilities will be rehabilitated.

C.III.4.4 Roads and Bridges:

This component will reconstruct, repair, rehabilitate, and/or upgrade selected primary and secondary roads that are needed to move goods and services quickly and cost effectively between major population centers. The contractor should focus immediate road and bridge repair on establishing reliable transport links in support of humanitarian, relief, and reconstruction activities. Within 6 months the contractor will have clear and open roads, and key bridges repaired or bypassed, to re-open half the economically important road network, estimated at up to 2,230 kilometers of roads and 100 bridges. Within 12 months it is anticipated that the contractor will ensure that all economically important road network links, estimated at up to 4,476 km, will be clear, and open to regular traffic.

C.III.4.5 Rail Networks:

This component will reconstruct, repair, rehabilitate, and/or upgrade selected fixed and mobile railroad infrastructure that is needed to facilitate the movement of passengers and goods quickly and effectively between major urban and industrial centers. The contractor will be responsible for repairing critical track bed sections, rail bridges, stations, locomotives, rolling stock and other essential infrastructure. The contractor should focus immediate activities in permissive areas on establishing functioning rail transport of bulk grain and fuel, both critical elements to humanitarian, relief, and reconstruction activities.

C.III.4.6 Water, Wastewater, Solid Waste Management Systems:

This component will reconstruct, repair, rehabilitate, and/or upgrade water treatment plants, distribution systems, and pumping stations; wastewater

collection systems, pumping stations, and treatment plants; and solid waste collection equipment and disposal facilities.

Iraq has 250 water treatment plants that service 12.9 million people, 14 wastewater treatment plants, and 1,250 wastewater pumping stations. All systems are currently operating at a highly degraded level of performance, and will likely suffer further degradation as a result of a conflict. The contractor will commence repairs of water infrastructure in 10 urban areas within the first month. Within the first 6 months the contractor will repair or rehabilitate critical water treatment, pumping and distribution systems in 15 urban areas. Within 12 months potable water supply will be restored in all urban centers by the end of the program approximately 45 urban water systems will be repaired and put in good operational condition and environmentally sound solid waste disposal will be established. In approximately 10 urban centers wastewater collection systems will be repaired and treatment systems will be restored to at least primary treatment.

In smaller towns and villages water, wastewater, and solid waste systems will be repaired or rehabilitated as needed and as identified by local development advisors. The Contractor will coordinate closely with USAID health contractors and public international organizations such as UNICEF in assessing the water and sanitation rehabilitation and reconstruction needs.

During the initial 60 days of the program the contractor will focus its water sector activities on ensuring the provision of potable water supplies to the population of Southern Iraq. Water is supplied in this region through several mechanisms - piped water systems, trucked water, and commercially supplied bottled water. It is anticipated that disruptions to electric supply, as well as possible damage to supply and distribution systems will severely compromise the integrity of piped water systems during the initial stages of the program. Moreover, populations served by trucked and bottled water could find transportation routes, or supply sources, disrupted. An immediate critical priority in the dry regions, and the marsh region where potable water is available only by trucks, will be re-establishing distribution of potable water to the population. The contractor should use every means possible to restore potable water supplies to this region. A separate USAID program being implemented by USAID/OFDA/CDM will be addressing water supplies for Internally Displaced Persons. The contractor should liaise with this program, determine the gaps in potable water supply for the remainder of the Southern Iraq population, and implement a program to fill those gaps on an emergency basis.

C.III.4.7 Schools, health facilities and selected local government buildings:

Iraq has 270 general hospitals, 5 medical college hospitals, 33,000 hospital beds, and 995 civilian primary medical care centers. 9,400 physicians service a population of 25 million with only limited support of health paraprofessionals. USAID's goal, in collaboration with international organizations, is to fulfill the basic health needs (immunizations, maternal health, treatment of major childhood illnesses, emergency and primary response to illness and trauma, and functioning referral hospital in the major cities) to the Iraqi population within 12 months through provision of medical supplies and equipment, direct health service delivery, public education, and rehabilitation of health infrastructure.

In support of this effort, the contractor will repair and/or rehabilitate one referral hospital in each major city, establishing within them the infrastructure to support advanced medical and surgical services for critical

cases, up to 100 general hospitals throughout the country, and selected Ministry of Health buildings. The total number of facilities across all sectors will be determined at a later date based upon need and on the availability of funding. Priorities will be established in conjunction with USAID, other donor supported health initiatives, and local health officials. Immediate activities will be focused on supporting initiatives to address critical immediate health care. A USAID supported program to provide medical supplies and re-establish basic health care will be operational throughout the country. The contractor should coordinate closely with this and other international programs as well as local health officials in identifying priority needs in facility rehabilitation.

There are over 11,000 schools throughout Iraq. Over 80% of these are in poor physical condition, lacking the basic amenities conducive to effective education. A USAID supported program to re-invigorate education with modern educational materials and techniques and expand literacy will be operational throughout the country. The contractor should coordinate with this program, as well as local officials, USAID and DOD local development staff, and the Ministry of Education in determining priorities and needs. Within 6 months the contractor will repair or rehabilitate up to 3000 school buildings. Within 12 months the contractor will repair or rehabilitate up to a total of 6,000 school buildings and selected Ministry of Education buildings.

C.III.4.8 Irrigation Systems:

USAID's strategy for revitalization of the rural sector focuses on restoring national food security requirements through rehabilitation of agricultural production. Agriculture production in Iraq has been seriously degraded during the last decade. Current grain production of 2 mmt is less than half that required to meet minimum grain needs. The current irrigated crop area of 1.5 million hectares is less than half the area irrigated in the 1980's. USAID agricultural programs will provide agricultural inputs and assist in establishing market based food distribution systems. In support of these efforts the contractor will repair or rehabilitate up to 1000 kms of irrigation and drainage canals and up to 400 flow control structures. The contractor will work with USAID agricultural program staff in determining priority needs for repair.

C.III.5 Institutional Strengthening

The Contractor shall involve, to the extent practicable, existing government institutions and utilities in the implementation of the repair and rehabilitation activities while at the same time laying the foundation for policy, institutional, and financial reforms.

In order to ensure the sustainability of program activities, the Contractor shall provide technical assistance and training to build the capacity for effective operation and maintenance of the electric power system; roads and bridges; railroad infrastructure; potable water and wastewater treatment facilities; solid waste management services; schools and health facilities; irrigation systems, and selected local government buildings.

The Contractor shall also develop a restructuring and reforms roadmap, which will identify future longer-term needs and investments to sustain the operations of the above sectors both financially and institutionally.

C.III.6 Project Management

C.III.6.1. Subproject Implementation

The preferred method of subproject implementation will be direct subcontracting with private subcontractors. On a case by case basis USAID will consider permitting: (I) the contracting of foreign government owned organizations in instances where private firms are not available or qualified to meet the requirements of the project; and/or (II) the use of grants to qualified NGOs as the most effective mechanism to realize reconstruction efforts. Prior USAID approval is required in accordance with 22 CFR 228 and/or ADS 302.5.4 in order to use foreign government owned organizations or subgrants.

C.III.6.2. Job Orders

Job Orders will be issued for all infrastructure repairs, renovation, and/or upgrading activities and any related procurement of equipment, supplies and materials as required. The Job Order will be a letter or other written communications signed by the Contracting Officer or a duly warranted Administrative Contracting Officer with the technical concurrence of the Cognizant Technical Officer and will authorize the Contractor to proceed to implement the activity under CLIN 0010. A Job Order does not add funding to the contract. Each Job Order will: I) be sequentially numbered; II) include a Work description, benchmarks, detailed budget, and any consent to subcontract if known; and III) include funding (full or incremental) for that effort or "Work."

The Contractor will submit to the Contracting Officer with copy to the CTO a written request for the approval of a Job Order. In addition to a description of the work to be carried out, benchmarks, subcontractors (if known), and a detailed budget, the request should include:

- The need, availability and value of a performance or payment bond
- Specific performance or quality standards
- Environmental review conclusions and recommended actions
- O&M issues and recommended actions; and/or
- If applicable, whether a foreign government owned organization or subgrant would be used.

The USAID Contracting Officer may issue unilateral Job Orders based on the information received in an assessment or implementation plan with ceiling costs when deemed necessary to effect a rapid intervention. An example could be repair of an airport runway.

If the Contractor finds that it cannot proceed with a subcontract or purchase of goods/services as described in the approved Job Order for reasons beyond its control, the Contractor must seek and obtain written approval by the Contracting Officer with technical concurrence from the CTO. USAID shall not be liable for any costs incurred by the Contractor in excess of that contained in the Job Order.

C.III.6.3. Cost Control Reporting System.

The Contractor shall develop a cost control reporting system including financial data required by USAID to monitor progress of cost versus budget for each task and project in the total program. The ability to forecast cost based on changes in project conditions is essential as each element

progresses through its various stages. This includes the provision of "look ahead" schedules, "earned value" analysis and simulations capable of depicting "what if" scenarios.

C.III.6.4. Quality Control (QCP) and Quality Assurance (QAP) Programs

The Contractor's Quality Control Program (QCP) shall be an integral component of the management of construction activities and its Quality Assurance Program (QAP). The Contractor shall develop and submit to USAID for approval a comprehensive listing of criteria for development of the QCP. The clear authority to stop work of subcontractors under the project shall be evident. The Contractor shall audit the QAP as established by each subcontractor.

C.III.6.5. Demining

As with any post-war reconstruction program, the problem of land mines, booby traps and unexploded ordnance will require extreme vigilance and specific measures to reduce risk to construction workers, program monitors and other individuals involved in project implementation. Since many of the projects will be in former areas of conflict, it must be assumed that landmines will be present and that special provisions must be made for their clearance. DOD will establish a Mine Action Center to advise civilian organizations of known mine areas.

The contractor will undertake an initial de-mining assessment for each approved project site to determine the potential presence of mines. The contractor will use all available sources of information such as the DOD Mine Action Center, local civilian and military officials, community leaders, and local citizens in assessing the potential for mines. If it is determined that the site requires de-mining, the contractor will conduct de-mining to a reasonable level of confidence before undertaking any construction or repair work.

De-mining assessments will be incorporated as a direct cost to the construction contract. The de-mining of project sites will be attributed to the cost of implementation of the individual project and will be incorporated into any Job Order.

Despite official designation and notification that an area or community is free from mines, booby traps and UXO, the possibility still exists that some mines or ordnance could remain hidden or undiscovered. Except as otherwise provided in this contract, the Contractor assumes all such risks. Therefore, the Contractor shall, in addition to Defense Base Act (DBA) insurance, carry other appropriate "all risk" insurance against potential liabilities for accidents due to the presence of landmines, UXO, or other dangers in Iraq, when such insurance is available on commercially reasonable terms and conditions. The cost of such insurance shall be reimbursable under the contract, provided that such cost is reasonable and the Contractor shall make every effort to obtain the most cost effective coverage.

C.III.6.6. Contractors Construction Manual

The Contractor shall prepare a construction manual that will set forth guidelines and requirements for the subcontractor's working relationship with the Contractor. All standard forms required by USAID shall be included in this manual as well as the appropriate procedures and forms that the Contractor may propose to facilitate the monitoring of the contracts. This manual should be provided to each subcontractor in a language the subcontractor understands at the time each subcontract is executed.

C.III.6.7. Construction Risk Management Program (CRMP)

The Contractor shall develop and submit for USAID approval a Construction Risk Management Program (CRMP). The CRMP will establish a "base-line" or prior existing conditions on the work sites and those areas adjacent or otherwise to the work sites which can be affected in some manner by the work activities. A CRMP may not be required where the project is restricted to replacement of equipment.

The CRMP shall include, but not limited to the survey, measurement and recording of the following parameters as may be appropriate to the project: ground and structural elevations; ground water levels; soil conditions; vertical alignment of structures and other conditions affecting construction.

The Contractor shall participate together with representatives of its subcontractors and USAID in regular monthly examinations of the "base-line" conditions and shall maintain a log of the values recorded and photos taken during these examinations, in such a fashion that comparison with previous values recorded can easily be done and trends readily identified. The Contractor shall regularly review the subject logs and immediately discuss with the pertinent subcontractors and USAID, any finding determined to require consideration of a change in method of construction or some remedial action.

C.III.6.8. Subcontractor Notices to Proceed and Notices to Commence

The Contractor shall prepare and issue Notices to Proceed and Notices to Commence Construction to the subcontractor, as necessary. Prior to issuing any Notice to Commence, the Contractor shall certify that, in accordance with the pertinent contract, the subject subcontractor has submitted a Quality Assurance Program (QAP) and CRMP for the work involved and the Contractor has approved it. Any third tier subcontractors need be specified.

C.III.6.9. Safety Program

The Contractor shall audit/monitor all Safety Program procedures.

C.III.6.10. Security

The Contractor shall develop a security plan to safeguard all project operation and to comply with all United States Government regulations. The plan is to be implemented and maintained by all subcontractors as well.

Deployment into Iraq will not occur until a secure environment is available. The Contractor will be responsible for providing communications equipment compatible with USG frequencies, vehicles for staff equipped with GPS transmitters, and security for in-country staff, office(s) and expatriate residence(s).

Special Security Conditions: U.S. Citizenship is required of key personnel selected to perform under this Contract. At a minimum an "Interim Secret" personnel security clearance issued by the Department of Defense will be required before the issuance of a USAID/RRB Badge or permission to proceed to Post is granted for key personnel. USAID/SEC will be responsible for validating security clearances of all proposed/selected key personnel and will work with the Facility Security Officer of the selected company to transmit security clearance data to U.S. Officials abroad where access to restricted sites and/or facilities is necessary to accomplish the task(s) outlined in this SOW. No classified information will be provided to the contractor for the purpose of review, work, or storage at the contractor's

facility. All access will occur at the Government's facility either within the U.S. or overseas.

No duplication or retransmission of Classification National Security Information is permitted by the contractor without written authorization from the designated USAID CTO who him/herself must possess a valid "Secret or Top Secret" security clearance. Any public release of information regarding this award must be approved in advance of release by the USAID Mission Director/Representative or the Contracting Officer (refer to Section H.10 of this contract for specific security guidance).

C.III.6.11. Inspection, Measurement and Construction Monitoring

The Contractor shall inspect, measure and monitor all materials and equipment testing, and all construction activities associated with this project to verify that all work is executed in accordance with the contract conditions and is consistent with good engineering practices. In this regard, the Contractor shall:

- a. Provide qualified management, technical and clerical on-site staff that is necessary to perform all services related to this contract
- b. Develop and maintain a Unit Cost Database to provide unit cost information for use in cost estimating and analyzing subcontractor cost proposals. The initial version of the database shall be completed by the end of the fourth month of the contract and must take into consideration the differences in unit costs for the various regions of the country based upon terrain, distances and current labor rates for an area. The Unit Cost Database shall be updated monthly.
- c. Review the design, specifications of materials, investigation reports and other technical documentation submitted by a subcontractor.
- d. Review the subcontractor's Critical Path Method (CPM) construction schedules for compliance with the subcontract documents, and accept or reject the subcontractor's CPM construction schedules. The Contractor shall integrate the subcontractors' CPM schedules into the Project Implementation Plan and Schedule.
- e. (a) Hold meetings with the subcontractors, as necessary, which may be attended by USAID representatives to review the progress of work, record and distribute minutes and decisions.

(b) Hold weekly meetings with USAID engineers and CTO to keep them informed on current problems and construction plans.
- f. Provide proper training for host country personnel employed by the Contractor in maintaining proper records for monitoring construction projects to ensure they meet USAID requirements.
- g. Review subcontractor submittals for compliance with the contract documents or specifications. Accurate records shall be maintained relative to date due, date received, date review completed, date returned and/or any action required.

- h. Conduct, as necessary, inspections of the project site to determine the environmental setting and assess the potential for impact as a result of project implementation.
- i. Receive, review and ultimately approve, the following documentation:
 - Environmental certification;
 - Implementation plans and schedules;
 - Operating and maintenance manuals;
 - Quality assurance programs;
 - Dilapidation surveys;
 - Safety program and procedures;
 - Subcontractor procurement programs;
 - Start-up procedures;
 - Guarantees and warranties;
 - Certificates of inspection which are to be provided by the subcontractors in accordance with their contract documents; and
 - Other documents submitted by subcontracts in accordance with their contract documents.
- j. Periodically inspect and verify monuments, control lines, coordinates and benchmarks, which constitute the principal survey references for the Work sites.
- k. Inspect and verify the location, dimensions, and orientation of road lines, facilities and structures.
- l. Monitor work performed by the subcontractors for compliance with the drawings, specifications, contract documents and acceptable engineering practices. Take such action, as is appropriate, to require each subcontractor to carry out acceptable corrective measures when required. Issue Defect Notices and Cure Letters, if required.
- m. Prepare necessary sketches, designs and cost estimates for changes.
- n. Review, approve and monitor Subcontractor's Quality Assurance Programs (QAP) established for each project site. This program will cover the inspection and tests of all materials and equipment, as well as all construction activities related to the project. It will be the subcontractors' responsibility to arrange for inspection and testing of materials and equipment by an inspection service satisfactory to the Contractor. The Contractor shall supervise inspections and testing.
- o. Review and note any exceptions, which are taken relative to the results of the on-site inspection program and QAP. Instruct subcontractors to take the actions necessary to resolve any exceptions, which are noted and report such activities in the Monthly Progress Report.
- p. Make regular measurements of all quantities of work performed by subcontractors.
- q. Develop and maintain a comprehensive, up to date Materials and Equipment Inventory, Financial, and Project Status Tracking System. This system shall be developed by the end of the fourth month of the contract. The system should be all inclusive in enabling the Contractor to inventory equipment, provide financial information on Contractor procured materials and equipment, identify distribution of

materials and equipment, identify location ownership and utilization status, provide subcontract project implementation status and provide financial information on subcontractor payments.

