

Lima, March 17th, 2014

Subject: RFQ for PR3159533

Dear Prospective Quoter:

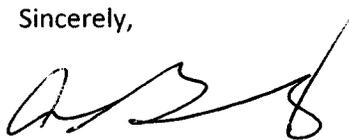
The American Embassy, Lima, Peru, has a requirement for a contractor to provide financial audit of "INL" resources and "INL - DEVIDA" funds administered by "special project CORAH "; and review of the CORAH project operations during the year 2014. The Request for Proposal (RFP) consists of the following sections:

1. Standard Form SF-18
2. Basic information, specifications and technical qualifications.
3. Instructions (Quotation rules and evaluation method)

The Embassy plans to award a purchase order. You are encouraged to make your proposal competitive. You are also cautioned against any collusion with other potential offerors with regard to price quotations to be submitted. The RFP does not commit the American Embassy to make any award. The Embassy may cancel this RFP or any part of it.

Please read the RFP carefully, and if you are interested, submit your quotation. Return the completed SF-18 to the address shown in Block 5a of the SF-18 by **April 04, 2014**. Oral quotations will not be accepted.

Sincerely,



Ann DeLong Greenberg
A/GSO

Enclosure:

As Stated.

REQUEST FOR QUOTATION (THIS IS NOT AN ORDER)		THIS RFQ <input type="checkbox"/> IS <input checked="" type="checkbox"/> IS NOT A SMALL BUSINESS SET-ASIDE		PAGE OF PAGES 1 1
1. REQUEST NO.	2. DATE ISSUED 02/25/2014	3. REQUISITION/PURCHASE REQUEST NO. PR3159533	4. CERT. FOR NAT. DEF. UNDER BDSA REG. 2 AND/OR DMS REG. 1	RATING
5a. ISSUED BY INL Procurement Unit			6. DELIVER BY (Date) 04/04/2014	
5b. FOR INFORMATION CALL (NO COLLECT CALLS)			7. DELIVERY <input type="checkbox"/> FOB DESTINATION <input checked="" type="checkbox"/> OTHER (See Schedule)	
NAME MARIA EUGENIA DEL SOLAR		TELEPHONE NUMBER AREA CODE NUMBER 511 618-2183		9. DESTINATION
8. TO:			a. NAME OF CONSIGNEE Embajada de los Estados Unidos America	
a. NAME		b. COMPANY		b. STREET ADDRESS Av. Lima Polo cda. 2 s/n, Monterrico, Surco
c. STREET ADDRESS				
c. CITY Lima				
d. CITY		e. STATE	f. ZIP CODE	d. STATE e. ZIP CODE Lima 33
10. PLEASE FURNISH QUOTATIONS TO THE ISSUING OFFICE IN BLOCK 5a ON OR BEFORE CLOSE OF BUSINESS (Date) 04/04/2014		IMPORTANT: This is a request for information and quotations furnished are not offers. If you are unable to quote, please so indicate on this form and return it to the address in Block 5a. This request does not commit the Government to pay any costs incurred in the preparation of the submission of this quotation or to contract for supplies or service. Supplies are of domestic origin unless otherwise indicated by quoter. Any representations and/or certifications attached to this Request for Quotation must be completed by the quoter.		

11. SCHEDULE (Include applicable Federal, State and local taxes)

ITEM NO. (a)	SUPPLIES/ SERVICES (b)	QUANTITY (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)
1	CORAH EXTERNAL AUDIT 2014 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.	1	EA		0.00

12. DISCOUNT FOR PROMPT PAYMENT	a. 10 CALENDAR DAYS (%)	b. 20 CALENDAR DAYS (%)	c. 30 CALENDAR DAYS (%)	d. CALENDAR DAYS	
				NUMBER	PERCENTAGE

NOTE: Additional provisions and representations are are not attached.

13. NAME AND ADDRESS OF QUOTER			14. SIGNATURE OF PERSON AUTHORIZED TO SIGN QUOTATION		15. DATE OF QUOTATION
a. NAME OF QUOTER			16. SIGNER		b. TELEPHONE
b. STREET ADDRESS					
c. COUNTY			a. NAME (Type or print)		AREA CODE
d. CITY	e. STATE	f. ZIP CODE	c. TITLE (Type or print)		NUMBER

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

52.212-1 Instructions to Offerors—Commercial Items.

