

AUAF Request for Proposal (RFP)

RFP Number:	AUAF-RFP-21-002
RFP Title:	Financial Audit of AUAF FY19-20
Date of Issue:	May 03, 2021
Due Date and Time for Questions:	May 18, 2021 10:00 AM
Due Date and Time of Submission:	May 20, 2021 05:00 PM
Submission Email:	tender@auaf.edu.af
Questions Email:	procurement@auaf.edu.af
Please note that the proposals submitted after the deadline, that do not include all of the required information, or documents as stated here in this RFP may be rejected.	

Founded in 2006, the American University of Afghanistan (AUAF) is a private, non-profit, nationally accredited university offering an American-style liberal arts education. A dynamic university with a full-time student population of over 1,000, a part-time student population of over 1,500, 300 plus international and national staff, AUAF is a vibrant and exciting educational environment serving the educational needs of Afghanistan.

AUAF is seeking qualified national and international public accounting firms to submit proposals for conducting an Annual Audit of all the resources managed by the AUAF for the period 2019-2020. All external auditing firms submitting their Proposals should be from among the major national or international public accounting firms.

The external auditors selected by the audit and finance committee of the Board of Trustees shall render their report and findings to senior management of AUAF and or as needed to the Audit Committee of the Board of Trustees. External auditing firm shall conduct an examination of the financial records of the University System for its fiscal year July 01, 2019, to June 30, 2020.

All interested firms who have similar experience and qualifications in the mentioned field are invited to submit soft proposals, which shall include two volumes (Technical & Financial) before the deadline, comply with the RFP terms & conditions and corresponds to the evaluation criteria set below.

To be considered under the solicitation process, the Offeror should submit a complete proposal by the means indicated herein no later than the closing date and time indicated above. Offerors should ensure that the proposals are well written, easy to read and follow, and contain only the requested information.

Proposals should be submitted electronically via email to: Email: tender@auaf.edu.af

All questions relating to this solicitation must be submitted electronically via email to Procurement Department at Procurement@auaf.edu.af no later than 1000 hrs, Tuesday 18 May 2021. Unless otherwise notified by an amendment to this RFP, no questions will be accepted after this date. No questions/clarifications will be entertained if received by means other than the specified email address. The solicitation number should be stated in the subject.

Attachments:

- Attachment I Statement of Work
- Attachment II Instructions to Offerors
- Attachment III Evaluation Criteria
- Attachment IV - mandatory Provisions

Sincerely,

Bernaba E. Ghanim
Procurement Director
American University of Afghanistan

ATTACHMENT I

STATEMENT OF WORK

Background:

All external auditing firms submitting their Proposals should be from among the major national or international public accounting.

The external auditors selected by the audit and finance committee of the Board of Trustees shall render their report and findings to senior management of AUAF and or as needed to the Audit Committee of the Board of Trustees. External auditing firm shall conduct an examination of the financial records of the University System for its fiscal year July 01, 2019, to June 30, 2020.

OBJECTIVES AND GENERAL STATEMENT OF WORK

AUDIT OF THE AMERICAN UNIVERSITY OF AFGHANISTAN

I. BACKGROUND

The American University of Afghanistan is currently in the process of finalizing its FY 2018-19 Audit. In addition, is commencing to select auditors for FY 2019-20. The financial year at AUAF starts 1 July and ends 30 June.

The annual audit this financial year will cover auditing all the revenues received and all the costs incurred during this period by AUAF, this audit will include the funds AUAF received from USAID through a cooperative agreement. The overall actual revenues of AUAF during the requested period of the audit are approximate \$23 million.

The idea to establish an American university in Afghanistan emerged in 2002, based on the success of other American universities around the world. Today, the university is Afghanistan's only not-for-profit, private and independent university. It is non-political, non-sectarian, and committed to educating future generations of leaders in business, society, and government.

II. TITLE

Annual audit of AUAF costs and revenues for the period 1 July 2019 to 30 June 2020.

III. AUDIT OBJECTIVES AND SCOPE

The objective of this audit is to express an opinion on whether the financial statements comprising of the Statement of Financial Position as of 30 June 2020, The Statement of Comprehensive Income, and the Statement of Cash Flow. Together with the notes thereto, for years, ends 30 June 2020 give a true and fair view of (or present fairly, in all material respects), the financial position and results of operations of American University of Afghanistan. Moreover, Fund Accountability Statement (FAS) should also be conducted for the above-mentioned period.

IV. REPORT SPECIFICATIONS

The auditor shall prepare a report per the guidelines of IAS, IFRS the OIG standard SOW.

V. WORK SCHEDULE

All applications/Proposals should be received by the deadline.

Audit fieldwork should be conducted and completed within 1.5 months (45 calendar days) after the contract is signed.

Presentation of the draft audit report and findings of an audit-by-audit firm representative to AUAF senior management and USAID and/or financial/audit committee members of the board of trustees should be sent no later than 15 calendar days after completion of fieldwork.

The final report should be issued and transmitted to AUAF senior management and board of trustees no later than 15 days after the fieldwork & presentation of the draft audit report and findings as stated above.

ATTACHMENT II

INSTRUCTIONS TO OFFERORS

General Instructions

These instructions to Offerors will not form part of the offer or of the Subcontract. They are intended solely to aid Offerors in the preparation of their proposals.

- This is a full and open competition all qualified companies should meet the following minimum requirements:
 - a. Have a valid business license in the field of Audit
 - b. Have an established office in Kabul.
 - c. Accept AUAF terms and conditions.
 - d. Provide all the required documentation.
- The proposals, and all corresponding documents related to the proposal must be written in English unless otherwise explicitly stated.
- No costs incurred by the Offerors in preparing and submitting the proposal are reimbursable by AUAF. All such costs will be at the Offeror's expense.
- Proposals and all cost and price figures must be presented in Afghani (USD) currency. All prices should include duty tax and other taxes imposed by Afghan government.
- The Offeror must state in its Proposal the validity period of its offer. The minimum offer acceptance period for this RFP is **60 days** after the closing date of the RFP. Offers with a shorter acceptance period might be rejected. This RFP in no way obligates AUAF to award a contract.

Responsibility Determination: Award shall only be made to “responsible” prospective Offerors. To enable AUAF to make this determination, the Offeror must briefly describe in the Attachment Section of the proposal that it:

- Has adequate financial resources including appropriate insurance coverage to perform the work stated herein, or the ability to obtain them.
 - Is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments.
 - Has a satisfactory performance record.
 - Has a satisfactory record of integrity and business ethics.
 - Has the necessary technical capacity, equipment and facilities, or the ability to obtain them.
 - Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
- To comply with Afghan local laws, Offerors must be licensed and authorized to conduct business in Afghanistan.

