

Approved: January 10, 1991.
Edward J. Derwinski,
Secretary of Veterans Affairs.

PART 21—[AMENDED]

38 CFR part 21, Vocational Rehabilitation and Education, is amended as follows:

In § 21.260 paragraphs (a) and (b) are revised to read as follows:

§ 21.260 Subsistence allowance.

(a) *General.* A veteran in a rehabilitation program under chapter 31 will receive a monthly subsistence allowance at rates specified in paragraph (b) of this section, unless he or she has elected to receive payment at the rate of the monthly educational allowance paid under chapter 30 for similar training. See § 21.264 for election

of payment at the chapter 30 rate and §§ 21.7136, 21.7137, and 21.7138 to determine the applicable rate.

[Authority: 38 U.S.C. 1508(a), 1508(f), 1662(e); Pub. L. 98-525]

(b) *Rate of payment.* Subsistence allowance is paid at the following rates effective January 1, 1990.

Type of program	Monthly rate of subsistence allowance			
	No dependent	1 dependent	2 dependents	Add'l amt. for each dep. over 2
Institutional ¹ :				
Full-time	\$333	\$413	\$486	\$35
¾ time	250	310	364	27
½ time	167	207	244	18
Nonpay on-job training in a Federal agency; training in the home; vocational course in a rehabilitation facility or sheltered workshop; independent instructor: Full time only	333	413	486	35
Nonpay work experience in a Federal agency:				
Full-time	333	413	486	35
¾ time	250	310	364	27
½ time	167	207	244	18
Farm cooperative; apprenticeship, nonpay on-job training or work experience in a state and local agency, or other on-job training ² : Full time only	291	352	405	26
Combination (institution and OJT) Full time only:				
Institutional greater than ½ time	333	413	486	35
OJT greater than ½ time	291	352	405	26
Non-farm cooperative (Full time only):				
Institutional	333	413	486	35
On-job	291	352	405	26
Improvement of rehabilitation potential: Full time only	333	413	486	35
Independent living; Extended evaluation:				
Full-time	333	413	486	35
¾ time	250	310	364	27
½ time	167	207	244	18
¼ time	84	103	121	10

¹ Measurement of rate of pursuit (21.4270-21.4275).

² For on-job training, subsistence allowance may not exceed the difference between the monthly training wage, exclusive of overtime, and the entrance journeyman wage for the veteran's objective.

[Authority: 38 U.S.C. 1508; Pub. L. 101-237]

[FR Doc. 91-4294 Filed 2-22-91; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 261

[FRL-3907-6]

Hazardous Waste Management System; Removal of Strontium Sulfide From the List of Hazardous Waste

AGENCY: Environmental Protection Agency.

ACTION: Technical amendment.

SUMMARY: The Environmental Protection Agency is today correcting an amendment to regulations under the Resource Conservation and Recovery Act (RCRA) to remove strontium sulfide (CAS No. 1314-96-1) from 40 CFR 261.33,

the list of commercial chemical products which are hazardous wastes when discarded or intended to be discarded; and to remove strontium sulfide from Appendix VIII of Part 261, the list of RCRA hazardous constituents. EPA took regulatory action to remove this chemical on October 31, 1988 (53 FR 43881), but the amendatory instruction to the Federal Register was incorrect and, as a result, this chemical was not removed from § 261.33 or part 261 appendix VIII in the Code of Federal Regulations. The Agency seeks to correct this error in today's document.

EFFECTIVE DATE: The regulations became effective on October 31, 1988. This document does not affect the effective date of the waste code removal.

ADDRESSES: The Office of Solid Waste (OSW) RCRA docket is located in Room M2427 at Waterside Mall, 401 M Street SW., Washington, DC 20460, and is open from 9 a.m. to 4 p.m., Monday through Friday, excluding Federal holidays. The

public must make an appointment to review docket materials by calling (202) 475-9327. Refer to "Docket number F-83-SSPA-FFFFF" when making appointments to review any background documents to the October 31, 1988 rulemaking. The public may copy a maximum of 50 pages of material from any one regulatory docket at no cost; additional copies cost \$0.20 per page.

FOR FURTHER INFORMATION CONTACT: The RCRA/Superfund Hotline at (800) 424-9346. For technical information contact Ron Josephson, Environmental Engineer, Office of Solid Waste (OS-333), U.S. Environmental Protection Agency, 401 M Street SW., Washington, DC 20460, (202) 382-4770.

SUPPLEMENTARY INFORMATION: On October 31, 1988, the Environmental Protection Agency promulgated a final rule removing strontium sulfide (CAS No. 1314-96-1) from the list of commercial chemical products which are hazardous wastes when discarded or intended for discard (EPA Hazardous

Waste Code P107, 40 CFR 261.33(e)), the list of hazardous constituents of concern under 40 CFR part 261 appendix VIII, and the list of hazardous substances with reportable quantities (RQ) under 40 CFR 302.4. The background to this regulatory action is summarized in the preamble and rule (53 FR 43881-43884). Due to an error in the amendatory language in the regulation, this chemical has not been removed from the list summarizing § 261.33(e) and part 261 Appendix VIII in the most recent editions of the Code of Federal Regulations. (See part 261 appendix VIII, footnote 2.) Strontium sulfide has been removed from the list of hazardous substances in § 302.4.

In order to avoid confusion in the regulated community, the Agency is today correcting the Code of Federal Regulations by removing this substance from the two lists. Because this action is a technical correction of the regulatory lists, it needs no prior notice and opportunity for comment (see 5 U.S.C. 553(b)), and the Agency will not respond to any comments based on today's document.

List of Subjects in 40 CFR Part 261

Hazardous wastes, Recycling.

Dated: February 14, 1991.

Don R. Clay,

Assistant Administrator for Solid Waste and Emergency Response.

For the reasons set out in the preamble, part 261 of title 40 of the Code of Federal Regulations is amended as follows:

PART 261—IDENTIFICATION AND LISTING OF HAZARDOUS WASTE

1. The authority citation for part 261 continues to read as follows:

Authority: 42 U.S.C. 6905, 6912(a), 6921, 6922, 6938.

§ 261.33 [Amended]

2. Amend the table in § 261.33(e) by removing the listing

P107 . . . 1314-96-1 . . . Strontium sulfide SrS.

Appendix VIII [Amended]

3. Amend appendix VIII of part 261 by removing the listing

Strontium sulfide . . . Strontium sulfide SrS . . . 1314-96-1 . . . P107.

[FR Doc. 91-4365 Filed 2-22-91; 8:45 am]

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INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Agency for International Development

48 CFR Chapter 7 and Part 731 and Appendices D and G

[AIDAR Notice 91-2]

Miscellaneous Amendments to Acquisition Regulations

AGENCY: Agency for International Development, IDCA.

ACTION: Final rule.

SUMMARY: The AID Acquisition Regulation (AIDAR) is being amended by revising and updating in its entirety, Appendix D, "Direct-AID Contracts With a U.S. Citizen or U.S. Resident Alien for Personal Services Abroad", and by removing requirements that copies of approvals of salaries in excess of FS-1 be reported to a central point, and subsequently reported by that control point semiannually to the Deputy Administrator.

EFFECTIVE DATE: March 27, 1991.

FOR FURTHER INFORMATION CONTACT: MS/PPE, Mrs. Patricia L. Bullock, (703) 875-1534.

SUPPLEMENTARY INFORMATION: The AID Acquisition Regulation is being amended to specifically include the following in appendix D: (1) Clarification of language pertaining to the U.S. Government's payment of U.S. health insurance contributions for Personal Services Contracts (PSCs); (2) clarification and simplification of the salary setting information; (3) new coverage regarding PSCs' ineligibility for awards; (4) a new requirement for the Contracting Officer's written certification in each PSC file that competition requirements have been met; (5) a new Checklist requirement which indicates that each PSC understands he or she must pay Federal Income Tax; (6) a revised Cover Page with the same tax information discussed in item (5) above; (7) authorization of a 3% annual step increase based on satisfactory performance; and (8) the re-formatting of all of the PSC General and Additional General Provisions into one set. This includes updating and revising AIDAR and FAR Clauses. Miscellaneous and editorial changes are also being made to the AIDAR and the appendices.

The remaining changes concern part 731 and appendix G of the AIDAR. As the result of a survey covering approvals of salaries in excess of FS-1, it was determined that prudent judgment was being used and contract files were being properly documented. Based on findings

that a good level of compliance and a good oversight trail provided by documentation in the contract file exists, it was determined that the requirement for submission of copies of approvals of salaries in excess of FS-1 to a central point, and preparation of semiannual reports on this subject for the Deputy Administrator should be eliminated. This recommendation was approved by the Deputy Administrator on 1/19/90.

The changes being made by this Notice are not considered "significant" under FAR 1.301 or FAR 1.501, and public comments have not been solicited. This Notice will not have an impact on a substantial number of small entities or require any information collection, as contemplated by the Regulatory Flexibility Act or the Paper Reduction Act respectively. Because of the nature and subject matter of this Notice, use of the proposed rule/public comment approach was not considered necessary. We decided to issue as a final rule; however, we welcome public comment on the material covered by this Notice or any other part of the AIDAR at anytime. Comments or questions may be addressed as specified in the "FOR FURTHER INFORMATION CONTACT" section of the preamble.

List of Subjects in 48 CFR Part 731 and Chapter 7 Appendices

Government procurement.

PART 731—CONTRACT COST PRINCIPLES AND PROCEDURES

1. The authority citation for part 731, and appendices D and G to chapter 7 continues to read as follows:

Authority: Sec. 621, Pub. L. 87-195, 75 Stat. 445 (22 U.S.C. 2381), as amended; E.O. 12163, Sept. 29, 1979, 44 FR 56673, 3 CFR 1979 Comp., p. 435.

Subpart 731.2—Contracts With Commercial Organizations

731.205-6 [Amended]

1. Paragraph (b)(2) of section 731.205-6, Compensation for personal services, is amended by removing the last sentence of the paragraph, starting with the words "Copies of all * * *" and ending " * * * of Procurement."

Subpart 731.3—Contracts With Educational Institutions

731.371 [Amended]

2. Paragraph (a)(1) of § 731.371, Compensation for personal services, is amended by removing the last sentence of the paragraph, starting with the words "Copies of all * * *" and ending " * * * of Procurement."

Appendices to Chapter 7

3. Appendix D is revised as follows:

Appendix D—Direct AID Contracts With a U.S. Citizen or a U.S. Resident Alien for Personal Services Abroad

1. General

(a) *Purpose.* This appendix sets forth the authority, policy, and procedures under which AID contracts with a U.S. citizen or U.S. resident alien for personal services abroad.

(b) *Definitions.* For the purpose of this appendix:

(1) *Personal Services Contract (PSC)* means a contract which establishes an employer-employee relationship for the performance of services personally by the Contractor. The services may include general continuing services as well as specifically identifiable tasks.

(2) *Employer-employee relationship* means an employment relationship in which the employer supervises or has the power to supervise the performance of the work including, for example, the manner in which it is to be performed or controlled, the days of the week and hours of the day in which it is to be performed, or furnish the facilities where the work is to be performed. Another indication of this relationship is the provision by the employer of workspace and basic tools and materials for use in accomplishing the work.