As prescribed in 12.301(b)(1), insert the following provision:

INSTRUCTIONS TO OFFERORS—COMMERCIAL ITEMS (JUL 2013)

(a) *North American Industry Classification System (NAICS) code and small business size standard.* The NAICS code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet (SF 1449). However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is 500 employees.

(b) *Submission of offers.* Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified in this solicitation. Offers may be submitted on the SF 1449, letterhead stationery, or as otherwise specified in the solicitation. As a minimum, offers must show—

- (1) The solicitation number;
- (2) The time specified in the solicitation for receipt of offers;
- (3) The name, address, and telephone number of the offeror;
- (4) A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary;
- (5) Terms of any express warranty;
- (6) Price and any discount terms;
- (7) "Remit to" address, if different than mailing address;
- (8) A completed copy of the representations and certifications at FAR 52.212-3 (see FAR 52.212-3(b) for those representations and certifications that the offeror shall complete electronically);
- (9) Acknowledgment of Solicitation Amendments;
- (10) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references (including contract numbers, points of contact with telephone numbers and other relevant information); and
- (11) If the offer is not submitted on the SF 1449, include a statement specifying the extent of agreement with all terms, conditions, and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation may be excluded from consideration.

(c) *Period for acceptance of offers.* The offeror agrees to hold the prices in its offer firm for 30 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

(d) *Product samples.* When required by the solicitation, product samples shall be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in this solicitation, these samples shall be submitted at no expense to the Government, and returned at the sender's request and expense, unless they are destroyed during preaward testing.

(e) *Multiple offers.* Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.

(f) *Late submissions, modifications, revisions, and withdrawals of offers.*

(1) Offerors are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office on the date that offers or revisions are due.

(2)(i) Any offer, modification, revision, or withdrawal of an offer received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and—

(A) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 p.m. one working day prior to the date specified for receipt of offers; or

(B) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or

(C) If this solicitation is a request for proposals, it was the only proposal received.

(ii) However, a late modification of an otherwise successful offer, that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

(3) Acceptable evidence to establish the time of receipt at the Government installation includes the time/date stamp of that installation on the offer wrapper, other documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

(4) If an emergency or unanticipated event interrupts normal Government processes so that offers cannot be received at the Government office designated for receipt of offers by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume.

(5) Offers may be withdrawn by written notice received at any time before the exact time set for receipt of offers. Oral offers in response to oral solicitations may be withdrawn orally. If the solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for receipt of offers, subject to the conditions specified in the solicitation concerning facsimile offers. An offer may be withdrawn in person by an offeror or its authorized representative if, before the exact time set for receipt of offers, the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

(g) *Contract award (not applicable to Invitation for Bids)*. The Government intends to evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest; accept other than the lowest offer; and waive informalities and minor irregularities in offers received.

(h) *Multiple awards*. The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may not be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.

(i) Availability of requirements documents cited in the solicitation.

(1)(i) The GSA Index of Federal Specifications, Standards and Commercial Item Descriptions, FPMR Part 101-29, and copies of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained for a fee by submitting a request to—

GSA Federal Supply Service Specifications Section
Suite 8100
470 East L'Enfant Plaza, SW
Washington, DC 20407

Telephone (202) 619-8925
Facsimile (202) 619-8978.

(ii) If the General Services Administration, Department of Agriculture, or Department of Veterans Affairs issued this solicitation, a single copy of specifications, standards, and commercial item descriptions cited in this solicitation may be obtained free of charge by submitting a request to the addressee in paragraph (i)(1)(i) of this provision. Additional copies will be issued for a fee.

(2) Most unclassified Defense specifications and standards may be downloaded from the following ASSIST websites:

- (i) ASSIST (<http://assist.daps.dla.mil>).
- (ii) Quick Search (<http://assist.daps.dla.mil/quicksearch>).
- (iii) ASSISTdocs.com (<http://assistdocs.com>).