Late Offers: Offerors are wholly responsible for ensuring that their offers are received in accordance with the instructions stated herein. A late offer will not be eligible for consideration and will be rejected without evaluation, even if it was late because of circumstances beyond the Offeror's control.

Modification/Withdrawal of Offers: Offerors have the right to withdraw, modify or correct their offer after such time as it has been emailed to AUAF; at the email address stated above and if the request is made before the RFP closing date.

Disposition of Proposals: Proposals submitted in response to this RFP will not be returned. Reasonable efforts will be made to ensure confidentiality of both Financial and Technical Proposals received from all Offerors. This RFP does not seek information of a highly proprietary nature but if such information is included in the Offeror's proposal, the Offeror must alert AUAF and must annotate the material by marking it “Confidential and Proprietary” so that these sections can be treated appropriately.

- Regardless of the method used in the submission of the proposal, the Technical Proposal and Financial Proposal must be kept separate from each other. Technical Proposals **must not** refer to cost or pricing data in order that the technical evaluation may be evaluated strictly based on technical merit.

Clarification and Amendment to the RFP:

- Any question raised regarding this solicitation should be received no later **1000 hrs on Tuesday 18 May 2021**. All questions must be **in writing**, emailed to the email address specified in the cover letter. No questions/clarifications will be entertained if they are received by means other than the aforementioned directions to the email address. The solicitation number should be stated in the subject line. Responses to questions received will be compiled and emailed to potential Offerors.
- The Offeror's email message should state in the subject the solicitation number. Also, the email should include the name of your organization, the name of a contact person, email address and telephone number.
- AUAF anticipates that discussions with Offerors will be conducted; however, AUAF reserves the right to make award without discussions. Therefore, it is strongly recommended that Offerors present their best offer in their initial submission.
- AUAF may waive informalities and minor irregularities in proposals receive

Submission of Proposal:

- Proposals must be submitted in electronic format as an email attachment, sent to the email address (tender@auaf.edu.af), any time but not later than the date and time specified in the cover letter.
- The email should state the solicitation number in the subject line.
- The file attachment should be in a format that can be opened by one of the following applications: PDF, MSWord, MS Excel, MS PowerPoint. The submission of attachments in any other format may result in disqualification of the offer.
- Please note that the AUAF email server has a limitation of 20MB for the total attachments per single email. In case the size of both Financial & Technical Proposal is more than 20MB, the offerors are advised to use online compression tools to reduce the size of their both files or otherwise, send their both Financial & Technical Proposal separately in two emails.

Content of Proposal:

The proposal shall consist of five (5) sections - 1) The Cover Page-Technical, 2) The Technical Proposal, 3) The Cover Page-Financial, 4) the Financial Proposal; and 5) Any further Attachments.

1. The Cover Page-Technical:

The cover page should be on the Offeror's letterhead and MUST contain the following information:

- Solicitation Number.
- Company's Name.
- Company's Address.
- Name of Company's authorized representative.
- Telephone No, Cellular Phone #, Email address.
- Validity of Proposal.
- Signature, Date and time.

2. Technical Proposal:

The technical proposal should describe how the Offeror intends to carry out the statement of work. It will also address the Offeror's corporate capabilities to carry out the work and the extent to which the Offeror has a demonstrated ability to provide the required services.

The Offeror will also include the resumes of their key staff for audit purpose. The Offeror shall provide information about past performance implementing similar work in Afghanistan within the last 3 years. Capacity to undertake the technical and administrative support of all interventions described in the Scope of Work. The Offeror should also provide detailed description of existing facilities in Kabul and across Afghanistan, if applicable.

The technical proposal should be divided into three sections following the same order of the technical evaluation criteria mentioned in Attachment III.

3. The Cover Page - Financial:

The cover page should be on the Offeror's letterhead and MUST contain the following information:

- Solicitation Number.
- Company's Name.
- Company's Address.
- Name of Company's authorized representative.
- Telephone No, Cellular Phone #, Email address.zx
- Total Proposed Price.
- Validity of Proposal.
- Acceptance of Tax Withholding Statement.
- Tax identification Number.
- Name and address of Government Audit Agency and name and phone number of the auditor.
- A valid business license.
- Signature, Date and time.

4. Financial Proposal:

There are two sub-criteria for the Financial Proposal, which are as follow:

Acceptance of AUAF Payment Term and financial proposal consistency with RFP: the proposals will be evaluated for 5 points considering the AUAF payment term and consistency of the financial proposal with the RFP for below,

- The financial Proposal should be valid for at least five months.
- Proper and well presentation of cost breakdown.
- Other consistency of the financial proposal with RFP.

The maximum number of points will be allotted to the lowest price proposal that is opened and compared among those other proposals. All other price proposals will receive points in inverse proportion to the lowest price. The lowest financial proposal will receive the maximum points, i.e. 10 points.

And the other proposals are rated as follows:

$$F = M (L/C)$$

Where

F= points for the financial proposal being evaluated

M= maximum number of points for the financial proposal

L= price of the lowest price proposal

C= price of the proposal being evaluated

5. Attachments:

- This section will include any information or document that was not listed in the above sections and the Offeror finds necessary to include in the proposal. In this section, the Offeror will also include the information that will assist AUAF to determine the Offeror's responsibility. The following are required documents to be submitted with the proposal:
- Current copy of the business registration (front and back).
- Proof of good standing with the Afghanistan Revenue Department.
- Proof of no outstanding tax liabilities with the Afghan Government that could lead to company being unable to provide services as set out in the RFP.