(3) *Non-personal Services Contract* means a contract which directly engages the time and effort of a Contractor whose primary purpose is to perform an identifiable task and which establishes an independent Contractor relationship between the Contractor and the activity contracting for the services.

(4) *Independent contractor relationship* means a contract relationship in which the Contractor is not subject to the supervision and control prevailing in relationships between the Government and its employees. Under this relationship, the Government does not normally supervise the performance of the work, control the days of the week or hours of the day in which it is to be performed, or the location of performance.

(5) *Resident Hire* means a U.S. citizen who, at the time of hire as a PSC, resides in the cooperating country (i) as a spouse or dependent of a U.S. citizen employed by a U.S. Government Agency or under any U.S. Government-financed contract or agreement, or (ii) for reasons other than for employment with a U.S. Government Agency or under any U.S. Government-financed contract or agreement. A U.S. citizen for purposes of this definition also includes persons who at the time of contracting are lawfully admitted permanent residents of the United States.

(6) *U.S. resident alien* means a non-U.S. citizen lawfully admitted for permanent residence in the United States.

(7) *Abroad* means outside the United States and its territories and possessions.

(8) *AID direct-hire employees* means civilian employees appointed under AID Handbook 25 procedures.

2. Legal Basis

(a) Section 635(b) of the Foreign Assistance Act of 1961, as amended (hereinafter referred to as the "FAA"), provides the Agency's basic contracting authority for nonpersonal services.

(b) Section 636(a)(3) of the FAA (22 U.S.C. 2396(a)(3)) authorizes the Agency to enter into personal services contracts with individuals for personal services abroad and provides further that such individuals " * * * shall not be regarded as employees of the U.S. Government for the purpose of any law administered by the Civil Service Commission." ¹

3. Applicability

(a) This appendix applies to all personal services contracts with U.S. citizens or U.S. resident aliens to provide assistance abroad under section 636(a)(3) of the FAA.

(b) This appendix does not apply to:

(1) Nonpersonal services contracts with U.S. citizens or U.S. resident aliens; such contracts are covered by the basic text of the FAR and the AIDAR.

(2) Personal services contracts with individual Cooperating Country Nationals (CCNs) or Third-Country Nationals (TCNs); such contracts are covered by appendix J of this chapter.

(3) Other personal services arrangements covered by AID Handbook 25—Employment and Promotion.

(4) Interagency agreements (e.g., PASAs and RSSAs) covered by AID Handbook 12—Use of Federal Agencies.

4. Policy

(a) *General.* AID may finance, with either program or operating expense (OE) funds, the cost of personal services as part of the Agency's program of foreign assistance by entering into a direct contract with an individual U.S. citizen or U.S. resident alien for personal services abroad.

(1) *Program funds.* Under the authority of section 635(h) of the FAA, program funds may be obligated for periods up to five years where necessary and appropriate to the accomplishment of the tasks involved.

(2) *Operating expense funds.* Under the authority of section 636(b) of the FAA, operating funds may be obligated for periods not to exceed twenty-four months where necessary and appropriate to the accomplishment of the tasks involved.

(b) *Limitations on Personal Services Contracts.*

(1) Personal services contracts may only be used when adequate supervision is available.

(2) Personal services contracts may be used for commercial activities. Commercial activities provide a product or service which could be obtained from a commercial source. See Attachment A of OMB Circular A-76 for a representative list of such activities.

(3) Personal services contracts may be used for Governmental functions (defined by OMB Circular A-76 as functions so intimately related to the public interest as to mandate performance by Government employees) except:

(i) Negotiating on behalf of the United States with foreign governments and public international organizations. Note: Negotiating on behalf of the United States with private individuals and entities is permitted.

(ii) Entering into any agreement (e.g., loan, grant, contract) on behalf of the United States.

(iii) Making decisions involving governmental functions such as planning, budget, programming and personnel selection. Services will be limited to making recommendations with final decision-making authority reserved for authorized AID direct-hire employees.

(iv) Supervision of AID direct-hire U.S. citizen employees.

(c) *Withholdings and Fringe Benefits.*

(1) Personal services contractors (PSCs) are Government employees for purposes of title 28 of the United States Code and are therefore subject to social security (FICA) and Federal income tax (FIT) withholdings. As employees, they are ineligible for the "foreign earned income" exclusion under the IRS regulations [see 26 CFR 1.911-3(c) (3)].

(2) Personal services contractors are treated on par with other Government employees, except for programs based on any law administered by the Federal Office of Personnel Management (e.g., incentive awards, life insurance, health insurance, and retirement programs covered by 5 CFR parts 530, 531, 831, 870, 871, and 890). While PSCs are ineligible to participate in any of these programs, the following fringe benefits are provided as a matter of policy:

(i) The employer's FICA contribution for retirement purposes;

(ii) A contribution against the actual costs of the PSC's annual health and life insurance costs. Proof of health and life insurance coverage shall be submitted to the Contracting Officer before any contribution is made.

(A) The contribution for health insurance shall not exceed 50% of the actual costs of the PSC's annual health insurance and shall not exceed the maximum U.S. Government contribution for direct-hire personnel as announced annually by the Office of Personnel Management.

(B) The contribution for life insurance shall be up to 50% of the actual costs of the PSC's annual life insurance costs, not to exceed \$500.00 per year.

(iii) PSCs shall receive the same percentage pay comparability adjustment as U.S. Government employees subject to the availability of Mission funds.

(iv) PSCs shall receive a 3% annual step increase subject to satisfactory performance.

(v) PSCs shall receive the following allowances and differentials provided in the State Department's Standardized Regulations (Government Civilian Foreign Areas) on the same basis as U.S. Government employees (except for resident hires, see paragraph 4(d) and section 11, General Provisions, Definitions Clause 24, "Resident Hire Personal Services Contractors"):

(A) Temporary lodging allowance (Section 120).²

(B) Living quarters allowance (Section 130).²

¹ The Civil Service Commission is now the Federal Office of Personnel Management.

- (C) Post allowance (Section 220).²
- (D) Supplemental post allowance (Section 230).²
- (E) Separate maintenance allowance (Section 280).³
- (F) Education allowance (Section 270).³
- (G) Educational travel (Section 280).³
- (H) Post differential (Chapter 500).
- (I) Payments during evacuation/authorized departure (Section 600), and
- (J) Danger pay (Section 650).

Any allowance or differential that is not expressly stated in this paragraph is not authorized for any PSC unless a deviation is approved.

(vi) PSCs and their authorized dependents may be entitled to health room services of the same type that are normally provided to AID direct-hire U.S. citizen employees. See General Provision entitled "Physical Fitness and Health Room Privileges."

(vii) PSCs are eligible to receive benefits for injury, disability, or death under the Federal Employees' Compensation Act since the law is administered by the Department of Labor, not the Office of Personnel Management.

(viii) PSCs are eligible to earn four hours of annual leave and four hours of sick leave for each two week period. However, PSCs with previous PSC service (not previous U.S. Government civilian or military service) earn either six hours of annual leave for each two week period if their previous PSC service exceeds 3 years, or eight hours of annual leave for each two week period if their previous PSC service exceeds 15 years.

(3) A PSC who is a spouse of a current or retired Civil Service, Foreign Service, or Military Service member and who is covered by their spouse's Government health or life insurance policy is ineligible for the contribution under paragraph 4(c)(2)(ii) of this appendix.

(4) Retired U.S. Government employees shall not be paid additional contributions for health or life insurance under their contract (since the Government will normally have already paid its contribution for the retiree) unless the employee can prove to the satisfaction of the Contracting Officer that his/her health and life insurance does not provide or specifically excludes coverage overseas. If coverage overseas is excluded, then eligibility as cited above applies.

(5) Retired U.S. Government employees may be awarded Personal Services Contracts without any reduction in or offset against their Government annuity.

(d) *Resident Hire Personal Services Contractors.*

Resident hire PSCs are not eligible for any fringe benefits (except contributions for FICA, health insurance, and life insurance), including differentials and allowances, unless such individuals can demonstrate to the satisfaction of the Contracting Officer that they have received similar benefits and allowances from their immediately previous employer in the cooperating country or the Mission Director may determine that

payment of such benefits would be consistent with the Mission's policy and practice and would be in the best interests of the U.S. Government.

(e) *Salary Setting.*

(1) Salaries for Personal Services Contractors shall be established based on the market value of the position being recruited for. This requires the Contracting Officer in coordination with the Project Officer to determine the correct market value (a salary range) of the position to be filled. The market value of the position then becomes the basis, along with the applicant's certified salary history on the SF 171, "Personal Qualifications Statement," for salary negotiations to be conducted by the Contracting Officer. The 171 must be retained in the permanent contract file. Salaries should be consistent with the FS/GS grade level equivalent that the position would normally warrant.

(2) If approved by the Mission Director or the cognizant Assistant Administrator, based on written justification, salary may be negotiated based on the applicant's current earnings adjusted in accordance with the factors set out in paragraphs (e)(2)(i) through (iii) below. Current earnings must be certified by the Contractor on the SF 171, (see paragraph 6(b)(3) of this Appendix). This is guidance for establishing initial salaries not subsequent increases for the same Contractor performing the same function.

(i) As a rule, up to a 3 percent increase above current earnings may be given. However, a 3 percent increase is awarded only to a PSC whose earnings are based on a period of twelve months or more; 2 percent for established earnings of less than twelve months but not less than four months; or 1 percent for established earnings during the past four months.

(ii) Additional percentages may be given for the following factors. If a PSC has worked in a developing country for more than two years, an additional 1 percent may be awarded. Education related to the area of specialization and above the minimum qualification required may warrant an additional 1 percent, and those specialties for which there is keen competition in the employment market or a serious shortage category nationwide may be awarded an additional 2 percent. In addition, related technical experience over 5 years may increase the percentage by 1 and over ten years by 3.

(iii) All requests for an initial rate of pay above 10 percent over current earnings must be approved in writing by the appropriate Regional Assistant Administrator or Mission Director. Current earnings are actual earnings for work reasonably related to the position for which the applicant is being considered.

(3) When an applicant has no current earnings history (e.g., a person returning to the workforce after an absence of a number of years) or when an applicant's current earnings history doesn't accurately reflect the applicant's job market worth (e.g., a Peace Corps volunteer), every effort should be made to establish a market value for the position as a basis for negotiation, notwithstanding the lack of a current earnings history, provided that the applicant has the full qualifications

for the job and could command a similar salary in the open job market.

(4) Salaries in excess of the FS-1 level must also be approved by the appropriate Regional Assistant Administrator or Mission Director, as provided for in Appendix G of this chapter.

(f) *Incentive Awards.*

U.S. PSCs are not eligible to participate in any special awards programs.

(g) *Annual Salary Increase.*

PSC's contracts written for more than one year should provide for a 3% annual increase based on satisfactory performance.

(h) *Pay Comparability Adjustment.*

PSCs shall receive the same percentage pay comparability adjustment as that received by U.S. Government employees subject to the availability of Mission funds.