(3) Documents not available from ASSIST may be ordered from the Department of Defense Single Stock Point (DoDSSP) by—

- (i) Using the ASSIST Shopping Wizard (<http://assist.daps.dla.mil/wizard>);
- (ii) Phoning the DoDSSP Customer Service Desk (215) 697-2179, Mon-Fri, 0730 to 1600 EST; or
- (iii) Ordering from DoDSSP, Building 4, Section D, 700 Robbins Avenue, Philadelphia, PA 19111-5094, Telephone (215) 697-2667/2179, Facsimile (215) 697-1462.

(4) Nongovernment (voluntary) standards must be obtained from the organization responsible for their preparation, publication, or maintenance.

(j) *Data Universal Numbering System (DUNS) Number.* (Applies to all offers exceeding \$3,000, and offers of \$3,000 or less if the solicitation requires the Contractor to be registered in the System for Award Management (SAM) database.) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS+4" followed by the DUNS or DUNS+4 number that identifies the offeror's name and address. The DUNS+4 is the DUNS number plus a 4-character suffix that may be assigned at the discretion of the offeror to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts (see FAR Subpart 32.11) for the same concern. If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. An offeror within the United States may contact Dun and Bradstreet by calling 1-866-705-5711 or via the internet at <http://fedgov.dnb.com/webform>. An offeror located outside the United States must contact the local Dun and Bradstreet office for a DUNS number. The offeror should indicate that it is an offeror for a Government contract when contacting the local Dun and Bradstreet office.

(k) *System for Award Management.* Unless exempted by an addendum to this solicitation, by submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the SAM database prior to award, during performance and through final payment of any contract resulting from this solicitation. If the Offeror does not become registered in the SAM database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror. Offerors may obtain information on registration and annual confirmation requirements via the SAM database accessed through <https://www.acquisition.gov>.

(l) *Debriefing.* If a post-award debriefing is given to requesting offerors, the Government shall disclose the following information, if applicable:

- (1) The agency's evaluation of the significant weak or deficient factors in the debriefed offeror's offer.

(2) The overall evaluated cost or price and technical rating of the successful and the debriefed offeror and past performance information on the debriefed offeror.

(3) The overall ranking of all offerors, when any ranking was developed by the agency during source selection.

(4) A summary of the rationale for award;

(5) For acquisitions of commercial items, the make and model of the item to be delivered by the successful offeror.

(6) Reasonable responses to relevant questions posed by the debriefed offeror as to whether source-selection procedures set forth in the solicitation, applicable regulations, and other applicable authorities were followed by the agency.

(End of provision)

**CLAUSES FOR PURCHASE ORDERS AND BLANKET PURCHASE AGREEMENTS
AWARDED BY OVERSEAS CONTRACTING ACTIVITIES
(Current thru FAC 2005-55)**

COMMERCIAL ITEMS

FAR 52.252-2 Clauses Incorporated By Reference (FEB 1998)

This purchase order or BPA incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address: <https://www.acquisition.gov/far>

DOSAR clauses may be accessed at: <http://www.statebuy.state.gov/dosar/dosartoc.htm>

FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) CLAUSES

NUMBER	TITLE	DATE
52.204-9	Personal Identity Verification of Contractor Personnel (if contractor requires physical access to a federally-controlled facility or access to a Federal information system)	JAN 2011
52.212-4	Contract Terms and Conditions – Commercial Items (Alternate I (OCT 2008) of 52.212-4 applies if the order is time-and-materials or labor-hour)	Feb 2012
52.225-19	Contractor Personnel in a Diplomatic or Consular Mission Outside the United States (applies to services at danger pay posts only)	MAR 2008
52.225-25	Prohibition on Contracting with Entities Engaging in Sanctioned Activities Relating to Iran – Representation and Certification (applies to acquisitions above the micropurchase threshold)	NOV 2011
52.227-19	Commercial Computer Software License (if order is for software)	DEC 2007
52.228-3	Workers' Compensation Insurance (Defense Base Act) (if order is for services and contractor employees are covered by Defense Base Act insurance)	APR 1984
52.228-4	Workers' Compensation and War-Hazard Insurance (if order is for services and contractor employees are <u>not</u> covered by Defense Base Act insurance)	APR 1984

