

U.S. Embassy Lima, Peru

Date: 05/14/2014

To: Prospective Offerors

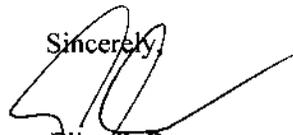
Subject: Request for Proposal PR3159533

Enclosed is a Request for Quotations (RFP) for a contractor to provide financial audit of "INL" resources and "INL - DEVIDA" funds administered by "special project CORAH "; and review of the CORAH project operations during the year 2014. If you would like to submit a proposal, follow the instructions in Section 3 of the solicitation, complete the required portions of the attached document, and submit it to the address shown on the Standard Form 1449 that follows this letter.

The U.S. Government intends to award a contract to the responsible company submitting an acceptable quotation at the lowest price. We intend to award a contract based on initial proposals, without holding discussions, although we may hold discussions with companies in the competitive range if there is a need to do so.

Proposals are due by *June 06, 2014 at 12:00 hrs.* Oral quotations will not be accepted.

Sincerely,



Elias S. Baumann
Contracting Officer

Enclosure

1. Standard Form SF-1449
2. Basic information, specifications and technical qualifications.
3. Instructions (Proposals rules and evaluation method)

BASIC INFORMATION, SPECIFICATIONS AND TECHNICAL QUALIFICATIONS.

Item	Technical Information	UND.	QTY
1	Financial audit of "INL" resources and "INL - DEVIDA" funds administered by "special project CORAH "; and review of the CORAH project operations during the year 2014.	EA	1

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SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30				1. REQUISITION NUMBER PR3159533	PAGE 1 OF
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER SPE50014M0637	6. SOLICITATION ISSUE DATE 05/14/2014	
7. FOR SOLICITATION INFORMATION CALL:	a. NAME M.Eugenia delSolar/DelSolarME@state.gov		b. TELEPHONE NUMBER (No collect calls) 511-618-2183	8. OFFER DUE DATE/ LOCAL TIME 06/06/2014 12:00 ET	
9. ISSUED BY U.S. Embassy Lima General Services Office (GSO) Av. Lima Polo cuadra 2 s/n, Monterrico, Surco Lima 33 - Peru			10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED OR <input type="checkbox"/> SET ASIDE: _____ % FOR: <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> WOMEN-OWNED SMALL BUSINESS (WOSB) ELIGIBLE UNDER THE WOMEN-OWNED SMALL BUSINESS PROGRAM NAICS: <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> EDWOSB <input type="checkbox"/> SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS <input type="checkbox"/> 8 (A) SIZE STANDARD: _____		
11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS		<input type="checkbox"/> 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	13b. RATING	
15. DELIVER TO Embajada de los Estados Unidos de America Av. Lima Polo cdra 2 s/n Monterico - Surco	16. ADMINISTERED BY General Services Office (GSO)		14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP		
17a. CONTRACTOR/OFFEROR	18a. PAYMENT WILL BE MADE BY Electronic Funds Transfer (EFT) Invoice Address: U.S. Embassy, Lima, FMO/DBO Av. Lima Polo cuadra 2 s/n Monterrico, Surco		18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM		
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER <input type="checkbox"/>			19b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER <input type="checkbox"/>		
19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
1	Financial audit of "INL" resources and "INL- DEVIDA" funds administered by "special project CORAH " and review of the CORAH project operations during the year 2014 per attached Statement of Work (SOW). <i>(Use Reverse and/or Attach Additional Sheets as Necessary)</i>	1	EA		
25. ACCOUNTING AND APPROPRIATION DATA				26. TOTAL AWARD AMOUNT (For Govt. Use Only)	
<input checked="" type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA			<input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED		
<input type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA			<input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED		
<input checked="" type="checkbox"/> 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 02 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED			<input type="checkbox"/> 29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:		
30a. SIGNATURE OF OFFEROR/CONTRACTOR			31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)		
30b. NAME AND TITLE OF SIGNER (Type or print)	30c. DATE SIGNED	31b. NAME OF CONTRACTING OFFICER (Type or print)	31c. DATE SIGNED		

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

32a. QUANTITY IN COLUMN 21 HAS BEEN
 RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE	

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
--	--------------------	---------------------------------	--	------------------

38. S/R ACCOUNT NO.	39. S/R VOUCHER NUMBER	40. PAID BY
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41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT	42a. RECEIVED BY <i>(Print)</i>
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE
42b. RECEIVED AT <i>(Location)</i>	
42c. DATE REC'D <i>(YYMM/DD)</i>	42d. TOTAL CONTAINERS

SECTION I – The Schedule

CONTINUATION TO SF-1449
RFQ NUMBER SPE50014M0637
PRICES, BLOCK 23 AND 24

**FINANCIAL AUDIT OF "INL" RESOURCES AND "INL - DEVIDA" FUNDS
ADMINISTERED BY "SPECIAL PROJECT CORAH "; AND REVIEW OF THE
PROJECT OPERATION DURING THE YEAR 2014**

1.1 GENERAL DESCRIPTION

The International Narcotics and Law Enforcement Affairs (hereinafter INL, former NAS) of the Embassy of the United States of America in Lima, Peru, requires the services of an audit firm (hereinafter Auditors) in order to carry out: a) monthly reviews and annual financial audit of the Special Project "Control and Reduction of Coca Cultivation in the Upper Huallaga - CORAH" (hereinafter CORAH), b) monthly reviews and annual financial audit of expenditures by CORAH with INL funds that are contributed by the National Commission for the Development and Life without Drugs (DEVIDA) and c) review of the project operations during 2014.

CORAH, a non-profit entity, was created by Supreme Resolution 043-82/AG of the Ministry of Agriculture, and in accordance with the Convention of "Cooperation to Reduce the Production, Distribution and Use of Illicit Drugs" signed in 1981 between the Governments of Peru and the United States of America.

On August 22, 1988, by Ministerial Resolution 0005-88-IN/OFECOD, CORAH came under the administration and operation of the Executive Office of Drug Control (OFECOD) of the Ministry of Interior.

Economic activity

The main economic activity of CORAH is to project, implement and monitor measures and actions to reduce illicit coca cultivation at a national level, as well as the quantification and monitoring thereof. The legal address of the institution, where its administrative offices are located is Av. Centenario N° 1045, Urbanización Pucallpa, Coronel Portillo Province, Pucallpa.

1.2 STATEMENT OF WORK AND CONTRACT OBJECTIVE

The objective of this procurement of technical services is that auditors conduct financial audits of the resources provided by INL and INL-DEVIDA funds administered by CORAH during 2014, and to review the project operations during 2014.

1.2.1. Financial audits (INL resources): will include the following:

a) **Monthly:** Review of CORAH monthly financial statements, to be prepared and submitted during 2014, in accordance with accounting principles generally accepted in Peru.

b) **Annual:** Review of CORAH financial statements, to be prepared and submitted on December 31, 2014, in accordance with Accounting Principles Generally Accepted in Peru, in order for auditors to express an opinion on whether these financial statements reasonably present, in all material aspects, CORAH's financial position, the results of its activities and its cash flows for the year ending on that date.

1.2.2. Financial audits (INL - DEVIDA funds): They will include the following:

a) *Monthly:* Review the monthly Fund Accountability Statement where received income is shown (assignments) and the incurred costs (executed disbursements) recorded on a cash basis, which is an accounting system other than the one based on accounting principles generally accepted in Peru.

b) *Annual:* Exam of the Fund Accountability Statement of funds provided by INL-DEVIDA and managed by CORAH, during the period from January 1 to December 31, 2014, to be prepared and submitted on a cash basis, which is an accounting system different than the one based on accounting principles generally accepted in Peru, in order for auditors to express an opinion on whether the Fund Accountability Statement reasonably presents, in all material aspects, the received income and the incurred costs in accordance with the terms of understanding between INL-DEVIDA and CORAH.