Disclaimer: This solicitation in no way obligates AUAF to award a contract, nor does it commit AUAF to pay any costs incurred in preparation and submission of a proposal in response to the RFP. Furthermore, AUAF reserves the right to reject any or all offers if such action is in the best interest of AU

ATTACHMENT III

TECHNICAL EVALUATION CRITERIA

TECHNICAL AND FINANCIAL PROPOSAL EVALUATION

S. No.	Parameter	Sub-Score	Total - Score
1.0	A minimum of 5 years of experience in conducting audit services to International NGOs, USAID, or Embassies with proven records and AUAF experience will be preferred.		40
2.0	Key Personals' Resumes with a minimum of 3 years of work experience in auditing services of each individual who will do the audit work of AUAF.		25
3.0	Ability to issue the final audit report no later than 2.5 months (75 Calendar days) after signing the contract – The offeror is expected to demonstrate their proposed methodology and work plan to meet the 2.5-month timeline.		20
4.0	Financial Proposal		15
4.1	Acceptance of AUAF Payment Term and Consistency of the Financial Proposal per RFP Financial Proposal requirements as stated below under proposal requirement.	05	
4.2	Cost of the Project	10	
Total			100
S. No.			Parameter

ATTACHMENT IV - STANDARD PROVISIONS

Mandatory Standard Provisions for NON-US, Nongovernmental organization

M1. ALLOWABLE COSTS (NOVEMBER 2020)

- a. The recipient will be reimbursed for costs incurred in carrying out the purposes of this award in accordance with the terms of this award and the applicable cost principles in effect on the date of this award. The recipient may obtain a copy of the applicable cost principles from the Agreement Officer (AO):
 - 2 CFR 200, Subpart E, Cost Principles
 - 48 CFR 31.2 Federal Acquisition Regulations (FAR) and 48 CFR 731.2 USAID
 - Regulations (AIDAR) - Cost Principles for Commercial Organizations
- b. It is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable cost principles, meaning the costs are (1) reasonable: costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business; (2) allocable: incurred specifically for this award; and (3) allowable: conform to any limitations in this award. The recipient must obtain any prior written approvals from the AO that are required by the applicable cost principles. The recipient may obtain the AO's written determination on whether specific costs not clearly addressed in the applicable cost principles are allowable or allocable. The AO reserves the right to make a final determination on the allowability of costs.
- c. USAID will not pay any profit or fee to the recipient or sub recipients of a grant or cooperative agreement. This restriction does not apply to procurements under this award made in accordance with Standard Provision, "Procurement Policies."
- d. The recipient must retain documentation to support charges to this award for a period of three years from the date of submission of the final expenditure report in accordance with the Standard Provision, "Accounting, Audit, and Records."
- e. This provision must be incorporated into all sub awards and contracts, which are paid on a cost reimbursement basis.

AUDITS.

- (1) The recipient must have an annual audit, consistent with 2 CFR Part 200, Subpart F, for any recipient fiscal year in which the recipient expends a combined total of \$750,000 or more in all federal awards, either directly or through another contractor or recipient, excluding fixed price contracts.
 - (i) The audit report must be submitted to USAID within 30 days after receipt of the auditor's report, but no later than nine months after the end of the period audited.
 - (ii) The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. USAID will only pay for the cost of audits conducted in accordance with the terms of this award.
 - (iii) In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all, or a percentage of, disbursements until the audit is satisfactorily completed.
- (2) The recipient is not required to have an annual audit for any recipient fiscal year in which the recipient expends a combined total of less than \$750,000 in all federal awards, either directly or

through a prime contractor or recipient, excluding fixed price contracts. However, the recipient must make records pertaining to this award for that fiscal year available for review by USAID officials or their designees upon request.

(3) USAID retains the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds, regardless of the audit requirement.

Sub awards and Contracts:

(4) If the recipient provides USAID resources to other organizations to carry out the USAID- financed program and activities, the recipient is responsible for monitoring such sub recipients or contractors. The costs for sub recipient audits for organizations that meet the threshold in paragraph b. are allowable. The costs for sub recipient audits for organizations that do not meet the threshold in paragraph b. are allowable only for the following types of compliance audits: activities allowed or unallowed; allowable costs/cost principles; eligibility; cost share; level of effort; earmarking; and reporting.

(5) This provision must be incorporated in its entirety into all sub awards and contracts with non-U.S. organizations that are for more than \$10,000. Sub awards of grants and cooperative agreements made to U.S. organizations must state that the U.S. organization is subject to the audit requirements contained in 2 CFR 200, subpart F.

M2. USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES (JUNE 2012)

A. THIS PROVISION IS NOT APPLICABLE TO COMMODITIES OR SERVICES THAT THE RECIPIENT PROVIDES WITH PRIVATE FUNDS AS PART OF A COST-SHARING REQUIREMENT, OR WITH PROGRAM INCOME GENERATED UNDER THIS AWARD.

b. Ineligible and Restricted Commodities and Services:

1. Ineligible Commodities and Services. The recipient must not, under any circumstances, procure any of the following under this award:
 - i. Military equipment,
 - ii. Surveillance equipment,
 - iii. Commodities and services for support of police or other law enforcement activities,
 - iv. Abortion equipment and services,
 - v. Luxury goods and gambling equipment, or
 - vi. Weather modification equipment.
2. Ineligible Suppliers. Any firms or individuals that do not comply with the requirements in Standard Provision “Debarment and Suspension” and Standard Provision “Preventing Terrorist Financing” must not be used to provide any commodities or services funded under this award.
3. Restricted Commodities. The recipient must obtain prior written approval of the Agreement Officer (AO) or comply with required procedures under an applicable waiver, as provided by the AO when procuring any of the following commodities:
 - i. Agricultural commodities,
 - ii. Motor vehicles,
 - iii. Pharmaceuticals,

- iv. Pesticides,
 - v. Used equipment,
 - vi. U.S. Government-owned excess property, or
 - vii. Fertilizer.
4. Source and Nationality: Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in this award and must meet the source and nationality requirements set forth in 22 CFR 228. If the geographic code is not specified, the authorized geographic code is 937. When the total value of procurement for commodities and services during the life of this award is valued at \$250,000 or less, the authorized geographic code for procurement of all goods and services to be reimbursed under this award is code 935. For a current list of countries within each geographic code, *see ADS 310, Source and Nationality Requirements for Procurement of Commodities and Services Financed by USAID.*
5. Guidance on the eligibility of specific commodities and services may be obtained from the AO. If USAID determines that the recipient has procured any commodities or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the AO may require the recipient to refund the entire amount of the purchase. e. This provision must be included in all sub awards and contracts, which include procurement of commodities or services.