- r. Maintain at each Field Office an Inspector's Daily Log and other records pertinent to the subject project.
- s. Prepare and maintain comprehensive construction progress photo albums at each field office. Photos shall be taken on a regular monthly basis or shorter intervals as deemed prudent. Each photo is to be identified as to project, location, activity/subject matter, date, time and photographer. Duplicate albums are to be maintained at the Contractor's principal office
- t. Monitor for compliance the Construction Risk Management Program (CRMP) implemented by each subcontractor. On a frequent basis, not more than 30 calendar day periods, inspect with the pertinent subcontractors the "base-line" data established under their respective CRMP. Log the findings provided by the subcontractors. Alert USAID if there are significant changes taking place and make recommendations as to what action, if any, should be taken.
- u. Maintain a complete set of "marked-up" drawings of the project. The Contractor shall compare these drawings with the final "As-Built" Record Drawings to be submitted by the subcontractors and reconcile any inconsistencies.
- v. Conduct a Final Inspection and Performance Evaluation for each of the subcontracts. A team of experts, selected from the Contractor's staff, shall evaluate the technical performance of the project, and examine all work for completion and conformance to contract requirements. Witness all final performance tests. All final inspections and/or performance tests shall be performed in the presence of USAID representatives, at USAID's discretion. USAID will be given written notice not less than seven (7) calendar days prior to any final inspections and /or performance tests. However, in the event that the representatives of USAID are not available for a period in excess of fourteen (14) calendar days from the date of the written notification, the Contractor shall proceed to perform the necessary inspections and tests without USAID's presence being required. USAID has the right to invite Iraqi counterparts and/or end users to participate during the Final Inspection. The completion report shall include a final inspection certificate and, if appropriate, a Recommendation of Final Acceptance. Two (2) copies of this report shall be supplied to USAID. Perform final inspections of all components and portions of the work for compliance with final punch list. Amend the Site Completion Report with the resolution of final list items.

C.III.6.12. Unit Acceptance-Project Turn-over and Warranty Period:

The contractor shall ensure that all equipment, systems and construction have a one year after turn-over warranty and this warranty is supported by and the responsibility of the subcontractor. Bank guarantee (value of 10% of subcontracted amount), if possible, is to be kept as a guarantee that the warranty activities will be performed when requested. In accordance with procedures approved by USAID, all turn over of completed projects to the proper authorities will be with the appropriate one-year warranty.

C.III.6.13 Environmental Review

The Contractor will be responsible to ensure that all activities undertaken in this program meet the standards set out in U.S. Government environmental regulations 22 CFR 216. Since the majority of the projects will likely involve repair, rehabilitation, upgrading, or expansion of existing facilities, it is not expected that negative environmental impacts will be frequent or significant. Nonetheless all project activities must be reviewed for environmental impact and mitigating actions incorporated into the project design where potential negative impacts are identified. The contractor will not be required to obtain USAID clearance on environmental reviews and mitigation plans. However, environmental review conclusions and mitigating actions where appropriate will be incorporated in Job Orders and reviewed by the CTO and Contracting Officer. The contractor will be required to have on file complete documentation of environmental review and monitoring on each project that will be subject to review by USAID.

SECTION D - PACKAGING AND MARKING

D.1 AIDAR 752.7009 MARKING (JAN 1993)

(a) It is USAID policy that USAID-financed commodities and shipping containers, and project construction sites and other project locations be suitably marked with the USAID emblem. Shipping containers are also to be marked with the last five digits of the USAID financing document number. As a general rule, marking is not required for raw materials shipped in bulk (such as coal, grain, etc.), or for semi-finished products which are not packaged.

(b) Specific guidance on marking requirements should be obtained prior to procurement of commodities to be shipped, and as early as possible for project construction sites and other project locations. This guidance will be provided through the cognizant technical office indicated on the cover page of this contract, or by the Mission Director in the Cooperating Country to which commodities are being shipped, or in which the project site is located.

(c) Authority to waive marking requirements is vested with the Regional Assistant Administrators, and with Mission Directors.

(d) A copy of any specific marking instructions or waivers from marking requirements is to be sent to the Contracting Officer; the original should be retained by the Contractor.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 INSPECTION AND ACCEPTANCE

USAID inspection and acceptance of services, reports and other required deliverables or outputs shall take place at USAID or at any other location where the services are performed and reports and deliverables or outputs are produced or submitted. The CTO listed in Section G.3 has been delegated authority to inspect and accept all services, reports and required deliverables or outputs.

E.2 52.246-3 INSPECTION OF SUPPLIES--COST-REIMBURSEMENT (MAY 2001)

(a) Definitions. As used in this clause--

"Contractor's managerial personnel," means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of--

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operation at a plant or separate location where the contract is being performed; or
- (3) A separate and complete major industrial operation connected with performing this contract.

"Supplies," includes but is not limited to raw materials, components, intermediate assemblies, end products, lots of supplies, and, when the contract does not include the Warranty of Data clause, data.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies, fabricating methods, and special tooling under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test the contract supplies, to the extent practicable at all places and times, including the period of manufacture, and in any event before acceptance. The Government may also inspect the plant or plants of the Contractor or any subcontractor engaged in the contract performance. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) Unless otherwise specified in the contract, the Government shall accept supplies as promptly as practicable after delivery, and supplies shall be deemed accepted 60 days after delivery, unless accepted earlier.

(f) At any time during contract performance, but no later than 6 months (or such other time as may be specified in the contract) after acceptance of the supplies to be delivered under the contract, the Government may require the Contractor to replace or correct any supplies that are nonconforming at time of delivery. Supplies are nonconforming when they are defective in

material or workmanship or are otherwise not in conformity with contract requirements. Except as otherwise provided in paragraph (h) below, the cost of replacement or correction shall be included in allowable cost, determined as provided in the Allowable Cost and Payment clause, but no additional fee shall be paid. The Contractor shall not tender for acceptance supplies required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(g) (1) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, the Government may--

- (i) By contract or otherwise, perform the replacement or correction and charge to the Contractor any increased cost or make an equitable reduction in any fixed fee paid or payable under the contract;
- (ii) Require delivery of undelivered supplies at an equitable reduction in any fixed fee paid or payable under the contract; or
- (iii) Terminate the contract for default.

(2) Failure to agree on the amount of increased cost to be charged to the Contractor or to the reduction in the fixed fee shall be a dispute.

(h) Notwithstanding paragraphs (f) and (g) above, the Government may at any time require the Contractor to correct or replace, without cost to the Government, nonconforming supplies, if the nonconformances are due to (1) fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel or (2) the conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(i) This clause applies in the same manner to corrected or replacement supplies as to supplies originally delivered.

(j) The Contractor shall have no obligation or liability under this contract to replace supplies that were nonconforming at the time of delivery, except as provided in this clause or as may be otherwise provided in the contract.

(k) Except as otherwise specified in the contract, the Contractor's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

E.3 52.246-5 INSPECTION OF SERVICES--COST-REIMBURSEMENT (APR 1984)

(a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by re-performance, the Government may (1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and (2) reduce any fee payable under the contract to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may (1) by contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances or (2) terminate the contract for default.

**E.4 52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT
(FEB 1999)**

The Contractor shall comply with the higher-level quality standard selected below. Design and construction shall be in accordance with internationally recognized building and safety codes, ordinances and standards applicable to the project site, including but not limited to:

Air Conditioning and Refrigeration Institute (Ari)
 Air Movement and Control Association (Amca)
 American Architectural Manufacturers Association (Aama)
 American Concrete Institute (Aci)
 American Institute Of Steel Construction (Aisc)
 American Iron and Steel Institute (Aisi)
 American National Standards Institute (Ansi)
 American Society of Heating, Refrigeration and Air Conditioning
 Engineers - Guide and Data Books (Ashrae)
 American Society of Mechanical Engineers (Asme)
 American Society of Plumbing Engineers (Aspe)
 American Society of Sanitary Engineers (Asse)
 American Society for Testing and Materials (Astm)
 American Standards Association (Asa)
 American Water Works Association (Awwa)
 American Welding Society (Aws)
 Associated Air Balance Council Standards (Aabc)
 Concrete Reinforcing Steel Institute (Crsi)
 Department of the Army, Coe, Handbook for Concrete And Cement
 Door and Hardware Institute (Dhi)
 Federal Specifications (Fs)
 Federal Standards (Fed-Std)
 Flat Glass Marketing Association (Fgma)
 Illuminating Engineering Society Lighting Handbook (Ies)
 Institute Of Electrical and Electronics Engineers (Ieee)
 National Association of Plumbing-Heating-Cooling Contractors
 (Naphcc)
 National Electric Code (Nec)
 National Electrical Manufacturers Association (Nema)

National Electrical Safety Code (Nesc)
National Environmental Balancing Bureau (Nebb)
National Fire Protection Association Codes and Standards (Nfpa)
National Hardwood Lumber Association (Nhla)
National Standard Plumbing Code
Manufacturers Standardization Society of the Valve And Fittings
Industry (Mss)
Military Specifications (Ms)
Sheet Metal and Air Conditioning Contractor's National
Association (Smacna)
Steel Deck Institute (Sdi)
Steel Door Institute (Sdoi)
Steel Structures Painting Council (Sppc)
Underwriters Laboratories (Ul)
Uni-Bell Pvc Pipe Association (Ubppa)
Uniform Building Code, 1994 Edition Including Current Revisions
(Ubc)
U.S. Department of Commerce, National Bureau of Standards (Nbs)
Handbook
U.S. Army, Corps of Engineers Handbook & Guide Specifications

SECTION F - DELIVERIES OR PERFORMANCE**F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2, CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
52.242-15	STOP JOB ORDER	(AUG 1989)
	ALTERNATE I	(AUG 1984)
52.242-15	F.O.B. DESTINATION WITHIN CONSIGNEE'S PREMISES	(AUG 1984)

F.2 DELIVERY SCHEDULE

For the purpose of this letter contract deliveries are completion of job orders. As such, each delivery date will be definitized through the negotiation of each job order.

F.3 PERIOD OF PERFORMANCE

- (a) The letter contract shall be definitized within 30 days after the date of the letter contract or before completion of 40 percent of the work to be performed, whichever occurs first.
- (b) The period of performance for this contract is from award through 12/31/2004.

F.4 PERFORMANCE STANDARDS

Evaluation of the Contractor's overall performance will be conducted jointly by the CTO and the Contracting Officer, and shall form the basis of the Contractor's permanent performance record with regard to this contract. Standards of the infrastructure reconstruction/construction, rehabilitation, repair and/or upgrading shall be in accordance with internationally accepted standards for the type of work undertaken and/or equipment furnished. The Contractor will ensure that its subcontracts require the applicable standards as well any directed by the CTO, and that work is completed in compliance with those standards.

F.5 REPORTS AND DELIVERABLES OR OUTPUTS

In addition to the requirements set forth for submission of reports in Section I and the AIDAR clause 752.242-70, Periodic Progress Reports, the Contractor shall submit the following deliverables or outputs to the CTO specified in Section G.3.

- (i) Approximately 60 Assessments conducted;
- (ii) Approximately 36 implementation plans prepared and submitted;
- (iii) Up to 5 airports rehabilitated/reconstructed/repaired/upgraded;

- (iv) Umm Qasr port dredged, rehabilitated, reconstructed, repaired, and/or upgraded;
- (v) 15% of high voltage and low voltage distribution network repaired;
- (vi) Up to 110 substations repaired;
- (vii) Up to 10 generation facilities rehabilitated;
- (viii) Approximately 2000 kilometers of hard surface and gravel roads repaired/rehabilitated/reconstructed;
- (ix) Up to 100 destroyed or damaged bridges rehabilitated/reconstructed/repared/upgraded;
- (x) Critical track bed sections, rail bridges, stations, locomotives, rolling stock and other essential railway infrastructure repaired to basic functioning levels (locations, quantity and type to be determined);
- (xi) Up to 45 urban water systems repaired and in good operational condition;
- (xii) Up to 45 municipal solid waste disposal systems established and environmentally sound;
- (xiii) Up to 10 urban waste water collection systems repaired and treatment restored to at least primary treatment;
- (xiv) To be determined number of small towns' and villages' water, waste water and solid waste systems established, restored, repaired, rehabilitated, and/or reconstructed and in good operational condition and environmentally sound;
- (xv) To be determined number of sites in Southern Iraq provided with potable water;
- (xvi) Up to 1000 kilometers of irrigation and drainage canals clean or rehabilitated;
- (xvii) Up to 400 flow control structures repaired or reconstructed;
- (xviii) Approximately 100 general hospitals reconstructed, repaired, rehabilitated or upgraded;
- (xix) Approximately one referral hospital in each major city reconstructed, repaired, rehabilitated or upgraded;
- (xx) To be determined number of Ministry of Health buildings reconstructed, repaired, rehabilitated or upgraded;
- (xxi) Approximately 6000 schools reconstructed, repaired, rehabilitated or upgraded;
- (xxii) To be determined number of Ministry of Education buildings reconstructed, repaired, rehabilitated or upgraded;
- (xxiii) Technical Assistance provided to build local capacity for effective operations and maintenance of electric power system, roads, bridges, railroad infrastructure, potable water and waste water treatment facilities, solid waste management services, school, hospitals, health clinics, and selected Ministry of Health and Education buildings; and
- (xxiv) Restructuring and reforms roadmaps developed to identify future longer term needs and investments to sustain the operations of the Umm Qasr port, airports, roads, bridges, rail networks, water, wastewater, solid waste water management systems, schools, hospitals, clinics, and selected Ministry of Health and Education buildings, and irrigation systems.

F.6 PROGRESS REPORTING REQUIREMENTS

1) Monthly Progress Reports:

The Contractor shall submit five (5) copies of a monthly progress report to the CTO not later than the tenth working day following the end of the month. The report shall, as a minimum requirement, include the following:

Executive Summary of current activities. Presentation of Job Order problem areas with recommendations for resolving these problems and corresponding schedules for their resolution. Problems requiring USAID intervention should be highlighted. Anticipated activities for the coming month. Presentation of progress accomplished versus progress scheduled. When appropriate, a discussion is to be included for any significant, potential or actual, slippage in schedule and the steps being taken to avoid or make recovery. Subject reports shall be supported, as required, by tables, charts, financial information, selected photographs, or other information that will contribute to a concise, yet comprehensive report.

2) Quarterly Progress Reports:

The Contractor shall submit Quarterly Progress Reports to the CTO not later than fifteen (15) days following the end of the reporting period. Quarterly Progress Reports shall be similar in format to the Monthly Progress Reports, but shall not be in as great detail.

3) Monthly Financial Summary:

The Contractor shall submit monthly financial summaries for their contract and each subcontract showing disbursements and accruals to-date, budget estimate, subcontract obligation, change orders, anticipated change orders and estimated cost to complete. The Monthly Financial Summaries shall be submitted to the CTO and Contracting Officer not later than the tenth working day following the end of the month.

F.7 LEVEL OF EFFORT

The contractor shall devote TBD person-days level of effort of direct employee, consultant, or subcontractor labor for the period specified in the clause, Period of Performance, above. Once the level of effort has been fully expended, this contract is complete.

F.8 KEY PERSONNEL

A. The key personnel which the Contractor shall furnish for the performance of this contract are as follows:

Name	Title
------	-------

(b) (6)

(b)(6)

B. The personnel specified above are considered to be essential to the work being performed hereunder. Prior to replacing any of the specified individuals, the Contractor shall immediately notify both the Contracting Officer and USAID Cognizant Technical Officer reasonably in advance and shall submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. There shall be no replacement of personnel without the written consent of the Contracting Officer.

F.9 SUBMISSION OF DEVELOPMENT EXPERIENCE DOCUMENTATION TO PPC/CDIE/DI

USAID contractors must submit one electronic and/or one hard copy of development experience documentation (electronic copies are preferred) to the Development Experience Clearinghouse at the following address.

Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111

Telephone Number 703-351-4006, ext. 100
Fax Number 703-351-4039
E-mail: docsubmit@dec.cdie.org
<http://www.dec.org>

F.10 CONSTRUCTION AND CONSTRUCTION RELATED SERVICES**F. 10.1 DESIGN AFTER AWARD****F.10.1.1 General**

These requirements apply when a Job Order includes Design-Build services to produce or complete a construction design.

F.10.1.2 Fast Track

The Contractor may use the "fast track" method for the design and construction of the project, unless otherwise restricted in the Job Order.

F.10.1.3 Design Ordering

The Job Order will designate the minimum number and composition of design submittal phases. The Contractor shall then schedule the number and composition of the design submittal phases. A maximum of 10 design submittals may be submitted for each design stage. Design submittals may be required at the preliminary (50%) and final (95%) design stages and at the design complete stage. The requirements of each design stage will be indicated in the underlying Job Order. The Contractor shall reflect the number and contents of the design submittal phases in the progress charts. The Contractor shall not perform any construction work until the 95% comments for each submittal have been incorporated into the design, unless specifically authorized by the CTO.

F.10.1.4 Design Pre-Work Conference

As part of the Pre-work Conference conducted after award of the Work Order, the USAID CTO as well as other technically qualified representatives of the US Government and the Contractor shall review the design submission and review procedures specified in the Work Order. They will also discuss the preliminary design schedule and provisions for phase completion of the Design documents and material submittals with construction activities (fast tracking). Appropriate USAID Design Review personnel and other key personnel will attend the conference.

F.10.1.5 Design Schedule

Unless otherwise provided for in the Job Order (JOB ORDER), within 10 days of issuance of the JOB ORDER the Contractor shall submit for approval a complete design schedule with all submittals and review times indicated in calendar dates. The Contractor shall update this schedule monthly. If a submittal date will not be met, the Contractor shall notify the CTO, in writing, one (1) week prior to the scheduled submittal date. Failure to do so will increase the Government review time by seven (7) days.