1.2.3. Review of the project operations during 2014.

Monthly review of project operations during 2014, in accordance with the terms described in 1.3. This review, which covers the administrative and operational systems of CORAH, must be performed by auditors in accordance with a chronogram and an Annual Work Plan developed and approved by the auditors, the INL officers and the CORAH Executive Management. Auditors must determine the defects and suggest improvements, establish the causes for deviations and propose corrections, find the source of the problems and propose solutions. For this purpose, they must conduct a study and an assessment of CORAH's internal control in order to obtain sufficient understanding of the design of relevant policies and procedures and whether these policies and procedures have been applied to CORAH operations. As part of this work, auditors must review the status of the actions taken as a result of the findings and recommendations reported in previous audits (internal and external).

Auditors are not required to discuss or express an opinion regarding whether the objectives, goals and projections of eradication or quantification of CORAH were achieved or not. Besides, auditors are not required to perform an audit of the CORAH "Results", since this is a responsibility of the CORAH Executive Staff and the INL Narcotics Control Program Advisor.

1.3 METHODOLOGY AND SPECIFIC OBJECTIVES

1.3.1 Financial audits (INL resources):

a) Monthly

The monthly review of the financial statement prepared based on the operations of the entire organization must be conducted in accordance with Auditing Standards Generally Accepted in Peru. These standards require auditors to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance that the CORAH monthly financial statements do not contain material misstatements.

The monthly audit must include the implementation of procedures to obtain audit evidence about the amounts and disclosures on the financial statements. The selected procedures will depend on the auditors' judgment, including risk assessment to see if the financial statements contain material misstatements, whether due to fraud or error. When conducting the risk assessment, auditors must consider internal control of CORAH in the preparation and reasonable presentation of the financial statements in order to design audit procedures in accordance with the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CORAH internal control. The audit must also include an assessment of whether the applied accounting principles are appropriate and whether the accounting estimates made by management are reasonable, as well as an assessment of the overall presentation of the financial statements.

CORAH's administration will be responsible for preparing and reasonably present the monthly financial statements in accordance with accounting principles generally accepted in Peru. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and reasonable presentation of financial statements that are free from material misstatement, whether as a result of fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable under the circumstance

The objective of this monthly review is that auditors must issue Comment Letters addressed to INL with copies to the CORAH Executive Management containing significant matters that might have the monthly financial statements and internal control aspects. They must also include suggestions on important matters of CORAH's operation that contribute to improve them.

Because there is no International Accounting Standards dealing with non-profit organizations, CORAH additionally uses the application of the accounting principles applied in the United States of America (FASB – Financial Accounting Standards Board), established under the Accounting National Council. The FASB standards applied by CORAH are:

- FASB 116 "Accounting for Contributions Received and Contributions Made"
- FASB 117 "Financial Statements of Not- For- Profit Organizations"

The financial statements subject to monthly audits are prepared and presented in accordance with FASB 117 and are as follows:

- Statement of financial position integral
- Statement of integral results and changes in net institutional equity

- Statement of cash flows, and
- Notes to the financial statements.

In this regard, the statement of CORAH's financial position includes recording operations of the following budgets:

- CORAH
- CADA
- Assignments (controlled in asset and liability accounts):
 - INL Facilities Operation Fund - Pucallpa Airport
 - Police Program Fund
 - Aviation Construction Works
 - Police Construction Works Ports Construction Works
 - INL - DEVIDA Fund

The number of samples and the amounts to be reviewed will be determined by the auditors, covering at least 60 % of the expenditure in each budget. The auditors must necessarily include, under a reasonable criterion, samples and amounts of the remuneration category, as well as the goods and services categories.

b) Annual

The audit of the financial statements based on the operations of the entire organization must be done in accordance with Auditing Standards Generally Accepted in Peru. These standards require auditors to comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance that the CORAH annual financial statements do not contain material misstatements.

The annual audit must include the implementation of procedures to obtain audit evidence about the amounts and disclosures on the financial statements. The selected procedures depend on the auditors' judgment, including an assessment of the risk to see if the financial statements contain material misstatements, as a result of fraud or error. When conducting the risk assessment, auditors must consider CORAH's internal control at preparing and reasonably presenting the financial statements in order to design audit procedures in accordance with the circumstances, but not to express an opinion on CORAH's internal control effectiveness. The audit must also include an assessment of whether the accounting principles applied are appropriate and whether the accounting estimates made by management are reasonable, as well as an assessment of the overall presentation of the financial statements.

CORAH's administration will be responsible for preparing and reasonably presenting the monthly financial statements in accordance with accounting principles generally accepted in Peru. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and reasonable presentation of financial statements that are free from material misstatements, whether as a result of fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable under the circumstances.

The objective of this annual review is make auditors express an opinion on whether these financial statements reasonably present, in all material aspects, CORAH's financial position as of December 2014, the results of its activities and its cash flows for the year ending on that date; according to general accepted principles in Peru.

Because there is no International Accounting Standards dealing with non-profit organizations, CORAH additionally uses the application of the accounting principles applied in the United States of America (FASB), established under the Accounting National Council. The FASB standards applied by CORAH are:

- FASB 116 "Accounting for Contributions Received and Contributions Made"
- FASB 117 "Financial Statements of Not- For- Profit Organizations"

The financial statements subjected to monthly audits are prepared and presented in accordance with FASB 117 and are as follows:

- Statement of financial position
- Statement of integral results and changes in net institutional equity
- Statement of cash flows, and
- Notes to the financial statements.

In this regard, the statement of financial position CORAH includes recording operations of the following budgets:

- CORAH
- CADA
- Assignments (controlled in asset and liability accounts):
 - INL Facilities Operation Fund - Pucallpa Airport
 - Police Program Fund
 - Aviation Construction Works (*)
 - Police Construction Works (*)
 - Ports Construction Works(*)
 - INL-DEVIDA Fund

(*) Liquidations supporting expenses related to these works are sent to Lima and reviewed by INL Accounting. For purposes of the annual audit, it would be necessary that auditors make selective examinations of construction costs incurred.

The number of samples and the amounts to be reviewed will be determined by the auditors, covering at least 60 % of the expenditure in each budget. The auditors must necessarily include, under a reasonable criterion, samples and amounts of the remuneration category, as well the goods and services categories.

1.3.2. Financial audits (INL - DEVIDA funds):

a) Monthly

The monthly review of the Fund Accountability Statement of INL-DEVIDA and managed by CORAH, where income received and expenses incurred each month are shown, must be performed in accordance with Auditing Standards Generally Accepted in Peru. These standards require auditors to plan and perform the audit to have reasonable assurance about whether the revenues and costs recorded in monthly accounts "Assignments" and "Assignments underway" do not contain material representations.

The review of received income (Assignments) and incurred costs (Assignments underway) will be conducted taking into consideration the following accounting policies:

Income recognition: Funds received are recorded on the date they are deposited in the bank account held by CORAH – DEVIDA.

Cost recognition: Costs incurred with funds provided by INL - DEVIDA are recognized on the date of the expenditure.

b) Annual

Annual audit of the Fund Accountability Statement of INL-DEVIDA and managed by CORAH during the period from January 1 to December 31 2014 must be conducted in accordance with the Auditing Standards Generally Accepted in Peru. These standards require auditors to plan and perform the audit to obtain reasonable assurance on whether the accounting is free from material misstatement.

The audit must include the implementation of procedures to obtain audit evidence about the amounts and disclosures on the Fund Accountability Statement. The selected procedures will depend on the auditors' judgment, including risk assessment to see if the Fund Accountability Statement contains material misstatements, whether due to fraud or error. When conducting the risk assessment, auditors must consider CORAH's internal control in preparing and reasonably presenting the Fund Accountability Statement in order to design audit procedures in accordance with the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CORAH's internal control. The audit must also include an assessment of whether the accounting principles applied are appropriate and whether the accounting estimates made by management are reasonable, as well as an assessment of the overall presentation of the Fund Accountability Statement.