5. *Soliciting for Personal Services Contracts*

(a) *Project Officer's Responsibilities.* The Project Officer will prepare a written detailed statement of duties and a statement of minimum qualifications to cover the position being recruited for. The statement shall be included in the procurement request (e.g., AID Form 1350-1, Project Implementation Order/Technical Services (PIO/T)); the request shall also include the following additional information as a minimum:

(1) The specific foreign location(s) where the work is to be performed, including any travel requirements (with an estimate of frequency);

(2) The length of the contract, with beginning and ending dates, plus any options for renewal or extension;

(3) The basic education, training, experience, and skills required for the position;

(4) An estimate of what a comparable GS/FS equivalent position should cost, including basic salary, allowances, and differentials, if appropriate;

(5) A list of Government or host country furnished items (e.g., housing); and

(6) If the PSC will be providing consulting services, include the justification required by AIDAR 737.270(b).

(b) *Contracting Officer's Responsibilities.*

(1) The Contracting Officer will prepare the solicitation for personal services which shall contain:

(i) Three sets of SF 171s and 171As. (Upon receipt, one copy of each 171 and 171A shall be forwarded to the Project Officer.)

(ii) A detailed statement of duties or a completed position description for the position being recruited for.

(iii) A copy of the prescribed contract Cover Page, Contract Schedule, General Provisions as appropriate, as well as the FAR Clauses to be incorporated by reference.

(iv) A copy of Attachment 2C to chapter 2 of AID Handbook 24, entitled Employee Responsibilities and Conduct.

(2) The Contracting Officer shall comply with the requirements of AIDAR 706.302-70(c) as detailed in paragraph 5(c) below.

(c) *Competition.*

(1) Under AIDAR 706.302-70(b)(1), Personal Services Contracts are exempt from the requirements for full and open competition

² Mission Directors may authorize per diem in lieu of these allowances.

³ These allowances are not authorized for short tours (i.e., less than a year).

with two limitations that must be observed by Contracting Officers:

(i) Offers are to be requested from as many potential offerors as is practicable under the circumstances, and

(ii) A justification supporting less than full and open competition must be prepared in accordance with FAR 6.303.

(2) A class justification was approved by the AID Procurement Executive on January 20, 1987 which will satisfy the requirements of AIDAR 706.302-70(c)(2) for a justification in accordance with FAR 6.303 subject to the following conditions for use for Personal Services Contracts with U.S. citizens or U.S. resident aliens:

(i) If recruited from the United States, the position was either publicized in a U.S. trade/professional/technical publication, the Commerce Business Daily or a newspaper or similar publication, or the procedure in paragraph (iii) below was followed.

(ii) If recruited locally, the position was publicized in the same way that the Mission announces direct hire U.S. citizen positions, or the procedure in paragraph (iii) below was followed.

(iii) As an alternative to the procedures in paragraph (i) and (ii) above, at least 3 individuals were considered by consulting source lists (e.g., applications or resumes on hand) or conducting other informal solicitation.

Note: Coverage in paragraphs (2)(i) thru (2)(iii) applies to extensions or renewals of PSCs.

(iv) A copy of the class justification (which was distributed to all AID Contracting Officers via Contract Information Bulletin) must be included in the contract file, together with a written statement, signed by the Contracting Officer, that the contract is being awarded pursuant to AIDAR 706.302-70(b)(1); that the conditions for use of this class justification have been met; and that the cost of the contract is fair and reasonable.

(3) Since the award of a Personal Services Contract is based on technical qualifications, not price, and since the SF 171, "Personal Qualifications Statement", and SF 171A, "Continuation Sheet for Standard Form 171", are used to solicit for such contracts, FAR subparts 15.4 and 15.5 and FAR parts 52 and 53 are inappropriate and shall not be used. Instead, the solicitation and selection procedures outlined in this Appendix shall govern.

(4) If the appropriate competitive procedure in paragraph (2) above is not followed, the Contracting Officer must prepare a separate justification as required under AIDAR 706.302-70(c)(2).

6. Negotiating a Personal Services Contract

Negotiating a Personal Services Contract is significantly different from negotiating a nonpersonal services contract because it establishes an employer-employee relationship; therefore, the selection procedures are more akin to the personnel selection procedures.

(a) *Project Officer's Responsibilities.* The Project Officer shall be responsible for reviewing and evaluating the applications (i.e., SF 171s) received in response to the solicitation issued by the Contracting Officer.

If deemed appropriate, interviews may be conducted with the applicants before the final selection is submitted to the Contracting Officer.

(b) *Contracting Officer's Responsibilities.*

(1) The Contracting Officer shall forward a copy of each SF 171 received under the solicitation to the Project Officer for evaluation.

(2) On receipt of the Project Officer's recommendation, the Contracting Officer shall conduct negotiations with the recommended applicant. Normally, the Contracting Officer shall negotiate only the salary (see the salary setting coverage in paragraph 4(e) of this Appendix). The terms and conditions of the contract, including differentials and allowances, are not negotiable or waivable without a properly approved deviation (see AIDAR 701.470). If the Contracting Officer can negotiate a salary that is fair and reasonable, then the award shall be made.

(3) The Contracting Officer shall use the certified salary history on the SF 171 as the basis for salary negotiations, along with the market value of the position being recruited for, and the Project Officer's cost estimate.

(4) The Contracting Officer will obtain two copies of IRS Form W-4, "Employee's Withholding Allowance Certificate" from the successful applicant. (Upon receipt, the Contracting Officer will forward one copy of the W-4 to the office of the Controller.)

(5) The Contracting Officer will obtain four sets of SF 86, "Security Investigation Data for Sensitive Position" from the successful applicant if a security clearance is required for the position.

7. Executing a Personal Services Contract

Contracting activities, whether AID/W or Mission, may execute Personal Services Contracts, provided that the amount of the contract does not exceed the contracting authority that has been redelegated to them under Delegation of Authority No. 1103 "To the Assistant to the Administrator for Management, Concerning Acquisition Functions" (50 FR 23842), as amended (see AIDAR 702.170-10).

In executing a Personal Service Contract, the Contracting Officer is responsible for insuring that:

(a) The proposed contract is within his/her delegated authority;

(b) A PIO/T covering the proposed contract has been received;

(c) The proposed scope of work is contractible, contains a statement of minimum qualifications from the technical office requesting the services, and is suitable to the use of a Personal Services Contract in that:

(1) Performance of the proposed work requires or is best suited for an employer-employee relationship, and is thus not suited to the use of a non-personal services contract;

(2) The scope of work does not require performance of any function normally reserved for Federal employees (see paragraph 4(b) of this appendix); and

(3) There is no apparent conflict of interest involved (if the Contracting Officer believes that a conflict of interest may exist, the

question should be referred to the cognizant legal counsel).

(d) Selection of the Contractor is documented and justified. AIDAR 706.302-70(b)(1) provides an exception to the requirement for full and open competition for Personal Services Contracts abroad (see paragraph 5(c) of this Appendix);

(e) The standard contract format prescribed for Personal Services Contracts (Sections 10, 11 and 12 to AIDAR Appendix D) is used; or that any necessary deviations are processed as required by AIDAR 701.470. (Note: The prescribed contract format is designed for use with Contractors who are residing in the U.S. when hired. If the contract is with a U.S. citizen residing in the cooperating country when hired, contract provisions governing physical fitness and travel/transportation expenses, and home leave, allowances, and orientation should be suitably modified (see paragraph 4(d) of this Appendix). These modifications are not considered deviations subject to AIDAR 701.470. Justification and explanation of these modifications is to be included in the contract file);

(f) Orientation is arranged in accordance with General Provision 25;

(g) The Contractor has submitted the names, address, and telephone numbers of at least two persons who may be notified in the event of an emergency (this information is to be retained in the contract file);

(h) The contract is complete and correct and all information required on the contract Cover Page (AID Form 1420-36A) has been entered;

(i) The contract has been signed by the Contracting Officer and the Contractor, and fully executed copies are properly distributed;

(j) The following clearances, approvals and forms have been obtained, properly completed, and placed in the contract file before the contract is signed by both parties:

(1) Security clearance, including the completed SF 86, to the extent required by AID Handbook 6, *Security*;

(2) Mission, host country, and project office clearance, as appropriate;

(3) Medical clearance(s) for the Contractor and for each dependent who is authorized to travel to the overseas post based on a full medical examination(s) and certification of same by a licensed physician. The physician's certification must be in the possession of the Contracting Officer prior to any travel undertaken by Contractor or his/her dependents;

(4) One original executed IRS Form W-4 entitled "Employee's Withholding Allowance Certificate" and one copy shall be obtained. The original shall be sent to the Controller of the paying office and one shall be placed in the contract file;

(5) The approval for any salary in excess of FS-1, in accordance with appendix G of this chapter;

(6) A copy of the class justification or other appropriate explanation and support required by AIDAR 706.302-70, if applicable;

(7) Any deviation to the policy or procedures of this appendix, processed and approved under AIDAR 701.470;

(8) A fully executed SF 171;

(9) The Memorandum of Negotiation; and

(10) The Contracting Officer's signed certification that competition requirements have been met or satisfied as described in paragraph 5(c) of the policy text of Appendix D. The certification shall be a part of the Memorandum of Negotiations.

(k) Funds for the contract are properly obligated to preclude violation of the Anti-Deficiency Act, 31 U.S.C. 1341 (the Contracting Officer ensures that the contract has been properly recorded by the appropriate accounting office prior to its release for the signature of the selected Contractor);

(l) The Contractor receives and understands Attachment 2C of chapter 2, AID Handbook 24, *General Personnel Policy*, entitled "Employee Responsibilities and Conduct," and a copy is attached to each contract, as provided for in paragraph 2(c) of General Provision 2, Section 11;

(m) Agency conflict of interest requirements, as set out in Chapter 2D and 2F of AID Handbook 24, are met by the Contractor prior to his/her reporting for duty;

(n) A copy of a Checklist for Personal Services Contractors which may be in the form set out above or another form convenient for the Contracting officer, provided that a form containing all of the information described in this paragraph 7 shall be prepared for each PSC and placed in the contract file;

(o) The block entitled, "Project No." on the Cover Page of the contract format is completed by inserting the four-segment project number as prescribed in AID Handbook 18, *Information Services*; and

(p) The Contractor understands that he/she is an employee of the United States for purposes of the Foreign Assistance Act of 1961, as amended, and Title 28 United States Code. This subjects the employee to withholding for both FICA and Federal Income Tax and precludes the employee from

receiving the Federal Earned Income Tax exclusion of 26 U.S.C. 911. See Special Note on the Cover Page.

8. Post Audit

The Inspector General, or his/her designee, audits the Personal Services Contracts of all contracting activities for the purpose of ensuring conformance to applicable policy and regulations.