F.10.1.6 Progress Charts

As part of the contract requirement for preparation of the Design and Construction Schedule, the Contractor shall include submission of a design progress chart to the CTO. This portion of the schedule shall show, as a percentage of the total design price, the various items included in the design and the order in which the Contractor proposes to carry on the work, with dates on which he will start the features of the work and the contemplated dates for completing same. Significant milestones, such as review submittals, shall be annotated. The Contractor shall assign

sufficient technical, supervisory and administrative personnel to insure the prosecution of the work in accordance with the progress schedule.

The Contractor shall correct the progress schedule at the end of each month and shall deliver two copies to the Contracting Officer. Inasmuch as monthly partial payments to the Contractor are based to a large extent on the progress schedule, the Contractor must make realistic monthly corrections to the best of its ability.

F.10.1.7 Delivery Of Submittals

Deliver all submittals to the Government during design and construction electronically and in hard copy, unless otherwise indicated in each Job Order. Each submittal shall include a transmittal letter, indicating the date, design percentage, type of submittal, list of items submitted, transmittal number and point of contact with telephone number.

F.10.1.8 Government Review Comments

For each design review submittal, the CTO will furnish the Contractor comments from USAID and from other concerned agencies involved in the review process. The review will be for conformance with the technical requirements of the Job Order. Unless otherwise provided for in the Job Order, the Government will take, after receipt, fourteen (14) days to review and comment on each 50% design submittal and twenty-one (21) days to review and comment on each 95% design submittal, except as noted below. If the Contractor disagrees technically with any comment or comments and does not intend to comply with the comment, he must clearly outline, with ample justification, the reasons for noncompliance within five (5) days after receipt of these comments in order that the comment can be resolved. The Contractor shall furnish disposition of all comments, in writing, with the next scheduled submittal. The Contractor is cautioned in that if he believes the action required by any comment exceeds the requirements of this contract, that he should take no action and notify the CTO and Contracting Officer in writing immediately. Review conferences will be held for each design submittal at a location designated by the CTO. The Contractor shall bring the personnel that developed the design submittal to the review conference. These conferences will take place the week after the Government review period.

F.10.1.9 Drawings

When required by the Job Order, prepare all drawings on Computer-Aided Design and Drafting (CADD) so that they are well-arranged and placed for ready reference and so that they present complete information. **If CADD is not required by a Job Order, provide full-size and/or half-size drawings, as dictated in the Job Order.** Prepare the drawings with the expectation that the USAID, in the role of supervision, will be able to construct the facility without any additional assistance from the Contractor. Drawings shall be complete. Unnecessary work such as duplicate views, notes and lettering, and repetition of details shall not be permitted. Do not show standard details not applicable to the project, and minimize unnecessary wasted space. Do not include details of standard products or items which are adequately covered by specifications on the drawings. Detail the drawings such that conformance with the JOB ORDER can be checked and to the extent that shop drawings can be checked. Do not use shop drawings as design drawings. The design documents shall consist of drawings on a 24" x 36" format. Submit an index of drawings

with each submittal. The Contractor will furnish the Contractor file, drawing and specification numbers and CADD file names for inclusion in the title blocks of the drawings.

Submit all Design Complete CADD files on CD ROM.

Unless otherwise stated in the Job Order, building drawings shall consist of 1/8" scale minimum floor plans. Draw elevations to a 1/8" scale and other visual information as required. Draw building wall sections at a minimum of 3/8" scale.

Use a minimum scale of 1" = 30' for the site and exterior utility drawings, unless otherwise indicated. Use one drawing sheet for the overall site plan for this project.

F.10.2 SURVEYING & MAPPING

F.10.2.1 General:

When included in the Job Order, the Contractor shall provide any necessary land surveys. All land surveying and mapping shall be accomplished under the direction of a Registered Land Surveyor. Construction layout surveys may be accomplished by qualified survey personnel other than a registered surveyor, but any benchmarks or control surveys must be performed by a registered surveyor.

The Contractor shall complete and submit with field books, the field adjustment computation sheets. Also furnish a sketch of the traverse in an 8 1/2" x 11" sheet of paper, showing the proper orientation of the traverse.

F.10.2.3 Mapping Accuracy Requirements:

The mapping shall meet the minimum standards for control surveys, National Map Standards as described in the Survey Manual.

F.10.2.4 Submittals:

Deliver the following items upon the completion of surveying and mapping:

- Field books and adjusted computation sheets.
- Sketch of traverse (8 1/2 x 11).
- Station descriptions.
- Completed Survey Drawings
- Tabulated listing of core drill hole positions.
- GPS log sheets.
- Satellite range data observations diskettes.
- Baseline processing sheets.

F.10.3 CODES AND CONSTRUCTION STANDARDS

Design and construction shall be in accordance with internationally recognized building and safety codes, ordinances and standards applicable to the project site as listed in section E.4.

CONTRACTOR QUALITY CONTROL (CQC)

The Contractor is responsible for quality control and shall establish and maintain an effective quality control system in compliance with the Contract Clause entitled "Inspection of Construction." The quality control system

shall consist of plans, procedures, and organization necessary to produce an end product which complies with the Job Order/contract requirements. The system shall cover all construction and design operations, both onsite and offsite, and shall be keyed to the proposed construction or design-construction operations sequence. The project superintendent will be held responsible for the quality of work on the Work and is subject to removal by the CTO for non-compliance with quality requirements specified in the contract. The project superintendent in this context shall mean the on-site individual with the responsibility for the overall management of the project including quality and production.

F.10.4 QUALITY CONTROL PLAN

F.10.4.1 General

The Contractor shall furnish for review by the Government, not later than 30 days after contract award, the CQC Plan proposed for the overall contract (Generic Plan). A Job Order specific plan, supplementing the Generic Plan, will be submitted within 10 days after issuance of a Job Order. Both plans will implement the requirements of the Contract Clause entitled "Inspection of Construction." The plan shall identify personnel, procedures, controls, instructions, tests, records, and forms to be used. The Government will consider an interim plan for the first 30 days of operation. Construction will be permitted to begin only after acceptance by the Government of the CQC Plan or acceptance by the Government of an interim plan applicable to the particular feature of work to be started. Work outside of the features of work included in an accepted interim plan will not be permitted to begin until acceptance by the Government of a CQC Plan or another interim plan containing the additional features of work to be started.

F.10.4.2 Content of the CQC Plan

The CQC Plan shall include, as a minimum, the following to cover all construction or design-construction operations, both onsite and offsite, including work by subcontractors, fabricators, suppliers, and purchasing agents:

- (i) A description of the quality control organization, including a chart showing lines of authority and acknowledgment that the CQC staff shall implement the three phase control system for all aspects of the work specified. The staff shall include a CQC System Manager who shall report to the project superintendent (except in cases where the superintendent has the dual function as CQC)
- (ii) The name, qualifications (in resume format), duties, responsibilities, and authorities of each person assigned a CQC function.
- (iii) A copy of the letter to the CQC System Manager signed by an authorized official of the firm which describes the responsibilities and delegates sufficient authorities to adequately perform the functions of the CQC System Manager, including authority to stop work which is not in compliance with the contract. The CQC System Manager shall issue letters of direction to all other various quality control representatives outlining duties, authorities, and responsibilities. Copies of these letters will also be furnished to the Government.

(iv) Procedures for scheduling, reviewing, certifying, and managing submittals, including those of subcontractors, offsite fabricators, suppliers, and purchasing agents.

(v) Control, verification, and acceptance testing procedures for each specific test to include the test name, specification paragraph requiring test, feature of work to be tested, test frequency, and person responsible for each test. (Laboratory facilities will be approved by the CTO.) Procedures for tracking preparatory, initial, and follow-up control phases and control, verification, and acceptance tests including documentation.

(vi) Procedures for tracking construction deficiencies from identification through acceptable corrective action. These procedures shall establish verification that identified deficiencies have been corrected.

(vii) Reporting procedures, including proposed reporting formats

(viii) A list of the definable features of work. A definable feature of work is a task which is separate and distinct from other tasks and has separate control requirements. It can be identified by different trades or disciplines, or it may be work by the same trade in a different environment. Although each section of the specifications may generally be considered as a definable feature of work, there are frequently more than one definable feature under a particular section. This list will be agreed upon during the coordination meeting.

F.10.4.3 Acceptance of Plan

Acceptance of the Contractor's plan is required prior to the start of construction. Acceptance is conditional and will be predicated on satisfactory performance during the construction. The Government reserves the right to require the Contractor to make changes in his CQC Plan and operations including removal of personnel, as necessary, to obtain the quality specified. Subsequent Job Orders will operate in accordance with the approved overall plan, except as approved modifications are necessary for subsequent Job Orders.

F.10.4.4 Notification of Changes

After acceptance of the CQC Plan, the Contractor shall notify the CTO in writing of any proposed change. Proposed changes are subject to acceptance by the CTO.

F.10.4 QUALITY CONTROL ORGANIZATION

F.10.4.1 General

The requirements for the CQC organization include a CQC System Manager and sufficient number of additional qualified personnel to ensure contract compliance. The Contractor shall provide a CQC organization which shall be at the site at all times during progress of the work and with complete authority to take any action necessary to ensure compliance with the contract. All CQC staff members shall be subject to acceptance by the CTO.

CQC Staff

Following are the minimum requirements for the CQC staff. These minimum requirements will not necessarily assure an adequate staff to meet the CQC requirements at all times during construction. The actual strength of the CQC staff may vary during any specific work period to cover the needs of the work period. When necessary for a proper CQC organization, the Contractor will provide additional staff, depending upon the requirements of the particular Job Order. **Staffing requirements will be included in the requests for each Job Order.** This listing of minimum staff in no way relieves the Contractor of meeting the basic requirements of quality design and construction in accordance with contract requirements. All CQC staff members shall be subject to acceptance by the CTO. The Contractor shall maintain his CQC staff at full strength at all times as required for each Job Order. When it is necessary to make changes to the CQC staff, the Contractor shall revise the CQC Plan to reflect the changes and submit the changes to the CTO for acceptance.

(i) CQC System Manager

The Contractor shall identify as CQC System Manager an individual within their organization who shall be responsible for overall management of CQC and have the authority to act in all CQC matters for the Contractor. The CQC System Manager shall be a graduate engineer, graduate architect, or a graduate of construction management, with a minimum of 2 years construction experience on construction similar to this contract, or a construction person with a minimum of 5 years in related work. This CQC System Manager shall be on the site at all times during construction and will be employed by the prime Contractor. **The CQC System Manager may have duties as project superintendent or site supervisor in addition to quality control, unless prohibited by the Job Order.** An alternate for the CQC System Manager will be identified in the plan to serve in the event of the System Manager's absence. The requirements for the alternate will be the same as for the designated CQC System Manager.

(ii) CQC Personnel

If specifically required by a Job Order, in addition to the CQC Manager, the Contractor shall provide as part of the CQC organization specialized personnel to assist the CQC System Manager. These individuals may be directly employed by the prime or subcontractor; be responsible to the CQC System Manager; be physically present at the construction site during work on their areas of responsibility; have the necessary education and/or experience in accordance with the experience matrix listed herein. These individuals may perform other duties, but must be allowed sufficient time to perform their assigned quality control duties as described in the Quality Control Plan.

Experience Matrix

<u>Area</u>	<u>Qualifications</u>
a. Civil:	Graduate Civil Engineer with 2 years experience in the type of work being performed on this project or technician with 5 years related experience

- b. Mechanical: Graduate Mechanical Engineer with 2 years experience or person with 5 years related experience
- c. Electrical: Graduate Electrical Engineer with 2 years related experience or person with 5 years related experience
- d. Structural: Graduate Structural Engineer with 2 years experience or person with 5 years related experience
- e. Architectural: Graduate Architect with 2 years experience or person with 5 years related experience
- f. Environmental: Graduate Environmental Engineer with 3 years experience
- g. Concrete: Materials Technician with 2 years experience Pavements and for the appropriate area Soils

F.10.5 TESTS

F.10.5.1 Testing Procedure

The Contractor shall perform specified or required tests to verify that control measures are adequate to provide a product that conforms to contract requirements. Upon request, the Contractor shall furnish to the Government duplicate samples of test specimens for possible testing by the Government. Testing includes operation and/or acceptance tests when specified. The Contractor shall procure the services of a USAID approved testing laboratory or establish an approved testing laboratory at the project site. The Contractor shall perform the following activities and record and provide the following data:

- a. Verify that testing procedures comply with contract requirements.
- b. Verify that facilities and testing equipment are available and comply with testing standards.
- c. Check test instrument calibration data against certified standards.
- d. Verify that recording forms and test identification control number system, including all of the test documentation requirements, have been prepared.
- e. Results of all tests taken, both passing and failing tests, will be recorded on the CQC report for the date taken. Specification paragraph reference, location where tests were taken, and the sequential control number identifying the test will be given. If approved by the CTO, actual test reports may be submitted later with a reference to the test number and date taken. An information copy of tests performed by an off-site or commercial test facility shall be provided directly to the CTO. Failure to submit timely test reports as stated may result in nonpayment for related work performed and disapproval of the test facility for this contract.

F. 10.5.2 Testing Laboratories**F.10.5.2.1 Capability Check**

The Government reserves the right to check laboratory equipment in the proposed laboratory for compliance with the standards set forth in the contract specifications and to check the laboratory technician's testing procedures and techniques. Laboratories utilized for testing soils, concrete, asphalt, and steel shall meet criteria detailed in ASTM D 3740 and ASTM E 329. If the selected laboratory fails the capability check, the Contractor will be assessed a charge for inspection to reimburse the Government for each succeeding recheck of the laboratory or the checking of a subsequently selected laboratory. Such costs will be deducted from the contract amount due the Contractor.

F.10.5.2.2 On-Site Laboratory

The Government reserves the right to utilize the Contractor's control testing laboratory and equipment to make assurance tests and to check the Contractor's testing procedures, techniques, and test results at no additional cost to the Government.

F.10.5.2.3 Furnishing or Transportation of Samples for Testing

Costs incidental to the transportation of samples or materials will be included in the Job Order Price borne by the Contractor. Samples of materials for test verification and acceptance testing by the Government shall be delivered to a commercial laboratory, as directed by the CTO, or as specified in the Job Order.

Coordination for each specific test, exact delivery location, and dates will be made through the Area Office.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 AIDAR 752.7003 DOCUMENTATION FOR PAYMENT (NOV 1998)

(a) Claims for reimbursement or payment under this contract must be submitted to the Paying Office indicated in the schedule of this contract. The cognizant technical officer (CTO) is the authorized representative of the Government to approve vouchers under this contract. The Contractor must submit electronic versions of the SF-1034--Public Voucher for Purchases and Services Other Than Personal. Each voucher shall be identified by the appropriate USAID contract number, with the dollar amount of expenditures made during the period covered.

(1) The SF 1034 provides space to report by line item for products or services provided. The form provides for the information to be reported with the following elements:

Total Expenditures [Document Number: XXX-X-XX-XXXX-XX]						
Line	Description	Amtvouchered	Item No.	to dtd		this period
001	Product/Service	Dscpt	Line Item	001	\$XXXX.XX	\$ XXXX.XX
002	Product/Service	Dscpt	Line Item	002	\$XXXX.XX	\$XXXX.XX
Total					\$XXXX.XX	\$XXXX.XX

(2) The fiscal report shall include the following certification signed by an authorized representative of the Contractor:

The undersigned hereby certifies to the best of my knowledge and belief that the fiscal report and any attachments have been prepared from the books and records of the Contractor in accordance with the terms of this contract and are correct: the sum claimed under this contract is proper and due, and all the costs of contract performance (except as herewith reported in writing) have been pUSAID, or to the extent allowed under the applicable payment clause, will be pUSAID currently by the Contractor when due in the ordinary course of business; the work reflected by these costs has been performed, and the quantities and amounts involved are consistent with the requirements of this Contract; all required Contracting Officer approvals have been obtained; and appropriate refund to USAID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of this contract.

BY: _____
 TITLE: _____
 DATE: _____

(b) Local currency payment. The Contractor is fully responsible for the proper expenditure and control of local currency, if any, provided under this contract. Local currency will be provided to the Contractor in accordance

with written instructions provided by the Mission Director. The written instructions will also include accounting, vouchering, and reporting procedures. A copy of the instructions shall be provided to the Contractor's Chief of Party and to the Contracting Officer. The costs of bonding personnel responsible for local currency are reimbursable under this contract.

(c) Upon compliance by the Contractor with all the provisions of this contract, acceptance by the Government of the work and final report, and a satisfactory accounting by the Contractor of all Government-owned property for which the Contractor had custodial responsibility, the Government shall promptly pay to the Contractor any moneys (dollars or local currency) due under the completion voucher. The Government will make suitable reduction for any disallowance or indebtedness by the Contractor by applying the proceeds of the voucher first to such deductions and next to any unliquidated balance of advance remaining under this contract.

(d) The Contractor agrees that all approvals of the Mission Director and the Contracting Officer which are required by the provisions of this contract shall be preserved and made available as part of the Contractor's records which are required to be presented and made available by the clause of this contract entitled "Audit and Records--Negotiation".

G.2 ADMINISTRATIVE CONTRACTING OFFICE

The Administrative Contracting Office is:

Office of Procurement
USAID/M/OP, Rm. 7.09-102, RRB
1300 Pennsylvania Avenue
Washington, DC 20523

G.3 COGNIZANT TECHNICAL OFFICER (CTO)

The Cognizant Technical Officer is TBD or his or her designee.

G.4 TECHNICAL DIRECTIONS/RELATIONSHIP WITH USAID

(a) Technical Directions is defined to include:

(1) Written directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise facilitate completion of work;

(2) Provision of written information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work statement;

(3) Review and, where required, provide written approval of technical reports, drawings, specifications, or technical information to be delivered. Technical directions must be in writing, and must be within the scope of the work as detailed in Section C and Job Orders.