M3. TITLE TO AND USE OF PROPERTY (DECEMBER 2014)

- A. TITLE TO ALL PROPERTY FINANCED UNDER THIS AWARD VESTS IN THE RECIPIENT UPON ACQUISITION UNLESS OTHERWISE SPECIFIED IN THIS AWARD.
- B. PROPERTY MEANS EQUIPMENT, SUPPLIES, REAL PROPERTY, AND INTANGIBLE PROPERTY, EACH DEFINED INDIVIDUALLY BELOW, FINANCED UNDER THIS AWARD OR FURNISHED BY USAID:
- 1. Equipment means tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. However, consistent with the recipient's policy, lower limits may be established.
 - 2. Supplies means tangible personal property excluding equipment. A computing device is a supply if the acquisition cost is less than \$5,000 per unit.
 - 3. Real Property means land, including land improvements, structures and appurtenances, including permanent fixtures.
 - 4. Intangible Property includes, but is not limited to, intellectual property, such as trademarks, copyrights, patents and patent applications, and debt instruments, such as bonds, mortgages, leases or other agreements between a lender and a borrower.
- c. The recipient agrees to use and maintain all Property for the purpose of this award in accordance with the following procedures:
- 1. The recipient must use the Property for the program for which it was acquired during the period of this award, and must not provide any third party a legal or financial interest in the property (e.g., through a mortgage, lien, or lease) without approval of USAID.
 - 2. When the Property is no longer needed for the program for which it was acquired during the period of this award, the recipient must use the Property in connection with its other activities, in the following order of priority:
 - i. Activities funded by USAID, then

- ii. Activities funded by other United States Government (USG) agencies, then
 - iii. As directed by the Agreement Officer (AO).
- d. The recipient must maintain the Property in good condition, have management procedures to protect the Property, and maintain an accurate inventory of all Property. Maintenance procedures must include the following:
 - 1. Accurate description of the Property, including serial number, model number, or other identifying number, acquisition date and cost, location and condition, and data on the disposition of any Property (date of disposition, sales price, method used to determine current fair market value, etc.), as applicable.
 - 2. A physical inventory of Property that must be taken, and the results reconciled with the equipment records, at least once every two years during the period of this award.
 - 3. A control system must be in effect to maintain the Property and ensure adequate safeguards to prevent loss, damage, or theft of the Property. The recipient must maintain appropriate insurance equivalent to insurance the recipient maintains for its own property. Any loss, damage, or theft must be investigated and fully documented, and the recipient must promptly notify the AO. The recipient may be liable where insurance is not sufficient to cover losses or damage.
- e. Upon completion of this award, the recipient must submit to the AO a property disposition report of the following types of Property, along with a proposed disposition of such Property.
 - 1. All equipment that has a per unit current fair market value at the end of this award of \$5,000 or more.
 - 2. New/unused supplies with an aggregate current fair market value at the end of this award of \$5,000 or more.
 - 3. Real or intangible property, of any value.
- f. The recipient must dispose of Property at the end of this award in accordance with the recipient's property disposition report, unless the AO directs the recipient in writing within 60 days of the AO's receipt of the recipient's property disposition report to dispose of the Property in a different manner. Disposition may include the following:
 - 1. The recipient may retain title with no further obligation to USAID.
 - 2. The recipient may retain title, but must compensate USAID for the USAID share, based on the current fair market value of the Property.
 - 3. The recipient may be directed to transfer title to USAID or a third party, including another implementing partner or the host country government. In such a case, the recipient will be compensated for its proportional share of the Property that the recipient financed with its own funds, if any, based on the current fair market value of the Property.
- g. The AO may direct, at any time during this award, that title to the Property vests in the USG or a third party, such as the cooperating country. In such cases, the recipient must maintain custody and control of the Property, until directed otherwise, and must allow reasonable access to the Property to the title holder. While in its custody and control, the recipient must follow the provisions above for protection and maintenance of the Property, and provide the AO with an annual inventory of such Property and follow any additional instructions on protection and maintenance as may be provided by the AO.
- h. This provision must be included in all sub awards and contracts.

The recipient must, to the greatest extent possible, include a provision in all sub awards, including sub awards and contracts, affording the recipient the right to terminate the sub award in the event USAID terminates this award, including the refund requirement in paragraph c.

M4. DEBARMENT AND SUSPENSION (JUNE 2012)

- a. The recipient must not transact or conduct business under this award with any individual or entity that has an active exclusion on the System for Award Management (SAM)(www.sam.gov) unless prior approval is received from the Agreement Officer. The list contains those individuals and entities that the U.S. Government has suspended or debarred based on misconduct or a determination by the U.S. Government that the person or entity cannot be trusted to safeguard U.S. Government funds. Suspended or debarred entities or individuals are excluded from receiving any new work or any additional U.S. Government funding for the duration of the exclusion period. If the recipient has any questions about listings in the system, these must be directed to the Agreement Officer.
- b. The recipient must comply with Subpart C of 2 CFR Section 180, as supplemented by 2CFR 780. USAID may disallow costs, annul or terminate the transaction, debar or suspend the recipient, or take other remedies as appropriate, if the recipient violates this provision. Although doing so is not automatic, USAID may terminate this award if recipient or any of its principals meet any of the conditions listed in paragraph c. below. If such a situation arises, USAID will consider the totality of circumstances—including the recipient’s response to the situation and any additional information submitted—when USAID determines its response.
- c. The recipient must notify the Agreement Officer immediately upon learning that it or any of its principals, at any time prior to or during the duration of this award:
 1. Are presently excluded or disqualified from doing business with any U.S. Government entity;
 2. Have been convicted or found liable within the preceding three years for committing any offense indicating a lack of business integrity or business honesty such as fraud, embezzlement, theft, forgery, bribery or lying;
 3. Are presently indicted for or otherwise criminally or civilly charged by any governmental entity for any of the offenses enumerated in paragraph c.(2); or
 4. Have had one or more U.S.-funded agreements terminated for cause or default within the preceding three years.
- d. Principal means—
 1. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
 2. A consultant or other person, whether or not employed by the participant or paid with Federal funds, who—
 - i. Is in a position to handle Federal funds;
 - ii. Is in a position to influence or control the use of those funds; or,
 - iii. Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.
- e. The recipient must include this provision in its entirety except for paragraphs c. (2)-(4) in any sub awards or contracts entered into under this award.

M5. PREVENTING TRANSACTIONS WITH, OR THE PROVISION OF RESOURCES OR SUPPORT TO, SANCTIONED GROUPS AND INDIVIDUALS (MAY 2020)

- a. In carrying out activities under this award, except as authorized by a license issued by the Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury, the recipient will not engage in transactions with, or provide resources or support to, any individual or entity that is subject to sanctions administered by OFAC or the United Nations (UN), including any individual or entity that is included on the Specially Designated Nationals and Blocked Persons List maintained by OFAC (<https://www.treasury.gov/resource-center/sanctions/SDNList/Pages/default.aspx/>) or on the UN Security Council consolidated list

(<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>)

- b. Any violation of the above will be grounds for unilateral termination of the agreement by USAID.
- c. The Recipient must include this provision in all sub awards and contracts issued under this award.