The following clause is provided in full text:

52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders -- Commercial Items (MAY 2012)

(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)).
(applies for all orders)

___ 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).

(Alternate I (AUG 2007) [*if the contracting officer has been notified of specific U.S. directives or notices regarding combating trafficking in persons that apply to contractor employees*])

(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:

[Contracting Officer check as appropriate]

	Clause Number and Title
	(1) 52.203-6, Restrictions on Subcontractor Sales to the Government (SEP 2006), with Alternate I (Oct 1995) (41 U.S.C. 253g and 10 U.S.C. 2402). [<i>Check if order exceeds \$150,000</i>]
	(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). [<i>Check if order exceeds the simplified acquisition threshold</i>]
	(3) [Reserved].
	(4) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (FEB 2012) (Pub. L. 109-282) (31 U.S.C. 6101 note). (in all solicitations and contracts of \$25,000 or more)
	(5) [Reserved].
	(6) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (DEC 2010) (31 U.S.C. 6101 note). (if contract value exceeds \$30,000)
	(7) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (FEB 2012) (41 U.S.C. 2313). (contract value exceed \$500,000 and offeror's total federal contracts value are over \$10,000,000)
	(8) – (26) [Reserved].
	(27) 52.222-19, Child Labor – Cooperation with Authorities and Remedies (MAR

	2012) (E.O. 13126). [Check if order is for supplies and exceeds the micro-purchase threshold]
	(28) 52.222-21, Prohibition of Segregated Facilities (FEB 1999). [Check if the following apply: for supplies, the order exceeds \$10,000 and is awarded to a U.S. firm. For services, the order exceeds \$10,000 and is awarded to a U.S. firm whose employees who will be performing the work were recruited within the U.S.]
	(29) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246). [Check if the following apply: for supplies, the order exceeds \$10,000 and is awarded to a U.S. firm. For services, the order exceeds \$10,000 and is awarded to a U.S. firm whose employees who will be performing the work were recruited within the U.S.]
	(30) 52.222-35, Equal Opportunity for Veterans (SEP 2010) (38 U.S.C. 4212). [Check if the following apply: for supplies, the order exceeds \$150,000 and is awarded to a U.S. firm. For services, the order exceeds \$150,000 and is awarded to a U.S. firm whose employees who will be performing the work were recruited within the U.S.]
	(31) 52.222-36, Affirmative Action for Workers with Disabilities (OCT 2010) (29 U.S.C. 793). [Check if the following apply: for supplies, the order exceeds \$10,000 and is awarded to a U.S. firm. For services, the order exceeds \$10,000 and is awarded to a U.S. firm whose employees who will be performing the work were recruited within the U.S.]
	(32) 52.222-37, Employment Reports Veterans (SEP 2010) (38 U.S.C. 4212). [Check if you have included the clause 52.222-35]
	(33) – (37) [Reserved].
√	(38) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging while Driving (AUG 2011) (E.O. 13513). [Check for all orders]
	(39) – (40) [Reserved].
	(41) 52.225-5, Trade Agreements (MAY 2012) (19 U.S.C. 2501, <i>et seq.</i> , 19 U.S.C. 3301 note). [Check if the order is for supplies or services that involve the acquisition of supplies and the amount exceeds \$202,000]
	(42) 52.225-13, Restrictions on Certain Foreign Purchases (JUN 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury). [Check if the order is for either supplies or services and the amount exceeds the micro-purchase threshold, <u>unless</u> authorized by OFAC]
	(43) – (46) [Reserved].
	(47) 52.232-33, Payment by Electronic Funds Transfer – Central Contractor Registration (OCT 2003) (31 U.S.C. 3332). [Check if payment will be made by EFT and the contractor has registered in the CCR]
	(48) 52.232-34, Payment by Electronic Funds Transfer – Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332). [Check if payment will be made by either EFT or other means, e.g., check, and the contractor has <u>not</u> registered in the CCR]
	(49) 52.232-36, Payment by Third Party (FEB 2010) (31 U.S.C. 3332). [Check if payment will be made by a third party, e.g., purchase card]