(b) The CTO is authorized by designation to take any or all action with respect to the following which could lawfully be taken by the Contracting Officer, except any action specifically prohibited by the terms of this Contract:

(1) Assure that the Contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.

(2) Perform or cause to be performed, inspections necessary in connection with a) above and require the Contractor to correct all deficiencies; perform acceptance for the Government.

(3) Maintain all liaison and direct communications with the Contractor. Written communications with the Contractor and documents shall be signed as "Cognizant Technical Officer" with a copy furnished to the Contracting Officer.

(4) Issue written interpretations of technical requirements of Government drawings, designs, and specifications.

(5) Monitor the Contractor's production or performance progress and notify the Contractor in writing of deficiencies observed during surveillance, and direct appropriate action to effect correction. Record and report to the Contracting Officer incidents of faulty or nonconforming work, delays or problems.

(6) Obtain necessary security clearance and appropriate identification if access to Government facilities is required. If to be provided, ensure that Government furnished property is available when required.

LIMITATIONS: The CTO is not empowered to award, agree to, or sign any contract (including delivery or purchase orders) or modifications thereto, or in any way to obligate the payment of money by the Government. The CTO may not take any action which may impact on the contract schedule, funds, scope or rate of utilization of LOE. All contractual agreements, commitments, or modifications which involve prices, quantities, quality, schedules shall be made only by the Contracting Officer.

(c) The CTO is required to meet quarterly/semi-annually/annually with the Contractor and the Contracting Officer concerning performance of items delivered under this contract and any other administration or technical issues. Telephonic reports may be made if no problems are being experienced. Problem areas should be brought to the immediate attention of the Contracting Officer.

(d) Contractual Problems - Contractual problems, of any nature, that may arise during the life of the contract must be handled in conformance with specific public laws and regulations (i.e. Federal Acquisition Regulation and Agency for International Development Acquisition Regulation). The Contractor and the CTO shall bring all contracting problems to the immediate attention of the Contracting Officer. Only the Contracting Officer is authorized to formally resolve such problems. The Contracting Officer will be responsible for resolving legal issues, determining contract scope and interpreting contract terms and conditions. The Contracting Officer is the sole authority authorized to approve changes in any of the requirements under this contract. Notwithstanding any clause contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. These changes include, but will not be limited to the following areas: scope of work, price, quantity, technical specifications, delivery schedules, and contract terms and conditions. In the event the Contractor effects any changes at the

direction of any other person other than the Contracting Officer, the change will be considered to have been made without authority.

(e) Failure by the Contractor to report to the Contracting Office, any action by the Government considered to a change, within the specified number of days contained in FAR 52.243-7 (Notification of Changes), waives the Contractor's right to any claims for equitable adjustments.

G.5 PAYING OFFICE

The paying office for this contract is:

<p><u>APO Address</u> Accounts Payable USAID/Financial Management Cairo, Egypt Unit 64902 APO AE 09839 4902 ATTN: Homi Jamshed</p>	<p><u>International Courier Address</u> Office of Financial Management USAID Building Lot 1/A Off Ellaselki Street New Maadi, Cairo, Egypt Post Code Nbr. 11435</p>
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FAX Nbr: 011-20-2-516-4719
 E-mail: AcctsPayableEgypt@usaid.gov

G.6 ACCOUNTING AND APPROPRIATION DATA

APPROP.	B.P.C.	TOTAL
72X1035	HFDX0323267KG13	\$ 15,600,000.00
723/51095	HCD30323267KG13	\$ 5,000,000.00
723/41037	HES30323267KG13	\$ 14,000,000.00
TOTAL Obligated Amount:		\$ 34,600,000.00

SECTION H - SPECIAL CONTRACT REQUIREMENTS

In accordance with a deviation approved by USAID's Procurement Executive, FAR 52.228-7 is modified to read as follows:

H.1. Insurance - Liability to Third Persons (Mar 1996)

(a)(1) Except as provided in paragraph (a)(2) of this clause, the Contractor shall provide and maintain workers' compensation, employer's liability, comprehensive general liability (bodily injury), comprehensive automobile liability (bodily injury and property damage) insurance, and such other insurance as the Contracting Officer may require under this contract.

(2) The Contractor may, with the approval of the Contracting Officer, maintain a self-insurance program, provided that, with respect to workers' compensation, the Contractor is qualified pursuant to statutory authority.

(3) All insurance required by this paragraph shall be in a form and amount and for those periods as the Contracting Officer may require or approve and with insurers approved by the Contracting Officer.

(b) The Contractor agrees to submit for the Contracting Officer's approval, to the extent and in the manner required by the Contracting Officer, any other insurance that is maintained by the Contractor in connection with the performance of this contract and for which the Contractor seeks reimbursement.

(c) The Contractor shall be reimbursed-
For that portion -

(i) Of the reasonable cost of insurance allocable to this contract; and

(ii) Required or approved under this clause; and

(2) For certain liabilities (and expenses incidental to such liabilities) to third persons not compensated by insurance or otherwise without regard to and as an exception to the limitation of cost or the limitation of funds clause of this contract. These liabilities must arise out of the performance of this contract, whether or not caused by the negligence of the Contractor or of the Contractor's agents, servants, or employees, and must be represented by final judgments or settlements approved in writing by the Government. These liabilities are for -

(i) Loss of or damage to property, excluding property owned by the Contractor, but including property owned by third parties in Iraq that is occupied or used by the Contractor, rented to the Contractor, or in the care, custody, or control of the Contractor, for purposes of performing this contract; or

(ii) Death or bodily injury; provided, in either case, that such loss, damage, death or injury is proximately caused by exposure, in the course of performing this contract, to any of the following: chemical, biological, radiological, or nuclear weapons, agents, or materials; land or sea mines or similar explosive devices; or unexploded ordnance.

(d) The Government's liability under paragraph (c) of this clause is subject to the availability to USAID, at the time a contingency occurs, of appropriated funds for Iraq that are not already obligated to third parties and that may lawfully be used for this purpose. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

(e) The Contractor shall not be reimbursed for liabilities (and expenses incidental to such liabilities)-

(1) For which the Contractor is otherwise responsible under the express terms of any clause specified in the Schedule or elsewhere in the contract;

(2) For which the Contractor has failed to insure or to maintain insurance as required by the Contracting Officer; or

(3) That result from willful misconduct or lack of good faith on the part of any of the Contractor's directors, officers, managers, superintendents, or other representatives who have supervision or direction of-

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or

(iii) A separate and complete major industrial operation in connection with the performance of this contract.

In addition, the Contractor shall not be reimbursed for criminal fines and penalties (or expenses incidental to such fines and penalties).

(f) The provisions of paragraph (e) of this clause shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this contract, other than insurance required in accordance with this clause; provided, that such cost is allowable under the Allowable Cost and Payment clause of this contract.

(g) If any suit or action is filed or any claim is made against the Contractor, the cost and expense of which may be reimbursable to the Contractor under this contract, and the risk of which is then uninsured or is insured for less than the amount claimed, the Contractor shall-

(1) Immediately notify the Contracting Officer and promptly furnish copies of all pertinent papers received;

(2) Authorize Government representatives to collaborate with counsel for the insurance carrier in settling or defending the claim when the amount of the liability claimed exceeds the amount of coverage; and

(3) Authorize Government representatives to settle or defend the claim and to represent the Contractor in or to take charge of any litigation, if required by the Government, when the liability is not insured or covered by bond. The Contractor may, at its own expense, be associated with the Government representatives in any such claim or litigation.

(h) The Contractor agrees to seek diligently, at least once each month, to obtain insurance against the risks described in paragraph (c)(2) of this clause. The Contractor shall report the results of its efforts to the Cognizant Technical Officer on a monthly basis. Each report shall state the identities of all insurers contacted and the response of each one (including coverage offered, exclusions, liability limits, deductibles, premiums, etc.). Subject to prior written approval of the Contracting Officer, the Contractor agrees to acquire and maintain insurance when available on commercially reasonable terms and conditions. Failure to do so shall render null and void the Government's obligation under paragraph (c)(2) of this clause.

(End of clause)

H.2 52.216-23 EXECUTION AND COMMENCEMENT OF WORK (APR 1984)

The Contractor shall indicate acceptance of this letter contract by signing three copies of the contract and returning them to the Contracting

Officer not later on the same date of issue of this contract. Upon acceptance by both parties, the Contractor shall proceed with performance of the work, including purchase of necessary materials.

H.3 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$34,600,000.00 dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$34,600,000.00 dollars.

H.4 52.216-25 CONTRACT DEFINITIZATION (OCT 1997)

(a) A definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract, (2) all clauses required by law on the date of execution of the definitive contract, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this letter contract is:

Shall be within 30 days after the execution date of the letter contract or before completion of 40 percent of the work to be performed, whichever occurs first.

(c) If agreement on a definitive contract to supersede this letter contract is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.8 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) above, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

H.5 AIDAR 752.225-70 SOURCE, ORIGIN AND NATIONALITY REQUIREMENTS (FEB 1997)

(a) Except as may be specifically approved by the Contracting Officer, all commodities (e.g., equipment, materials, vehicles, supplies) and services (including commodity transportation services) which will be financed under this contract with U.S. dollars shall be procured in accordance with the requirements in 22 CFR part 228, "Rules on Source, Origin and Nationality for Commodities and Services Financed by USAID." The authorized source for procurement is Geographic Code 000* unless otherwise specified in the schedule of this contract. Guidance on eligibility of specific goods or services may be obtained from the Contracting Officer.

(b) Ineligible goods and services. The Contractor shall not procure any of the following goods or services under this contract:

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

(c) Restricted goods. The Contractor shall not procure any of the following goods or services without the prior written approval of the Contracting Officer:

- (1) Agricultural commodities,
- (2) Motor vehicles,
- (3) Pharmaceuticals and contraceptive items,
- (4) Pesticides,
- (5) Fertilizer,
- (6) Used equipment, or
- (7) U.S. government-owned excess property.

If USAID determines that the Contractor has procured any of these specific restricted goods under this contract without the prior written authorization of the Contracting Officer, and has received payment for such purposes, the Contracting Officer may require the Contractor to refund the entire amount of the purchase.

Note: Geographic Code determination is located in H.8. titled Authorized Geographic Code.

H.6 AIDAR 752.7004 EMERGENCY LOCATOR INFORMATION (JUL 1997)

The Contractor agrees to provide the following information to the Mission Administrative Officer on or before the arrival in the host country of every contract employee or dependent:

(1) The individual's full name, home address, and telephone number.

(2) The name and number of the contract, and whether the individual is an employee or dependent.

(3) The contractor's name, home office address, and telephone number, including any after-hours emergency number(s), and the name of the contractor's home office staff member having administrative responsibility for the contract.

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

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

H.7 INSURANCE AND SERVICES

(a) Pursuant to AIDAR 752.228-3 Worker's Compensation Insurance (Defense Base Act); USAID's DBA insurance carrier is:

Rutherford International, Inc.
5500 Cherokee Avenue, Suite 300
Alexandria, VA 22312

Points of Contact:
Sara Payne or Diane Fjord
(703) 354-1616

Hours of Operation are: 8 a.m. to 5 p.m. (EST)
Telefax: 703) 354-0370
E-Mail: www.rutherford.com

(b) Pursuant to AIDAR 752.228-70 Medical Evacuation (MEDEVAC) Services, USAID's Medevac service provider is:

Medex Assistance Corporation
P.O. Box 5375
Timonium, MD 21094-5375
Telephone: (410) 453-6300 in Maryland;
or (800) 537-2029 (toll-free)
Telefax: (410) 453-6301

Applicants should request coverage in accordance with USAID Contract No. HNE-Q-00-98-00106-00.

Medevac services costs are allowable as a direct cost.

H.8 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this contract is 899. It is anticipated that Iraq will be designated as an

authorized source. Its inclusion shall be communicated as soon as it is approved.

H.9 NONEXPENDABLE PROPERTY PURCHASES AND INFORMATION TECHNOLOGY RESOURCES

The Contractor is hereby authorized to purchase the following equipment and/or resources: TBD

H.10 LOGISTIC SUPPORT

The Contractor shall be responsible for furnishing all logistic support in the United States and overseas. However, in order to insure compatibility of radios, GPS', communications equipment, security systems and personnel, etc, the Contractor will be allowed obtain quotations through AFCAP. The contacts will be provided at the time of award.

H.11 LANGUAGE REQUIREMENTS

Contractor personnel and/or consultant shall have English and/or National Iraqi Arabic language proficiency to perform technical services.

H.12 PERSONNEL COMPENSATION

(a) Limitations:

(1) Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which shall be certified to by the Contractor. Nor may any individual salary or wage, without approval of the Cognizant Contracting Officer, exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years. For Iraqi personnel, the prevailing local market rates shall apply. Adjustments to the rates due to devaluation of the local currency may be considered. It should be noted that USAID will be providing direct compensation to locally-hired consultants, defined as professionals who had been nominally the employees of the former regime, but who are now unemployed as a result of conflict, through a separate contract. This support is intended to ensure that essential services that were undertaken by the former regime are maintained.

(1) In addition, there is a ceiling on the reimbursable base salary or wage paid to personnel under the contract equivalent to the maximum annual salary rate of the USAID "ES-6" (or the equivalent to the maximum ES-6 salary, if compensation is not calculated on an annual basis), as amended from time to time, unless the Contracting Officer approves a higher amount in accordance with the Agency policy and procedures in ADS 302.5.3, titled "USAID Direct Contracting". On April 14, 2003 the Procurement Executive, Mr. Timothy Beans approved salaries above the agency's maximum ES-06 level as follows:

(b)(6)

(b) (6)

NOTE: All other salary increases are subject to regular agency waiver procedures stated in ADS 302.5.3.

(b) Salaries During Travel

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

(c) Return of Overseas Employees

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

(d) Annual Salary Increases

One annual salary increase may be granted after the employee's completion of each twelve month satisfactory services under the contract or the last date of his/her merit increase whichever comes first. Annual salary increases of any kind exceeding the maximum salary of ES-6 may be granted only with the advance written approval of the Contracting Officer per ADS 302.5.3.

(e) Consultants

No compensation for consultants will be reimbursed unless their use under the contract has advance written approval of the Contracting Officer; and if such provision has been made or approval given, compensation shall not exceed: 1) the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or 2) the maximum daily salary rate of ES-6, whichever is less.

(f) Initial Salaries

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract must be approved, in advance and in writing, by the Contracting Officer. (Any initial starting salaries included in the contractor's best and final and accepted during negotiations, are deemed approved upon contract execution).

Note: The Contractor must retain any approvals issued, pursuant to sections (a) through (f) above for audit purposes. Approvals issued, pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Part I, Section B.3 of this contract).

(g) Work Week

(1) Non-overseas Employees.

The length of the contractor's U.S., non-overseas employees workday shall be in accordance with the contractor's established policies and practices and shall not be less than 8 hours per day and 40 hours per week.

(2) Overseas Employee

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

(h) Definitions

As used in this contract, the terms "salaries" and "wages" mean the periodic remuneration received for professional or technical personal services rendered. Unless the contract states otherwise, these terms do not include any other elements of personal compensation described in the cost principle in FAR 31.205-6 "Compensation for Personal Services," such as (but not limited to) the differentials or allowances defined in the clause of this contract entitled "Differentials and Allowances" (AIDAR 752.7028). The term "compensation" is defined in FAR 31.205-6(a) and includes fees and honoraria related to the personal services provided under this contract, but excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges.

H.13. SUBCONTRACTING PLAN AND THE SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS AND SF 295 - SUMMARY CONTRACTING REPORT

The Contractor's subcontracting plan dated is hereby incorporated as a material part of this contract.

In accordance with FAR 52.219-9, SF 294 and SF 295 should be forwarded to the following address:

U.S. Agency for International Development
Office of Small and Disadvantaged Business
Utilization
Room 7.08 RRB
Washington, D.C. 20523

H.14. EXECUTIVE ORDER ON TERRORISM FINANCING

The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these

Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

H.15 SECURITY REQUIREMENTS

(a) This contract may involve classified performance in accordance with Executive Order 12829, The National Industrial Security Program, USAID's ADS Chapter 567 "Classified Contract Security and Contractor Personnel Security Program" and, FAR Subpart 4.4 "Safeguarding Classified Information Within Industry". Consequently, this contract incorporates the minimum provisions needed to comply with the National Industrial Security Program (NISP) and ADS 567, as summarized in paragraphs (b) through (g) below. The requiring office for this contract must complete a DD 254, have it cleared by the Office of Security (SEC), and include it with the Statement of Work for the classified contract. A blank copy of the DD 254 is attached in Section J. Questions pertaining to the DD 254 are to be directed to the Office of Security.

(b) In order to be considered for this classified contract, the contractor must obtain and maintain a "Facility Clearance" at the level specified on the accompanying Contract Security Classification Specification, DD Form 254. If after award of this contract the contractor fails to obtain and maintain a facility clearance at the level identified on the DD Form 254 this contract will be terminated in accordance with the applicable clauses as set forth in the FAR. Any requirement for a "Top Secret facility clearance must be justified and approved by the Office of Security prior to the issuance of this contract at this level and before a company is sponsored for the required investigation by the Defense Security Service. (Note: The time necessary to process an un-cleared company for a facility clearance may delay performance). USAID's designated CTO is responsible for coordinating and identifying specific aspect of the contract that will require access to National Security Information and ensuring the selected company/contractors have the appropriate security clearance (Facility and Personnel) to perform on this contract. In the event the prime selects an un-cleared sub-contractor to work that requires access to National Security Information (Confidential, Secret or Top Secret) the prime must take action in accordance with the National Industrial Security Program Operating Manual, E.O. 12829 to sponsor it's sub-contractor for a Facility Clearance. Refer to the Attached DD Form 254, Contract Security Classification Specification for specific security guidance. The CTO is responsible for managing the clearance requirements for this contract

At the time of award, the contractor does [X] does not [] have a Secret level facility clearance.