M6. TRAFFICKING IN PERSONS (APRIL 2016)

- a. The recipient, sub awardee, or contractor, at any tier, or their employees, labor recruiters, brokers or other agents, must not engage in:
 - 1. Trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime) during the period of this award;
 - 2. Procurement of a commercial sex act during the period of this award;
 - 3. Use of forced labor in the performance of this award;
 - 4. Acts that directly support or advance trafficking in persons, including the following acts:
 - i. Destroying, concealing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
 - ii. Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
 - a) exempted from the requirement to provide or pay for such return transportation by USAID under this award; or
 - b) the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;
 - iii. Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
 - iv. Charging employees' recruitment fees; or
 - v. Providing or arranging housing that fails to meet the host country housing and safety standards.
- b. In the event of a violation of section (a) of this provision, USAID is authorized to terminate this award, without penalty, and is also authorized to pursue any other remedial actions authorized as stated in section 1704(c) of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013).
- c. If the estimated value of services required to be performed under the award outside the United States exceeds \$500,000, the recipient must submit to the Agreement Officer, the annual "Certification regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013" as required prior to this award, and must implement a compliance plan to prevent the activities described above in section (a) of this provision. The recipient must provide a copy of the compliance plan to the Agreement Officer upon request and must post the useful and relevant contents of the plan or related materials on its website (if one is maintained) and at the workplace.
- d. The recipient's compliance plan must be appropriate to the size and complexity of the award and to the nature and scope of the activities, including the number of non-United States citizens expected to be employed. The plan must include, at a minimum, the following:
 - 1. An awareness program to inform employees about the trafficking related prohibitions included in this provision, the activities prohibited and the action that will be taken against the employee for violations.

2. A reporting process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking, including a means to make available to all employees the Global Human Trafficking Hotline at 1-844-888-FREE and its e-mail address at help@befree.org.
 3. A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging of recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance.
 4. A housing plan, if the recipient or any sub awardee intends to provide or arrange housing. The housing plan is required to meet any host-country housing and safety standards.
 5. Procedures for the recipient to prevent any agents or sub awardee at any tier and at any dollar value from engaging in trafficking in person activities described in section a of this provision. The recipient must also have procedures to monitor, detect, and terminate any agents or sub awardee or sub awardee employees that have engaged in such activities.
- e. If the Recipient receives any credible information regarding a violation listed in section a(1)- (4) of this provision, the recipient must immediately notify the cognizant Agreement Officer and the USAID Office of the Inspector General; and must fully cooperate with any Federal agencies responsible for audits, investigations, or corrective actions relating to trafficking in persons.
 - f. The Agreement Officer may direct the Recipient to take specific steps to abate an alleged violation or enforce the requirements of a compliance plan.
 - g. For purposes of this provision, “employee” means an individual who is engaged in the performance of this award as a direct employee, consultant, or volunteer of the recipient or any sub recipient.
 - h. The recipient must include in all sub awards and contracts a provision prohibiting the conduct described in section a(1)-(4) by the sub recipient, contractor, or any of their employees, or any agents. The recipient must also include a provision authorizing the recipient to terminate the award as described in section b of this provision.

M7. EQUAL PARTICIPATION BY FAITH-BASED ORGANIZATIONS (JUNE 2016)

- a. Faith-Based Organizations Encouraged Faith-based organizations are eligible, on the same basis as any other organization, to participate in any USAID program for which they are otherwise eligible. Neither USAID nor entities that make and administer sub awards of USAID funds shall discriminate for or against an organization on the basis of the organization’s religious character or affiliation. Additionally, religious organizations shall not be disqualified from participating in USAID programs because such organizations are motivated or influenced by religious faith to provide social services, or because of their religious character or affiliation. Decisions about awards of USAID financial assistance must be free from political interference or even the appearance of such interference. Awards must be made on the basis of merit, not the basis of the religious affiliation of an applicant, or lack thereof. A faith-based organization may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, within the limits contained in this provision. For more information, see the USAID Faith Based and Community Initiatives Website and 22 CFR 205.1.
- b. Explicitly Religious Activities Prohibited.
 1. Explicitly religious activities include activities that involve overt religious content such as worship, religious instruction, prayer, or proselytization.
 2. The recipient must not engage in explicitly religious activities as part of the programs or services directly funded with financial assistance from USAID. If the recipient engages in explicitly religious activities, the activities must be offered separately, in time or location, from any programs or services directly funded by this award, and participation must be voluntary for beneficiaries of the programs or services funded with USAID assistance.

3. These restrictions apply equally to religious and secular organizations. All organizations that participate in USAID programs, as recipients or sub awardees, including religious ones, must carry out eligible activities in accordance with all program requirements and other applicable requirements governing USAID funded activities.
4. Notwithstanding the restrictions of b.(1) and (2), a religious organization that participates in USAID-funded programs or services:
 - i. May retain its independence and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct financial assistance from USAID to support or engage in any explicitly religious activities or in any other manner prohibited by law; May use space in its facilities, without removing religious art, icons, scriptures, or other religious symbols; and
 - ii. May retains its authority over its internal governance, and may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- c. Implementation in accordance with the Establishment Clause: Nothing in this provision shall be construed as authorizing the use of USAID funds for activities that are not permitted by Establishment Clause jurisprudence or otherwise by law.
- d. Discrimination Based on Religion Prohibited: The recipient must not, in providing services, discriminate against a program beneficiary or potential program beneficiary on the basis of religion or religious belief, refusal to hold a religious belief or a refusal to attend or participate in a religious practice.
- e. A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in Sec. 702(a) of the Civil Rights Act of 1964, 42 U.S.C. 2000e-1 is not forfeited when the organization receives financial assistance from USAID.
- f. The Secretary of State may waive the requirements of this section in whole or in part, on a case-by-case basis, where the Secretary determines that such waiver is necessary to further the national security or foreign policy interests of the United States.
- g. This provision must be included in all sub awards under this award.

M8. LIMITING CONSTRUCTION ACTIVITIES (AUGUST 2013)

- a. Construction is not eligible for reimbursement under this award unless specifically identified in paragraph d) below.
- b. Construction means —construction, alteration, or repair (including dredging and excavation) of buildings, structures, or other real property and includes, without limitation, improvements, renovation, alteration and refurbishment. The term includes, without limitation, roads, power plants, buildings, bridges, water treatment facilities, and vertical structures.
- c. Agreement Officers will not approve any sub awards or procurements by recipients for construction activities that are not listed in paragraph d) below. USAID will reimburse allowable costs for only the construction activities listed in this provision not to exceed the amount specified in the construction line item of the award budget. The recipient must receive prior written approval from the AO to transfer funds allotted for construction activities to other cost categories, or vice versa.
- d. No construction is authorized under this award.