(50) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a). <i>[Check if the order is for information technology which requires security of information technology, and/or is for the design, development, or operation of a system of records using commercial information technology services or support services]</i>
(51)(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). <i>[Check if the order is for supplies that may involve ocean transportation: at least 50% of the gross tonnage must be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at rates that are fair and reasonable for U.S.-flag commercial vessels]</i>
(ii) Alternate I (APR 2003) of 52.247-64. <i>[Check if 100% of the supplies will be transported on privately owned U.S.-flag commercial vessels]</i>

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial items, 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:

[Contracting officer check as appropriate.]

Clause Number and Title
(1) – (6) [Reserved].
(7) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Public Law 110-247).
(8) 52.237-11, Accepting and Dispensing of \$1 Coin (SEP 2008) (31 U.S.C. 5112(p)(1)). <i>[Check if order is for services that involve business operations conducted in U.S. coin and currency, including vending machines]</i>

(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)(1) *[This paragraph applies only if award is made to a U.S. firm, except for item (vii) which applies to all orders.]* 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 (JAN 2011) (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) [Reserved]

(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) [Reserved].

(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) – (xii) [Reserved].

(xiii) 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.

(xiv) 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)

**DEPARTMENT OF STATE ACQUISITION REGULATION (48 CFR Chapter 6)
CLAUSES**

NUMBER	TITLE	DATE
652.225-71	Section 8(a) of the Export Administration Act of 1979, As Amended (if order exceeds simplified acquisition threshold)	AUG 1999
652.228-71	Workers Compensation Insurance (Defense Base Act) – Services (for services to be performed overseas when the contract includes covered contractor employees as defined in paragraph (a) of the clause) Fill-in for paragraph (c): “(c) The current rate under the Department of State contract is [<i>contracting officer insert rate</i>] of compensation for services.”	JUN 2006
652.229-70	Excise Tax Exemption Statement for Contractors Within the United States (for supplies to be delivered to an overseas post)	JUL 1988
652.229-71	Personal Property Disposition at Posts Abroad	AUG 1999
652.237-72	Observance of Legal Holidays and Administrative Leave (for services where performance will be on-site in a Department of State facility)	APR 2004
652.239-71	Security Requirements for Unclassified Information Technology Resources (for orders that include information technology resources or services in which the contractor will have physical or electronic access to Department information that directly supports the mission of the Department)	SEP 2007
652.242-70	Contracting Officer’s Representative (if a COR will be named for the order) Fill-in for paragraph b: “The COR is _____”	AUG 1999
652.242-71	Notice of Shipments (for overseas shipment of supplies)	JUL 1988
652.242-73	Authorization and Performance	AUG 1999
652.243-70	Notices	AUG 1999

The following clause is provided in full text, and is applicable for orders for services that will require contractor employees to perform on-site at a DOS location and/or that require contractor employees to have access to DOS information systems:

652.204-70 Department of State Personal Identification Card Issuance Procedures (MAY 2011)

(a) The Contractor shall comply with the Department of State (DOS) Personal Identification Card Issuance Procedures for all employees performing under this contract who require frequent and continuing access to DOS facilities, or information systems. The Contractor shall insert this

clause in all subcontracts when the subcontractor's employees will require frequent and continuing access to DOS facilities, or information systems.

(b) The DOS Personal Identification Card Issuance Procedures may be accessed at <http://www.state.gov/m/ds/rls/rpt/c21664.htm> .

(End of clause)



TERMS OF REFERENCE AND STATEMENT OF WORK

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

I. 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.

II. STATEMENT OF WORK AND CONTRACT

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. 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.

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.

3. Review of the project operations during 2014.

Monthly review of project operations during 2014, in accordance with the terms described in Chapter III.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.

III. METHODOLOGY AND SPECIFIC OBJECTIVES

1. Financial audits (INL resources):

1.1 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 circumstances.

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.

1.2 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.

2. Financial audits (INL - DEVIDA funds):

2.1 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.

2.2 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:

- ✓ 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.

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.

IV. 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.

V. 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.

VI. 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.

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