(c) If DSS grants an interim clearance but then subsequently revokes the interim clearance after contract award and denies a final clearance, the contract may be terminated, depending on the reasons DSS denied the clearance.

(d) Employees of the Contractor working under this contract and requiring access to classified national security information and/or to areas under the control of USAID deemed "Restricted" by USAID's Office of Security must have been subject to an appropriate level background investigation by the Defense Security Service (DSS). DSS must issue either an "Interim" or "Final" security clearance for each tasked employee before USAID will grant him or her unescorted access to USAID's restricted spaces(s) or permit him or her

access to classified national security information. If DSS issues an interim personnel security clearance but subsequently denies a final clearance for an employee of a cleared contractor, the contractor must immediately remove the employee from USAID-restricted space and prevent him or her from having access to or handling classified or administratively controlled materials. The contractor is responsible for providing properly cleared personnel to work on the contract and for ensuring that performance is not jeopardized.

(e) The contractor's Facility Security Officer (FSO) must forward a valid "Visit Request" identifying their representatives/employees and the required security clearance information to the USAID Office of Security, Room 2.06A, 1300 Pennsylvania Ave., N.W., Washington, D.C. 20523-8800.

(f) In the event the contractor subcontracts any work to be performed under this contract, the contractor is responsible for issuing the security guidance provided by USAID to any subcontractor and ensuring that subcontractors comply with security requirements of the contract.

(g) The USAID Office of Security will issue RRB facility passes to individual contractor representatives/employees upon receipt and verification of the security data contained in the "Visit Authorization Request". The contractor must ensure that any passes issued are returned upon termination of employment or completion of the contract, whichever occurs first."

H.16 RESTRICTIONS

Currently there are several statutory restrictions on assistance to Iraq. No assistance under this contract shall be provided to Iraq until USAID has determined that it is consistent with US foreign policy and permitted by law. In particular, the contractor shall not proceed with any payments to local nationals or firms or organizations until instructed by USAID. In addition, the contractor is subject to the requirements of the Office of Foreign Assets Control, Department of Commerce's Export Administration Regulations, and the UN Goods Review List and must comply therewith.

H.17 NOTICE OF POSSIBLE ADDITIONAL OR NEW WORK

A blanket approval has been granted the Administrator of the United States Agency for International Development permitting various waivers concerning activities in Iraq that are carried out or initiated under the mandate of the Near East Task Force of USAID.

USAID may, at its discretion, invoke that authority to negotiate one or more contract modifications to do one or more of the following without further competition:

- (1) Add additional projects beyond the \$600,000,000 for the base and optional periods;
- (2) Extend the contract and add additional follow-on projects not covered by the base and optional periods; and/or
- (3) Increase the level of effort.

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

L1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
	FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)	
52.202-1	DEFINITIONS	DEC 2001
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 1997
52.204-2	SECURITY REQUIREMENTS ALTERNATE II (APR 1984)	AUG 1996
52.204-6	DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER	JUN 1999
52.207-5	OPTION TO PURCHASE EQUIPMENT	FEB 1995
52.208-8	REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA	APR 2002
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS--NEGOTIATION	JUN 1999
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA	OCT 1997
52.215-11	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS	OCT 1997
52.215-12	SUBCONTRACTOR COST OR PRICING DATA	OCT 1997
52.215-13	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS	OCT 1997
52.215-14	INTEGRITY OF UNIT PRICES	OCT 1997
52.216-8	FIXED-FEE	MAR 1997
52.216-9	FIXED FEE--CONSTRUCTION	MAR 1997
52.216-24	LIMITATION OF GOVERNMENT LIABILITY	APR 1984
52.219-16	LIQUIDATED DAMAGES--SMALL BUSINESS SUBCONTRACTING PLAN	JAN 1999
52.222-2	PAYMENT FOR OVERTIME PREMIUMS	JUL 1990

52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT-OVERTIME COMPENSATION	SEP 2000
52.222-26	EQUAL OPPORTUNITY	APR 2002
52.222-29	NOTIFICATION OF VISA DENIAL	FEB 1999
52.222-30	DAVIS-BACON ACT-PRICE ADJUSTMENT (NONE OR SEPARATELY SPECIFIED METHOD)	DEC 2001
52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED	MAY 1989
52.222-42	STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES	MAY 1989
52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW	APR 1996
52.223-6	DRUG-FREE WORKPLACE	MAY 2001
52.223-10	WASTE REDUCTION PROGRAM	AUG 2000
52.223-12	REFRIGERATION EQUIPMENT AND AIR CONDITIONERS	MAY 1995
52.223-14	TOXIC CHEMICAL RELEASE REPORTING	OCT 2000
52.224-1	PRIVACY ACT NOTIFICATION	APR 1984
52.224-2	PRIVACY ACT	APR 1984
52.225-1	BUY AMERICAN ACT--SUPPLIES	MAY 2002
52.225-2	BUY AMERICAN ACT CERTIFICATE	MAY 2002
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUL 2000
52.227-14	RIGHTS IN DATA--GENERAL	JUN 1987
52.227-15	STATEMENTS OF LIMITED RIGHTS DATA AND RESTRICTED COMPUTER SOFTWARE	MAY 1999
52.227-16	ADDITIONAL DATA REQUIREMENTS	JUN 1987
52.227-17	RIGHTS IN DATA--SPECIAL WORKS	JUN 1987
52.227-19	COMMERCIAL COMPUTER SOFTWARE--RESTRICTED RIGHTS	JUN 1987
52.228-3	WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)	APR 1984
52.228-4	WORKERS' COMPENSATION AND WAR-HAZARD INSURANCE	APR 1984
52.228-8	LIABILITY AND INSURANCE-LEASED MOTOR VEHICLES	MAY 1999
52.228-9	CARGO INSURANCE	MAY 1999
52.230-2	COST ACCOUNTING STANDARDS	APR 1998
52.230-3	DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES	APR 1998
52.230-4	CONSISTENCY IN COST ACCOUNTING PRACTICES	AUG 1992
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS	NOV 1999
52.232-8	DISCOUNTS FOR PROMPT PAYMENT	FEB 2002
52.232-16	PROGRESS PAYMENTS ALTERNATE II (AUG 1987)	FEB 2002
52.232-17	INTEREST	JUN 1996
52.232-18	AVAILABILITY OF FUNDS	APR 1984
52.232-20	LIMITATION OF COST	APR 1984
52.232-22	LIMITATION OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.232-25	PROMPT PAYMENT	FEB 2002
52.232-33	PAYMENT BY ELECTRONIC FUNDS--CENTRAL CONTRACTOR REGISTRATION	MAY 1999
52.233-1	DISPUTES	JUL 2002
52.233-2	SERVICE OF PROTEST	AUG 1996
52.233-3	PROTEST AFTER AWARD ALTERNATE I (JUN 1985)	AUG 1996
52.236-13	ACCIDENT PREVENTION	NOV 1991

52.236-18	ALTERNATE I (APR 1984) WORK OVERSIGHT IN COST-REIMBURSEMENT CONSTRUCTION CONTRACTS	APR 1984
52.236-19	ORGANIZATION AND DIRECTION OF THE WORK	APR 1984
52.236-28	PREPARATION OF PROPOSALS--CONSTRUCTION	OCT 1997
52.237-1	SITE VISIT	APR 1984
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION	APR 1984
52.237-3	CONTINUITY OF SERVICES	JAN 1991
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242-2	PRODUCTION PROGRESS REPORTS	APR 1991
52.242-3	PENALTIES FOR UNALLOWABLE COSTS	MAY 2001
52.242-4	CERTIFICATION OF FINAL INDIRECT COSTS	JAN 1997
52.242-10	F.O.B. ORIGIN--GOVERNMENT BILLS OF LADING OR PREPAID POSTAGE	APR 1984
52.242-13	BANKRUPTCY	JUL 1995
52.243-2	CHANGES--COST-REIMBURSEMENT ALTERNATE III (APR 1984)	AUG 1987
52.243-5	CHANGES AND CHANGED CONDITIONS	APR 1984
52.243-6	CHANGE ORDER ACCOUNTING	APR 1984
52.243-7	NOTIFICATION OF CHANGES	APR 1984
52.245-1	PROPERTY RECORDS	APR 1984
52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME AND MATERIALS, OR LABOR HOUR CONTRACTS)	JAN 1986
52.245-18	SPECIAL TEST EQUIPMENT	FEB 1993
52.246-13	INSPECTION-DISMANTLING, DEMOLITION, OR REMOVAL OF IMPROVEMENTS	AUG 1996
52.246-25	LIMITATION OF LIABILITY--SERVICES	FEB 1997
52.247-1	COMMERCIAL BILL OF LADING NOTATIONS	APR 1984
52.247-62	SPECIFIC QUANTITIES UNKNOWN	APR 1984
52.249-6	TERMINATION (COST-REIMBURSEMENT) ALTERNATE I (SEP 1996)	SEP 1996
52.249-14	EXCUSABLE DELAYS	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991
 <u>AIDAR CLAUSES</u>		
752.204-2	SECURITY REQUIREMENTS	
752.211-70	LANGUAGE AND MEASUREMENT	JUN 1992
752.225-71	LOCAL PROCUREMENT	FEB 1997
752.226-2	SUBCONTRACTING WITH DISADVANTAGED ENTERPRISE	APR 1997
752.226-3	LIMITATIONS ON SUBCONTRACTING	JUN 1993
752.228-70	MEDICAL EVACUATION (MEDVAC) SERVICES	MAR 1993
752.242-70	PERIODIC PROGRESS REPORTS	JUL 1998
752.245-70	GOVERNMENT PROPERTY--USAID REPORTING REQUIREMENTS	
752.245-71	TITLE TO AND CARE OF PROPERTY	APR 1984
752.7001	BIOGRAPHICAL DATA	JUL 1997
752.7002	TRAVEL AND TRANSPORTATION	JAN 1990
752.7006	NOTICES	APR 1984
752.7007	PERSONNEL COMPENSATION	JUL 1996
752.7008	USE OF GOVERNMENT FACILITIES OR PERSONNEL	APR 1984
752.7010	CONVERSION OF U.S. DOLLARS TO LOCAL CURRENCY	APR 1984

752.7011	ORIENTATION AND LANGUAGE TRAINING	APR 1984
752.7013	CONTRACTOR-MISSION RELATIONSHIPS	OCT 1989
752.7014	NOTICE OF CHANGES IN TRAVEL REGULATIONS	JAN 1990
752.7018	HEALTH AND ACCIDENT COVERAGE FOR USAID PARTICIPANT TRAINEES	JAN 1999
752.7019	PARTICIPANT TRAINING	JAN 1999
752.7023	REQUIRED VISA FORM FOR USAID PARTICIPANTS	APR 1984
752.7025	APPROVALS	APR 1984
752.7028	DIFFERENTIALS AND ALLOWANCES	JUL 1996
752.7029	POST PRIVILEGES	JUL 1993
752.7033	PHYSICAL FITNESS	JUL 1997
752.7034	ACKNOWLEDGEMENT AND DISCLAIMER	DEC 1991

**I.2 52.216-7 ALLOWABLE COST AND PAYMENT (FEB 2002)
ALTERNATE I (FEB 1997)**

(a) Invoicing. (1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the day after the designated billing office receives a proper payment request.

In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs. (1) For the purpose of reimbursing allowable costs (except as provided in paragraph (b) (2) of the clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only--

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments will be made-

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily prior to the submission of the Contractor's next payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of progress and other payments to the Contractor's subcontractors that either have been paid, or that the Contractor is required to pay pursuant to the clause of this contract entitled "Prompt Payment for Construction Contracts". Payments shall be made by cash, check, or other form of payment to the Contractor's subcontractors under similar cost standards.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless-

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) below, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) below.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates. (1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of

the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates.

(6)(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may--

(A) Determine the amounts due to the Contractor under the contract;
and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates--

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Contracting Officer not to constitute allowable costs or (2) adjusted for prior overpayments or underpayments.

(h) Final payment. (1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver--

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except--

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

I.3 52.204-1 APPROVAL OF CONTRACT (DEC 1989)

This letter contract is subject to the written approval of the head of the contracting activity. Approval to award a letter contract was granted by Timothy T. Beans, head of the contracting activity on April 14, 2003.

I.4 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

I.5 52.216-26 PAYMENTS OF ALLOWABLE COSTS BEFORE DEFINITIZATION (DEC 2002)

(a) Reimbursement rate. Pending the placing of the definitive contract referred to in this letter contract, the Government will promptly reimburse the Contractor for all allowable costs under this contract at the following rates:

(1) One hundred percent of approved costs representing financing payments to subcontractors under fixed-price subcontracts, provided that the Government's payments to the Contractor will not exceed 80 percent of the allowable costs of those subcontractors.

(2) One hundred percent of approved costs representing cost-reimbursement subcontracts; provided, that the Government's payments to the Contractor shall not exceed 85 percent of the allowable costs of those subcontractors.

(3) Eighty-five percent of all other approved costs.

(b) Limitation of reimbursement. To determine the amounts payable to the Contractor under this letter contract, the Contracting Officer shall determine allowable costs in accordance with the applicable cost principles in Part 31 of the Federal Acquisition Regulation (FAR). The total reimbursement made under this paragraph shall not exceed 85 percent of the maximum amount of the Government's liability, as stated in this contract.

(c) Invoicing. Payments shall be made promptly to the Contractor when requested as work progresses, but (except for small business concerns) not more often than every 2 weeks, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost incurred by the Contractor in the performance of this contract.

(d) Allowable costs. For the purpose of determining allowable costs, the term "costs" includes--

(1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(2) When the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--

(i) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made--

(A) In accordance with the terms and conditions of a subcontract or invoice; and

(B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(ii) Materials issued from the Contractor's stores inventory and placed in the production process for use on the contract;

(iii) Direct labor;

(iv) Direct travel;

(v) Other direct in-house costs; and

(vi) Properly allocable and allowable indirect costs as shown on the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(3) The amount of financing payments that the Contractor has paid by cash, check, or other forms of payment to subcontractors.

(e) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(f) Audit. At any time before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of costs audited. Any payment may be (1) reduced by any amounts found by the Contracting Officer not to constitute allowable costs or (2) adjusted for overpayments or underpayments made on preceding invoices or vouchers.

I.6 52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 60 days.

I.7 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 60 days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(b) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 2 years.

I.8 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997)

(a) The Contractor shall notify the Contracting Officer or designee, in writing, 7 WORK days prior to the delivery of, or prior to completion of any servicing required by this contract of, items containing either (1) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in Title 10 of the Code of Federal Regulations, in effect on the date of this contract; or (2) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries. Such notice shall specify the part or parts of the items which contain radioactive materials, a description of the materials, the name and activity of the isotope, the manufacturer of the materials, and any other information known to the Contractor which will put users of the items on notice as to the hazards involved (OMB No. 9000-0107).

(b) If there has been no change affecting the quantity of activity, or the characteristics and composition of the radioactive material from

deliveries under this contract or prior contracts, the Contractor may request that the Contracting Officer or designee waive the notice requirement in paragraph (a) of this clause. Any such request shall--

(1) Be submitted in writing;

(2) State the quantity of activity, characteristics, and composition of the radioactive material have not changed; and

(3) Cite the contract number on which the prior notification was submitted and the contracting office to which it was submitted.

(c) All items, parts, or subassemblies which contain radioactive materials in which the specific activity is greater than 0.002 microcuries per gram or activity per item equals or exceeds 0.01 microcuries, and all containers in which such items, parts or subassemblies are delivered to the Government shall be clearly marked and labeled as required by the latest revision of MIL-STD 129 in effect on the date of the contract.

(c) This clause, including this paragraph (d), shall be inserted in all subcontracts for radioactive materials meeting the criteria in paragraph (a) of this clause.

I.9 52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA-DESIGNATED PRODUCTS (AUG 2000)

(a) Definitions. As used in this clause--

Post consumer material means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Post consumer material is a part of the broader category of "recovered material."

Recovered material means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) The Contractor, on completion of this contract, shall--

(1) Estimate the percentage of the total recovered material used in contract performance, including, if applicable, the percentage of post consumer material content; and

(2) Submit this estimate to TBD.

I.10 52.225-9 BUY AMERICAN ACT--CONSTRUCTION MATERIALS (MAY 2002)

(a) Definitions. As used in this clause--

Component means any article, material, or supply incorporated directly into construction materials.

Construction material means an article, material, or supply brought to the construction site by the Contractor or a subcontractor for incorporation into the building or work. The term also includes an item brought to the site

pre-assembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site. Materials purchased directly by the Government are supplies, not construction material.

Cost of components means--

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

Domestic construction material means--

(1) An un-manufactured construction material mined or produced in the United States; or

(2) A construction material manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which non-availability determinations have been made are treated as domestic.

Foreign construction material means a construction material other than a domestic construction material.

United States means the 50 States and the District of Columbia, U.S. territories and possessions, Puerto Rico, the Northern Mariana Islands, and any other place subject to U.S. jurisdiction, but does not include leased bases.

(b) Domestic preference. (1) This clause implements the Buy American Act (41 U.S.C. 10a-10d) by providing a preference for domestic construction material. The Contractor shall use only domestic construction material in performing this contract, except as provided in paragraphs (b)(2) and (b)(3) of this clause.

(2) This requirement does not apply to the construction material or components listed by the Government as follows:

 [Contracting Officer to list applicable excepted materials or indicate "none"]

(3) The Contracting Officer may add other foreign construction material to the list in paragraph (b) (2) of this clause if the Government determines that

(i) The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the requirements of the Buy American Act is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;

(ii) The application of the restriction of the Buy American Act to a particular construction material would be impracticable or inconsistent with the public interest; or

(iii) The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(c) Request for determination of inapplicability of the Buy American Act.