CORAH's administration will be responsible for preparing and reasonably presenting the Fund Accountability Statement on a cash basis, which is an accounting system different than the one based on accounting principles generally accepted in Peru. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and reasonable presentation of the Fund Accountability Statement so they are free from material representations, whether as a result of fraud or error, selecting and applying appropriate accounting policies under the circumstances.

The objective of this audit receive from auditors an opinion whether the Fund Accountability Statement reasonably presents, in all its material aspects, received income and incurred costs in accordance with the existing terms of understanding between INL-DEVIDA and CORAH.

At a minimum for the monthly and annual audit of the Fund Accountability Statement, the auditor should:

- 1.] Examine the Fund Accountability Statements, including the budgeted amounts by category and accounts, the revenues received for the period covered by the audit, as well as the costs reported by CORAH as incurred during that period. The revenues received, less the costs incurred, after considering any reconciling items, should reconcile with the balance of cash-on-hand and/or in bank accounts.

- Identify and quantify any questionable cost.

Questionable costs are referred to:

- (a) *Ineligible costs* which are explicitly questionable because they are unreasonable and not related with the project's operations, or prohibited by applicable laws and/or internal CORAH directives.
- (b) *Unsupported costs* that are not supported with adequate documentation or did not have the required approvals or authorizations prior to their execution.

All questionable costs resulting from instances of noncompliance with applicable laws and/or internal CORAH directives should be reported.

1.3.3. Review of project operations during 2014

The auditors' work will be conducted in accordance with International Standards for the practice of independent auditing, in order to detect weaknesses by which the design or implementation of the specific internal control elements does not reduce the risk to a moderately low level, or errors or frauds that may occur and that are not detected on time by management, while executing its normal duties.

Auditors must:

- Develop an Annual Audit Plan including activities to perform. This plan must meet the following objectives:
 - Assess design, scope and operation of the internal control system.
 - Assess effectiveness and efficiency of operations.
 - Assess compliance with the legal provisions and internal directives governing in CORAH.
 - Assess financial information reliability.
 - Assess the performance of computer systems and mechanisms established by CORAH for the safety thereof.
 - Perform ongoing monitoring of the implementation of recommendations from external and internal audits proposed by INL.

The Plan must include the control activities to be performed on operations within the period from January 1, 2014 to December 31, 2014. The implementation of this plan must reach all areas of the organization, regardless of the hierarchical level and/or geographical area in which it operates.

- Execute control actions previously established in the Annual Audit Plan. They will include assessment of:
 - Administration Direction
 - Logistics Sub Direction
 - Personnel and Human Resources Sub Directions
 - Accounting Sub Directions
 - Computer Office
 - Infrastructure Direction.

- CADA Direction, and
- Operations Direction (visit to the operational units –camps- where eradication labors are conducted).

In order to visit the operational units (camps), the necessary arrangements will be made with INL in order to count on the necessary air or ground support, if applicable.

- Assess internal control system performance and effectiveness, including details on found deficiencies, analysis of their cause and suggestions to overcome those deficiencies, focusing primarily on critical areas typical of the nature of CORAH operations.
- Physically observe inventories of supplies and fixed assets scheduled by the Property Control Area.
- Perform unannounced and surprise CORAH petty cash audits.
- Assess to what extent the control observations by previous external auditors are complied with.
- If necessary, assist INL staff during monitoring visits to CORAH.
- Support the Accountancy Sub Direction in matters related to accountancy.
- Prepare audit reports to submit to INL, with copy to CORAH's Executive Director. These reports must contain matters arising from the planned and implemented control actions.

1.4 **AUDIT REPORTS**

The reports must be issued in printed and electronic format (Word and PDF), in Spanish for the CORAH Executive Management, and in Spanish and English for INL. The reports are as follows:

- a) Comment Letters containing important issues and control matters arising as a result of the review of the monthly (12) and annual (01) Financial Statements. They must also include suggestions on important issues that help improve CORAH's operability.
- b) An annual report containing the financial statements as of December 31, 2014, prepared on the basis of CORAH's operations to be conducted in the year, as well as the audit opinion on whether the financial statements reasonably present, in all material aspects, the CORAH's financial situation as of December 31, 2014, and the results of its operations and its cash flows for the year ending on that date, in accordance with accounting principles generally accepted in Peru.
- c) Comment Letters containing important issues and control issues arising as a result of the review of the monthly (12) and annual (01) Fund Accountability Statement. They must also include suggestions on important issues that help to improve the registration, control, execution and reporting of costs incurred by CORAH with funds provided by INL - DEVIDA.
- d) Annual Report containing the Fund Accountability Statement as of December 31, 2014, prepared based on the received income and incurred expenses by CORAH with funds provided by INL – DEVIDA, as well as the auditors' opinion as to whether the

accounting on December 31, 2014, reasonably presents, in all material aspects, the received income and incurred costs of the Agreement signed between DEVIDA and CORAH and prepared on a cash basis, which is an accounting system different than the one based on accounting principles generally accepted in Peru.

- e) Reports as a result of reviewing project operations during 2014, based on the Annual Audit Plan. This report must contain the reportable conditions, including the identification of material weaknesses and findings that are conferred in the reportable conditions, as well as material weaknesses in the internal structure, as a result of the executions of reviewing project operations.

The findings in this report must include a description of the conditions (what is) and the criterion (what it should be). Moreover, the cause (why it happened) and effect (what was the loss caused for not complying with the criteria) must be included in the report of conclusions if they can be easily determined. In addition and if applicable, the conclusions must contain recommendations to correct the causes and conditions. In the absence of internal controls implemented by CORAH for any point of the agreed procedures, auditors must provide broad recommendations for their implementation.

Auditors must identify at least the conditions, criteria and possible impacts, in order to provide sufficient information to INL. This way, we can determine the effect and the cause to take timely and appropriate corrective actions.

The report must also contain, after each recommendation, the views of the managers responsible and related to the auditors' findings, as well as measures taken by management to implement such recommendations. If possible, the views of the managers must be obtained in writing. In the event that the managers' comments contradict the results, findings or recommendations and that these are not valid at the auditors' discretion, the reasons why auditors reject these divergences must be indicated after the managers' comments. Conversely, the auditors must modify their report if they believe the managers' comments are valid.

These reports must include all findings, grounds or evidence obtained, leading to conclude that a fraud or an illegal act has occurred or is about to occur and must quantify its effect. These reports must include identification of all questionable costs, if any, as the result of a fraud or an illegal act, regardless if such found questionable costs have been corrected or if managers agree with them or not.

In the report of material fraud, illegal acts, or other noncompliance, auditors must place their findings in proper perspective in order to give the reader a basis to judge the impact and consequences of these conditions.

If auditors conclude that there is enough evidence of a fraud or an illegal act, they must contact the INL relevant officials and exercise due professional care in monitoring the indicators of this potential fraud or illegal act, in such a way as not to interfere with potential future investigations, legal proceedings, or both.

These reports must also contain the auditors' comment on the status of the recommendations from previous audits. Auditors must review and report on the status of actions taken as a result of the findings and recommendations reported by previous audits. When corrective actions have not been conducted and deficiencies remain unresolved until the current audit period, and if these deficiencies are again reported by the current audit, auditors only need to briefly describe the previous

finding.

1.5. WORK TEAM

The Auditors must assign a Firm Partner as the one responsible for the audit, while another Partner will act as a consulting partner in charge of performed work quality control.

It is essential for auditors to appoint, full-time for not less than 15 days a month, the audit staff deemed appropriate for planning, directing and executing fieldwork. This term is required because CORAH and INL need a personalized service.

Due to unexpected circumstances and if it is necessary to replace any member of the team, the substitute will have the same category and experience of the member that leaves.

1.6. TERMS OF UNDERSTANDING

The Auditors will state the price of the audit as an "all cost ", taking into account the extension of the labors described in the scope or work and contract objective.