- e. The recipient must include this provision in all sub awards and procurements and make vendors providing services under this award and sub recipients aware of the restrictions of this provision.

M9. PROHIBITION ON REQUIRING CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS OR STATEMENTS (MAY 2017)

- a. Definitions.

“Contract” has the meaning given in 2 CFR Part 200.

“Contractor” means an entity that receives a contract as defined in 2 CFR Part 200.

“Internal confidentiality agreement or statement” means a confidentiality agreement or any other written statement that the recipient requires any of its employees or sub recipients to sign regarding nondisclosure of recipient information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that recipient employees or sub recipients sign at the behest of a Federal agency.

“Sub award” has the meaning given in 2 CFR Part 200. “Sub recipient” has the meaning given in 2 CFR Part 200.

- b. The recipient must not require its employees, sub recipients, or contractors to sign or comply with internal confidentiality agreements or statements that prohibit or otherwise restrict employees, sub recipients, or contractors from lawfully reporting waste, fraud, or abuse related to the performance of a Federal award to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (for example, the Agency Office of the Inspector General).
- c. The recipient must notify current employees and sub recipients that prohibitions and restrictions of any preexisting internal confidentiality agreements or statements covered by this provision, to the extent that such prohibitions and restrictions are inconsistent with the prohibitions of this provision, are no longer in effect.
- d. The prohibition in paragraph (b) of this provision does not contravene the requirements applicable to standard Form 312 (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.
- e. In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015, (Pub. L. 113-235), and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions) use of funds appropriated (or otherwise made available) is prohibited, if the Government determines that the recipient is not in compliance with the requirements of this provision. (f) The recipient must include the substance of this provision, including this paragraph
- f. In sub awards and contracts under such awards.

M10. CHILD SAFEGUARDING (JUNE 2015)

- a. Because the activities to be funded under this award may involve children, or personnel engaged in the implementation of the award may come into contact with children, these activities could raise the risk of child abuse, exploitation, or neglect within USAID-funded programs. The organization agrees to abide by the following child safeguarding core principles:
 - 1. Ensure compliance with host country and local child welfare and protection legislation or international standards, whichever gives greater protection, and with U.S. law where applicable;

2. Prohibit all personnel from engaging in child abuse, exploitation, or neglect;
 3. Consider child safeguarding in project planning and implementation to determine potential risks to children that are associated with project activities and operations;
 4. Apply measures to reduce the risk of child abuse, exploitation, or neglect, including, but not limited to, limiting unsupervised interactions with children; prohibiting exposure to pornography; and complying with applicable laws, regulations, or customs regarding the photographing, filming, or other image generating activities of children;
 5. Promote child-safe screening procedures for personnel, particularly personnel whose work brings them in direct contact with children; and
 6. Have a procedure for ensuring that personnel and others recognize child abuse, exploitation, or neglect; mandating that personnel and others report allegations; investigating and managing allegations; and taking appropriate action in response to such allegations, including, but not limited to, dismissal of personnel.
- b. The organization must also include in their code of conduct for all personnel implementing USAID-funded activities the child safeguarding principles in (a) (1) through (6).
- c. The following definitions apply for purposes of this provision:
1. Child: A child or children are defined as persons who have not attained 18 years of age.
 2. Child abuse, exploitation, or neglect: Constitutes any form of physical abuse; emotional ill-treatment; sexual abuse; neglect or insufficient supervision; trafficking; or commercial, transactional, labor, or other exploitation resulting in actual or potential harm to the child's health, well-being, survival, development, or dignity. It includes, but is not limited to: any act or failure to act which results in death, serious physical or emotional harm to a child, or an act or failure to act which presents an imminent risk of serious harm to a child.
 3. Physical abuse: Constitutes acts or failures to act resulting in injury (not necessarily visible), unnecessary or unjustified pain or suffering without causing injury, harm or risk of harm to a child's health or welfare, or death. Such acts may include, but are not limited to: punching, beating, kicking, biting, shaking, throwing, stabbing, choking, or hitting (regardless of object used), or burning. These acts are considered abuse regardless of whether they were intended to hurt the child.
 4. Sexual Abuse: Constitutes fondling a child's genitals, penetration, incest, rape, sodomy, indecent exposure, and exploitation through prostitution or the production of pornographic materials.
 5. Emotional abuse or ill treatment: Constitutes injury to the psychological capacity or emotional stability of the child caused by acts, threats of acts, or coercive tactics. Emotional abuse may include, but is not limited to: humiliation, control, isolation, withholding of information, or any other deliberate activity that makes the child feel diminished or embarrassed.
 6. Exploitation: Constitutes the abuse of a child where some form of remuneration is involved or whereby the perpetrators benefit in some manner. Exploitation represents a form of coercion and violence that is detrimental to the child's physical or mental health, development, education, or well-being.
 7. Neglect: Constitutes failure to provide for a child's basic needs within USAID funded activities that are responsible for the care of a child in the absence of the child's parent or guardian.
- d. The recipient must insert the provisions in (a) and (b) in all sub-awards under this award.

M11. MANDATORY DISCLOSURES (NOVEMBER 2020)

Consistent with 2 CFR §200.113, applicants and recipients must disclose, in a timely manner, in writing to the USAID Office of the Inspector General, with a copy to the cognizant Agreement Officer, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Sub recipients must disclose, in a timely manner, in writing to the USAID Office of the Inspector General and to the prime recipient (pass through entity) all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

Disclosures must be sent to:

U.S. Agency for International Development Office of the Inspector General P.O. Box 657 Washington,
DC 20044-0657

Phone: 1-800-230-6539 or 202-712-1023

Email: ig.hotline@usaid.gov

URL: <https://oig.usaid.gov/content/usaid-contractor-reporting-form> .

Failure to make required disclosures can result in any of the remedies described in 2 CFR

§200.339 Remedies for noncompliance, including suspension or debarment (See 2 CFR 180, 2 CFR 780 and 31 U.S.C. 3321). The recipient must include this mandatory disclosure requirement in all sub awards and contracts under this award.

M12. NONDISCRIMINATION AGAINST BENEFICIARIES (NOVEMBER 2016).

- a. USAID policy requires that the recipient not discriminate against any beneficiaries in implementation of this award, such as, but not limited to, by withholding, adversely impacting, or denying equitable access to the benefits provided through this award on the basis of any factor not expressly stated in the award. This includes, for example, race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, disability, age, genetic information, marital status, parental status, political affiliation, or veteran's status. Nothing in this provision is intended to limit the ability of the recipient to target activities toward the assistance needs of certain populations as defined in the award.
- b. The recipient must insert this provision, including this paragraph, in all sub awards and contracts under this award.

M13. CONFLICT OF INTEREST (AUGUST 2018)

- a. A conflict of interest in the award, administration, or monitoring of sub awards arises when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of these parties, has a financial or other interest in or a tangible personal benefit from a non-federal entity considered for a sub award. The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from sub recipients or parties to sub awards. However, pass-through entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the pass-through entity.
- b. The recipient must maintain written standards of conduct covering conflicts of interest and

governing the actions of its employees engaged in the selection, award, and administration of sub awards. The standards must prohibit employees from using their positions for a purpose that constitutes or presents the appearance of a conflict of interest.

- c. The non-federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-federal entity is unable or appears to be unable to be impartial in conducting a sub award action involving a related organization.
- d. The recipient must have a system or systems in place to identify, address, resolve, and disclose to USAID any conflicts of interest as described in this provision that affect any sub award, regardless of the amount funded under this award.
- e. The recipient must disclose any conflict of interest and the recipient's approach for resolving the conflict of interest to the cognizant Agreement Officer for the award within 10 calendar days of the discovery of the conflict of interest.
- f. Upon notice from the recipient of a potential conflict of interest and the approach for resolving it, the Agreement Officer will make a determination regarding the effectiveness of the recipient's actions to resolve the conflict of interest within 30 days of receipt of the recipient's notice, unless the Agreement Officer advises the recipient that a longer period is necessary. 08/30/2018 Partial Revision 41 Text highlighted in yellow indicates that the material is new or substantively revised.
- g. The recipient cannot request payment from USAID for costs for transactions subject to the conflict of interest pending notification of USAID's determination. Failure to disclose a conflict of interest may result in cost disallowances.
- h. For conflicts of interest, including organizational conflicts of interest, involving contracts, the recipient must follow 2 CFR 200.318, general procurement standards.
- i. The recipient must insert the substance of this provision, including paragraph (i), in all sub awards under this award, at any sub award tier.

M14. PROHIBITION ON CERTAIN TELECOMMUNICATION AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (AUGUST 2020)

- a. The Recipient is prohibited from using grant funds, including direct and indirect costs, program income, and any cost share to:
 - 1. Procure or obtain;
 - 2. Extend or renew a contract to procure or obtain; or
 - 3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
- b. Telecommunication costs and video surveillance costs incurred for telecommunications and video surveillance services and equipment such as phones, internet, video surveillance, and cloud servers are allowable except for those referenced in paragraph a. above.
- c. Definitions. The terms used in this provision have the following meanings:
 - 1. "Covered telecommunication equipment or services" as defined in Pub. L. 115-232, Section 889, means any of the following:
 - i. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - ii. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes,

- video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- iii. Telecommunications or video surveillance services provided by such entities or using such equipment.
 - iv. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
2. “Covered foreign country” is defined in Pub. L. 115-232, Section 889 as the People’s Republic of China.
3. “Telecommunications costs” as defined in 2 CFR 200.1 means the cost of using communication and telephony technologies such as mobile phones, land lines, and internet. d. This provision must be incorporated into all sub awards.

WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)

a. The Contractor must--

1. Before commencing performance under this contract, establish provisions to provide for the payment of disability compensation and medical benefits to covered employees and death benefits to their eligible survivors, by purchasing Defense Base Act (DBA) insurance pursuant to the terms of the contract between USAID and USAID's DBA insurance carrier unless the Contractor qualifies as a self-insurer under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 932) as extended by the Defense Base Act (42 U.S.C. 1651, et seq.), or has an approved retrospective rating agreement for DBA. The Contractor must continue to maintain these provisions to provide such Defense Base Act benefits until contract performance is completed.
2. If USAID or the Contractor has secured a waiver of DBA coverage in accordance with AIDAR 728.305-70(a) for contractor's employees who are not citizens of, residents of, or hired in the United States, the contractor agrees to provide such employees with worker's compensation benefits as required by the laws of the country in which the employees are working, or by the laws of the employee's native country, whichever offers greater benefits. The Department of Labor has granted partial blanket waivers of DBA coverage applicable to USAID financed contracts performed in countries listed in the DEFENSE BASE ACT (DBA) WAIVER LIST.
3. Within ten days of an employee's injury or death or from the date the Contractor has knowledge of the injury or death, submit Form LS-202 (Employee's First Report of Injury or Occupational Illness) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 930(a), 20 CFR 702.201 to 702.203).
4. Pay all compensation due for disability or death within the timeframes required by the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914, 20 CFR 702.231 and 703.232).
5. Provide for medical care as required by the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 907, 20 CFR 702.402 and 702.419).
6. If controverting the right to compensation, submit Form LS-207 (Notice of Controversial of Right to Compensation) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914(d), 20 CFR 702.251).
7. Immediately upon making the first payment of compensation in any case, submit Form LS- 206 (Payment of Compensation Without Award) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914(c), 20 CFR 702.234).
8. When payments are suspended or when making the final payment, submit Form LS-208 (Notice of Final Payment or Suspension of Compensation Payments) to the Department of Labor in accordance with the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 914 (c) and (g), 20 CFR 702.234 and 702.235).
9. Adhere to all other provisions of the Longshore and Harbor Workers' Compensation Act as extended by the Defense Base Act, and Department of Labor regulations at 20 CFR Parts 701 to 704.

For additional information on the Longshore and Harbor Workers' Compensation Act requirements see <http://www.dol.gov/owcp/dlhwc/lbdba.htm>.

The Contractor must insert the substance of this clause including this paragraph (c), in all subcontracts to which the Defense Base Act applies.

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

RAA1. NEVER CONTRACT WITH THE ENEMY (NOVEMBER 2020)

1. Prohibition on Providing Funds to the Enemy
 - a. The recipient must—
 - i. Exercise due diligence to ensure that none of the funds, including supplies and services, received under this grant or cooperative agreement are provided directly or indirectly (including through sub awards or contracts) to a person or entity who is actively opposing the United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities, which must be completed through 2 CFR 180.300 prior to issuing a sub award or contract and;
 - ii. Terminate or void in whole or in part any sub award or contract with a person or entity listed in SAM as a prohibited or restricted source pursuant to subtitle E of Title VIII of the NDAA for FY 2015, unless the Federal awarding agency provides written approval to continue the sub award or contract.
 - b. The recipient may include the substance of this clause, including paragraph (a) of this clause, in sub awards under this grant or cooperative agreement that have an estimated value over \$50,000 and will be performed outside the United States, including its outlying areas.
 - c. The Federal awarding agency has the authority to terminate or void this grant or cooperative agreement, in whole or in part, if the Federal awarding agency becomes aware that the recipient failed to exercise due diligence as required by paragraph (a) of this clause or if the Federal awarding agency becomes aware that any funds received under this grant or cooperative agreement have been provided directly or indirectly to a person or entity who is actively opposing coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities.
2. Additional Access to Recipient Records
 - a. In addition to any other existing examination-of-records authority, the Federal Government is authorized to examine any records of the recipient and its sub awards or contracts to the extent necessary to ensure that funds, including supplies and services, available under this grant or cooperative agreement are not provided, directly or indirectly, to a person or entity that is actively opposing the United States or coalition forces involved in a contingency operation in which members of the Armed Forces are actively engaged in hostilities, except for awards awarded by the Department of Defense on or before Dec 19, 2017 that will be performed in the United States Central Command (USCENTCOM) theater of operations.
 - b. The substance of this clause, including this paragraph (b), is required to be included in sub awards or contracts under this grant or cooperative agreement that have an estimated value over \$50,000 and will be performed outside the United States, including its outlying areas.

RAA2. REPORTING HOST GOVERNMENT TAXES (JUNE 2012)

- a. By April 16 of each year, the recipient must submit a report containing:
 - i. Contractor/recipient name.
 - ii. Contact name with phone, fax and email.
 - iii. Agreement number(s).
 - iv. The total amount of value-added taxes and customs duties (but not sales taxes) assessed by the host government (or any entity thereof) on purchases in excess of \$500 per transaction of supplies, materials, goods or equipment, during the 12 months ending on

- the preceding September 30, using funds provided under this contract/agreement.
- v. Any reimbursements received by April 1 of the current year on value added taxes and customs duties reported in (iv).
 - vi. Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.
 - vii. Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- b. Submit the reports to:
Controller's office
USAID/Afghanistan
Email:
With a copy to AOR.
- c. Host government taxes are not allowable where the Agreement Officer provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision, "Allowable Costs," and must be reported as required in this provision.
- d. The recipient must include this reporting requirement in all applicable sub agreements, including sub awards and contracts.

RAA3. TRAVEL AND INTERNATIONAL AIR TRANSPORTATION (DECEMBER 2014)

- a. **TRAVEL COSTS** All travel costs must comply with the applicable cost principles and must be consistent with those normally allowed in like circumstances in the recipient's non-USAID-funded activities. Costs incurred by employees and officers for travel, including airfare, costs of lodging, other subsistence, and incidental expenses, may be considered reasonable and allowable only to the extent such costs do not exceed reasonable charges normally allowed by the recipient in its regular operations as the result of the recipient organization's written travel policy and are within the limits established by the applicable cost principles. In the absence of a reasonable written policy regarding international travel costs, the standard for determining the reasonableness of reimbursement for international travel costs will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current Standardized Regulations on international travel costs may be obtained from the AO. In the event that the cost for air fare exceeds the customary standard commercial airfare (coach or equivalent) or the lowest commercial discount airfare, the recipient must document one of the allowable exceptions from the applicable cost principles.
- b. **FLY AMERICA ACT RESTRICTIONS**
- 1. The recipient must use U.S. Flag Air Carriers for all international air transportation (including personal effects) funded by this award pursuant to the Fly America Act and its implementing regulations to the extent service by such carriers is available.
 - 2. In the event that the recipient selects a carrier other than a U.S. Flag Air Carrier for international air transportation, in order for the costs of such international air transportation to be allowable, the recipient must document such transportation in accordance with this provision and maintain such documentation pursuant to the Standard Provision, "Accounting, Audit and Records." The documentation must use one of the following reasons or other exception under the Fly America Act:
 - i. The recipient uses a European Union (EU) flag air carrier, which is an airline operating from an EU country that has signed the US-EU "Open Skies" agreement

(<http://www.state.gov/e/eb/rls/othr/ata/i/ic/170684.htm>) .

- ii. Travel to or from one of the following countries on an airline of that country when no city pair fare is in effect for that leg (see <http://apps.fas.gsa.gov/citypairs/search/>):
 - a) Australia on an Australian airline,
 - b) Switzerland on a Swiss airline, or
 - c) Japan on a Japanese airline;
 - iii. Only for a particular leg of a route on which no US Flag Air Carrier provides service on that route;
 - iv. For a trip of 3 hours or less, the use of a US Flag Air Carrier at least doubles the travel time;
 - v. If the US Flag Air Carrier offers direct service, use of the US Flag Air Carrier would increase the travel time by more than 24 hours; or (vi) If the US Flag Air Carrier does not offer direct service,
 - a) Use of the US Flag Air Carrier increases the number of aircraft changes by 2 or more,
 - b) Use of the US Flag Air Carrier extends travel time by 6 hours or more, or
 - c) Use of the US Flag Air Carrier requires a layover at an overseas interchange of 4 hours or more.
- c. **DEFINITIONS:** The terms used in this provision have the following meanings:
- 1. "Travel costs" means expenses for transportation, lodging, subsistence (meals and incidentals), and related expenses incurred by employees who are on travel status on official business of the recipient for any travel outside the country in which the organization is located. "Travel costs" do not include expenses incurred by employees who are not on official business of the recipient, such as rest and recuperation (R&R) travel offered as part of an employee's benefits package that are consistent with the recipient's personnel and travel policies and procedures.
 - 2. "International air transportation" means international air travel by individuals (and their personal effects) or transportation of cargo by air between a place in the United States and a place outside thereof, or between two places both of which are outside the United States.
 - 3. "U.S. Flag Air Carrier" means an air carrier on the list issued by the U.S. Department of Transportation at <http://ostpxweb.dot.gov/aviation/certific/certlist.htm>. U.S. Flag Air Carrier service also includes service provided under a code share agreement with another air carrier when the ticket, or documentation for an electronic ticket, identifies the U.S. flag air carrier's designator code and flight number.
 - 4. For this provision, the term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.
- d. **SUBAWARDS AND CONTRACTS**
This provision must be included in all sub awards and contracts under which this award will finance international air transportation.

A14.17 COMPLIANCE WITH ADS 206 PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (AUGUST 2016)

USAID reserves the right to terminate this agreement, to demand a refund or take other appropriate measures, if the Recipient has been convicted of a narcotics offense or to has been engaged in drug trafficking as defined in 22 CFR Part 140. This provision must be included in all subcontracts/sub-awards issued under this grant/cooperative agreement.