(1) (i) Any Contractor request to use foreign construction material in accordance with paragraph (b) (3) of this clause shall include adequate information for Government evaluation of the request, including--

(A) A description of the foreign and domestic construction materials;

(B) Unit of measure;

(C) Quantity;

(D) Price;

(E) Time of delivery or availability;

(F) Location of the construction project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (b) (3) of this clause.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (d) of this clause.

(iii) The price of construction material shall include all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued).

(iv) Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.

(2) If the Government determines after contract award that an exception to the Buy American Act applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer will modify the contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (b)(3)(i) of this clause.

(3) Unless the Government determines that an exception to the Buy American Act applies, use of foreign construction material is noncompliant with the Buy American Act.

(d) Data. To permit evaluation of requests under paragraph (c) of this clause based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Unit of Construction material	Unit of description	Price Measure	Quantity	(dollars) /1/
Item 1:				
Foreign construction material
Domestic construction material
Item 2:				
Foreign construction material
Domestic construction material

Include all delivery costs to the construction site and any applicable duty (whether or not a duty-free entry certificate is issued). List name, address, telephone number, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary. Include other applicable supporting information.

I.11 52.227-23 RIGHTS TO PROPOSAL DATA (TECHNICAL) (JUN 1987)

Except for data contained on pages , it is agreed that as a condition of award of this contract, and notwithstanding the conditions of any notice appearing thereon, the Government shall have unlimited rights (as defined in the "Rights in Data--General" clause contained in this contract) in and to the technical data contained in the proposal dated upon which this contract is based.

I.12 52.232-27 PROMPT PAYMENT FOR CONSTRUCTION CONTRACTS (FEB 2002)

Notwithstanding any other payment terms in this contract, the Government will make invoice payments under the terms and conditions specified in this

clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer. Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see paragraph (a)(3) concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) Invoice payments--

(1) Types of invoice payments. For purposes of this clause, there are several types of invoice payments that may occur under this contract, as follows:

(i) Progress payments, if provided for elsewhere in this contract, based on Contracting Officer approval of the estimated amount and value of work or services performed, including payments for reaching milestones in any project.

(A) The due date for making such payments is 14 days after the designated billing office receives a proper payment request. If the designated billing office fails to annotate the payment request with the actual date of receipt at the time of receipt, the payment due date is the 14th day after the date of the Contractor's payment request, provided the designated billing office receives a proper payment request and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(B) The due date for payment of any amounts retained by the Contracting Officer in accordance with the clause at 52.232-5, Payments Under Fixed-Price Construction Contracts, is as specified in the contract or, if not specified, 30 days after approval by the Contracting Officer for release to the Contractor.

(ii) Final payments based on completion and acceptance of all work and presentation of release of all claims against the Government arising by virtue of the contract, and payments for partial deliveries that have been accepted by the Government (e.g., each separate building, public work, or other division of the contract for which the price is stated separately in the contract).

(A) The due date for making such payments is the later of the following two events:

(1) The 30th day after the designated billing office receives a proper invoice from the Contractor.

(2) The 30th day after Government acceptance of the work or services completed by the Contractor. For a final invoice when the payment amount is subject to contract settlement actions (e.g., release of claims), acceptance is deemed to occur on the effective date of the contract settlement.

(B) If the designated billing office fails to annotate the invoice with the date of actual receipt at the time of receipt, the invoice payment due date is the 30th day after the date of the Contractor's invoice, provided the designated billing office receives a proper invoice and there is no

disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) Contractor's invoice. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraphs (a)(2)(i) through (a)(2)(xi) of this clause. If the invoice does not comply with these requirements, the designated billing office must return it within 7 days after receipt, with the reasons why it is not a proper invoice. When computing any interest penalty owed the Contractor, the Government will take into account if the Government notifies the Contractor of an improper invoice in an untimely manner.

(i) Name and address of the Contractor.

(ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of mailing or transmission.)

(iii) Contract number or other authorization for work or services performed (including order number and contract line item number).

(iv) Description of work or services performed.

(v) Delivery and payment terms (e.g., discount for prompt payment terms).

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.

(viii) For payments described in paragraph (a)(1)(i) of this clause, substantiation of the amounts requested and certification in accordance with the requirements of the clause at 52.232-5, Payments Under Fixed-Price Construction Contracts.

(ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.

(x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision (e.g., 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(xi) Any other information or documentation required by the contract.

(3) Interest penalty. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(3)(i) through (a)(3)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday, the designated payment office may make payment on the following working day without incurring a late payment interest penalty.

(i) The designated billing office received a proper invoice.

(ii) The Government processed a receiving report or other Government documentation authorizing payment and there was no disagreement over quantity, quality, Contractor compliance with any contract term or condition, or requested progress payment amount.

(iii) In the case of a final invoice for any balance of funds due the Contractor for work or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(4) Computing penalty amount. The Government will compute the interest penalty in accordance with the Office of Management and Budget prompt payment regulations at 5 CFR part 1315.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor for payments described in paragraph (a)(1)(ii) of this clause, Government acceptance or approval is deemed to occur constructively on the 7th day after the Contractor has completed the work or services in accordance with the terms and conditions of the contract. If actual acceptance or approval occurs within the constructive acceptance or approval period, the Government will base the determination of an interest penalty on the actual date of acceptance or approval. Constructive acceptance or constructive approval requirements do not apply if there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. These requirements also do not compel Government officials to accept work or services, approve Contractor estimates, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The prompt payment regulations at 5 CFR 1315.10(c) do not require the Government to pay interest penalties if payment delays are due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract. The Government and the Contractor shall resolve claims involving disputes, and any interest that may be payable in accordance with the clause at FAR 52.233-1, Disputes.

(5) Discounts for prompt payment. The designated payment office will pay an interest penalty automatically, without request from the Contractor, if the Government takes a discount for prompt payment improperly. The Government will calculate the interest penalty in accordance with the prompt payment regulations at 5 CFR part 1315.

(6) Additional interest penalty.

(i) The designated payment office will pay a penalty amount, calculated in accordance with the prompt payment regulations at 5 CFR part 1315 in addition to the interest penalty amount only if--

(A) The Government owes an interest penalty of \$1 or more;

(B) The designated payment office does not pay the interest penalty within 10 days after the date the invoice amount is paid; and

(C) The Contractor makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(6)(ii) of this clause, postmarked not later than 40 days after the date the invoice amount is paid.

(ii) (A) The Contractor shall support written demands for additional penalty payments with the following data. The Government will not request any additional data. The Contractor shall--

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest was due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) If there is no postmark or the postmark is illegible--

(1) The designated payment office that receives the demand will annotate it with the date of receipt provided the demand is received on or before the 40th day after payment was made; or

(2) If the designated payment office fails to make the required annotation, the Government will determine the demand's validity based on the date the Contractor has placed on the demand, provided such date is no later than the 40th day after payment was made.

(b) Contract financing payments. If this contract provides for contract financing, the Government will make contract financing payments in accordance with the applicable contract financing clause.

(c) Subcontract clause requirements. The Contractor shall include in each subcontract for property or services (including a material supplier) for the purpose of performing this contract the following:

(1) Prompt payment for subcontractors. A payment clause that obligates the Contractor to pay the subcontractor for satisfactory performance under its subcontract not later than 7 days from receipt of payment out of such amounts as are paid to the Contractor under this contract.

(2) Interest for subcontractors. An interest penalty clause that obligates the Contractor to pay to the subcontractor an interest penalty for each payment not made in accordance with the payment clause--

(i) For the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made; and

(ii) Computed at the rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) in effect at the time the Contractor accrues the obligation to pay an interest penalty.

(3) Subcontractor clause flowdown. A clause requiring each subcontractor to

(i) Include a payment clause and an interest penalty clause conforming to the standards set forth in paragraphs (c)(1) and (c)(2) of this clause in each of its subcontracts; and

(ii) Require each of its subcontractors to include such clauses in their subcontracts with each lower-tier subcontractor or supplier.

(d) Subcontract clause interpretation. The clauses required by paragraph (c) of this clause shall not be construed to impair the right of the Contractor or a subcontractor at any tier to negotiate, and to include in their subcontract, provisions that--

(1) Retainage permitted. Permit the Contractor or a subcontractor to retain (without cause) a specified percentage of each progress payment otherwise due to a subcontractor for satisfactory performance under the subcontract without incurring any obligation to pay a late payment interest penalty, in accordance with terms and conditions agreed to by the parties to the subcontract, giving such recognition as the parties deem appropriate to the ability of a subcontractor to furnish a performance bond and a payment bond;

(2) Withholding permitted. Permit the Contractor or subcontractor to make a determination that part or all of the subcontractor's request for payment may be withheld in accordance with the subcontract agreement; and

(3) Withholding requirements. Permit such withholding without incurring any obligation to pay a late payment penalty if--

(i) A notice conforming to the standards of paragraph (g) of this clause previously has been furnished to the subcontractor; and

(ii) The Contractor furnishes to the Contracting Officer a copy of any notice issued by a Contractor pursuant to paragraph (d)(3)(i) of this clause.

(e) Subcontractor withholding procedures. If a Contractor, after making a request for payment to the Government but before making a payment to a subcontractor for the subcontractor's performance covered by the payment request, discovers that all or a portion of the payment otherwise due such subcontractor is subject to withholding from the subcontractor in accordance with the subcontract agreement, then the Contractor shall--

(1) Subcontractor notice. Furnish to the subcontractor a notice conforming to the standards of paragraph (g) of this clause as soon as

practicable upon ascertaining the cause giving rise to a withholding, but prior to the due date for subcontractor payment;

(2) Contracting Officer notice. Furnish to the Contracting Officer, as soon as practicable, a copy of the notice furnished to the subcontractor pursuant to paragraph (e)(1) of this clause;

(3) Subcontractor progress payment reduction. Reduce the subcontractor's progress payment by an amount not to exceed the amount specified in the notice of withholding furnished under paragraph (e)(1) of this clause;

(4) Subsequent subcontractor payment. Pay the subcontractor as soon as practicable after the correction of the identified subcontract performance deficiency, and--

(i) Make such payment within--

(A) Seven days after correction of the identified subcontract performance deficiency (unless the funds therefor must be recovered from the Government because of a reduction under paragraph (e)(5)(i) of this clause; or

(B) Seven days after the Contractor recovers such funds from the Government; or

(ii) Incur an obligation to pay a late payment interest penalty computed at the rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under section 12 of the Contracts Disputes Act of 1978 (41 U.S.C. 611) in effect at the time the Contractor accrues the obligation to pay an interest penalty;

(5) Notice to Contracting Officer. Notify the Contracting Officer upon--

(i) Reduction of the amount of any subsequent certified application for payment; or

(ii) Payment to the subcontractor of any withheld amounts of a progress payment, specifying--

(A) The amounts withheld under paragraph (e)(1) of this clause; and

(B) The dates that such withholding began and ended; and

(6) Interest to Government. Be obligated to pay to the Government an amount equal to interest on the withheld payments (computed in the manner provided in 31 U.S.C. 3903(c)(1)), from the 8th day after receipt of the withheld amounts from the Government until--

(i) The day the identified subcontractor performance deficiency is corrected; or

(ii) The date that any subsequent payment is reduced under paragraph (e)(5)(i) of this clause.

(f) Third-party deficiency reports--

(1) Withholding from subcontractor. If a Contractor, after making payment to a first-tier subcontractor, receives from a supplier or

subcontractor of the first-tier subcontractor (hereafter referred to as a "second-tier subcontractor") a written notice in accordance with section 2 of the Act of August 24, 1935 (40 U.S.C. 270b, Miller Act), asserting a deficiency in such first-tier subcontractor's performance under the contract for which the Contractor may be ultimately liable, and the Contractor determines that all or a portion of future payments otherwise due such first-tier subcontractor is subject to withholding in accordance with the subcontract agreement, the Contractor may, without incurring an obligation to pay an interest penalty under paragraph (e)(6) of this clause--

(i) Furnish to the first-tier subcontractor a notice conforming to the standards of paragraph (g) of this clause as soon as practicable upon making such determination; and

(ii) Withhold from the first-tier subcontractor's next available progress payment or payments an amount not to exceed the amount specified in the notice of withholding furnished under paragraph (f)(1)(i) of this clause.

(2) Subsequent payment or interest charge. As soon as practicable, but not later than 7 days after receipt of satisfactory written notification that the identified subcontract performance deficiency has been corrected, the Contractor shall--

(i) Pay the amount withheld under paragraph (f)(1)(ii) of this clause to such first-tier subcontractor; or

(ii) Incur an obligation to pay a late payment interest penalty to such first-tier subcontractor computed at the rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under section 12 of the Contracts Disputes Act of 1978 (41 U.S.C. 611) in effect at the time the Contractor accrues the obligation to pay an interest penalty.

(g) Written notice of subcontractor withholding. The Contractor shall issue a written notice of any withholding to a subcontractor (with a copy furnished to the Contracting Officer), specifying--

(1) The amount to be withheld;

(2) The specific causes for the withholding under the terms of the subcontract; and

(3) The remedial actions to be taken by the subcontractor in order to receive payment of the amounts withheld.

(h) Subcontractor payment entitlement. The Contractor may not request payment from the Government of any amount withheld or retained in accordance with paragraph (d) of this clause until such time as the Contractor has determined and certified to the Contracting Officer that the subcontractor is entitled to the payment of such amount.

(i) Prime-subcontractor disputes. A dispute between the Contractor and subcontractor relating to the amount or entitlement of a subcontractor to a payment or a late payment interest penalty under a clause included in the subcontract pursuant to paragraph (c) of this clause does not constitute a dispute to which the Government is a party. The Government may not be inter-

pleaded in any judicial or administrative proceeding involving such a dispute.

(j) Preservation of prime-subcontractor rights. Except as provided in paragraph (i) of this clause, this clause shall not limit or impair any contractual, administrative, or judicial remedies otherwise available to the Contractor or a subcontractor in the event of a dispute involving late payment or nonpayment by the Contractor or deficient subcontract performance or nonperformance by a subcontractor.

(k) Non-recourse for prime contractor interest penalty. The Contractor's obligation to pay an interest penalty to a subcontractor pursuant to the clauses included in a subcontract under paragraph (c) of this clause shall not be construed to be an obligation of the Government for such interest penalty. A cost-reimbursement claim may not include any amount for reimbursement of such interest penalty.

(l) Overpayments. If the Contractor becomes aware of a duplicate payment or that the Government has otherwise overpaid on an invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

I.13 52.236-1 PERFORMANCE OF WORK BY THE CONTRACTOR (APR 1984)

The Contractor shall perform on the site, and with its own organization, work equivalent to at least 10 PERCENT of the total amount of work to be performed under the contract. This percentage may be reduced by a supplemental agreement to this contract if, during performing the work, the Contractor requests a reduction and the Contracting Officer determines that the reduction would be to the advantage of the Government.

I.14 52.242-15 STOP-JOB ORDER (AUG 1989) ALTERNATE I (APR 1984)

(a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-Job Order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-Job Order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either -

- (1) Cancel the stop-Job Order; or
- (2) Terminate the work covered by the order as provided in the Termination clause of this contract, or the Termination for Convenience of the Government, clause of this contract.

(b) If a stop-Job Order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in

the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if-

(1) The stop-Job Order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal submitted at any time before final payment under this contract.

(c) If a stop-Job Order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-Job Order in arriving at the termination settlement.

(d) If a stop-Job Order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-Job Order.

**I.15 52.244-2 SUBCONTRACTS (AUG 1998)
ALTERNATE II (AUG 1998)**

(a) Definitions. As used in this clause--

Approved purchasing system means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

Consent to subcontract means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.

(d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

(1) Is of the cost-reimbursement, time-and-materials, or labor- hour type; or

(2) Is fixed-price and exceeds--

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

(f) (1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting--

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason cost or pricing data were or were not required;

(D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or

current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) If the Contractor has an approved purchasing system and consent is not required under paragraph (c), (d), or (e) of this clause, the Contractor nevertheless shall notify the Contracting Officer reasonably in advance of entering into any (i) cost-plus-fixed-fee subcontract, or (ii) fixed-price subcontract that exceeds either the simplified acquisition threshold or 5 percent of the total estimated cost of this contract. The notification shall include the information required by paragraphs (f)(1)(i) through (f)(1)(iv) of this clause.

(g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination--

(1) Of the acceptability of any subcontract terms or conditions;

(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).

(i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

I.16 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAY 2002)

(a) Definitions. As used in this clause--

Commercial item has the meaning contained in the clause at 52.202-1, Definitions.

Subcontract includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or non-developmental items as components of items to be supplied under this contract.

(c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a));

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(v) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (JUN 2000) (46 U.S.C. Appx 1241) (flowdown not required for subcontracts awarded beginning May 1, 1996).

(4) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

I.17 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://arnet.gov/far/>
<http://www.usaid.gov>

I.18 52.252-4 ALTERATIONS IN CONTRACT (APR 1984)

Portions of this contract are altered as follows: TBD

I.19 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(d) The use in this solicitation or contract of any AIDAR (48 CFR Chapter FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1)) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

I.20 AIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS (JAN 1990)

Prior written approval by the Contracting Officer is required for all international travel directly and identifiably funded by USAID under this contract. The Contractor shall therefore present to the Contracting Officer an itinerary for each planned international trip, showing the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advanced of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. The Contracting Officer's prior written approval may be in the form of a letter or telegram or similar device or may be specifically incorporated into the schedule of the contract. At least one week prior to commencement of approved international travel, the Contractor shall notify the cognizant Mission, with a copy to the Contracting Officer, of planned travel, identifying the travelers and the dates and times of arrival.

I.21 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the contract or approved in writing by the contracting officer. A copy of the standards for USAID financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the contract or in writing by the contracting officer:

(1) All communications materials funded by operating expense account funds;

(2) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication,

the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(3) Any communication products that will be sent directly to, or likely to be seen by, a Member of Congress or Congressional staffer; and

(4) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other USAID/W offices for internal use.