Costs involved in transporting Auditors from the city of Pucallpa to various CORAH operating units (camps) will be assumed by INL.

If necessary, the auditors will meet INL Office staff in order to get a general idea of the work. The auditors may decide to conduct a field visit to the CORAH facilities in Pucallpa in order to assess the extent of their work and estimate their professional fees accurately. The auditors will assume the costs of this field visit and its date will be coordinated between INL and CORAH.

The effective date of the statement of work (SOW) and this procurement of technical service will be the date the purchase order is signed awarded by the Contracting Officer of the Embassy of the United States in Lima, Peru.

CORAH is responsible for ensuring that all records are available, that all operations and accounting adjustments are executed and should display great collaboration with auditors, performing the necessary actions to let them accomplish their work successfully.

Contractual Method: Through Purchase Order from the U.S. Government.

Type of Contract: Firm fixed price

Payment: Professional fees will be paid monthly in soles by INL at the submission of the corresponding audit reports and invoice

Invoices shall be submitted in soles in an original including copy of the Purchase Order to the following address:

Embajada de los Estados Unidos de America - FMO / DBO

Avenida La Encalada block 17 s / n, Surco RUC: 20293588776

From Monday to Friday between 09:00 hrs and 12:00 hrs. by the employees entrance in Av. Lima Polo cuadra 2 s/n, Surco.

1.7 BUDGET NARRATIVE:

The budget managed by CORAH for 2014 is approximately US\$38 million dollars.

(DEVIDA funds plus funds provided by the Antidrug Agreement).

The main accounts managed by CORAH are:

- Personnel expenses, directors and managers (62%)
- Services rendered by third parties (12%)
- Other administrative expenses (25%)
- Other accounts such as: property, machinery and equipment, intangibles and taxes (1%)

The CORAH's Financial Situation Statement as of December 31st, 2013 (Balance Sheet) shows assets for approximately S/. 48 million new soles and S/. 48 million new soles for liabilities and net patrimony, as follows:

Assets:

- Current assets (11%)
- Property, machinery and equipment – net (10%)
- Assignments (controlled in asset and liability accounts – 78%)
- Intangibles (1%)

Liabilities and net patrimony:

- Current liabilities (89%)
- Net patrimony (11%)

The CORAH's Statements of Integral Results (income and expenses) and Changes in the Net Patrimony as of December 31st, 2013, shows a result of activities for approximately S/. 6,000 new soles; and a balance at the end of year of S/.54 million new soles.

SECTION 2 – Contract Clauses

FAR 52.212-4 CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS (SEPT 2013), is incorporated by reference. (See SF-1449, block 27a).

The following FAR clause is provided in full text:

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders—
Commercial Items (JAN 2014)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

(1) 52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g)).

 Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(2) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(3) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

 (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

 x (2) 52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

 (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (June 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

 x (4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2013) (Pub. L. 109-282) (31 U.S.C. 6101 note).

 (5) 52.204-11, American Recovery and Reinvestment Act—Reporting Requirements (Jul 2010) (Pub. L. 111-5).

 (6) 52.204-14, Service Contract Reporting Requirements (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).

(7) 52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts (Jan 2014) (Pub. L. 111-117, section 743 of Div. C).

 x (8) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment. (Aug 2013) (31 U.S.C. 6101 note).

 (9) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (Jul 2013) (41 U.S.C. 2313).

 (10) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (May 2012) (section 738 of Division C of Pub. L. 112-74, section 740 of Division C of Pub. L. 111-117, section 743 of Division D of Pub. L. 111-8, and section 745 of Division D of Pub. L. 110-161).

 (11) 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award (Nov 2011) (15 U.S.C. 657a).

 (12) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 2011) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

 (13) [Reserved]

 (14)(i) 52.219-6, Notice of Total Small Business Set-Aside (Nov 2011) (15 U.S.C. 644).

 (ii) Alternate I (Nov 2011).

 (iii) Alternate II (Nov 2011).

 (15)(i) 52.219-7, Notice of Partial Small Business Set-Aside (June 2003) (15 U.S.C. 644).

 (ii) Alternate I (Oct 1995) of 52.219-7.

 (iii) Alternate II (Mar 2004) of 52.219-7.

 (16) 52.219-8, Utilization of Small Business Concerns (Jul 2013) (15 U.S.C. 637(d)(2) and (3)).

 (17)(i) 52.219-9, Small Business Subcontracting Plan (Jul 2013) (15 U.S.C. 637(d)(4)).

 (ii) Alternate I (Oct 2001) of 52.219-9.

 (iii) Alternate II (Oct 2001) of 52.219-9.

 (iv) Alternate III (Jul 2010) of 52.219-9.

 (18) 52.219-13, Notice of Set-Aside of Orders (Nov 2011)(15 U.S.C. 644(r)).

- ___ (19) 52.219-14, Limitations on Subcontracting (Nov 2011) (15 U.S.C. 637(a)(14)).
- ___ (20) 52.219-16, Liquidated Damages—Subcon-tracting Plan (Jan 1999) (15 U.S.C. 637(d)(4)(F)(i)).
- ___ (21)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) (10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).
- ___ (ii) Alternate I (June 2003) of 52.219-23.
- ___ (22) 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (Jul 2013) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (23) 52.219-26, Small Disadvantaged Business Participation Program—Incentive Subcontracting (Oct 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (24) 52.219-27, Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov 2011) (15 U.S.C. 657 f).
- ___ (25) 52.219-28, Post Award Small Business Program Rerepresentation (Jul 2013) (15 U.S.C. 632(a)(2)).
- ___ (26) 52.219-29, Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Jul 2013) (15 U.S.C. 637(m)).
- ___ (27) 52.219-30, Notice of Set-Aside for Women-Owned Small Business (WOSB) Concerns Eligible Under the WOSB Program (Jul 2013) (15 U.S.C. 637(m)).
- ___ (28) 52.222-3, Convict Labor (June 2003) (E.O. 11755).
- ___ (29) 52.222-19, Child Labor—Cooperation with Authorities and Remedies (Jan 2014) (E.O. 13126).
- ___ (30) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).
- ___ (31) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).
- ___ (32) 52.222-35, Equal Opportunity for Veterans (Sep 2010)(38 U.S.C. 4212).
- ___ (33) 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010) (29 U.S.C. 793).
- ___ (34) 52.222-37, Employment Reports on Veterans (SEP 2010) (38 U.S.C. 4212).
- ___ (35) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496).

(36) 52.222-54, Employment Eligibility Verification (AUG 2013). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)

 (37)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (May 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

 (ii) Alternate I (May 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

 (38) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b).

 (39)(i) 52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423).

 (ii) Alternate I (DEC 2007) of 52.223-16.

 x (40) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011) (E.O. 13513).

 (41) 52.225-1, Buy American Act—Supplies (Feb 2009) (41 U.S.C. 10a-10d).

 (42)(i) 52.225-3, Buy American Act—Free Trade Agreements—Israeli Trade Act (Nov 2012) (41 U.S.C. chapter 83, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, 19 U.S.C. 4001 note, Pub. L. 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, 112-42, and 112-43).

 (ii) Alternate I (Mar 2012) of 52.225-3.

 (iii) Alternate II (Mar 2012) of 52.225-3.

 (iv) Alternate III (Nov 2012) of 52.225-3.

 (43) 52.225-5, Trade Agreements (Nov 2013) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).

 x (44) 52.225-13, Restrictions on Certain Foreign Purchases (June 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

 (45) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).

 (46) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (Nov 2007) (42 U.S.C. 5150).

(47) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (Nov 2007) (42 U.S.C. 5150).

 x (48) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

 (49) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

 (50) 52.232-33, Payment by Electronic Funds Transfer—System for Award Management (Jul 2013) (31 U.S.C. 3332).

 x (51) 52.232-34, Payment by Electronic Funds Transfer—Other than System for Award Management (Jul 2013) (31 U.S.C. 3332).