9. Contracting Format

The prescribed Contract Cover Page, Contract Schedule, and General Provisions for Personal Services Contracts covered by this appendix are included as follows:

10. Form AID 1420-36, "Cover Page" and "Schedule"

11. "General Provisions"

12. FAR Clauses to be incorporated by reference in Personal Services Contracts.

BILLING CODE 6116-01-M

Section 10
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

CONTRACT WITH A U.S. CITIZEN OR U.S. RESIDENT ALIEN FOR PERSONAL SERVICES ABROAD

Negotiated Pursuant to Section 636(a)(3) of the Foreign Assistance Act of 1961, as amended, and Executive Order 11223		Contract Number	
Country of Performance		Amount Obligated \$	Total Estimated Contract Cost \$
Contract For		Project Number	
Contracting Office (Name and Address)		Contractor (Name, Street, City, State, Postal Zone)	
Administered By (If other than Contracting Office)		Effective Date	Estimated Completion Date
Cognizant Scientific/Technical Office (Name, Office Symbol, Address)		Accounting and Appropriation Data	
Supervising Officer		PIO/T Number _____	
This is a Consulting Services Contract (AIDAR 737.272)		Appropriation Number _____	
☐ Yes ☐ No		Budget Plan Code _____	
Payment Will Be Made By		Social Security Number _____	
		Type of Advance ("X" Appropriate Box)	
		☐ INITIAL ☐ NONE AUTHORIZED	

The United States of America, hereinafter called the Government, represented by the Contracting Office executing this contract, and the Contractor agree that the Contractor shall perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule or the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

SPECIAL NOTE: As an employee for purposes of Section 636(a)(3) of the Foreign Assistance Act of 1961, as amended, (22 USC 2396(a)(3)), the Contractor is generally an employee of the United States for purposes of laws other than those administered by the Office of Personnel Management (i.e., Title 5, United States Code). This includes being an employee of the United States for purposes of Title 26, United States Code, which subjects the Contractor to withholding for both FICA and Federal Income Tax, and precludes the Contractor from receiving the federal earned income tax exclusion of 26 USC Section 911.

(Fill In Appropriate Spaces)

This Contract consists of this Cover Page, the Schedule of _____ pages, including the Table of Contents, the General Provisions (Section 11 dated _____), and Section 13 FAR Clauses by reference.

UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT	
Signature of Contractor	By (Signature of Contracting Officer)
Typed or Printed Name	Typed or Printed Name
Date	Date

AID 1420-36A (7-90)

PRIVACY ACT STATEMENT

This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974), December 31, 1974, for individuals who complete this form.

The Executive Office of the President, Office of Management and Budget has required that all departments and agencies comply with the reporting requirements of Section 6041 of the Internal Revenue Code. Section 6041 states that all departments and agencies making payments totaling \$600.00 or more in one year to a recipient for services provided must be reported to the Internal Revenue Service (IRS). The SSN and all financial numbers will be disclosed to the Agency for International Development (A.I.D.) payroll office personnel and personnel in the Department of Treasury, Division of Disbursements. A.I.D. will use this SSN to complete Form W-2 of the Code on employee compensation. Disclosure by the personal services contractor of the SSN is necessary to obtain the services, benefits or processes provided by this contract. Disclosure of the SSN may be made outside A.I.D. (a) pursuant to any applicable routine use listed in A.I.D.'s Notice for implementing the Privacy Act as published in the Federal Register, or (b) when disclosure by virtue of a contract being a public document after signatures is authorized under the Freedom of Information Act.

BILLING CODE 6116-01-C

Table of Contents**Schedule**

(The illustrated Schedule consists of this Table of Contents and Articles I-VI.)
 Article I—Statement of Duties
 Article II—Period of Service Overseas
 Article III—Contractor's Compensation and Reimbursement in U.S. Dollars
 Article IV—Costs Reimbursable and Logistic Support
 Article V—Precontract Expenses
 Article VI—Additional Clauses
 General Provisions

The following provisions numbered as shown below omitting number(s) _____, are the General Provisions (GPs) of this Contract:

1. Definitions
2. Laws and Regulations Applicable Abroad
3. Physical Fitness and Health Room Privileges
4. Workweek and Compensation (Pay Comparability Adjustments)
5. Leave and Holidays
6. Differential and Allowances
7. Social Security and Federal Income Tax
8. Advance of Dollar Funds
9. Insurance
10. Travel and Transportation Expenses
11. Preference for U.S.-Flag Air Carriers (FAR 52.247-63)
12. Payment
13. Conversion of U.S. Dollars to Local Currency
14. Post of Assignment Privileges
15. Security Requirements
16. Contractor-Mission Relationships
17. Termination
18. Release of Information
19. Officials Not to Benefit
20. Notices
21. Reports
22. Use of Pouch Facilities
23. Biographical Data
24. Resident Hire PSC
25. Orientation and Language Training

For each tour of duty, attach the applicable General Provisions.

Schedule

Note: Use of the following Schedule Articles are not mandatory. They are intended to serve as guidelines for contracting offices in drafting contract schedules. Article language may be changed to suit the needs of the particular contract.

Article I—Statement of Duties

(The statement of duties shall include:
 A. General statement of the purpose of the contract.

B. Statement of duties to be performed.

C. Any AID consultation or orientation.)

Article II—Period of Service Overseas

Within _____ days after written notice from the Contracting Officer that all clearances, including the doctor's certification required under General Provisions Clause 3, have been received or unless another date is specified by

the Contracting Officer in writing, the Contractor shall proceed to _____ where he/she shall promptly commence performance of the duties specified above. The Contractor's period of service overseas shall be approximately _____ in _____. (Specify time of duties in each location as well as authorized stopovers with purpose of each.)

Article III—Contractor's Compensation and Reimbursement in U.S. Dollars

A. Except to the extent reimbursement therefor is payable in the currency of the Cooperating Country pursuant to Article IV, AID shall pay the Contractor compensation after it has accrued and reimburse him/her in U.S. dollars for necessary and reasonable costs actually incurred by him/her in the performance of this contract within the categories listed in paragraph C, below, and subject to the conditions and limitations applicable thereto as set out herein and in the attached General Provisions (GP).

B. The amount budgeted and available as personal compensation to the Contractor is calculated to cover a calendar period of approximately _____ (days) (weeks) (months) (years) which is to include (1) vacation, sick, and home leave which may be earned during the Contractor's tour of duty (GP Clause 5) (2) _____ days for authorized travel (GP Clause 10) and (3) _____ days for orientation and consultation in the United States (GP Clause 27).

C. Allowable Costs:

1. Compensation at the rate of \$_____ per (year) (month) (week) (day). Adjustments in compensation (pay) for periods when the Contractor is not in compensable pay status shall be calculated as follows: Rate of \$_____ per (day) (hour).

Contingency for Compensation (Pay Comparability) Adjustments. \$_____.

Annual Salary increase (3%) _____.

2. Overtime (Unless specifically authorized in the Schedule of this contract, no overtime hours shall be allowed hereunder.) \$_____.

*3. Overseas Differential (Ref. GP Clause No. 6.) Rate _____ and Contingency \$_____ \$_____.

*4. Allowances in Cooperating Country (Ref. GP Clause 6.)

*If post differential is applicable to the assigned post, a contingency for the adjusted amount of differential resulting from compensation (pay comparability) adjustment should be included.

*Do not include the value of any costs to be paid or reimbursed in local currency.

**5. Travel and Transportation (Ref. GP Clause 10.) (Includes the value of GTRs furnished by the Government, not payable to Contractor). \$_____.

- a. United States \$_____.
- b. International \$_____.
- c. Cooperating and Third Country \$_____.

Subtotal Item 5 \$_____.

**6. Subsistence or Per Diem (Ref. GP Clause 10.)

- a. United States \$_____.
- b. International \$_____.
- c. Cooperating and Third Country \$_____.

Subtotal Item 6 \$_____.

7. Other Direct Costs.

a. Health and Life Insurance (Ref. GP Clause 9.) \$_____.

b. Precontract Costs, passport, visa, inoculations, etc. (Ref. GP Clause 8.) \$_____.

c. Physical Examination (Ref. GP Clause 3.) \$_____.

d. Communications, Miscellaneous. \$_____.

Subtotal Item 7 \$_____.

8. F.I.C.A.—U.S.C. contribution (not payable to Contractor). \$_____.

Total estimated costs (lines 1 thru 8). \$_____.

D. Maximum U.S.-Dollar Obligation: In no event shall the maximum U.S.-dollar obligation under this contract, exceed \$_____. Contractor shall keep a close account of all obligations he/she incurs and accrues hereunder and promptly notify the Contracting Officer whenever in his/her opinion the said maximum is not sufficient to cover all compensation and costs reimbursable in U.S. dollars which he/she anticipates under the contract.

Article IV—Costs Reimbursable and Logistic Support

A. General: The Contractor shall be provided with or reimbursed in local currency (_____) for the following:

[Complete]

B. Method of Payment of Local Currency Costs: Those contract costs which are specified as local currency costs in paragraph A above, if not furnished in kind by the cooperating government or the Mission, shall be paid to the Contractor in a manner adapted to the local situation, based on vouchers submitted in accordance with General Provision Clause 12. The documentation for such costs shall be on such forms and in such manner as the Mission Director shall prescribe.

Article V—Precontract Expenses

No expense incurred before execution of this contract will be reimbursed unless such expense was incurred after

receipt and acceptance of a precontract expense letter issued to the Contractor by the Contracting Officer, and then only in accordance with the provisions and limitations contained in such letter. The rights and obligations created by such letter shall be considered as merged into this contract.

Article VI—Additional Clauses

(Additional Schedule clauses may be added such as the implementation of General Provisions or Additional clauses.)

Section 11. General Provisions Contract With a U.S. Citizen or a U.S. Resident Alien for Personal Services Abroad

The following clauses are to be used (when applicable), for both tours of duty of less than 1 year as well as 1 year or more.

Index of Clauses

1. Definitions (June 1990)
2. Laws and Regulations Applicable Abroad (Dec 1985)
3. Physical Fitness and Health Room Privileges (June 1990)
4. Workweek and Compensation (Pay Comparability Adjustments) (Dec 1985)
5. Leave and Holidays (June 1990)
6. Differential and Allowances (June 1990)
7. Social Security, Federal Income Tax, and Foreign Earned Income (June 1990)
8. Advance of Dollar Funds (Dec 1985)
9. Insurance (June 1990)
10. Travel and Transportation Expenses (June 1990)
11. Preference for U.S.-Flag Air Carriers (Apr 1984) (FAR 52.247-63)
12. Payment (June 1990)
13. Conversion of U.S. Dollars to Local Currency (Dec 1985)
14. Post of Assignment Privileges (June 1990)
15. Security Requirements (Dec 1985)
16. Contractor-Mission Relationships (Dec 1985)
17. Termination (Nov 1989)
18. Release of Information (Dec 1985)
19. Officials Not To Benefit [(Apr 1984) (FAR 52.203-5)]
20. Notices (Dec 1985)
21. Reports (June 1987)
22. Use of Pouch Facilities (Dec 1985)
23. Biographical Data (June 1990)
24. Resident Hire PSC (June 1990)
25. Orientation and Language Training (Dec 1985)

1. Definitions (June 1990)

(a) "AID" shall mean the Agency for International Development.

(b) "Administrator" shall mean the Administrator or the Deputy Administrator of AID.

(c) "Contracting Officer" shall mean a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the

limits of their authority as delegated by the Contracting Officer.

(d) "Contractor" shall mean the individual engaged to serve under this contract.

(e) "Cooperating Country" shall mean the foreign country in or for which services are to be rendered hereunder.

(f) "Cooperating Government" shall mean the government of the Cooperating Country.

(g) "Government" shall mean the United States Government.

(h) "Local currency" shall mean the currency of the Cooperating Country.

(i) "Mission" shall mean the United States AID Mission to, or principal AID office in, the Cooperating Country.

(j) "Mission Director" shall mean the principal officer in the Mission in the Cooperating Country, or his/her designated representative.

(k) "Project Officer" shall mean the AID official to whom the Contractor reports, and who is responsible for monitoring the Contractor's performance.

(l) "Tour of duty" shall mean the Contractor's period of service under this contract and shall include orientation in the United States (less language training), authorized leave, and international travel.

(m) "Traveler" shall mean (i) the Contractor in authorized travel status or (ii) dependents of the Contractor who are in authorized travel status.

(n) "Dependents" means: (1) Spouse. (2) Children (including step and adopted children) who are unmarried and under 21 years of age or, regardless of age, are incapable of self-support.

(3) Parents (including step and legally adoptive parents) of the employee or of the spouse, when such parents are at least 51 percent dependent on the Contractor for support.

(4) Sisters and brothers (including step or adoptive sisters or brothers) of the Contractor, or of the spouse, when such sisters and brothers are at least 51 percent dependent on the Contractor for support, unmarried and under 21 years of age, or regardless of age, are incapable of self-support.

(o) "U.S. Resident Alien", as used in this contract, shall mean an alien immigrant, legally resident in the United States, the Commonwealth of Puerto Rico, or the possessions of the United States, and having a valid "Alien Registration and Receipt Card" (Immigration and Naturalization Service forms I-151 or I-551).

(p) "Resident Hire Personal Services Contractor (PSC)" means a U.S. citizen who, at the time of hiring as a PSC, resides in the Cooperating Country (1) as a spouse or dependent of a U.S.

citizen employed by a U.S. Government Agency or under any U.S. Government-financed contract or agreement, or (2) for reasons other than for employment with a U.S. Government Agency or under any U.S. Government-financed contract or agreement. A U.S. citizen for purposes of this definition also includes a person who at the time of contracting, is a lawfully admitted permanent resident of the United States.

2. Laws and Regulations Applicable Abroad (Dec. 1985)

(a) Conformity to Laws and Regulations of the Cooperating Country. Contractor agrees that, while in the Cooperating Country, he/she as well as authorized dependents shall abide by all applicable laws and regulations of the Cooperating Country and political subdivisions thereof.

(b) Purchase or Sale of Personal Property or Automobiles. To the extent permitted by the Cooperating Country, the purchase, sale, import, or export of personal property or automobiles in the Cooperating Country by the Contractor shall be subject to the same limitations and prohibitions which apply to Mission U.S.-citizen direct-hire employees.

(c) Code of Conduct. The Contractor shall, during his/her tour of duty under this contract, be considered an "employee" (or if his/her tour of duty is for less than 130 days, a "special Government employee") for the purposes of, and shall be subject to, the provisions of 22 CFR 10, "Employee Responsibilities and Conduct" (Attachment 2C to Chapter 2 of AID Handbook 24). The Contractor acknowledges receipt of a copy of said provisions by his/her acceptance of this contract.

3. Physical Fitness and Health Room Privileges (June 1990)

(a) Physical Fitness. (1) The Contractor shall be required to be examined by a licensed doctor of medicine, and the Contractor shall obtain from the doctor a certificate that, in the doctor's opinion, the Contractor is physically qualified to engage in the type of activity for which he/she is to be employed under the contract and is physically qualified to reside in the Cooperating Country. A copy of the certificate shall be provided to the Contracting Officer prior to the Contractor's departure for the Cooperating Country, or if this contract is entered into in the Cooperating Country, the Contractor shall provide the certificate before he/she starts work under the contract. The Contractor shall be reimbursed not to exceed \$100 for the

cost of the physical examination, plus reimbursement of charges for immunizations if such costs are not covered by the Contractor's health insurance policy.

(2) For contract periods of thirteen (13) months or more (unless specifically authorized for less) the Contractor shall obtain a physical examination for himself/ herself plus any authorized dependents by a licensed doctor of medicine. The Contractor shall require the doctor to certify that, in the doctor's opinion, the Contractor's authorized dependents are physically qualified to reside in the Cooperating Country. A copy of the certificate shall be provided to the Contracting Officer prior to the dependent's departure for the Cooperating Country.

(3) End of tour—the Contractor and his/her authorized dependents are authorized physical examinations within 60 days after completion of the Contractor's tour of duty.

(4) Reimbursement—the Contractor shall be reimbursed for the physical examinations mentioned in paragraphs (b) and (c) above as follows: (1) Not to exceed \$100 per examination for the Contractor and his/her dependents of 12 years of age and over and (2) \$40 per examination for Contractor's dependents under 12 years of age. The Contractor shall also be reimbursed for the cost of immunizations.

(b) Health Room Privileges. Health room services of the same type that are normally provided to AID direct-hire U.S. citizen employees may be available only for U.S. citizen Contractors and their authorized dependents (regardless of citizenship) at the post of duty. These services do not include hospitalization, or predeparture or end of tour medical examinations. The services do include such medications as may be available, immunizations and preventive health measures, diagnostic examinations and advice, emergency treatment, and home visits as medically indicated.

4. Workweek and Compensation (Pay Comparability Adjustments) (Dec. 1985)

(a) Workweek. The Contractor's workweek shall not be less than 40 hours, unless otherwise provided in the Contract Schedule, and shall coincide with the workweek for those employees of the Mission or the Cooperating Country agency most closely associated with the work of this contract. If the contract is for less than full time (40 hours weekly), the annual and sick leave earned shall be prorated (see the General Provision of this contract entitled Leave and Holidays).

(b) Compensation (Pay Comparability) Adjustments. The Contractor's

compensation shall be adjusted to reflect the pay comparability adjustments which are granted from time to time to U.S. direct-hire employees by Executive Order for the statutory pay systems. Any adjustments authorized are subject to the availability of Mission funds and shall not exceed that percentage stated in the Executive Order granting the adjustment. Further, the adjusted compensation may not exceed the maximum FS-1 annual compensation (or the equivalent daily rate).

5. Leave and Holidays (June 1990)

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

(2) Notwithstanding paragraph (a)(1) above, if the Contractor has had previous PSC service (i.e., has served under other personal services contracts (PSCs) covered by Sec. 636(a)(3) of the FAA), he/she shall earn vacation leave at the rate of either 6 hours every two weeks for cumulative PSC service exceeding 3 years, or 8 hours every two weeks for cumulative PSC service exceeding 15 years. Former Civil Service, Foreign Service, or a Military Service experience is not creditable towards PSC service for annual leave purposes.

(3) It is understood that vacation leave is provided under this contract primarily for the purposes of affording necessary rest and recreation during the tour of duty in the Cooperating Country. The Contractor in consultation with the AID Mission shall develop a vacation leave schedule early in his/her tour of duty taking into consideration project requirements, employee preference and other factors. All vacation leave earned by the Contractor must be used during his/her tour of duty. All vacation leave earned by the Contractor but not taken by the end of his/her tour of duty will be forfeited unless the requirements of the project precluded the employee from taking such leave and the Contracting Officer, with the endorsement of the Mission, approves one of the following as an alternative:

(i) Taking, during the concluding weeks of the employee's tour, leave not permitted under (a)(3) of this clause, or

(ii) Lump-sum payment for leave not taken provided such leave does not exceed the number of days which can be earned by the employee during a twelve month period.

(4) With the approval of the Mission Director, and if the circumstances warrant, a Contractor may be granted

advance vacation leave in excess of that earned, but in no case shall a Contractor be granted advance vacation leave in excess of that which he/she will earn over the life of the contract. The Contractor agrees to reimburse AID for leave used in excess of the amount earned during the Contractor's assignment under the contract.

(b) Sick Leave. Sick leave is earned at a rate not to exceed 13 workdays per annum or 4 hours every 2 weeks. Unused sick leave may be carried over under an extension of this contract but the Contractor will not be compensated for unused sick leave at the completion of this contract.

(c) Home Leave. (1) Home leave is leave earned for service abroad for use only in the United States, in the Commonwealth of Puerto Rico, or in the possessions of the United States.

(2) A Contractor who is a U.S. citizen or U.S. resident alien and has served at least 2 years overseas, as defined in paragraph (c)(4) below, under this contract, and has not taken more than 30 workdays leave (vacation, sick, or leave without pay) in the United States, may be granted home leave of not more than 15 calendar days for each such year of service overseas; provided, that the Contractor agrees to return overseas upon completion of home leave under an additional 2 year appointment, or for such shorter period of not less than 1 year of overseas service under the contract as the Mission Director may approve in advance. Home leave must be taken in the United States, the Commonwealth of Puerto Rico, or the possessions of the United States, and any days spent elsewhere will be charged to vacation leave or leave without pay.

(3) Notwithstanding the requirement in paragraph (c)(2) above, that the Contractor must have served 2 years overseas under this contract to be eligible for home leave, the Contractor may be granted advance home leave subject to all of the following conditions:

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

(ii) The Contractor shall have served a minimum of 18 months in the Cooperating Country on his/her current tour of duty under this contract; and

(iii) The Contractor shall have agreed to return to the Cooperating Country to serve out the remainder of his/her current tour of duty and an additional 2 year appointment under this contract, or such other additional appointment of not less than 1 year of overseas service as the Mission Director may approve.

(4) The period of service overseas required under paragraph (c)(2), or paragraph (c)(3) above, shall include the actual days in orientation in the United States (less language training) and the actual days overseas beginning on the date of departure from the U.S. port of embarkation on international travel and continuing, inclusive of authorized delays en route, to the date of arrival at the U.S. port of debarkation from international travel. Allowable vacation and sick leave taken while overseas, but not leave without pay, shall be included in the required period of service overseas. An amount equal to the number of days of vacation and sick leave taken in the United States, the Commonwealth of Puerto Rico, or the possessions of the United States will be added to the required period of service overseas.

(5) Salary during travel to and from the United States for home leave will be limited to the time required for travel by the most expeditious air route. The Contractor will be responsible for reimbursing AID for payments made during home leave if, in spite of the undertaking of the new appointment, the Contractor, except for reasons beyond his/her control as determined by the Contracting Officer, does not return overseas and complete the additional required service. Unused home leave is not reimbursable under this contract.

(6) To the extent deemed necessary by the Contracting Officer, a Contractor in the United States on home leave may be authorized to spend not more than 5 days in work status for consultation at AID/Washington before returning to post of duty. Consultation at locations other than AID/Washington as well as any time in excess of 5 days spent for consultation, must be approved by the Mission Director or the Contracting Officer.

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

(e) Military Leave. Military leave of not more than 15 calendar days in any calendar year may be granted to a Contractor who is a reservist of the Armed Forces, provided that military leave has been approved in advance by the Contracting Officer or the Mission Director. A copy of any such approval shall be provided to the Contracting Officer.

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

(g) Leave Records. The Contractor shall maintain current leave records for himself/herself and make them

available, as requested by the Mission Director or the Contracting Officer.

6. Differential and Allowances (June 1990)

(a) The following differential and allowances will be granted to the Contractor and his/her authorized dependents to the same extent and on the same basis as they are granted to U.S. citizen direct-hire employees at the Mission by the Standardized Regulations (Government Civilians, Foreign Areas), as from time to time amended, except as noted to the contrary below:

	Applicable reference to standardized regulations
(1) Post Differential.....	Chapter 500 and Tables in Chapter 900.
(2) Living Quarters Allowance.	Section 130.
(3) Temporary Lodging Allowance.	Section 120.
(4) Post Allowance.....	Section 220.
(5) Supplemental Post Allowance.	Section 230.
(6) Payments During Evacuation.	Section 600.
(7) Educational Allowance.	Section 270.
(8) Separate Maintenance Allowance.	Section 260.
(9) Danger Pay Allowance.	Section 650.
(10) Educational Travel....	Section 280.

(i) Post differential. Post differential is an additional compensation for service at places in foreign areas where conditions of environment differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. In areas where post differential is paid to AID direct-hire employees, post differential not to exceed the percentage of salary as is provided such AID employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas) chapter 500 (except the limitation contained in section 552, "Ceiling on Payment") Tables-chapter 900, as from time to time amended, will be reimbursable hereunder for employees in respect to amounts earned during the time such employees actually spend overseas on work under this contract. When such post differential is provided to the Contractor, it shall be payable beginning on the date of arrival at the post of assignment and continue, including periods away from post on official business, until the close of business on the day of departure from post of assignment en route to the United States. Sick or vacation leave

taken at or away from the post of assignment will not interrupt the continuity of the assignment or require a discontinuance of such post differential payments, provided such leave is not taken within the United States or the territories of the United States. Post differential will not be payable while the employee is away from his/her post of assignment for purposes of home leave. Short-term employees shall be entitled to post differential beginning with the forty-third (43rd) day at post.

(ii) Living quarters allowance. Living quarters allowance is an allowance granted to reimburse an employee for substantially all of his/her cost for either temporary or residence quarters whenever Government-owned or Government-rented quarters are not provided to him/her at his/her post without charge. Such costs are those incurred for temporary lodging (temporary lodging allowance) or one unit of residence quarters (living quarters allowance) and include rent, plus any costs not included therein for heat, light, fuel, gas, electricity and water. The temporary lodging allowance and the living quarters allowance are never both payable to an employee for the same period of time. The Contractor will receive living quarters allowance for payment of rent and utilities if such facilities are not supplied. Such allowance shall not exceed the amount paid AID employees of equivalent rank in the Cooperating Country, in accordance with either the Standardized Regulations (Government Civilians, Foreign Areas), chapter 130, as from time to time amended, or other rates approved by the Mission Director. Subject to the written approval of the Mission Director, short-term employees may be paid per diem (in lieu of living quarters allowance) at rates prescribed by the Federal Travel Regulations, as from time to time amended, during the time such short-term employees spend at posts of duty in the Cooperating Country under this contract. In authorizing such per diem rates, the Mission Director shall consider the particular circumstances involved with respect to each such short-term employee including the extent to which meals and/or lodging may be made available without charge or at nominal cost by an agency of the United States Government or of the Cooperating Government, and similar factors.

(iii) Temporary lodging allowance. Temporary lodging allowance is a quarters allowance granted to an employee for the reasonable cost of temporary quarters incurred by the employee and his/her family for a

period not in excess of (i) three months after first arrival at a new post in a foreign area or a period ending with the occupation of residence (permanent) quarters, if earlier, and (ii) one month immediately preceding final departure from the post subsequent to the necessary vacating of residence quarters. The Contractor will receive temporary lodging allowance for himself/ herself and authorized dependents, in lieu of living quarters allowance, not to exceed the amount set forth in the Standardized Regulations (Government Civilians, Foreign Areas), chapter 120, as from time to time amended.

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

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

(vi) Payments during evacuation. The Standardized Regulations (Government Civilians, Foreign Areas) provide the authority for efficient, orderly, and equitable procedure for the payment of compensation, post differential and allowances in the event of an emergency evacuation of employees or their dependents, or both, from duty stations for military or other reasons or because of imminent danger to their lives. If evacuation has been authorized by the Mission Director, the Contractor will receive payments during evacuation for himself/herself and authorized dependents evacuated from their post of assignment in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), chapter 600, and the Federal Travel Regulations, as from time to time amended.

(vii) Educational allowance. Educational allowance is an allowance to assist the Contractor in meeting the extraordinary and necessary expenses, not otherwise compensated for, incurred by reason of his/her service in a foreign

area in providing adequate elementary and secondary education for his/her children. The Contractor will receive educational allowances payments for his/her dependent children in amounts not to exceed those set forth in (Standardized Regulations Government Civilians, Foreign Areas), chapter 270, as from time to time amended.

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

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

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

The allowances provided in paragraphs 1 through 10 of this provision shall be paid to the Contractor in dollars or in the currency of the Cooperating

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

7. Social Security, Federal Income Tax, and Foreign Earned Income (June 1990)

(a) Since the Contractor is an employee, F.I.C.A. contributions and U.S. Federal Income Tax withholding shall be deducted in accordance with regulations and rulings of the Social Security Administration and the U.S. Internal Revenue Service, respectively.

(b) As an employee, the Contractor is not eligible for the "foreign earned income" exclusion under the IRS regulations (see 26 CFR 1.911-3(c)(3)).

8. Advance of Dollar Funds (DEC 1985)

If requested by the Contractor and authorized in writing by the Contracting Officer, AID will arrange for an advance of funds to defray the initial cost of travel, travel allowances, authorized precontract expenses, and shipment of personal property. The advance shall be granted on the same basis as to an AID U.S.-citizen direct-hire employee in accordance with AID Handbook 22, Chapter 4.

9. Insurance (June 1990)

(a) Worker's Compensation Benefits. The Contractor shall be provided worker's compensation benefits in accordance with the Federal Employees' Compensation Act.

(b) Health and Life Insurance. (1) The Contractor shall be provided a maximum contribution of up to 50% against the actual costs of the Contractor's annual health insurance costs, provided that such costs may not exceed the maximum U.S. Government contribution for direct-hire personnel as announced annually by the Office of Personnel Management.

(2) The Contractor shall be provided a contribution of up to 50% against the actual costs of annual life insurance not to exceed \$500.00 per year.

(3) Retired U.S. Government employees shall not be paid additional contributions for health or life insurance under their contracts. The Government will normally have already paid its contribution for the retiree unless the employee can prove to the satisfaction of the Contracting Officer that his/her health and life insurance does not provide or specifically excludes coverage overseas. If excluded coverage

overseas were the case, then eligibility as cited above would be applicable.

(4) Proof of health and life insurance coverage shall be submitted to the Contracting Officer before any contribution is paid.

On assignments of less than one year, costs for health and life insurance shall be prorated and paid accordingly.

(5) A Contractor who is a spouse of a current or retired Civil Service, Foreign Service, or Military Service member and who is covered by their spouse's Government health or life insurance policy is ineligible for the contribution under paragraphs (a)(1) or (a)(2) of this provision.

(c) Insurance on Private Automobiles.

If the Contractor or his/her dependents transport, or cause to be transported, privately owned automobile(s) to the Cooperating Country, or any of them purchase an automobile within the Cooperating Country, the Contractor agrees to ensure that all such automobile(s) during such ownership within the Cooperating Country will be covered by a paid-up insurance policy issued by a reliable company providing the following minimum coverages, or such other minimum coverages as may be set by the Mission Director, payable in U.S. dollars or its equivalent in the currency of the Cooperating Country: Injury to persons, \$10,000/\$20,000; property damage, \$5,000. The Contractor further agrees to deliver, or cause to be delivered to the Mission Director, the insurance policies required by this clause or satisfactory proof of the existence thereof, before such automobile(s) is operated within the Cooperating Country. The premium costs for such insurance shall not be a reimbursable cost under this contract.

10. Travel and Transportation Expenses (June 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 in accordance with AID's established policies and procedures for AID 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) U.S. Travel and Transportation.

The Contractor shall be reimbursed for actual transportation costs and travel allowances in the United States

as authorized in the Contract Schedule or approved in advance by the Contracting Officer or the Mission Director. Transportation costs and travel allowances shall not be reimbursed in any amount greater than the cost of, and time required for, economy-class commercially scheduled air travel by the most expeditious route except as otherwise provided in paragraph (g) of this provision unless economy air travel is not available and the Contractor certifies to this in his/her voucher or other documents submitted for reimbursement.

(c) International Travel.

For travel to and from post of assignment, the Contractor shall be reimbursed for travel costs and travel allowances from place of residence in the United States (or other location provided that the cost of such travel does not exceed the cost of the travel from the Contractor'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 Contractor's residence) upon completion of services by the individual. Reimbursement for travel will be in accordance with AID's established policies and procedures for its direct-hire employees and the provisions of this contract, and will be limited to the cost of travel by the most direct and expeditious route. If the contract is for longer than one year and the Contractor does not complete one full year at post of duty (except for reasons beyond his/her control), the costs of going to and from the post of duty for the Contractor and his/her dependents are not reimbursable hereunder. If the Contractor serves more than one year but less than the required service in the Cooperating Country (except for reasons beyond his/her control) the costs of going to the post of duty are reimbursable hereunder but the costs of going from post of duty to the Contractor's permanent, legal place of residence at the time he or she was employed for work under this contract or other location as approved by the Contracting Officer are not reimbursable under this contract for the Contractor and his/her dependents. 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 Federal Travel Regulations as from time to time amended.

(d) Local Travel.

Reimbursement for local travel in connection with duties directly referable to the contract 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 in the Cooperating Government or the Mission, including travel allowances at rates not in excess of those prescribed by the Standardized Regulations.

(e) Indirect Travel for Personal Convenience.

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

(f) Limitation on Travel by Dependents.

Travel costs and allowances will be allowed for authorized dependents of the Contractor and such costs shall be reimbursed for travel from place of abode to assigned station in the Cooperating Country and return, only if the dependent remains in the Cooperating Country for at least 9 months or one-half of the required tour of duty of the Contractor, whichever is greater, except as otherwise authorized hereunder for education, medical or

emergency visitation travel. If the dependent is eligible for educational travel pursuant to the "Differential and Allowances" clause of this contract, time spent away from post resulting from educational travel will be counted as time at post.

(g) Delays En Route.

The Contractor may be granted reasonable delays en route while in travel status when such delays are caused by events beyond the control of the Contractor and are not due to circuitous routing. It is understood that if delay is caused by physical incapacitation, he/she shall be eligible for such sick leave as provided under the "Leave and Holidays" clause of this contract.

(h) Travel by Privately Owned Automobile.

If travel by POV is authorized in the contract schedule or approved by the Contracting Officer, the Contractor shall be reimbursed for the cost of travel performed 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.

(i) Emergency and Irregular Travel and Transportation.

Emergency transportation costs and travel allowances while enroute, as provided in this section, will be reimbursed not to exceed amounts authorized by the Foreign Service Travel Regulations for AID-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 United States or other approved location for the Contractor and authorized dependents and returning to post of duty, subject to the prior written approval of the Mission Director, when such travel is necessary for one of the following reasons:

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

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

(iii) Serious illness, injury, or death of a member of the Contractor's immediate family or a dependent, including

preparation and return of the remains of a deceased Contractor or his/her dependents.

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

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

(j) Home Leave Travel.

To the extent that home leave has been authorized as provided in the "Leave and Holidays" 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 Contractor'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 Uniform State/AID/USIA Foreign Service Travel Regulations, as from time to time amended, and will be limited to the cost of travel by the most direct and expeditious route. Travel allowances for travelers shall be in accordance with the rates authorized in the Standardized Regulations as from time to time amended, for not more than the travel time required by scheduled commercial air carrier using the most expeditious route. 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 Standardized Regulations.

(k) Rest and Recuperation Travel.

If approved in writing by the Mission Director, the Contractor and his/her dependents shall be allowed rest and recuperation travel on the same basis as authorized U.S.-citizen direct-hire

Mission employees and their dependents.

(l) 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 the Contractor, personal effects of the Contractor and authorized dependents and household goods of each regular employee not to exceed the limitations in effect for such shipments for AID direct-hire employees in accordance with the Foreign Service Travel Regulations not to exceed the following limitations as from time to time amended:

	Basic household furniture not supplied (pounds net weight)	Basic household furniture supplied (pounds net weight)
Contractor with dependents in Cooperating Country...	18,000	7,200
Contractor without dependents in Cooperating Country...	18,000	7,200

Note: For the purpose of this Clause, "net weight" and "gross weight" are defined and determined in accordance with the provisions of § 162.1 of the Uniform Foreign Affairs Regulations, (for State/AID/USIA Commerce, and Agriculture).

The cost of transporting motor vehicles and household goods shall not exceed the cost of packing, crating, and transportation by surface common carrier. In the event that the carrier does not require boxing or crating of motor vehicles for shipment to the Cooperating Country, the cost of boxing or crating is not reimbursable. The transportation of a privately owned motor vehicle for a Contractor may be authorized as a replacement of the last such motor vehicle shipped under this contract for such Contractor when the Mission Director 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 Contractor. The determination shall be made under the same rules and regulations that apply to authorized

Mission U.S.-citizen direct-hire employees.

(2) Unaccompanied Baggage.

The Contractor will be reimbursed for costs of shipment of unaccompanied baggage (in addition to the weight allowance above for household effects) not to exceed the following:

	Gross weight (in pounds)
Employee	250
First dependent traveling	200
Second dependent traveling	150
Each additional dependent traveling	100

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.

Unaccompanied baggage is considered to be those personal belongings needed by the traveler immediately upon arrival at destination.

(m) Reduced Rates on U.S.-Flag Carriers.

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

(n) Storage of Household Effects.

(1) The cost of storage charges (including packing, crating, and drayage costs) in the United States of household goods of the Contractor will be reimbursed, in lieu of transportation of all or any part of such goods to the Cooperating Country under paragraph (l) above, provided that (i) the total amount of household goods shipped to the Cooperating Country and stored in the United States shall not exceed 18,000 pounds net for each Contractor regardless of family status, and (ii) at least 200 pounds net of household effects will be stored; quantities of less than 200 pounds net stored will not be reimbursed.

(2) Storage of items of high value (items that exceed \$1,000 in value, that

are irreplaceable or one of a kind, and that have a definite monetary or insurable value), such as clothing, rugs, tapestries, paintings, other works of art and that have special storage requirements, is also reimbursable. If requested by the Contractor and approved by the Contracting Officer after receipt from the Contractor of an itemized inventory of the items to be stored, the request for reimbursement shall be processed on the same basis as for AID U.S. citizen direct-hire employees in accordance with Handbook 22, Appendix 9A.

11. Preference for U.S.-Flag Air Carriers (Apr. 1984) (FAR 52.247-63)

(a) "International air transportation," as used in this clause, means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.

"United States," as used in this clause, means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and possessions of the United States.

"U.S.-flag air carrier," as used in this clause, means an air carrier holding a certificate under section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371).

(b) Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 1517) (Fly America Act) requires that all Federal agencies and Government contractors and subcontractors use U.S.-flag carriers for U.S. Government-financed international air transportation of personnel (and their personal effects) or property, to the extent that service by those carriers is available. It requires the Comptroller General of the United States, in the absence of satisfactory proof of the necessity for foreign-flag air transportation, to disallow expenditures from funds, appropriated or otherwise established for the account of the United States, for international air transportation secured aboard a foreign-flag air carrier if a U.S.-flag air carrier is available to provide such services.

(c) The Contractor agrees, in performing work under this contract, to use U.S.-flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent that service by those carriers is available.

(d) In the event that the Contractor selects a carrier other than a U.S.-flag air carrier for international air transportation, the Contractor shall include a certification on vouchers

involving such transportation essentially as follows:

Certification of Unavailability of U.S. Flag Air Carriers

I hereby certify that international air transportation of persons (and their personal effects) or property by U.S.-flag air carrier was not available or it was necessary to use foreign-flag air carrier service for the following reasons (see section 47.403 of the Federal Acquisition Regulation): [State reasons]:

(End of certification)

(e) The Contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase under this contract that may involve international air transportation. Note: Availability and unavailability of U.S.-flag air carrier service. (FAR 47.403-1)

(a) If a U.S.-flag air carrier cannot provide the international air transportation needed or if the use of U.S.-flag air carrier service would not accomplish an agency's mission, foreign-flag air carrier service may be deemed necessary.

(b) U.S.-flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;

(2) Foreign-flag air carrier service is preferred by, or is more convenient for, the Agency or traveler; or

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

(c) Except as provided in paragraph (a) of this Note, U.S.-flag air carrier service shall be used for U.S. Government-financed commercial foreign air travel if service provided by U.S.-flag air carriers is available. In determining availability of a U.S.-flag air carrier, the following scheduling principles shall be followed unless their application would result in the last or first leg of travel to or from the United States being performed by a foreign-flag air carrier:

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

(2) When an origin or interchange point is not served by a U.S.-flag air carrier, foreign-flag air carrier service shall be used only to the nearest interchange point on a usually traveled

route to connect with U.S.-flag air carrier service.

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

(d) For travel between a gateway airport in the United States and a gateway airport abroad, passenger service by U.S.-flag air carrier shall not be considered available if:

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

(2) The gateway airport abroad is an interchange point and the use of U.S.-flag air carrier service would require the traveler to wait 6 hours or more to make connections at that point, or if delayed departure from, or accelerated arrival at, the gateway airport in the United States would extend time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier.

(e) For travel between two points outside the United States, the rules in paragraphs (a), (b), and (c) of this Note shall be applicable, but passenger service by a U.S.-flag air carrier shall not be considered to be reasonably available if:

(1) Travel by a foreign-flag air carrier would eliminate two or more aircraft changes en route;

(2) One of the two points abroad is the gateway airport en route to or from the United States and the use of a U.S.-flag air carrier would extend the time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier, including accelerated arrival at the overseas destination or delayed departure from the overseas origin, as well as delay at the gateway airport or other interchange point abroad; or

(3) The travel is not part of the trip to or from the United States and use of a U.S.-flag air carrier would extend the time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier including the delay at origin, delay en route, and accelerated arrival at destination.

(f) For all short-distance travel under either paragraph (d) or paragraph (e) of this Note, U.S. air carrier service shall not be considered available when the elapsed traveltime on a scheduled flight from origin to destination airport by foreign-flag air carrier is 3 hours or less and service by a U.S.-flag air carrier would involve twice such traveltime.

12. Payment (June 1990)

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

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

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

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

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

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

(b) A final voucher shall be submitted by the Contractor promptly following completion of the duties under this contract but in no event later than 120 days (or such longer period as the Contracting Officer may in his/her discretion approve in writing) from the date of such completion. The Contractor's claim, which includes his/her final settlement of compensation, shall not be paid until after the performance of the duties required under the terms of this contract has been approved by AID. On receipt and approval of the voucher designated by the Contractor as the "final voucher" submitted on form SF 1034 (original) and SF 1034-A (three copies), together with a refund check for the balance remaining on hand of any funds which may have been advanced to the Contractor, the Government shall pay any amounts due and owing the Contractor.

(c) Interest on Overdue Payments.

(1) The Prompt Payment Act, Public Law 97-177 (96 Stat. 85.31; U.S.C. 1801)

is applicable to payments under this contract and requires the payment to the contractor of interest on overdue payments and improperly taken discounts.

(2) Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and Office of Management and Budget Circular A-125 except as provided in paragraph (3) below or as otherwise specifically provided under this contract.

(3) Notwithstanding the provisions of OMB Circular A-125, § 4.1, the Government will use its best efforts to make payments under this contract as soon as practicable following receipt of a proper invoice.

13. Conversion of U.S. Dollars to Local Currency (Dec. 1985)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the Contractor shall consult with the Mission Director or his/her authorized representative who shall provide, in writing, the policy the Contractor shall follow in the conversion of U.S. dollars to local currency.

This may include, but not be limited to the conversion of said currency through the cognizant U.S. Disbursing Officer, or Mission Controller, as appropriate.

14. Post of Assignment Privileges (June 1990)

Privileges such as the use of APO, PX's, commissaries and officer's clubs are established at posts abroad under agreements between the U.S. and host governments. These facilities are intended for and usually limited to members of the official U.S. establishment including the Embassy, AID Mission, U.S. Information Service and the Military. Normally, the agreements do not permit these facilities to be made available to non-official Americans.

15. Security Requirements (June 1990)

(a) This entire provision shall apply to the extent that this contract involves access to classified information ("Confidential", "Secret", or "Top Secret") or access to administratively controlled information ("Limited Official Use"). Contractors that are not U.S. citizens shall not have access to classified or administratively controlled information.

(b) The Contractor (1) shall be responsible for safeguarding all classified or administratively controlled information in accordance with appropriate instructions furnished by

the AID Office of Security (IG/SEC), as referenced in paragraph (d) of this provision and shall not supply, disclose, or otherwise permit access to classified information or administratively controlled information to any unauthorized person; (2) shall not make or permit to be made any reproductions of classified information or administratively controlled information except with the prior written authorization of the Contracting Officer or Mission Director; (3) shall submit to the Contracting Officer, at such times as the Contracting Officer may direct, an accounting of all reproductions of classified or administratively controlled information; and (4) shall not incorporate in any other project any matter which will disclose classified and/or administratively controlled information except with the prior written authorization of the Contracting Officer.

(c) The Contractor shall follow the procedures for classifying, marking, handling, transmitting, disseminating, storing, and destroying official material in accordance with the regulations in the Foreign Affairs Manual, Chapter 5 (5 FAM 900), a copy of which will be furnished by the Contracting Officer or Mission Director.

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

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

(f) The Contractor agrees to certify after completion of his/her assignment under this contract that he/she has surrendered or disposed of all classified and/or administratively controlled information in his/her custody in accordance with applicable security instructions.

16. Contractor-Mission Relationships (Dec. 1985)

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

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

(c) If the Contractor's conduct is not in accordance with paragraph (b) of this provision, the contract may be terminated under General Provision 17 of this contract. The Contractor recognizes the right of the U.S. Ambassador to direct his/her immediate removal from any country when, in the discretion of the Ambassador, the interests of the United States so require.

(d) The Mission Director is the chief representative of AID in the Cooperating Country. In this capacity, he/she is responsible for the total AID Program in the Cooperating Country including certain administrative responsibilities set forth in this contract and for advising AID regarding the performance of the work under the contract and its effect on the U.S. Foreign Assistance Program. The Contractor will be responsible for performing his/her duties in accordance with the statement of duties called for by the contract. However, he/she shall be under the general policy guidance of the Mission Director, and shall keep the Mission Director or his/her designated representative currently informed of the progress of the work under this contract.

17. Termination (Nov. 1989)

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

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

(1) For cause, which may be effected immediately after establishing the facts warranting the termination, by giving written notice and a statement of reasons to the Contractor in the event (i) the Contractor commits a breach or violation of any obligations herein contained, (ii) a fraud was committed in obtaining this contract, or (iii) the Contractor is guilty (as determined by AID) of misconduct in the Cooperating Country. Upon such a termination, the contractor's right to compensation shall cease when the period specified in such notice expires or the last day on which the Contractor performs services

hereunder, whichever is earlier. No costs of any kind incurred by the Contractor after the date such notice is delivered shall be reimbursed hereunder except the cost of return transportation (not including travel allowances), if approved by the Contracting Officer. If any costs relating to the period subsequent to such date have been paid by AID the Contractor shall promptly refund to AID any such prepayment as directed by the Contracting Officer.

(2) For the convenience of AID, by giving not less than 15 calendar days advance written notice to the Contractor. Upon such a termination, Contractor's right to compensation shall cease when the period specified in such notice expires except that the Contractor shall be entitled to return transportation costs and travel allowances and transportation of unaccompanied baggage costs at the rates specified in the contract and subject to the limitations which apply to authorized travel status.

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

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

18. Release of Information (Dec. 1985)

All rights in data and reports shall become the property of the U.S. Government. All information gathered under this contract by the Contractor and all reports and recommendations hereunder shall be treated as confidential by the Contractor and shall not, without the prior written approval of the Contracting Officer, be made available to any person, party, or government, other than AID, except as otherwise expressly provided in this contract.

19. Officials Not to Benefit FAR 52.203-1 (Apr. 1984)

No member of or delegate to the Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom.

20. Notices (Dec. 1985)

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

To AID: Administrator, Agency for International Development, Washington, DC 20523, Attention: Contracting Officer (name of the cognizant Contracting Officer with a copy to the appropriate Mission Director).

To Contractor: At his/her post of duty while in the Cooperating Country and at the Contractor's address shown on the Cover Page of this contract or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder shall be effective in accordance with this clause or on the effective date of the notice, whichever is later.

21. Reports (June 1987)

(a) The Contractor shall prepare and submit 2 copies of each technical report required by the schedule of this contract to the Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Development Information Division (PPC/CDIE/DI). All documents should be mailed to: PPC/CDIE/DI, Acquisitions, room 209, SA-18, Agency for International Development, Washington, DC 20523-1802.

The title page of all reports forwarded to PPC/CDIE/DI pursuant to this paragraph shall include a descriptive title, the author's name(s), contract number, project number and title, contractor's name, name of the AID project office, and the publication or issuance date of the report.

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

22. Use of Pouch Facilities (June 1990)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID Contractors and their employees as a general policy, as detailed in paragraphs (a)(1) through (a)(6) of this provision.

However, the final decision regarding use of pouch facilities rests with the Embassy or AID Mission. In consideration of the use of pouch facilities as hereinafter stated, the Contractor agrees to indemnify and hold harmless the Department of State and AID for loss or damage occurring in pouch transmission.

(1) Contractors are authorized use of the pouch for transmission and receipt of up to a maximum of 2 pounds per shipment of correspondence and documents needed in the administration of foreign assistance programs.

(2) U.S. citizen Contractors are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below). Non-U.S. citizen Contractors are not permitted use of the pouch for personal mail except to the extent that such use may be authorized by the Chief of Mission.

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this clause, and are not authorized to be sent or received by pouch.

(4) Official and personal mail under paragraphs (a) (1) and (2) of this provision, sent by pouch, should be addressed as follows:

Individual's Name (C) or (G), USAID/
City Name or Post/4 digit country zip
code, Washington, DC 20090-6950.

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

(6) AID Contractors are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept official and personal mail for the pouch provided, of course, adequate postage is affixed when onward transmission (mail to other than AID/W) through U.S. postal channels is required.

(b) The Contractor shall be responsible for compliance with these guidelines and limitations on use of pouch facilities.

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

23. Biographical Data (June 1990)

(a) The Contractor agrees to furnish biographical information to the

contracting officer, on forms (SF 171 and 171As) provided for that purpose.

(b) Emergency locator information. The contractor agrees to provide the following information to the Mission Administrative Officer on arrival in the host country regarding himself/herself and dependents:

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

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

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

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

24. Resident Hire Personal Services Contractor (June 1990)

A contractor meeting the definition of a Resident Hire PSC contained in section 11, General Provisions, Clause 1, Definitions, shall not be eligible for any fringe benefits (except contributions for FICA, health insurance and life insurance), allowances, or differentials, including but not limited to travel and transportation, medical, orientation, home leave, etc., unless such individual can demonstrate to the satisfaction of the Contracting Officer that he/she has received similar benefits/allowances from their immediately previous employer in the Cooperating Country, or the Mission Director determines that payment of such benefits would be consistent with the Mission's policy and practice and would be in the best interests of the U.S. Government.

25. Orientation and Language Training (Long Tour) (Dec. 1985)

(a) Except as set forth in paragraph (b)(4) below, the Contractor shall receive a maximum of 2 weeks AID orientation before travel overseas. The dates of orientation shall be selected by the Contractor and approved by the Contracting Officer from the orientation schedule provided by AID.

(b) As either set forth in the Contract Schedule, or provided in writing by the Contracting Officer, the following may be authorized taking into consideration specific job requirements, Contractor's prior overseas experience, or unusual circumstances, in connection with orientation of individual Contractors:

- (1) Modified orientation,
- (2) Language training,

(3) Orientation for Contractor's dependents at contract expense.

(4) Waiver of orientation for individual Contractor.

(c) Transportation costs and travel allowances not to exceed one round trip from the Contractor's residence to place of orientation and return will be reimbursed, pursuant to Clause 10 of the General Provisions, entitled "Travel and Transportation Expenses," if the orientation is more than 50 miles from the Contractor's residence. Allowable salary costs during the period of orientation are also reimbursable.

Section 12. FAR clauses

The following FAR clauses are to be used along with the General Provisions, and when appropriate, be incorporated in each personal service contract by reference.

1. Inspection 52.246-5.
 2. Examination of Records by Comptroller General 52.215-1.
 3. Audit—Negotiation 52.215-2.
 4. Privacy Act Notification 52.224-1.
 5. Privacy Act 52.224-2.
 6. Taxes—Foreign Cost Reimbursement Contracts 52.229-8.
 7. Interest 52.232-17.
 8. Assignment of Claims 52.232-23.
 9. Protection of Government Buildings, Equipment, and Vegetation 52.237-2.
 10. Notice of Intent to Disallow Costs 52.242-1.
 11. Limitation of Cost 52.232-20.
 12. Limitation of Funds 52.232-22.
 13. Limitation of Liability—Services 52.246-25.
 14. Anti-Kickback Procedures 52.203-7.
 15. Certification Regarding a Drug-Free Workplace 52.203-11.
 16. Disputes (APR 1989) [FAR 52.233-1 (Alternate I)]
 17. Covenant Against Contingent Fees (APR 1984)
4. Appendix G is revised as follows:

Appendix G—Approval Procedures for Contractor Salaries

1. Purpose.

This Appendix provides guidelines for the use of prudent judgement when considering salaries, especially salaries exceeding the FS-1 maximum salary limitation (5 U.S.C. 5308 and Pub. L. 95-66) and establishes procedures for justification of salary approvals.

2. Procedures.

(a) *Salary Approvals.* In accordance with subsections 731.205-6, 731.371, and section 731.772, Contracting Officer approvals of salaries exceeding the FS-1 rate are to be based upon a Memorandum from the technical office approved by the Assistant Administrator or Mission Director having program responsibility for the contract. The reasonableness of proposed salaries

exceeding the FS-1 level must be evaluated by the appropriate technical office in terms of the technical competence required, scope of supervisory responsibilities involved, and the relationship of the proposed salary level to the individual's customary salary level for similar work. Even though approval of salary levels above the FS-1 rate are justified primarily by the Assistant Administrator or Mission Director having program responsibility, it is the Contracting Officer's responsibility to scrutinize increases as a matter of business acumen whenever AID negotiations deal with any salaries payable under contracts. Increases in the FS-1 statutory salary limitation are not, and shall not be by themselves, a basis for upward salary revision of institutional Contractor employees. Proposals for such revisions should be considered normally when contracts are renewed, and must be carefully reviewed and negotiated to ensure that increases are not automatically granted without corresponding increases in the quality or quantity of services rendered. Salaries below the FS-1 maximum level should also be fully justified, even though formal approval procedures may not be involved. Personnel compensation negotiated and payable under AID contracts should be at the minimum levels necessary to attract needed technical services in a competitive market. Rates should be determined by the market place where the types of services are obtained. Using such criteria, very few salaries can be expected to approach or exceed the FS-1 level. Actual discussions with Contractors concerning salaries should be held only by persons authorized to negotiate and execute contracts (see AIDAR Appendix A).

(b) *Justification of approvals.* There will be cases where the services required are so unique and highly specialized that few persons are available to perform them. In such instances, if justifications for exceptional salaries are needed, particularly where the salary would exceed the FS-1 level, the project officer will be consulted. If no alternative can be found, the project officer will prepare the necessary salary justification. It is the negotiator's responsibility to see to it that such cases are fully justified and that a complete record of the rationale and a copy of the justification is included in the contract file.

Dated: October 29, 1991.

James D. Murphy,

Acting Procurement Executive.

[FR Doc. 91-3749 Filed 2-22-91; 8:45 am]

BILLING CODE 6116-01-M

48 CFR Parts 752 and Appendices C and D

[AIDAR Notice 91-3]

Physical Fitness and Medical Privileges

AGENCY: Agency for International Development, IDCA.

ACTION: Final rule.

SUMMARY: The Agency for International Development Acquisition Regulation (AIDAR) is being amended to reflect current Department of State requirements regarding physical fitness of and medical services available to contractor employees, U.S. personal service contractors, and their dependents. The AIDAR will require full medical examination and completion of a comprehensive standardized form prior to departure for post.

EFFECTIVE DATE: February 25, 1991.

FOR FURTHER INFORMATION CONTACT: MS/PPE, Mr. James M. Kelly, Room 1600I, SA-14, Agency for International Development, Washington, DC 20523-1435. Telephone: (703) 875-1535.

SUPPLEMENTARY INFORMATION: AID has required that all contractor employees, U.S. personal service contractors, and their authorized dependents who will be assigned overseas obtain a physician's certification that the employee or dependent is fit to work/live in the country in question prior to going overseas. Despite this, individuals have arrived at post with medical conditions for which treatment is inadequate or nonexistent. Harsh living conditions in many AID posts aggravate less severe medical problems which are easily treated in more developed countries. In some cases, medical crises occurred, arising from a pre-existing condition; the health units were unable to provide effective treatment and individuals had to be medically evacuated at considerable expense and effort by the Government. Arranging for replacements for employees may delay project implementation, possibly straining relations with host government officials.

In an effort to prevent medically at-risk individuals from arriving at post with the expectation of receiving routine medical care from the embassy health unit, several posts have instituted their own clearance procedures. However, the individual is already at post when the decision is made, and the Mission and the health unit face the problem of not being able to provide the level of routine medical services required or expected by individuals with pre-existing conditions. Some posts have tried to prevent this problem by requesting the State Department Office of Medical Services' (M/MED) cooperation in reviewing an individual's examination form before the individual arrives at post. Because of the volume of reviews for these few posts (approximately 750 examinations have