(d) The initial proposal must provide a separate estimate of the cost of every communications product as defined in paragraph (a) above [not just those which meet the criteria in paragraph (c)] which is anticipated under the contract. Each estimate must include all of the costs associated with preparation and execution of the product. Any subsequent request for approval of a covered communication product must provide the same type of cost information.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

ATTACHMENT 1 - IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS
ATTACHMENT 2 - DD FORM 254 CONTRACT SECURITY CLASSIFICATION SPECIFICATION

ATTACHMENT 1

IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS

The USAID Geographic Code Book sets forth the official description of all geographic codes used by USAID in authorizing or implementing documents, to designate authorized source countries or areas. The following are summaries of the principal codes:

(a) Code 000--The United States: The United States of America, any State(s) of the United States, the District of Columbia, and areas of U.S.-associated sovereignty, including commonwealths, territories and possessions.

(b) Code 899--Any area or country, except the cooperating country itself and the following foreign policy restricted countries: Afghanistan, Libya, Cuba, Laos, Iraq, Iran, North Korea, and Syria.

(c) Code 935--Any area or country including the cooperating country, but excluding the foreign policy restricted countries.

(d) Code 941--The United States and any independent country (excluding foreign policy restricted countries), except the cooperating country itself and the following: Albania, Andorra, Angola, Armenia, Austria, Australia, Azerbaijan, Bahamas, Bahrain, Belgium, Bosnia and Herzegovina, Bulgaria, Belarus, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Gabon, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia*, Malta, Moldova, Monaco, Mongolia, Montenegro*, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia*, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan*, Tajikistan, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, and Vatican City.

* Has the status of a "Geopolitical Entity", rather than an independent country.

**DEPARTMENT OF DEFENSE
CONTRACT SECURITY CLASSIFICATION SPECIFICATION**

(The requirements of the DoD Industrial Security Manual apply to all security aspects of this effort.)

1. CLEARANCE AND SAFEGUARDING

a. FACILITY CLEARANCE REQUIRED
Secret

b. LEVEL OF SAFEGUARDING REQUIRED
None

2. THIS SPECIFICATION IS FOR: *(X and complete as applicable)*

a. PRIME CONTRACT NUMBER
EEE-C-00-03-00018-00

b. SUBCONTRACT NUMBER

c. SOLICITATION OR OTHER NUMBER DUE DATE (YYYYMMDD)

3. THIS SPECIFICATION IS: *(X and complete as applicable)*

a. ORIGINAL *(Complete date in all cases)* DATE (YYYYMMDD)
4/16/03

b. REVISED *(Supersedes all previous specs)* REVISION NO. DATE (YYYYMMDD)

c. FINAL *(Complete Item 5 in all cases)* DATE (YYYYMMDD)

4. IS THIS A FOLLOW-ON CONTRACT? YES NO. If Yes, complete the following:
Classified material received or generated under _____ *(Preceding Contract Number)* is transferred to this follow-on contract.

5. IS THIS A FINAL DD FORM 254? YES NO. If Yes, complete the following:
In response to the contractor's request dated _____, retention of the classified material is authorized for the period of _____

6. CONTRACTOR *(Include Commercial and Government Entity (CAGE) Code)*

a. NAME, ADDRESS, AND ZIP CODE
Bechtel National Incorporated
50 Beale Street
San Francisco, CA 94105-1813

b. CAGE CODE
1S307

c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*
Defense Security Service (DSS)
S53SC (Santa Clara)

7. SUBCONTRACTOR

a. NAME, ADDRESS, AND ZIP CODE
N/A

b. CAGE CODE

c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*

8. ACTUAL PERFORMANCE

a. LOCATION
USAID/Kuwait
USAID/IRAQ

b. CAGE CODE

c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

Reconstruction of Infrastructure in Post-War Iraq.

10. CONTRACTOR WILL REQUIRE ACCESS TO:	YES	NO	11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		<input checked="" type="checkbox"/>	a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY	<input checked="" type="checkbox"/>	
b. RESTRICTED DATA		<input checked="" type="checkbox"/>	b. RECEIVE CLASSIFIED DOCUMENTS ONLY		<input checked="" type="checkbox"/>
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		<input checked="" type="checkbox"/>	c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		<input checked="" type="checkbox"/>
d. FORMERLY RESTRICTED DATA		<input checked="" type="checkbox"/>	d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE	<input checked="" type="checkbox"/>	
e. INTELLIGENCE INFORMATION		<input checked="" type="checkbox"/>	e. PERFORM SERVICES ONLY	<input checked="" type="checkbox"/>	
(1) Sensitive Compartmented Information (SCI)		<input checked="" type="checkbox"/>	f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES	<input checked="" type="checkbox"/>	
(2) Non-SCI		<input checked="" type="checkbox"/>	g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		<input checked="" type="checkbox"/>
f. SPECIAL ACCESS INFORMATION		<input checked="" type="checkbox"/>	h. REQUIRE A COMSEC ACCOUNT		<input checked="" type="checkbox"/>
g. NATO INFORMATION		<input checked="" type="checkbox"/>	i. HAVE TEMPEST REQUIREMENTS		<input checked="" type="checkbox"/>
h. FOREIGN GOVERNMENT INFORMATION		<input checked="" type="checkbox"/>	j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		<input checked="" type="checkbox"/>
i. LIMITED DISSEMINATION INFORMATION		<input checked="" type="checkbox"/>	k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		<input checked="" type="checkbox"/>
j. FOR OFFICIAL USE ONLY INFORMATION		<input checked="" type="checkbox"/>	l. OTHER <i>(Specify)</i>		
k. OTHER <i>(Specify)</i> Sensitive but Unclassified (SBU)			Sensitive but Unclassified		

Reset

12. PUBLIC RELEASE. Any information (*classified or unclassified*) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release Direct Through (*Specify*)

USAID/ANE, Mr. Ross Wherry
(202) 712-4716

to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review.
*In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.

13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (*Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.*)

See the attached Supplemental Guidance Item 13-1 through 13-21 in addition to Sections III "Special Security Conditions" and H.15.

Contractor must comply with the DD Form 441 Agreement in addition to the NISPOM dated Jan. 1995.

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. Yes No
(*If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.*)

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. Yes No
(*If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.*)

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.

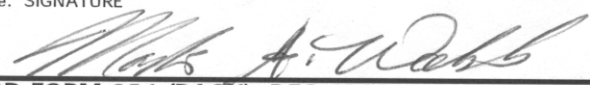
a. TYPED NAME OF CERTIFYING OFFICIAL Mark A. Webb	b. TITLE Industrial Security Specialist	c. TELEPHONE (<i>Include Area Code</i>) (202) 712-5612
------------------------------------------------------	--------------------------------------------	-------------------------------------------------------------

d. ADDRESS (*Include Zip Code*)
1300 Pennsylvania Avenue, N.W.
Room 2.06A-35

2/16/2003

17. REQUIRED DISTRIBUTION

<input checked="" type="checkbox"/>	a. CONTRACTOR
<input checked="" type="checkbox"/>	b. SUBCONTRACTOR
<input checked="" type="checkbox"/>	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
<input checked="" type="checkbox"/>	d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION
<input checked="" type="checkbox"/>	e. ADMINISTRATIVE CONTRACTING OFFICER
<input checked="" type="checkbox"/>	f. OTHERS AS NECESSARY

e. SIGNATURE


SUPPLEMENTAL SECURITY GUIDANCE FOR USAID CONTRACT NUMBER EEE-C-00-03-00018-00

BLOCK #13 OF THE DD Form 254 ENTITLED "SECURITY GUIDANCE"
CONTINUED:

13-1. The National Industrial Security Program (NISP) was established by Executive Order 12829 (EO 12829). Effective April 2, 1996, USAID entered into agreement with the Department of Defense (DoD) in accordance with EO 12829. This agreement established the terms of DoD's responsibilities to act on behalf of USAID for NISP matters.

13-2. The operating manual for the NISP replaces the DoD Industrial Security Manual. Accordingly, all references to the DoD Industrial Security Manual contained in this DD Form 254 or in other clauses in this contract shall be substituted with the National Industrial Security Program Operating Manual (DoD 5220.22-M).

13-3. FAR Clause 52.204-2, Security Requirements, is applicable to this contract.

13-4. The contractor will be responsible for abiding by the policies and procedures contained in the following USAID Automated Directive System (ADS) Chapters:

13-4a. USAID ADS Chapter 565, Physical Security Programs (Domestic) contains the policies and essential procedures for the protection of national security information and employees in the USAID Headquarters building.

13-4b. USAID ADS Chapter 567, Classified Contract Security and Contractor Personnel Security Program, contains the policies and essential procedures for classified contracts and personnel security investigations and clearances for contractor personnel.

13-4c. USAID ADS Chapter 568, National Security Information and Counterintelligence Security Program, contains the policies and essential procedures for the protection of national security information contact reporting, and counterintelligence awareness training.

13-4d. USAID ADS Chapter 551, Automated Information Systems Security, contains the policies and essential procedures for the protection of USAID sensitive systems and data.

13-5. USAID ADS Chapter 565 specifies the conditions under which the Government will issue a USAID Building Pass. Possession of a USAID Building Pass is required for unescorted access into the USAID Headquarters building.

SUPPLEMENTAL SECURITY GUIDANCE FOR USAID CONTRACT NUMBER EEE-C-00-03-00018-00
BLOCK #13 OF THE DD Form 254 ENTITLED "SECURITY GUIDANCE"
CONTINUED:

13-6. In addition to the requirements noted in USAID ADS Chapter 565 and 567, contractor employees who have been granted a security clearance will not be issued a USAID Building pass unless the contractor certifies in writing that the contract employee has signed an SF 312, Classified Information Nondisclosure Agreement, and received an initial security briefing in accordance with Chapter 3 of the NISP Operating Manual (NISPOM). (Note: The Request for Visit Authorization (VAR) serves as this certification that the security training and Non-Disclosure requirements have been met). Interim security clearances will be accepted by USAID. The CTO will determine whether Contract Hire personnel require a USAID RRB pass.

13-7. The contractor shall not permit any employee who has not been issued a USAID Building Pass by USAID to work in or have routine access in USAID-controlled space.

13-8. The Government will control access to classified national security information by contractor employees. All classified national security information will be properly marked by the Government prior to disclosure to the contractor. All discrepancies, doubts or questions concerning the proper sensitivity or classification level of information by the contractor will be resolved by the designated CTO.

13-9. The contractor shall not possess or store any classified national security information or materials in the contractor's controlled space within the U.S. or overseas without the prior approval of the U.S. Government CTO, The Department of State Regional Security Officer (RSO) and USAID/SEC.

13-10. The contractor shall not reproduce or copy any classified national security information without the prior written authorization from the Government CTO or designee. Upon completion of the contract, all classified material will be returned to the Government.

13-11. The Government will advise the FSO of all security violations by contractor's employee(s) while working in USAID-controlled space. In turn, the FSO must report this incident/violation to their designated DSS representative.

13-12. The contractor may be afforded access to information which is considered sensitive under the Computer Security Act of 1987, as amended (Public Law 100-235). Such information is "Sensitive But Unclassified" (SBU) and shall be safeguarded as specified in 12 FAM 540. The Government will ensure all SBU information provided to the contractor or placed under the control of the contractor is identified as SBU.

SUPPLEMENTAL SECURITY GUIDANCE FOR USAID CONTRACT NUMBER EEE-C-00-03-00018-00
BLOCK #13 OF THE DD Form 254 ENTITLED "SECURITY GUIDANCE"
CONTINUED:

13-13. The Government CTO or designee will determine which contractor employees are allowed access to USAID sensitive automated information systems.

13-14. The contractor shall ensure that employees given access to SBU information, Government information technology systems containing sensitive information, and/or routine access to USAID-controlled space abide by the provisions of ADS Chapter 551.

13-15. The contractor shall not store any SBU information or materials in the contractor's controlled space without the prior approval of the Government Contracting Technical Officer's Representative (CTO) or designee. Upon completion of the contract, all SBU material will be returned to the Government.

13-16. Responsibility to Control Access: It is the contractor's responsibility to ensure that his/her employees do not have access to USAID data, information, network connections, and/or space without the appropriate clearance and that all mandated security procedures are followed.

13-17. The contractor shall ensure that upon termination from the contract his/her employees receive a security debriefing, sign the Security Debriefing Acknowledgement portion of the SF 312, and return the USAID Building Pass to the designated USAID CTO.

13-18. The Contractor shall submit for approval to the Government CTO the security requirements for any Subcontract that the Contractor may employ.

13-19. Any discrepancies, doubts or questions concerning the proper sensitivity or classification level of information provided to the contractor will be forwarded to the CTO for resolution.

13-20. The contractor will comply with the Visits and Meeting notification requirements as outlined in paragraph 6-103 inclusive of the National Industrial Security Program Operating Manual. Notifications are to be sent to: U.S. Agency For International Development, Office Of Security, 1300 Penn Ave, N.W., Rm. 2.06-A (RRB), Washington, D.C. 20523-8800.

13-21. Employees working under this contract must have been subject to a background investigation by the Defense Security Service, and awarded the appropriate interim/final security clearance by DISCO prior to the issuance of a USAID/W building pass.

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AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1 CONTRACT ID CODE PAGE OF PAGES
1 12

2 AMENDMENT/MODIFICATION NO 3 EFFECTIVE DATE 4 REQUISITION/PURCHASE REQ NO 5 PROJECT NO (if applicable)
MCC 05/16/2003

6 ISSUED BY CODE 7 ADMINISTERED BY (if other than item 8) CODE
USAID/M/OP E & E ROOM 7.09-102 RONALD REAGAN BUILDING 1300 PENNSYLVANIA AVE., NW WASHINGTON DC 20523-7100 USAID/ORHA ATTN NEIL G PRICE

8 NAME AND ADDRESS OF CONTRACTOR (No. street county State and ZIP Code) (X) 9A AMENDMENT OF SOLICITATION NO. 9B DATED (SEE ITEM 11) 10A MODIFICATION OF CONTRACT ORDER NO. EEE-C-00-03-00018-00 10B DATED (SEE ITEM 13) X 04-17-2003
BECHTEL NATIONAL INC ATTN: CRAIG ALBERT/CRAIG WEAVER 50 BEALE ST. SAN FRANCISCO CA 94105-1895

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment of each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12 ACCOUNTING AND APPROPRIATION DATA (if required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14 PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
C THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF E.O. 11223, FAR PART 43, Foreign Assistance Act of 1961, as amended.
D OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 3 copies to the issuing office.

14 DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings including solicitation/contract subject matter where feasible)
This Modification No. 1 is issued to definitized the aforementioned letter contract as described herein as well as to transfer Contracting Authority to Neil Price, BSAID/ORHA.
Accordingly the Letter Contract is definitized and modified as follows.
1 Contracting Authority as well as Administration are hereby transferred to Neil G. Price, Contracting Officer, USAID/ORHA, currently located in Kuwait City, Kuwait.
2. Delete from Page 1 SF 1442 Block 10 and Section B.1 and replaced by "Contract".

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A as heretofore changed, remains unchanged and in full force and effect

15A NAME AND TITLE OF SIGNER (Type or print) 15B NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
(b)(6) CHRISTINE E LYONS CONTRACTING OFFICER
15C DATE SIGNED 15D UNITED STATES OF AMERICA 15E SIGNATURE OF CONTRACTING OFFICER 15F DATE SIGNED
(b)(6) 5/16/03 (Signature of Contracting Officer) 05-16-2003

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2. The words "letter and definitized contract" in Section B.2 are changed to read "contract".
3. Section B.3 (a) is deleted in its entirety and replaced by the following that incorporates the negotiated price.

"The estimated cost for the performance of the work required hereunder, CLIN 0001-0009 and CLIN 11 exclusive of fixed fee, if any, is (b)(4) The fixed fee, if any, is (b)(4) The estimated cost plus fixed fee, if any, will not exceed \$79,833,259."

4. Section B.3 (b) is deleted in its entirety and changed to the following that incorporates the negotiated fixed fee on CLIN 0010.

"The estimated cost for the performance of the work required hereunder, CLIN 0010, exclusive of fixed fee, if any, is (b)(4) The fixed fee, if any, is (b)(4) The estimated cost-plus fixed fee, if any, is \$600,000,000.00."

5. Section B.4 the "PRICE SCHEDULE" is replaced by the following negotiated budget:

<u>CLIN</u>	<u>DESCRIPTION</u>	<u>COST</u>
0001	Salaries:	
0001A	Long Term	
	Nbr. of Person days: (b)(4)	
	*includes 7-day & 6-day workweeks	
0001B	Short Term	(b)(4)
	Nbr. of Person Days: (b)(4)	
0002	Fringe Benefits	
0003	Allowances	
0004	Travel and Transportation	
0005	Vehicles including GPS equipment & software	\$ 10,201,572
0006	Equipment and Furnishings	\$ 3,306,424
0007	Supplies	\$ 854,352
0008	Other Direct Costs:	\$ 656,087
0008A	Office Space, utilities and work camp	\$ 929,398
0008B	Communications including phones, network, satellite services, radios, etc	\$ 3,072,262
0008C	Vehicle operation, maintenance and repair	\$ 991,206
0008D	Vehicle Insurance	\$ 424,100
0008E	Office equipment maintenance and repair	\$ 110,250
0008F	Processing, training & other mobilization costs	\$ 400,000
0008G	DBA	\$ 1,141,118
0008H	MEDEVAC	\$ 21,330
0008I	Local medical support	\$ 1,300,000
0009	Subcontracts	
0009A	Demining	\$ 407,880
0009B	Quality Assurance Surveying	\$ 104,180
0009C	Local Agency Support	\$ 500,000
0010	Repairs, rehabilitation, reconstruction, construction and	

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	upgrading projects	
0010A	Total Estimated Cost	(b)(4)
0010B	Fixed Fee on 0010 (subcontract portion only)	(b)(4)
0011	Indirect Costs	(b)(4)
0012	Fixed Fee	(b)(4)
	(b)(4)	
	TOTAL	<u>(b)(4)</u>
		\$ 679,833,259

6. Section B.5 INDIRECT COSTS (DEC 1997) is deleted in its entirety to remove proprietary information and incorporate the negotiated ceiling indirect costs. Following is the replacement language:

"A. Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed using the latest Defense Contract Management Agency (DCMA) Corporate Administrative Contracting Officer (CACO)-approved billing rates that Contractor shall submit to the Contracting Officer and USAID Paying Office.

B. Reimbursement for indirect costs shall be at final negotiated rates, but not in excess of 10 percentage points above the provisional rates for the same period. The government shall not be obligated to pay any additional amount on account of indirect costs above the ceiling rates established in the contract. This provision shall not change any monetary ceiling, cost limitation, or obligation established in the contract."

7. Section C.III.6.10. Security under the second paragraph, entitled "Special Security Conditions:" the words "key personnel" in lines one and five and "all proposed/selected key personnel" in line six changed to read "the Chief of Party/Program Director and Deputy Program Director".

8. Section F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE: the FAR reference "52.242-15" for "F.O.B. Destination Within Consignee's Premises (AUG 1984)" is changed to read "52.247-35".

9. Section F.8 KEY PERSONNEL, Paragraph A is deleted in its entirety and changed to the following to reflect changes in the COP and DCOP and to correct an oversight in individual replacement that occurred during negotiations of the basic award. These are:

" Name Title

(b)(6)

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(b) (6)

10. The following paragraph is added to F.8 KEY PERSONNEL to reflect the security clearance requirements for the positions cited and make this clause consistent with Section C.III.6.10 as revised above.
- "C. The key personnel positions of Chief of Party/Program Director and the Deputy Program Director are required to have US citizenship and the applicable level of security clearance for the performance of the contract. "
11. Section G.2 Administrative Contracting Office is changed to read:
- " Pursuant to FAR Part 42.202 Carlton Bennett, USAID/Egypt and Neil Price, USAID/ORHA are hereby delegated Contract Administrative Authority of this contract."
12. The word "TBD" is deleted from Section G.3 COGNIZANT TECHNICAL OFFICER (CTO) and replaced by "Robert MacLeod" who was formally designated on May 8, 2003.
13. The text of Section H.2 52.216-23 EXECUTION AND COMMENCEMENT OF WORK (APR 1984) is deleted in and replaced by "DELETED".
14. The text of Section H.3 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984) is deleted in its entirety and replaced by "DELETED".
15. The text of Section H.4 52.216-25 CONTRACT DEFINITIZATION (OCT 1997) is deleted in its entirety and replaced by "DELETED".
16. Section H.8 AUTHORIZED GEOGRAPHIC CODE is changed from "899" to "935". The sentences "It is anticipated that Iraq will be designated as an authorized source" and "Its inclusion will be communicated as soon as it is approved" are hereby deleted and replaced with the following statement:
- NOTE: ADDITIONAL LANGUAGE TO BE PROVIDED BY USAID OFFICE OF GENERAL COUNSEL IN NEXT MODIFICATION,
17. The word "TBD" is removed from Section H.9 NONEXPENDABLE PROPERTY PURCHASES AND INFORMATION TECHNOLOGY RESOURCES and the following list is included.
- "Vehicles:
4-wheel drive SUV type vehicles
15-passenger vans

Pick-up trucks
Office Furniture:

Desks
Chairs
Guest chairs
Bookcases
Computer desks
60 x 61 panels
60 x 30 panels
Drawer units
Credenzas
Lamps
Wastebaskets
Trays
Tables
End Tables
File cabinets
Conference Tables
Conference Chairs
Bulletin Boards
Coat Racks
Microwaves
Refrigerators

Computers/Communications:

GPS Transmitters
Cell Phones
Satellite Phones
Network Server/ Computers
Laptops Computers with Docking Stations
Printers
Plotters
Scanners
Radios
Radio Base Stations

Office Equipment:

Shredders
Safe
Cash Window
Digital Cameras
Overhead Projectors
Projector Cart
Copiers
Fax Machines

Other:

Medical Equipment"

18. The following changes and/or corrections were made to H.12 PERSONNEL
COMPENSATION:

18.a. H.12 (a) Limitations: DELETE the numbering of second sub-
paragraph "(1)" and in lieu thereof INSERT the number, "(2)".

18.b. H.12 (a) Limitations: DELETE the last sentence in subparagraph
(2), "On April 14, 2003, as follows:" and the Table following that
sentence and in lieu thereof INSERT, "An initial salary waiver listing

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was approved by the Procurement Executive on April 14, 2003. A copy of which is in the Official Contract file."

18.c H.12 (f) Initial Salaries: DELETE the text in its entirety and in lieu thereof INSERT: "Any initial starting salaries included in the Contractor's revised final proposal and accepted during negotiations are deemed approved upon contract execution."

18. d. H.12 (g) Work Week, (2) Overseas Employee:

(b) (4)

19. The text of Section H.13. SUBCONTRACTING PLAN AND THE SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS AND SF 295 - SUMMARY CONTRACTING REPORT was removed in its entirety and replaced by "DELETED".

20. The new provision, "H.18 INDEMNIFICATION UNDER P.L. 85-804" is added based on the Presidential Memo of April 16, 2003 which authorized USAID use of this Public Law specifically for this Contract in Iraq.

"H.18 INDEMNIFICATION UNDER P.L. 85-804

USAID has been delegated authority to indemnify the Contractor against specified perils pursuant to P.L. 85-804. Upon receipt of the Contractor's formal request for indemnification, USAID will use its best efforts to expedite the review and approval process in order to meet the schedule needs as the project team deploys into Iraq. Once the Head of Agency approves the request, the clause at FAR 52.250-1 will be incorporated into the contract by contract modification. Indemnification will be limited to specified perils - namely, chemical, biological, radiological, or nuclear weapons, agents, or materials; land or sea mines or similar explosive devices; and unexploded ordnance - and will not apply to war risks in general. Furthermore, indemnification will be subject to the Contractor's obligation to seek diligently for insurance against covered perils and to acquire and maintain such insurance as soon as it is available on commercially reasonable terms and conditions."

20. The new provision, "H.19. PRESERVATION OF HISTORICAL, ARCHEOLOGICAL AND CULTURAL RESOURCES" is included.

"H.19 PRESERVATION OF HISTORICAL, ARCHEOLOGICAL AND CULTURAL RESOURCES

Contractor and its subcontractors shall immediately stop work in any work area where cultural resources or artifacts with archaeological or historical value are discovered and immediately notify USAID. The Contractor/subcontractors shall not disturb or take any artifacts, items, or materials from the area of discovery. After receiving approval from USAID, the Contractor and its subcontractors shall proceed with any stopped work. Neither Contractor nor any of its subcontractors shall have property rights to such artifacts, items, or

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materials, and must secure and guard such items until turning them over to USAID or other party as directed by USAID Contractor shall also require that its personnel and its subcontractors comply with this provision and respect all historic and archaeological sites in the areas where they are performing work.'

21. The new provision, "H.20. SAFETY OF CONTRACTOR PERSONNEL" is added.

(b)(6) & (b)(4)

22. The new provision, "H.21." is added.

"H.21. SPECIAL PROVISION REGARDING THE CLAUSES ENTITLED "PERSONNEL" (AIDAR 752-7027) AND "INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS (AIDAR 752.7032)

(a) In accordance with each of the above clauses of this contract, where under the Contractor may not send individuals outside the United States to perform work under this contract without the prior written approval of the Contracting Officer, the Contracting Officer does, hereby, provide said approval for those individuals required to travel outside the United States; provided, however, that concurrence with the assignment of any and all said individuals outside the United States is obtained by the Contractor, in writing, from the CTO prior to their assignment abroad. Such approval must be within the terms of this contract, is subject to the availability of funds, and should not be construed as authorization to increase the total estimated cost or the obligated amount of the contract, whichever is less. A copy of each approval issued pursuant to this paragraph will be retained by the Contractor for audit purposes.

(b) After approval of the proposed international travel, the Contractor will notify the CTO of the arrival date and time and flight information of USAID financed travelers.

(c) Travel into Iraq will be in accordance with the applicable procedures established by ORHA at the time the trip is undertaken. "

23. The following FAR Clauses are deleted from I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE.

"52.215-14	INTEGRITY OF UNIT PRICES	OCT 1997
52.219-16	LIQUIDATED DAMAGES--SMALL BUSINESS	JAN 1999
	SUBCONTRACTING PLAN	
52.222-30	DAVIS-BACON ACT--PRICE ADJUSTMENT	DEC 2001
52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED	MAY 1989
52.225-1	BUY AMERICAN ACT--SUPPLIES	MAY 2002

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52.225-2	BUY AMERICAN ACT CERTIFICATE	MAY 2002
52.225-9	BUY AMERICAN ACT--CONSTRUCTION MATERIALS	MAY 2002
52.227-23.1	RIGHTS TO PROPOSAL DATA (TECHNICAL)	JUN 1987
52.228-9	CARGO INSURANCE	MAY 1999
52.236-28	PREPARATION OF PROPOSALS--CONSTRUCTION	OCT 1997
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION	APR 1984
52.245-1	PROPERTY RECORDS	APR 1984
52.246-13	INSPECTION-DISMANTLING, DEMOLITION, OR REMOVAL OF IMPROVEMENTS"	AUG 1996

24. Alternate 1 was included in I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE: 52.232-25 PROMPT PAYMENT FEB 2002.

25. Deviation M-OP-DEV-03-03 was approved by Director of the Office of Procurement on May 2, 2003 authorizing the alteration of the AIDAR 752.7002 TRAVEL AND TRANSPORTATION JAN 1990. Therefore the latter was removed and replaced by the altered clause as follows:

"752.7002 Travel and Transportation.
For use in cost reimbursement contracts performed in whole or in part overseas.

TRAVEL AND TRANSPORTATION (JAN 1990)

(a) General. The Contractor 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 based on the applicable cost principles, the Contractor's established policies and procedures, USAID's established policies and procedures for USAID direct-hire employees, and the particular needs of the project being implemented by this contract. The following paragraphs provide specific guidance and limitations on particular items of cost.

(b) International travel. For travel to and from post of assignment the Contractor shall be reimbursed for travel costs and travel allowances of travelers 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 employee'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 employee's residence) upon completion of services by the individual. Reimbursement for travel will be in accordance with the applicable cost principles and the provisions of this contract, and will be limited to the cost of travel by the most direct and expeditious route. If a regular employee does not complete his/her assigned period of overseas performance at post of duty (except for reasons beyond his/her control), the costs of going to and from the post of duty for that employee and his/her dependents are not reimbursable hereunder. When travel is by economy class accommodations, the Contractor will be reimbursed for the cost of transporting up to 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 shall 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 en route 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 shall not be authorized when travel is by indirect route or is delayed for the convenience of the traveler. Per diem during such stopover shall be paid in accordance with the established practice of the Contractor but not to exceed the amounts stated in the Standardized Regulations.

(c) Local travel. Reimbursement for local travel in connection with duties directly referable to the contract shall 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 Contractor shall be reimbursed for actual travel costs of travelers in the Cooperating Country, if not provided by the Cooperating Government or the Mission, including travel allowances at rates not in excess of those prescribed by the Standardized Regulations.

(d) Travel for consultation. The Contractor shall be reimbursed for the round trip of the Contractor's Chief of Party in the Cooperating Country or other designated Contractor employee or consultant in the Cooperating Country performing services required under this Contract, for travel from the Cooperating Country to the Contractor's office in the United States or to USAID/Washington for consultation and return on occasions deemed necessary by the Contractor and approved in advance, in writing, by the Contracting Officer or the Mission Director.

(e) Special international travel and third country travel. For special travel which advances the purpose of the contract, which is not otherwise provided by the Cooperating Government, and with the prior written approval of the Contracting Officer or the Mission Director, the Contractor shall be reimbursed for (i) the travel cost of travelers other than between the United States and the Cooperating Country and for local travel within other countries and (ii) travel allowance for travelers while in travel status and while performing services hereunder in such other countries at rates not in excess of those prescribed by the Standardized Regulations.

(f) 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 United States-flag carriers will be reimbursable within the above limitation of allowable costs.

(g) Limitation on travel by dependents. Travel costs and allowances will be allowed only for dependents of regular employees and such costs shall be reimbursed for travel from place of abode to assigned station in the Cooperating Country and return, only if dependent remains in the country for at least 9 months or one-half of the required tour of duty of the regular employee responsible for such dependent, whichever is greater. If the dependent is eligible for educational travel pursuant to the "Differential and Allowances" clause of this contract, time spent away from

post resulting from educational travel will be counted as time at post.

(h) Delays en route. The Contractor may grant to travelers under this contract reasonable delays en route while in travel status when such delays are caused by events beyond the control of such traveler or Contractor. It is understood that if delay is caused by physical incapacitation, personnel shall be eligible for such sick leave as provided under the "Leave and Holidays" clause of this contract.

(i) Travel by privately owned automobile. The Contractor shall be reimbursed for the cost of travel performed by a regular employee in his/her privately owned automobile 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 automobile, if the automobile 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 shall 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.

(j) Emergency and irregular travel and transportation. Emergency transportation costs and travel allowances while en route, as provided in this section will also 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 he or she was employed for work under this contract or other location for Contractor employees and dependents and returning to the post of duty, when the Contractor's Chief of Party, with the concurrence of the Contracting Officer or Mission Director makes a written determination that such travel is necessary for one of the reasons specified in subparagraphs (j)(1)(i) and (ii) of this section. A copy of the written determination shall be furnished to the Contracting Officer.

(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, subject in either case, to the limitations stated in the clause of this contract entitled "Personnel - Physical Fitness of Employee and Dependents." 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 Contractor's entire team (employees and dependents) or Contractor dependents only, the Contractor will be reimbursed for travel and transportation expenses and travel allowance while en route, 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 he or she was employed for work under this contract or other approved location. The return of such employees and dependents may also be authorized by the Mission Director when, in his/her discretion, he/she determines it is prudent to do so.

(3) The Mission Director may also authorize emergency or irregular travel and transportation in other situations, when in his/her opinion, the circumstances warrant such action. The authorization shall include the kind of leave to be used and appropriate restrictions as to

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time away from post, transportation of personal and/or household effects, etc. Requests for such emergency travel shall be submitted through the Contractor's Chief of Party.

(k) Home leave travel. To the extent that home leave has been authorized as provided in the "Leave and Holidays" clause 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 employee's residence in the United States) and return to the post of duty in the Cooperating Country. Reimbursement for travel will be in accordance with the applicable cost principles and the provisions of this contract, and will be limited to the cost of travel by the most direct and expeditious route. When travel is by economy class accommodations, the Contractor will be reimbursed for the cost of transporting up to 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 shall not be in excess of 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. One stopover en route 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 shall not be authorized when travel is by indirect route or is delayed for the convenience of the traveler. Per diem during such stopover shall be paid in accordance with the established practice of the Contractor but not to exceed the amounts stated in the Standardized Regulations.

(l) Rest and recuperation travel. The Contractor shall be reimbursed for the cost of travel performed by regular employees for purposes of rest and recuperation provided that no reimbursement will be made unless approval is given by the Contractor's Chief of party.

(m) Transportation of motor vehicles, personal effects and household goods.

(1) 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 each regular employee, personal effects of travelers and household goods of each regular employee not to exceed the limitations in effect for such shipments for USAID direct hire employees in accordance with the Foreign Service Travel Regulations as in effect when shipment is made.

(2) If a regular employee does not complete his/her overseas assignment at post of duty (except for reasons beyond his/her control), the costs for transportation of vehicles, effects and goods to and from the post of duty are not reimbursable hereunder.

(3) The cost of transporting motor vehicles and household goods shall not exceed the cost of packing, crating and transportation by surface. 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 regular employee may be authorized by the Contractor as replacement of the last such motor vehicle shipped under this contract for the employee when the Mission Director or his/her designee

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determines in advance and so notifies the Contractor in writing that the replacement is necessary for reasons not due to the negligence or malfeasance of the regular employee. The determination shall be made under the same rules and regulations that apply to Mission employees.

(n) Unaccompanied baggage. Unaccompanied baggage is considered to be those personal belongings needed by the traveler immediately upon arrival at destination. To permit the arrival of effects to coincide with the arrival of regular employees and dependents, consideration should be given to advance shipments of unaccompanied baggage. The Contractor 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.

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 and to short-term employees when these are authorized by the terms of this contract.

(o) Storage of household effects. The cost of storage charges (including packing, crating, and drayage costs) in the U.S. of household goods of regular employees will be permitted in lieu of transportation of all or any part of such goods to the Cooperating Country under paragraph (m) above provided that the total amount of effects shipped to the Cooperating Country or stored in the U.S. shall not exceed the amount authorized for USAID direct hire employees under the Uniform Foreign Service Travel Regulations.

(p) International ocean transportation.
(1) Flag eligibility requirements for ocean carriage are covered by the "Source and Nationality Requirements" clause of this contract.

(i) Transportation of things. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Contractor may obtain a release from this requirement from the Transportation Division, Office of Procurement, U.S. Agency for International Development, Washington, D.C. 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 Contractor may obtain a release from this requirement 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. Reduced rates on United States flag carriers are in effect for shipments of household goods and personal effects of USAID contract personnel. These reduced rates are available provided the shipper states on the bill of lading that the cargo is "Personal property-not for resale-payment of freight charges is at U.S. Government (USAID) expense and any special or diplomatic discounts accorded this type cargo are applicable." The Contractor will not be reimbursed for shipments of household goods or personal effects in an amount in excess of the reduced rates available in accordance with the foregoing.

-----END OF MODIFICATION NO. 1-----