 (52) 52.232-36, Payment by Third Party (Jul 2013) (31 U.S.C. 3332).

 (53) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).

 (54)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631).

 (ii) Alternate I (Apr 2003) of 52.247-64.

(c) (NOT APPLICABLE) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

 (1) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, *et seq.*).

 (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (May 1989) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

 (3) 52.222-43, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts) (Sep 2009) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

 (4) 52.222-44, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Sep 2009) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

 (5) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (Nov 2007) (41 U.S.C. 351, *et seq.*).

 (6) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services—Requirements (Feb 2009) (41 U.S.C. 351, *et seq.*).

 (7) 52.222-17, Nondisplacement of Qualified Workers (JAN 2013) (E.O.13495).

___ (8) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247).

___ (9) 52.237-11, Accepting and Dispensing of \$1 Coin (Sept 2008) (31 U.S.C. 5112(p)(1)).

(d) *Comptroller General Examination of Record*. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records—Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) (NOT APPLICABLE) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1) in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

(ii) 52.219-8, Utilization of Small Business Concerns (Jul 2013) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$650,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) 52.222-17, Nondisplacement of Qualified Workers (JAN 2013) (E.O. 13495). Flow down required in accordance with paragraph (l) of FAR clause 52.222-17.

(iv) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246).

(v) 52.222-35, Equal Opportunity for Veterans (Sep 2010) (38 U.S.C. 4212).

- (vi) 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010) (29 U.S.C. 793).
- (vii) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.
- (viii) 52.222-41, Service Contract Act of 1965 (Nov 2007) (41 U.S.C. 351, *et seq.*).
- (ix) 52.222-50, Combating Trafficking in Persons (Feb 2009) (22 U.S.C. 7104(g)).
____ Alternate I (Aug 2007) of 52.222-50 (22 U.S.C. 7104(g)).
- (x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (Nov 2007) (41 U.S.C. 351, *et seq.*).
- (xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (Feb 2009) (41 U.S.C. 351, *et seq.*).
- (xii) 52.222-54, Employment Eligibility Verification (AUG 2013).
- (xiii) 52.225-26, Contractors Performing Private Security Functions Outside the United States (Jul 2013) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. 2302 Note).
- (xiv) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.
- (xv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.
- (2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)

ADDENDUM TO CONTRACT CLAUSES
FAR AND DOSAR CLAUSES NOT PRESCRIBED IN PART 12

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

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

<http://www.acquisition.gov/far/> or <http://farsite.hill.af.mil/vffara.htm>

These addresses are subject to change. If the Federal Acquisition Regulation (FAR) is not available at the locations indicated above, use the Department of State Acquisition Website at <http://www.statebuy.state.gov> to see the links to the FAR. You may also use an internet "search engine" (for example Google, Yahoo, Excite) to obtain the latest location of the most current FAR.

The following Federal Acquisition Regulation (FAR) clauses are incorporated by reference:

<u>CLAUSE</u>	<u>TITLE AND DATE</u>
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The following FAR clauses are provided in full text:

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within the performance period of the contract.

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

(a) The Government may extend the term of this contract by written notice to the Contractor within the performance period of the contract or within 30 days after funds for the option year become available, whichever is later.

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

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 12 months

52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)

Funds are not presently available for performance under this contract beyond September 30 of the current calendar year. The Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond September 30 of the current calendar year, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.

(End of clause)

652.232-70 PAYMENT SCHEDULE AND INVOICE SUBMISSION (FIXED-PRICE) (AUG 1999)

(a) General. The Government shall pay the contractor as full compensation for all work required, performed, and accepted under this contract the firm fixed-price stated in this contract.

(b) Invoice Submission. The contractor shall submit invoices in an original to the office identified in Block 18b of the SF-1449. To constitute a proper invoice, the invoice shall include all the items required by FAR 32.905(e).

The contractor shall show Value Added Tax (VAT) as a separate item on invoices submitted for payment.

(c) Contractor Remittance Address. The Government will make payment to the contractor's address stated on the cover page of this contract, unless a separate remittance address is shown below

652.237-72 OBSERVANCE OF LEGAL HOLIDAYS AND ADMINISTRATIVE LEAVE
(APR 2004)

(a) The Department of State observes the following days as holidays:

New Year's Day
Martin Luther King's Birthday
Washington's Birthday
Holy Thursday
Good Friday
Peruvian Labor Day
Memorial Day
St. Peter & St. Paul
Independence Day
Peruvian Independence Day
Peruvian Independence Day
Saint Rose of Lima
Labor Day
Battle of Angamos
Columbus Day
All Saints DAY
Veterans Day
Thanksgiving Day
Immaculate Conception
Christmas Day

Any other day designated by Federal law, Executive Order, or Presidential Proclamation.

(b) When any such day falls on a Saturday or Sunday, the following Monday is observed. Observance of such days by Government personnel shall not be cause for additional period of performance or entitlement to compensation except as set forth in the contract. If the contractor's

personnel work on a holiday, no form of holiday or other premium compensation will be reimbursed either as a direct or indirect cost, unless authorized pursuant to an overtime clause elsewhere in this contract.

(c) When the Department of State grants administrative leave to its Government employees, assigned contractor personnel in Government facilities shall also be dismissed. However, the contractor agrees to continue to provide sufficient personnel to perform round-the-clock requirements of critical tasks already in operation or scheduled, and shall be guided by the instructions issued by the Contracting Officer or his/her duly authorized representative.

(d) For fixed-price contracts, if services are not required or provided because the building is closed due to inclement weather, unanticipated holidays declared by the President, failure of Congress to appropriate funds, or similar reasons, deductions will be computed as follows:

(1) The deduction rate in dollars per day will be equal to the per month contract price divided by 21 days per month.

(2) The deduction rate in dollars per day will be multiplied by the number of days services are not required or provided.

If services are provided for portions of days, appropriate adjustment will be made by the Contracting Officer to ensure that the contractor is compensated for services provided.

(e) If administrative leave is granted to contractor personnel as a result of conditions stipulated in any "Excusable Delays" clause of this contract, it will be without loss to the contractor. The cost of salaries and wages to the contractor for the period of any such excused absence shall be a reimbursable item of direct cost hereunder for employees whose regular time is normally charged, and a reimbursable item of indirect cost for employees whose time is normally charged indirectly in accordance with the contractor's accounting policy.

652.242-70 CONTRACTING OFFICER'S REPRESENTATIVE (COR) AUG 1999)

(a) The Contracting Officer may designate in writing one or more Government employees, by name or position title, to take action for the Contracting Officer under this contract. Each designee shall be identified as a Contracting Officer's Representative (COR). Such designation(s) shall specify the scope and limitations of the authority so delegated; provided, that the designee shall not change the terms or conditions of the contract, unless the COR is a warranted Contracting Officer and this authority is delegated in the designation.

(b) The COR for this contract is INL Eradication Advisor, Stanford Brown

652.242-73 AUTHORIZATION AND PERFORMANCE (AUG 1999)

(a) The contractor warrants the following:

(1) That is has obtained authorization to operate and do business in the country or countries in which this contract will be performed;

(2) That is has obtained all necessary licenses and permits required to perform this contract; and,

(3) That it shall comply fully with all laws, decrees, labor standards, and regulations of said country or countries during the performance of this contract.

(b) If the party actually performing the work will be a subcontractor or joint venture partner, then such subcontractor or joint venture partner agrees to the requirements of paragraph (a) of this clause.

SECTION 3 – Solicitations Provisions

52.212-1 Instructions to Offerors—Commercial Items.

Instructions to Offeror. Each offer must consist of the following:

FAR 52.212-1, INSTRUCTIONS TO OFFERORS -- COMMERCIAL ITEMS (JULY 2013), IS INCORPORATED BY REFERENCE. (SEE SF-1449, BLOCK 27A).

ADDENDUM TO 52.212-1

A. Summary of Instructions. Each offer must consist of the following:

A.1. A completed solicitation, in which the SF-1449 cover page (blocks 12, 17, 19-24, and 30 as appropriate), and Section 1 has been filled out.

A.2. Information demonstrating the offeror's/quoter's ability to perform, including:

1. Name of a Project Manager (or other liaison to the U.S. Embassy/Consulate) who understands written and spoken English;
2. Evidence that the offeror/quoter operates an established business with a permanent address and telephone listing;
3. List of clients over the past 3 years, demonstrating prior experience with relevant past performance information and references (provide dates of contracts, places of performance, value of contracts, contact names, telephone and fax numbers and email addresses). If the offeror has not performed comparable services in Peru then the offeror shall provide its international experience. Offerors are advised that the past performance information requested above may be discussed with the client's contact person.
4. In addition, the client's contact person may be asked to comment on the offeror's:
 - Quality of services provided under the contract;
 - Compliance with contract terms and conditions;
 - Effectiveness of management;
 - Willingness to cooperate with and assist the customer in routine matters, and when confronted by unexpected difficulties; and
 - Business integrity / business conduct.

The Government will use past performance information primarily to assess an offeror's capability to meet the solicitation performance requirements, including the relevance and successful performance of the offeror's work experience. The Government may also use this data to evaluate the credibility of the offeror's proposal. In addition, the Contracting Officer may use past performance information in making a determination of responsibility.

5. Evidence that the offeror/quoter can provide the necessary personnel, equipment, and financial resources needed to perform the work;
6. The offeror shall address its plan to obtain all licenses and permits required by local law (see DOSAR 652.242-73 in Section 2). If offeror already possesses the locally required licenses and permits, a copy shall be provided.

7. The offeror's strategic plan for audit services to include but not limited to:
 - (a) A work plan taking into account all work elements in Section 1 and Section 5, Performance Work Statement.
 - (b) Identify types and quantities of equipment, supplies and materials required for performance of services under this contract. Identify if the offeror already possesses the listed items and their condition for suitability and if not already possessed or inadequate for use how and when the items will be obtained;
 - (c) Plan of ensuring quality of services including but not limited to contract administration and oversight; and
 - (d) (1) If insurance is required by the solicitation, a copy of the Certificate of Insurance(s), or (2) a statement that the contractor will get the required insurance, and the name of the insurance provider to be used.
8. A copy of the Certificate of Insurance, or
9. A statement that the contractor will get the required insurance, and the name of the insurance provider to be used.

ADDENDUM TO SOLICITATION PROVISIONS

FAR AND DOSAR PROVISIONS NOT PRESCRIBED IN PART 12

52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at:

<http://www.acquisition.gov/far/> or <http://farsite.hill.af.mil/vffara.htm>

These addresses are subject to change. IF the FAR is not available at the locations indicated above, use of an internet "search engine" (for example Google, Yahoo, Excite) is suggested to obtain the latest location of the most current FAR provisions.

The following Federal Acquisition Regulation solicitation provisions are incorporated by reference:

PROVISION

TITLE AND DATE

52.204-7 SYSTEM FOR AWARD MANAGEMENT (JULY 2013)

52.214-34 SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE (APR 1991)

52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN
ACTIVITIES OR TRANSACTIONS RELATING TO IRAN—REPRESENTATION
AND CERTIFICATIONS (DEC 2012)

THE FOLLOWING DOSAR PROVISION(S) IS/ARE PROVIDED IN FULL TEXT:

652.206-70 COMPETITION ADVOCATE/OMBUDSMAN (AUG 1999) (DEVIATION)

- (a) The Department of State's Competition Advocate is responsible for assisting industry in removing restrictive requirements from Department of State solicitations and removing barriers to full and open competition and use of commercial items. If such a solicitation is considered competitively restrictive or does not appear properly conducive to competition and commercial practices, potential offerors are encouraged to first contact the contracting office for the respective solicitation. If concerns remain unresolved, contact the Department of State Competition Advocate on (703) 516-1696, by fax at (703) 875-6155, or write to:

Competition Advocate
U.S. Department of State
A/OPE
SA-15, Room 1060

Washington, DC 20522-1510

- (b) The Department of State's Acquisition Ombudsman has been appointed to hear concerns from potential offerors and contractors during the pre-award and post-award phases of this acquisition. The role of the ombudsman is not to diminish the authority of the Contracting Officer, the Technical Evaluation Panel or Source Evaluation Board, or the selection official. The purpose of the ombudsman is to facilitate the communication of concerns, issues, disagreements, and recommendations of interested parties to the appropriate Government personnel, and work to resolve them. When requested and appropriate, the ombudsman will maintain strict confidentiality as to the source of the concern. The ombudsman does not participate in the evaluation of proposals, the source selection process, or the adjudication of formal contract disputes. Interested parties are invited to contact the contracting activity ombudsman, *Eric Flohr*, at **phone (511)618-2433 or fax (511) 434-3066**. For an American Embassy or overseas post, refer to the numbers below for the Department Acquisition

Ombudsman. Concerns, issues, disagreements, and recommendations which cannot be resolved at a contracting activity level may be referred to the Department of State Acquisition Ombudsman at (703) 516-1696, by fax at (703) 875-6155, or write to:

Acquisition Ombudsman
 U.S. Department of State
 A/OPE
 SA-15, Room 1060
 Washington, DC 20522-1510

In addition, each Offeror must meet also the following requirements:

- (1) Have all licenses and permits required by local law;
- (2) Have no adverse criminal record; and
- (3) Have no political or business affiliation which could be considered contrary to the interests of the United States.

This solicitation is for the performance of audit services described in Section 1 -

Summary of Instructions		
Each offer must consist of the following physically separate volumes:		
Volume	Title	Number of Copies*
1	Technical Proposal Performance schedule in the form of a "bar chart" and Business Management/ Executed Standard Form SF1449, "Request for Quotation", and completed Section 5 - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS.	3
2	Price Proposal and completed Section 1	3

* The total number of copies includes the original as one of the copies.

The completed offer shall be submitted at the address indicated on the solicitation cover page, to the address set forth below.

Address: Av. Lima Polo cdra 2 s/n Monterico – Surco -Lima

Any deviations, exceptions, or conditional assumptions taken with respect to any of the instructions or requirements of this solicitation shall be identified and explained/justified in the appropriate volume of the offer.

(a) The performance schedule shall be presented in the form of a "bar chart" indicating when the various portions of the work will be commenced and completed within the required contract completion schedule. This bar chart shall be in sufficient detail to clearly show each segregable portion of work and its planned commencement and completion date.

(b) The Business Management/**Technical Proposal** shall be in two parts, including the following information:

Proposed Work Information - Provide the following:

- (1) A list of the names, addresses, and telephone numbers of the owners, partners, and principal officers of the Offeror;
- (2) The name and address of the Offeror's field responsible for this audit; and
- (3) Bar chart for routine audit service indicating various portions of the work; when work will commence and be completed in each section

SECTION 4 – Evaluation Factors

- Award will be made to the lowest priced, acceptable, responsible offeror. The quoter shall submit a completed solicitation, including Sections 1 and 5.
- The Government reserves the right to reject proposals that are unreasonably low or high in price.
- The lowest price will be determined by multiplying the offered prices times the estimated quantities in “Prices - Continuation of SF-1449, block 23”, and arriving at a grand total, including all options.
- The Government will determine acceptability by assessing the offeror's compliance with the terms of the RFQ **to include the technical information required by Section 3.**
- The Government will determine contractor responsibility by analyzing whether the apparent successful offeror complies with the requirements of FAR 9.1, including:
 - Adequate financial resources or the ability to obtain them;
 - Ability to comply with the required performance period, taking into consideration all existing commercial and governmental business commitments;
 - Satisfactory record of integrity and business ethics;
 - Necessary organization, experience, and skills or the ability to obtain them;
 - Necessary equipment and facilities or the ability to obtain them; and
 - Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

ADDENDUM TO EVALUATION FACTORS
FAR AND DOSAR PROVISION(S) NOT PRESCRIBED IN PART 12

The following FAR provisions are provided in full text:

52.217-5 EVALUATION OF OPTIONS (JUL 1990)

The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).

SECTION 5 - Representations and Certifications

(THIS SECTION HAS TO BE FILLED OUT, SIGNED, AND SUBMIT WITH YOUR TECHNICAL PROPOSAL IN VOLUME I)

52.212-3 OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (AUG 2013)

An offeror shall complete only paragraph (b) of this provision if the offeror has completed the annual representations and certifications electronically via <http://www.acquisition.gov>. If an offeror has not completed the annual representations and certifications electronically at the System for Award Management (SAM) website, the offeror shall complete only paragraphs (c) through (o) of this provision.

(a) *Definitions.* As used in this provision—

“Economically disadvantaged women-owned small business (EDWOSB) concern” means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged in accordance with 13 CFR part 127. It automatically qualifies as a women-owned small business eligible under the WOSB Program.

“Forced or indentured child labor” means all work or service—

(1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

“Inverted domestic corporation”, as used in this section, means a foreign incorporated entity which is treated as an inverted domestic corporation under 6 U.S.C. 395(b), *i.e.*, a corporation that used to be incorporated in the United States, or used to be a partnership in the United States, but now is incorporated in a foreign country, or is a subsidiary whose parent corporation is incorporated in a foreign country, that meets the criteria specified in 6 U.S.C. 395(b), applied in accordance with the rules and definitions of 6 U.S.C. 395(c). An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code at 26 U.S.C. 7874.

“Manufactured end product” means any end product in Federal Supply Classes (FSC) 1000-9999, except—

(1) FSC 5510, Lumber and Related Basic Wood Materials;

(2) Federal Supply Group (FSG) 87, Agricultural Supplies;

- (3) FSG 88, Live Animals;
- (4) FSG 89, Food and Related Consumables;
- (5) FSC 9410, Crude Grades of Plant Materials;
- (6) FSC 9430, Miscellaneous Crude Animal Products, Inedible;
- (7) FSC 9440, Miscellaneous Crude Agricultural and Forestry Products;
- (8) FSC 9610, Ores;
- (9) FSC 9620, Minerals, Natural and Synthetic; and
- (10) FSC 9630, Additive Metal Materials.

“Place of manufacture” means the place where an end product is assembled out of components, or otherwise made or processed from raw materials into the finished product that is to be provided to the Government. If a product is disassembled and reassembled, the place of reassembly is not the place of manufacture.

“Restricted business operations” means business operations in Sudan that include power production activities, mineral extraction activities, oil-related activities, or the production of military equipment, as those terms are defined in the Sudan Accountability and Divestment Act of 2007 (Pub. L. 110-174). Restricted business operations do not include business operations that the person (as that term is defined in Section 2 of the Sudan Accountability and Divestment Act of 2007) conducting the business can demonstrate—

(1) Are conducted under contract directly and exclusively with the regional government of southern Sudan;

(2) Are conducted pursuant to specific authorization from the Office of Foreign Assets Control in the Department of the Treasury, or are expressly exempted under Federal law from the requirement to be conducted under such authorization;

(3) Consist of providing goods or services to marginalized populations of Sudan;

(4) Consist of providing goods or services to an internationally recognized peacekeeping force or humanitarian organization;

(5) Consist of providing goods or services that are used only to promote health or education; or

(6) Have been voluntarily suspended.

“Sensitive technology”—

(1) Means hardware, software, telecommunications equipment, or any other technology that is to be used specifically—

(i) To restrict the free flow of unbiased information in Iran; or

(ii) To disrupt, monitor, or otherwise restrict speech of the people of Iran; and

(2) Does not include information or informational materials the export of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

“Service-disabled veteran-owned small business concern”—

(1) Means a small business concern—

(i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

(ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

“Small business concern” means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and size standards in this solicitation.

“Subsidiary” means an entity in which more than 50 percent of the entity is owned—

(1) Directly by a parent corporation; or

(2) Through another subsidiary of a parent corporation.

“Veteran-owned small business concern” means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

“Women-owned business concern” means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

“Women-owned small business concern” means a small business concern—

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

“Women-owned small business (WOSB) concern eligible under the WOSB Program” (in accordance with 13 CFR part 127), means a small business concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States.

(b)

(1) *Annual Representations and Certifications.* Any changes provided by the offeror in paragraph (b)(2) of this provision do not automatically change the representations and certifications posted on the SAM website.

(2) The offeror has completed the annual representations and certifications electronically via the SAM website accessed through <http://www.acquisition.gov>. After reviewing the SAM database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs _____.

[Offeror to identify the applicable paragraphs at (c) through (o) of this provision that the offeror has completed for the purposes of this solicitation only, if any.]

These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted electronically on SAM.]

(c) Offerors must complete the following representations when the resulting contract will be performed in the United States or its outlying areas. Check all that apply.

(1) *Small business concern.* The offeror represents as part of its offer that It *o* is, *o* is not a small business concern.

(2) *Veteran-owned small business concern.* *[Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.]* The offeror represents as part of its offer that it *o* is, *o* is not a veteran-owned small business concern.

(3) *Service-disabled veteran-owned small business concern.* *[Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.]* The offeror represents as part of its offer that it *o* is, *o* is not a service-disabled veteran-owned small business concern.

(4) *Small disadvantaged business concern.* *[Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.]* The offeror represents, for general

statistical purposes, that it *o* is, *o* is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) *Women-owned small business concern.* [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it *o* is, *o* is not a women-owned small business concern.

(6) WOSB concern eligible under the WOSB Program. [Complete only if the offeror represented itself as a women-owned small business concern in paragraph (c)(5) of this provision.] The offeror represents that—

(i) It *o* is, *o* is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It *o* is, *o* is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(6)(i) of this provision is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture. [The offeror shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: _____.] Each WOSB concern eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(7) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the offeror represented itself as a WOSB concern eligible under the WOSB Program in (c)(6) of this provision.] The offeror represents that—

(i) It *o* is, *o* is not an EDWOSB concern, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It *o* is, *o* is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (c)(7)(i) of this provision is accurate for each EDWOSB concern participating in the joint venture. [The offeror shall enter the name or names of the EDWOSB concern and other small businesses that are participating in the joint venture: _____.] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

Note: Complete paragraphs (c)(8) and (c)(9) only if this solicitation is expected to exceed the simplified acquisition threshold.

(8) *Women-owned business concern (other than small business concern).* [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it *o* is a women-owned business concern.

(9) *Tie bid priority for labor surplus area concerns.* If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract

price: _____

(10) [Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.]

(i) General. The offeror represents that either—

(A) It *o* is, *o* is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the SAM Dynamic Small Business Search database maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It *o* has, *o* has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) *o* Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(10)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: _____.]

(11) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that—

(i) It *o* is, *o* is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR Part 126; and

(ii) It *o* is, *o* is not a HUBZone joint venture that complies with the requirements of 13 CFR Part 126, and the representation in paragraph (c)(11)(i) of this provision is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The offeror shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: _____.] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246—

(1) Previous contracts and compliance. The offeror represents that—

(i) It *o* has, *o* has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It *o* has, *o* has not filed all required compliance reports.

(2) *Affirmative Action Compliance*. The offeror represents that—

(i) It *o* has developed and has on file, *o* has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It *o* has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) *Certification Regarding Payments to Influence Federal Transactions* (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$150,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, the offeror shall complete and submit, with its offer, OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. The offeror need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(f) *Buy American Act Certificate*. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act—Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products, *i.e.*, an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.” The terms “commercially available off-the-shelf (COTS) item” “component,” “domestic end product,” “end product,” “foreign end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act—Supplies.”

(2) Foreign End Products:

Line Item No. Country of Origin

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)(1) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate.* (Applies only if the clause at FAR 52.225-3, Buy American Act—Free Trade Agreements—Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that for other than COTS items, the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms “Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end product,” “commercially available off-the-shelf (COTS) item,” “component,” “domestic end product,” “end product,” “foreign end product,” “Free Trade Agreement country,” “Free Trade Agreement country end product,” “Israeli end product,” and “United States” are defined in the clause of this solicitation entitled “Buy American Act—Free Trade Agreements—Israeli Trade Act.”

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled “Buy American Act—Free Trade Agreements—Israeli Trade Act”:

Free Trade Agreement Country End Products (Other than Bahrainian, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

Line Item No. Country of Origin

[List as necessary]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled “Buy

American Act—Free Trade Agreements—Israeli Trade Act.” The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products, *i.e.*, an end product that is not a COTS item and does not meet the component test in paragraph (2) of the definition of “domestic end product.”

Other Foreign End Products:

Line Item No. Country of Origin

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate, Alternate I.* If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled “Buy American Act—Free Trade Agreements—Israeli Trade Act”:

Canadian End Products:

Line Item No.

[List as necessary]

(3) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate, Alternate II.* If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act—Free Trade Agreements—Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(4) *Buy American Act—Free Trade Agreements—Israeli Trade Act Certificate, Alternate III.* If Alternate III to the clause at 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act-Free Trade Agreements-Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Bahrainian, Korean, Moroccan, Omani, Panamanian, or Peruvian End Products) or Israeli End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(5) *Trade Agreements Certificate.* (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(5)(ii) of this provision, is a U.S.-made or designated country end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products:

Line Item No. Country of Origin

[List as necessary]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) *Certification Regarding Responsibility Matters (Executive Order 12689)*. (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals—

(1) *o* Are, *o* are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(2) *o* Have, *o* have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(3) *o* Are, *o* are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses enumerated in paragraph (h)(2) of this clause; and

(4) *o* Have, *o* have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.

(i) Taxes are considered delinquent if both of the following criteria apply:

(A) *The tax liability is finally determined.* The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge.

In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(B) *The taxpayer is delinquent in making payment.* A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(ii) *Examples.*

(A) The taxpayer has received a statutory notice of deficiency, under I.R.C. §6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(B) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. §6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(C) The taxpayer has entered into an installment agreement pursuant to I.R.C. §6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(D) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. §362 (the Bankruptcy Code).

(i) *Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126).* [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) *Listed end products.*

Listed End Product	Listed Countries of Origin
--------------------	----------------------------

_____	_____
_____	_____

(2) *Certification.* [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

[] (i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

(ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j) *Place of manufacture.* (Does not apply unless the solicitation is predominantly for the acquisition of manufactured end products.) For statistical purposes only, the offeror shall indicate whether the place of manufacture of the end products it expects to provide in response to this solicitation is predominantly—

(1) *o* In the United States (Check this box if the total anticipated price of offered end products manufactured in the United States exceeds the total anticipated price of offered end products manufactured outside the United States); or

(2) *o* Outside the United States.

(k) *Certificates regarding exemptions from the application of the Service Contract Act.* (Certification by the offeror as to its compliance with respect to the contract also constitutes its certification as to compliance by its subcontractor if it subcontracts out the exempt services.) [*The Contracting Officer is to check a box to indicate if paragraph (k)(1) or (k)(2) applies.*]

(1) Maintenance, calibration, or repair of certain equipment as described in FAR 22.1003-4(c)(1). The offeror *o* does *o* does not certify that—

(i) The items of equipment to be serviced under this contract are used regularly for other than Governmental purposes and are sold or traded by the offeror (or subcontractor in the case of an exempt subcontract) in substantial quantities to the general public in the course of normal business operations;

(ii) The services will be furnished at prices which are, or are based on, established catalog or market prices (see FAR 22.1003-4(c)(2)(ii)) for the maintenance, calibration, or repair of such equipment; and

(iii) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract will be the same as that used for these employees and equivalent employees servicing the same equipment of commercial customers.

(2) Certain services as described in FAR 22.1003-4(d)(1). The offeror *o* does *o* does not certify that—

(i) The services under the contract are offered and sold regularly to non-Governmental customers, and are provided by the offeror (or subcontractor in the case of an exempt subcontract) to the general public in substantial quantities in the course of normal business operations;

(ii) The contract services will be furnished at prices that are, or are based on, established catalog or market prices (see FAR 22.1003-4(d)(2)(iii));

(iii) Each service employee who will perform the services under the contract will spend only a

small portion of his or her time (a monthly average of less than 20 percent of the available hours on an annualized basis, or less than 20 percent of available hours during the contract period if the contract period is less than a month) servicing the Government contract; and

(iv) The compensation (wage and fringe benefits) plan for all service employees performing work under the contract is the same as that used for these employees and equivalent employees servicing commercial customers.

(3) If paragraph (k)(1) or (k)(2) of this clause applies—

(i) If the offeror does not certify to the conditions in paragraph (k)(1) or (k)(2) and the Contracting Officer did not attach a Service Contract Act wage determination to the solicitation, the offeror shall notify the Contracting Officer as soon as possible; and

(ii) The Contracting Officer may not make an award to the offeror if the offeror fails to execute the certification in paragraph (k)(1) or (k)(2) of this clause or to contact the Contracting Officer as required in paragraph (k)(3)(i) of this clause.

(l) *Taxpayer Identification Number (TIN)* (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to the SAM database to be eligible for award.)

(1) All offerors must submit the information required in paragraphs (l)(3) through (l)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) *Taxpayer Identification Number (TIN)*.

TIN: _____.

TIN has been applied for.

TIN is not required because:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

Offeror is an agency or instrumentality of a foreign government;

Offeror is an agency or instrumentality of the Federal Government.

(4) *Type of organization*.

Sole proprietorship;

- o Partnership;
- o Corporate entity (not tax-exempt);
- o Corporate entity (tax-exempt);
- o Government entity (Federal, State, or local);
- o Foreign government;
- o International organization per 26 CFR 1.6049-4;
- o Other _____.

(5) *Common parent.*

- o Offeror is not owned or controlled by a common parent;
- o Name and TIN of common parent:
 Name _____.
 TIN _____.

(m) *Restricted business operations in Sudan.* By submission of its offer, the offeror certifies that the offeror does not conduct any restricted business operations in Sudan.

(n) *Prohibition on Contracting with Inverted Domestic Corporations.*

(1) *Relation to Internal Revenue Code.* An inverted domestic corporation as herein defined does not meet the definition of an inverted domestic corporation as defined by the Internal Revenue Code 25 U.S.C. 7874.

(2) *Representation.* By submission of its offer, the offeror represents that—

- (i) It is not an inverted domestic corporation; and
- (ii) It is not a subsidiary of an inverted domestic corporation.

(o) *Prohibition on contracting with entities engaging in certain activities or transactions relating to Iran.*

(1) The offeror shall e-mail questions concerning sensitive technology to the Department of State at CISADA106@state.gov.

(2) *Representation and Certifications.* Unless a waiver is granted or an exception applies as provided in paragraph (o)(3) of this provision, by submission of its offer, the offeror—

(i) Represents, to the best of its knowledge and belief, that the offeror does not export any sensitive technology to the government of Iran or any entities or individuals owned or controlled by, or acting on behalf or at the direction of, the government of Iran;

(ii) Certifies that the offeror, or any person owned or controlled by the offeror, does not engage in any activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act; and

(iii) Certifies that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any transaction that exceeds \$3,000 with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (See OFAC's Department of Treasury, Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>.)

(3) The representation and certification requirements of paragraph (o)(2) of this provision do not apply if—

(i) This solicitation includes a trade agreements certification (e.g., 52.212-3(g) or a comparable agency provision); and

(ii) The offeror has certified that all the offered products to be supplied are designated country end products.

Signature

Name (in printing):

Title:

ID number:

Date: