

**DEPARTMENT OF STATE FINANCIAL ASSISTANCE
STANDARD TERMS AND CONDITIONS**

This Action Award Number S-NEAPI-07-CA-217 supports the work of ICG, LLC. (herein referred to as Recipient) entitled, "*Peyman Online: News in Motion*" as described in the attached Statement of Work.

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PART II

ATTACHMENTS

- Attachment 1 Statement of Work
Attachment 2 Detailed Line-Item Budget

- * OMB Circular A-122, Cost Principles for Non-Profit Organizations
- * OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- * OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

***The OMB Circulars are incorporated by reference. You may obtain an electronic copy of the circulars via the OMB Home Page at <http://www.whitehouse.gov/WH/EOP/omb>.**

**PART III
REPRESENTATIONS & CERTIFICATIONS**

- # 1 22 CFR 137, Department of State Government-wide Debarment
And Suspension (Non-Procurement)
2 22 CFR 137, Government-wide Requirements for Drug-Free Workplace (Grants)
3 22 CFR 138, Restrictions on Lobbying, and
Standard Form LLL, Disclosure of Lobbying Activities
4 22 CFR 145, Department of State Grants and Cooperative Agreements
with Institutions of Higher Education, Hospitals, and Other
Non-Profit Organizations

**All 22 CFR references via the Department of State's Home Page at
<http://www.statebuy.gov/home.htm>**

**PART I
GENERAL PROVISIONS**

PROVISION I – GOVERNING DOCUMENTS

The Recipient shall furnish all necessary personnel, materials, supplies, services, facilities and otherwise do all things necessary to perform the work set forth in the following documents which are hereby incorporated into this Cooperative Agreement:

1. The Statement of Work, Attachment 1
2. The Detailed Line-Item Budget, Attachment 2

PROVISION II – ORDER OF PRECEDENCE

In the event of any inconsistency between provisions of the Cooperative Agreement, the inconsistency shall be resolved by giving precedence in the following order:

- a. Cooperative Agreement Terms and Conditions
- b. Statement of Work

PROVISION III – GRANTS OFFICER

The Grants Officer is responsible for all administrative aspects of this award and is authorized to award, amend, suspend, and terminate financial assistance awards. In addition, the Grants Officer is responsible for administrative coordination and liaison with the Recipient. The Grants Officer's name, address, and telephone number are:

Anna Mary Portz
U.S. Department of State
NEA/PI, Room 6258
2201 C Street, N.W.
Washington, D.C.20520
Telephone: (202) 776-8522
E-mail: portzAM@state.gov

PROJECT OFFICER

The Project Officer is responsible for the programmatic and technical aspects of this award. Any correspondence related to programmatic and technical issues should be directed to:

David Denehy
Project Officer
Telephone: (202) 647-2519
E-mail: denehyDM@state.gov

PROVISION IV – COOPERATIVE AGREEMENT ADMINISTRATION

- A. The Grants Officer is the only person authorized to approve changes in any of the requirements of this Cooperative Agreement. In the event the Recipient effects any change at the direction of any person other than the Grants Officer, the change(s) will be considered to have been made without authority and no adjustment will be made in

- the Cooperative Agreement price to cover any increase in costs incurred as a result thereof.
- B. Written requests for budget changes must be submitted to the Grants Officer in advance. The Grants Officer shall make the final determination and notify the recipient in writing.
- C. The Grants Administrator to be contacted for assistance in regard to this Agreement especially the Terms and Conditions is:

Ann Perrelli
Grants Administrator
Telephone: 202-776-8545
E-mail: perrelliAM@state.gov

- D. The Recipient's Administrator to be contacted in regard to this Agreement's Terms and Conditions is:

Avi Davidi
Manager
Telephone: 202-374-3420
Facsimile: _____
E-mail: avidavidi2005@gmail.com

PROVISION V - EXECUTIVE ORDER 13224, BLOCKING PROPERTY AND PROHIBITING TRANSACTIONS WITH PERSONS WHO COMMIT, THREATEN TO COMMIT, OR SUPPORT TERRORISM

- A. Executive Order 13224 designated 27 individuals and entities that commit or pose a significant risk of committing terrorist acts and authorized the Secretary of State to designate additional individuals and entities. The Order also authorized the Secretary of Treasury to designate additional individuals and entities that provide support or services to, are owned or controlled by, act for, or on behalf of, or are "otherwise associated with", an individual or entity who has been designated in or under the Order. All property and interests in property of the individual or entity in the United States or in the possession or control of U.S. persons are blocked. The Order prohibits all transactions and dealings in blocked property or interests in the U.S. or by U.S. persons, and also prohibits transactions with, and provision of support for, individuals or entities listed in or subject to the Order. As of November 2, 2002, the number of designated individuals and entities was in excess of 250.
- B. The Recipient should be aware of Executive Order 13224 and the names of the individuals and entities designated thereafter. A list of these names can be found at the web site of the Office of Foreign Assets Control (OFAC) within the Department of Treasury. That web site is <http://www.treas.gov/offices/enforcement/ofac/programs/terror/terror.shtml>.
- C. The Recipient is reminded that U.S. Executive Order and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient/contractor to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/sub-awards issued under this agreement.

PROVISION VI – EXTENT OF DOS INVOLVEMENT

The Department of State's, hereafter called "DOS", involvement in the operation of this project is considered to be substantial and is further detailed in the statement of work. Therefore, the recipient shall perform the project with DOS collaboration, participation, and intervention. The DOS will exercise normal federal stewardship responsibility during performance to include, but not limited to: site visits, review and response to performance, technical or subject matter, financial reports, and audits to ensure that the objectives, terms and conditions of this award are accomplished. DOS will act as the enforcement agent of public policy and socioeconomic statutory requirements, such as civil rights and environmental protection, with regard to this Cooperative Agreement.

PROVISION VII – BUDGET

The total not-to-exceed Federal Funding for this Cooperative Agreement is \$342,940. The DOS has no obligation to provide additional funding under this award. This Cooperative Agreement provides that the Recipient shall be reimbursed allowable costs in accordance with the proposed budget for the period **May 1, 2007 to August 31, 2007** at Attachment 2 and summarized below. As stipulated in OMB Circular A-110, any reprogramming of the budget in excess of 10% of a line item must be in writing and approved in advance by the Grants Officer.

BUDGET SUMMARY

	<u>Total Federal Project</u>
Personnel	\$ 142,000
Travel	18,000
Supplies	2,500
Other Direct Costs	<u>180,440</u>
TOTAL PROGRAM COSTS	\$ 342,940

PROVISION VIII – TRAVEL AND PER DIEM

Reimbursement travel claims shall be reimbursed up to the maximum amounts allowable under the Federal Travel Regulations, Joint Travel Regulations, and/or Standardized Regulations (Government Civilian, Foreign Areas) in effect at the time of travel. All U.S. Government-financed international air transportation shall be accomplished by U.S.-flag air carriers to the extent that service by those carriers is available. Per diem/subsistence shall be reimbursed up to the maximum amounts allowable under the Federal Travel Regulations or Standardized Regulations (Government Civilian, Foreign Areas) in effect at the time each trip occurs. The regulations provide for reimbursement of actual lodging costs incurred plus a fixed allowance for meals and incidental expenses (MI&E) up to the applicable maximum amounts prescribed. Receipts for lodging are required. Each international travel request must obtain written prior authorization from the Grants Officer.

PROVISION IX – INDIRECT COSTS

- A. Indirect costs will not be allowable charges against this award unless specifically included as a line item in the approved budget for this award.
- B. Any actual indirect costs incurred by the recipient which are greater than the indirect cost line item in the budget will not be treated as a cost of this award by the Department for the purpose of final cost settlement.

PROVISION X – PERIOD OF AVAILABILITY OF FUNDS

- A. No obligation shall be incurred by the Recipient for any purpose pertaining to the operation of the program or activities for which the funds were awarded where the obligation would require performance beyond the expiration date stipulated in the award document. Obligations incurred after the expiration of this Cooperative Agreement shall be strictly associated with closeout activities only. These funds shall be available for closeout activities for a period up to 90 days following the expiration date. Closeout activities are limited to the preparation of final reports.
- B. Oral or written assurances of funding shall not constitute authority to obligate funds for programmatic activities beyond the expiration date. Funds shall not be obligated unless or until an award or amendment document has been received by the Recipient from the Grants Officer authorizing such obligations.

PROVISION XI - SUBGRANTEE AUTHORITY

The Recipient is hereby authorized to sub-grant/contract portions of this award as outlined in the Budget. The Recipient shall incorporate pertinent terms and conditions, to include requirements for Representations and Certifications in any resultant awards. In addition, the Recipient further agrees to ensure that Federal regulations, Policies and Procedures; to include, but not be limited to, the following are incorporated in subsequent sub-grant/contract awards:

- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- 22 CFR 137, Department of State Government-wide Debarment and Suspension (Non-Procurement) and Government-wide Requirements for Drug-Free Workplace (Grants)
- 22 CFR 145, Department of State Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- FAR 31.2, Contracts with Commercial Organizations

After award, the Recipient shall not sub-grant or contract for any part of the work not previously authorized at the time of award without prior specific written approval of the Grants Officer.

PROVISION XII - BILLING INSTRUCTIONS/METHOD OF PAYMENT

- A. All payments made under this award are subject to the provisions of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations and 22 CFR 145 Department of State Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.
- B. Advance payments may be requested for cost that will be incurred in the immediate future by the recipient as defined in current OMB Circulars.

- C. Payments under this agreement will be made through the U.S. Department of Health and Human Services Payment Management System (PMS). The Payment Management System instructions are available under the PMS website and can be accessed at the following address: <http://www.dpm.psc.gov/>. If you need any further assistance, please contact the Grants Administrator (GA) identified in the agreement. Recipients should request funds based on immediate disbursement requirements and disburse funds as soon as possible to minimize the Federal cash on hand in accordance with the policies established by the U.S. Treasury Department and mandated by the OMB Circulars.

PROVISION XIII - AUDIT

- A. The U.S. Department of State's Inspector General, or any of his or her duly authorized representatives, shall have access to any pertinent books, documents, papers and records of the Recipient. Information accessible to the Inspector General includes written, printed, recorded, produced or reproduced by any mechanical, magnetic or other process or medium. The U.S. Department of State reserves the right to make audits, inspections, excerpts, transcriptions or other examinations as authorized by law of the recipient's documents and facilities.
- B. Under the Inspector General Act of 1978, as amended, 5 U.S.C. App. I, Section 1 et seq., an audit of this award may be conducted at any time. The Office of Inspector General usually will make the arrangements to audit this award. The audit may be performed by any combination of Inspector General personnel, an independent accountant under contract with the Department, or any other Federal, State or local audit entity.
- C. For all federal awards, regardless of business type, the recipient is subject to the audit requirements found in OMB Circular A-133. In addition, the recipient is subject to the audit requirements found in the Single Audit Act of 1984, 31 U.S.C. 7501-7507.
- D. In addition to submitting a copy of the audit report performed in compliance with requirements of OMB Circular A-133 to the Federal clearinghouse, the recipient shall send one copy to the cognizant Federal agency, and a copy of the report to the Grants Officer. If the Department of State is the cognizant Federal agency, the audit report should be sent to:

U.S. Department of State
Office of Inspector General
Office of Audits, C&G Division
Suite 720
1700 North Moore Street
Arlington, Virginia 22209

- E. All records shall be maintained for five (5) years from the date the audit report was submitted to the Federal Clearinghouse.
- F. The recipient agrees to include in first-tier sub-recipient awards under this Cooperative Agreement a clause to the effect that the Recipient, the Department of State, the Comptroller General of the United States or any of their duly authorized representatives shall have access to and the right to examine any of the recipient's and sub-recipient(s)' pertinent books, documents, papers, or other records that are directly pertinent to the program for the purpose

of making audits, examinations, excerpts, and transactions. All records shall be maintained for five (5) years after final payment under this Cooperative Agreement.

PROVISION XIV – PERIOD OF PERFORMANCE

The Period of Performance for this Cooperative Agreement is from **May 1, 2007** through **April 30, 2009**. During this period, the Cooperative Agreement may be amended, in writing, by the Grants Officer any time upon mutual agreement between the parties. This Cooperative Agreement may be terminated by either of the parties hereto upon 30 calendar days written notice.

PROVISION XV – TECHNICAL OVERSIGHT

- A. Performance of the work under this Cooperative Agreement shall be subject to the technical oversight of representatives of the Department of State. The DOS will monitor the Recipient's performance and notify the Recipient in writing of deficiencies observed during surveillance, and direct appropriate action to effect correction.
- B. Technical direction must be within the scope of the Governing Documents (Provision D). Representatives of the DOS do not have the authority to issue any technical direction which: 1) constitutes an assignment of additional work outside the general scope of the Cooperative Agreement; 2) in any manner causes an increase or decrease in the total dollar amount of the Cooperative Agreement or the time required for performance; 3) changes or waives any of the expressed terms and conditions of the Agreement; 4) interferes with the Recipient's right to perform the terms and conditions of the Cooperative Agreement; and/or 5) places an employee of the DOS as a supervisor of the Recipient's employees.
- C. The DOS may, with the agreement of the Recipient, request the Grants Officer to amend the Cooperative Agreement to: 1) increase or decrease the general scope; 2) increase or decrease the total dollar amount (to include reallocation of funding) or the time required for performance; and 3) change or waive any of the expressed terms and conditions of the Cooperative Agreement.
- D. The Recipient shall proceed promptly with implementation of the technical direction properly issued in the manner prescribed by this Provision.

If, in the opinion of the Recipient, instruction or direction issued by the DOS falls within one of the categories in B (1) above, the Recipient shall not proceed but shall notify the Grants Officer, in writing, within five (5) working days after receipt of any such instruction or direction, requesting the Cooperative Agreement to be modified accordingly.

PROVISION XVI- MONITORING/REPORTING REQUIREMENTS

Financial and Performance (Technical) Reports must be submitted according to the schedule indicated below. Failure to submit required reports in a timely manner may result in 1) withholding payments under this award, 2) deferring the processing of new awards, amendments, or supplemental funding pending receipt of the overdue report(s), and/or 3) establishing an account receivable for the difference between the total Federal share of outlays last reported and the amount disbursed.

- A. OMB Circulars No. A-110 and 22 CFR 145 specify the financial and performance reports to be submitted by the recipient. Performance reports shall be filed monthly. The Financial Status Reports (SF-269 and SF-272) shall be submitted monthly on an accrual basis. A final SF-269 shall be submitted within 90 days after the expiration

date of the award. An electronic copy of each performance and financial report shall be forwarded to the Grants Officer and one copy to the Project Officer at the addresses given in Provision III.

- B. The Recipient shall submit the reports/documents as outlined in the Government's Statement of Work (See Attachment 1).
- C. Recipients of awards which exceed \$100,000 in Federal funding shall file and shall further require each sub-recipient, contractor, or subcontractor that is subject to the Sub-recipient Certification and Disclosure provision to file a disclosure form, SF-LLL, "Disclosure of Lobbying Activities," within 15 days of the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person. Disclosure forms shall be forwarded from tier to tier until received by the recipient who shall forward all disclosure forms to the Grants Officer no later than 30 days following the end of each calendar quarter.

Performance and Financial Reporting Requirements:

- Results Monitoring Plan and Work Plan is due **May 15, 2007**
- First quarterly report for activities from (May 1-June 30, 2007) is due **July 31, 2007**
- Second quarterly report for activities from (July 1-Sept. 30, 2007) is due **Oct. 31, 2007**
- Third quarterly report for activities from (Oct. 1-Dec. 31, 2007) is due **January 31, 2008**
- Fourth quarterly report for activities from (Jan. 1-March 30, 2008) is due **April 30, 2008**
- The Final Reports are due **90 days after award ends.**

PROVISION XVII- COPYRIGHTS

Except as otherwise provided in this award, the Author(s) or Recipient is free to copyright any books, publications or other copyrightable materials developed in the course of or under this Cooperative Agreement. However, the Government reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, translate or otherwise use, and to authorize others to use, for Federal Government purposes:

- (a) The copyright in any work developed under this Cooperative Agreement or sub-grant; and
- (b) Any rights of copyright to which an awardee, sub-grantee or a contractor purchases ownership with assistance support.

PROVISION XVIII - PUBLICATION FOR PROFESSIONAL AUDIENCES

Specific to this award and during the course of the project period, dissemination of findings and results requires advance written permission from the Department of State. At the time of closeout of this award, the express conditions regarding future publication or announcements will be determined.

PROVISION XIX - CONFIDENTIALITY OF INFORMATION

- A. Confidential information, as used in this Provision, means: 1) information or data of a personal nature about an individual, or 2) proprietary information or data submitted by or pertaining to an institution or organization.
- B. In addition to the types of confidential information described in (a)(1) and (2) above, information which might require special consideration with regard to the timing of its disclosure may derive from studies or research, during which public disclosure of

- preliminary invalidated findings could create erroneous conclusions which might threaten public health or safety if acted upon.
- C. The Grants Officer and the Recipient may, by mutual consent, identify elsewhere in this award specific information and/or categories of information which the Government will furnish to the Recipient or that the Recipient is expected to generate which is confidential. Similarly, the Grants Officer and the Recipient may, by mutual consent, identify such confidential information from time to time during the performance of the agreement.
 - D. If it is established that information to be utilized under this award is subject to the Privacy Act, the Recipient will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.
 - E. Confidential information, as defined in (a)(1) and (2) above, shall not be disclosed without the prior written consent of the individual, institution or organization (DOS).
 - F. Written advance notice of at least 45 days will be provided to the Grants Officer of the Recipient's intent to release findings of studies or research, which have the possibility of adverse effects on the public or the Federal agency, as described in (b) above. If the Grants Officer does not pose any objections in writing within the 45-day period, the recipient may proceed with disclosure.
 - G. Whenever the Recipient is uncertain with regard to the proper handling of material under the Cooperative Agreement, or if the material in question is subject to the Privacy Act or is confidential information subject to this Provision, the Recipient shall obtain a written determination from the Grants Officer prior to any release, disclosure, dissemination, or publication.
 - H. Paragraph (e) of this Provision shall not apply when the information is subject to conflicting or overlapping provisions in other Federal, State, or local laws.

PROVISION XX - IDENTIFIED PROPERTY

- A. In accordance with 22 CFR, 135.32(g), the Department of State reserves the right to require transfer of non-expendable personal property acquired with assistance funds having a unit cost of \$5,000 or more after the period of the Cooperative Agreement has ended.
- B. Upon completion of the Cooperative Agreement, the Recipient shall submit in writing within 30 working days a list of all non-expendable personal property acquired during the Cooperative Agreement performance. This list shall include, at a minimum: a description of the property; manufacturer's serial number, model number, or other identification number; and location, use and condition of the property.

PROVISION XXI - LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS

- A. Definitions.
 - "Agency," as used in this clause, means the Department of State.
 - "Covered Federal action," as used in this clause, means any of the following Federal actions:
 - (a) The awarding of any Federal contract.
 - (b) The making of any Federal grant or cooperative agreement.
 - (c) The making of any Federal loan.
 - (d) The entering into of any Grant or cooperative agreement.

- (e) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

"Influencing or attempting to influence" as used in this clause, means making, with the intent to influence, any communication to or appearance before an office or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Officer or employee of an agency", as used in this clause, includes the following individuals who are employed by an agency:

- (a) An individual who is appointed to a position in the Government under Title 5, United States Code, including a position under a temporary appointment.
- (b) A member of the Uniformed services, as defined in subsection 101(3), Title 57, United States Code.
- (c) A special Government employee, as defined in section 202, Title 18, United States Code.
- (d) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, United States Code, appendix 2.

"Person," as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation," as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment," as used in this clause, means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient," as used in this clause, includes the Cooperator and all sub-grantee, sub-cooperators and sub-contractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed," as used in this clause, means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person for receipt such contract. An officer or employee who is employed by such person for less than 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State," as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or interstate entity having governmental duties and powers.

(B) Prohibitions.

(1) Section 1352 of Title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay 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 in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant or cooperative agreement; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(2) The Act also requires Contractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) 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 in connection with a Federal contract, grant, loan, or cooperative agreement.

(3) The prohibitions of the Act do not apply under the following conditions:

(i) Agency and legislative liaison by own employees.

(A) The prohibition on the use of appropriated funds, in sub-paragraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of subdivision (b)(3)(i)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(C) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.

(2) Technical discussions and other activities regarding the application adaptation of the person's products or services for an agency's use.

(D) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action -

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentation by persons seeking awards from an agency pursuant to the Provisions of the Small Business Act,

as amended by Public Law 95-507, and subsequent amendments.

- (E) Only those services expressly authorized by subdivision (b)(3)(i)(A) of this clause are permitted under this clause.
- (ii) Professional and technical services.
- (A) The prohibition on the use of appropriated funds, in sub-paragraph (b)(1) of this clause, does not apply in the case of –
- (1) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
 - (2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
- (B) For purposes of subdivision (b)(3)(i)(A) of this clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communication with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications

with the intent to influence made by an engineer negotiation of a covered Federal action.

- C) Requirements imposed by or pursuant to law as a condition for receiving covered Federal award include those required by law or regulation and any other requirements in the actual award documents.
- D) Only those services expressly authorized by subdivision (b)(3)(ii)(A)(i) and (2) of this clause are permitted under this clause.
- E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(C) Disclosure.

- (1) The Contractor who requests or receives from an agency a Federal contract shall file with the agency a disclosure form, OMB standard form L.L.L., Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (b)(1) of this clause, if paid for with appropriated funds.
- (2) The Contractor shall file a disclosure form at the end of each calendar quarter in which here occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause.

An event that materially affects the accuracy of the information reported includes --

- (i) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
- (ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
- (iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (3) The Contractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any subcontract exceeding \$100,000 under the Federal action.
- (4) All subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall submit all disclosures to the Grants Officer at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.

(D) Agreement.

The Contractor agrees not to make any payment prohibited by this clause.

(E) Penalties.

- (1) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided for

by 31 U.S.C. made 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

- (2) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(F) Cost Allowability.

Nothing in this clause makes allowable or reasonable any costs which would otherwise be unallowable or unreasonable. Conversely, costs specifically unallowable by the requirements in this clause will not be made allowable under any other provision.

PROVISION XXI – PROHIBITION AGAINST ASSIGNMENT

Notwithstanding any other provision of this award, the Recipient shall not transfer, pledge, mortgage, or otherwise assign this award, or any interest therein, or any claim arising thereunder, to any party or parties, bank trust companies, or other financing or financial institutions.

PROVISION XXII – OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or resident Federal Commissioner shall be admitted to any share or part of this award or any benefit that may arise therefrom; but this provision shall not be construed to extend to this award if made to a corporation, education, or non-profit institution for its general benefit.

PROVISION XXIV – NOTIFICATION OF AWARD FOR SIMILAR PROGRAM

The Recipient shall immediately provide written notification to the Grants Officer in the event that, subsequent to this award, other financial assistance is received relative to the work statement of this award.

PROVISION XXV – TERMINATION BY MUTUAL AGREEMENT

OMB Circular No. A-110 and 22 CFR 145 set forth termination procedures.

(A) Circumstances may arise in which either the Department of State or the Recipient wishes to terminate its performance of a project in whole or in part. If both parties agree that continuation of the project would not produce results commensurate with further expenditure of funds or for any other reason, the Grant or Cooperative Agreement may be terminated by mutual consent.

(B) If the Recipient wishes to terminate the project, its Authorized Representative should advise the Grants Officer in writing; and concurrently send a copy to the Project Officer.

(C) If the Department of State wishes to terminate the project, the Grants Officer will advise, in writing, the Recipient's Authorized Representative with a copy to the Project Officer.

(D) Within 30 days after receipt of a request by either party for termination by mutual agreement, the other party will provide an appropriate written response. The two parties shall agree upon the termination conditions, including the effective date, and, in the case of partial termination, the portion to be terminated. The Recipient shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Department of State shall allow full credit to the Recipient for the Federal Share of the obligations that can not be cancelled properly and that have been incurred by the Recipient prior to termination. In the event of disagreement

between the parties, the Grants Officer will make a final determination subject to the review procedures described in the Provision entitled "Termination Review Procedures."

PROVISION XXVI – SUSPENSION OR TERMINATION FOR CAUSE

- A. When the recipient has materially failed, as determined by the Department of State, to comply with the terms and conditions of the Grant or Cooperative Agreement, the Department of State may:
- (1) Suspend the Grant or Cooperative Agreement in whole or in part; or
 - (2) Terminate the Grant or Cooperative Agreement in whole or in part for cause.
- B. The Department of State prefers that deficiencies be corrected whenever practicable, therefore, action to terminate this Grant or Cooperative Agreement normally will be taken only after the Authorized Recipient Representative has been informed by letter of the nature of the problem with notification that failure to correct the deficiency may result in suspension or termination of this Grant or Cooperative Agreement. However, the practice does not preclude immediate suspension or termination when such action is reasonable under the circumstances and necessary to protect the interest of the Government.
- C. Upon notification letter to the Recipient of the Department of State's intent to suspend or terminate this Grant or Cooperative Agreement, the Recipient will be requested to respond in describing the action taken or the plan designed to correct the deficiency. Copies of this correspondence will be furnished to the Project Officer and the Grants Officer.
- D. If a satisfactory response is not received within the time allowed in such notice letter, the Grants Officer may issue a notice suspending authority to further obligate funds, in whole or in part. The notice of suspension will be sent by certified mail (return receipt requested) to the Authorized Recipient Representative with a copy to the Project Officer. The notice will set forth the activities covered by the suspension and its effective date and the corrective action required by the Recipient in order to lift the suspension.
- E. In the event the deficiency is not corrected to the satisfaction of the Department of State, the Grants Officer may issue a notice of termination, in the same manner as described in paragraph (d) of the Provision entitled "Termination by Mutual Agreement." The notice of termination will establish the reasons for the action and its effective date.
- F. If the Grant or Cooperative Agreement is suspended pursuant to this Provision, no obligations incurred by the recipient during the period of suspension will be allowable under the suspended Agreement except those costs which are applicable and allowable under the applicable Federal Cost Principles.
- G. If the Grant or Cooperative Agreement is terminated pursuant to this clause, the Recipient shall not incur new obligations after the effective date of the termination notice and shall cancel as many outstanding obligations as possible. The settlement of termination costs will be in accordance with the applicable Federal Cost Principles. Payments made to the Recipient or recoveries made by the Federal Government shall be in accordance with the legal rights and remedies of the parties.
- H. Within 90 days of the effective date of termination, the Recipient will furnish an itemized accounting of funds expended for allowable costs prior to the effective date of termination and the unexpended funding balance. The Recipient may request a review of the termination decision in accordance with the procedure described in the Provision entitled "Termination Review Procedure."

- I. In no event will the total of Department of State payments under a terminated agreement exceed the award amount or the Department of State pro rata share when cost-sharing was anticipated, whichever is less.

PROVISION XXVII- TERMINATION REVIEW PROCEDURE

- A. Any request for review of a notice of termination should be addressed to the attention of:

Cathy Read
U.S. Department of State
A/LM - SA-6
P.O. Box 9115, Rosslyn Station
Arlington, VA 22219

- B. The request must be postmarked no later than 30 days after the receipt of such notice.
C. The request for review must contain a full statement of the Recipient's position and the pertinent facts and reasons in support of such position.
D. The Chief, General Acquisitions Division will promptly acknowledge receipt of the request for review.
E. The Department of State will establish a review committee consisting of a minimum of three (3) persons, none of whom may be either from the General Acquisitions Division or the Department of State program office immediately responsible for monitoring the project or administrative aspects of this Grant or Cooperative Agreement.
F. The termination review committee will request the Grants Officer who issued the notice of termination to provide copies of all pertinent background materials and documents. It may, at its discretion, invite representatives of the recipient organization and DOS program office to discuss pertinent issues and to submit additional information as it deems necessary. The chairperson of the review committee will insure that all review activities or proceedings are documented.
G. Based on its review, the committee will prepare its recommendations to the Grants Officer who will advise the parties concerned of the final administrative decision.
H. Pending resolution of the request for review, the notice of termination shall remain in effect.

PROVISION XXVIII: SPECIAL OFFICE OF FOREIGN ASSET CONTROL (OFAC) COMPLIANCE (31 C.F.R. Chapter V)

A. AUTHORIZATION:

(a) Most financial and other transactions in or involving Iran by persons subject to U.S. jurisdiction are prohibited unless licensed by the U.S. Department of Treasury, Office of Foreign Asset Control (OFAC). NEA and its awardees (together with NEA, the "Licensees") are authorized under OFAC License No. IA-7421-a issued to NEA to engage in all transactions necessary to advance democracy and human rights as defined in and authorized in this and other similar NEA grant or cooperative agreements, including the exportation or re-exportation by the awardees to Iran of goods, technology or software that are neither listed on the Commerce Control List under the Export Administration Regulations, 15 C.F.R. parts 730 *et seq.* ("CCL items"), nor listed on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778) ("USML items").

* transactions: 3rd country

The transfer of funds authorized by OFAC License No. IA-7421-a must be effected in a manner consistent with 31 C.F.R. § 560.516 and may not involve the debiting and crediting of an account of a person located in Iran or of the Government of Iran maintained on the books of a U.S. depository institution. Any transfers of funds through the U.S. financial system pursuant to the authorization set forth above should reference OFAC License No. IA-7421-a to avoid the rejection of the transfer.

B. WARNING:

Award recipients are not authorized to export or re-export to Iran any goods, technology or software that are CCL items or that are USML items. A separate license is required to engage in such transactions.

Except as expressly authorized by the terms of this grant or cooperative agreement or otherwise by the Office of Foreign Assets Control or the Iranian Transactions Regulations, 31 C.F.R. § 560 (the "Regulations"), nothing in OFAC License No. IA-7421-a authorizes any transaction prohibited by the Regulations, nor does this license authorize any transfer of any property blocked pursuant to 31 C.F.R., part 535, or any other transaction prohibited under 31 C.F.R. chapter V. The OFAC license also does not excuse compliance with any other law or regulation administered by OFAC or another agency (including reporting requirements) applicable to transaction(s) carried out pursuant to this grant or cooperative agreement, nor does it release anyone from criminal or civil liability for violation of any law or regulation. This license does not excuse compliance with any law or regulation administered by the Office of Foreign Asset Control or any other agency (including reporting requirements) applicable to the transaction herein licensed, nor does it release Licensees(s) or third parties from civil or criminal liability for violation of any law or regulation.

C. SUB-GRANTEE/SUB-CONTRACTOR APPROVAL:

In order to comply with OFAC License IA-7421-a, applicable to the obligation of Department funds for this grant or cooperative agreement, and in order for the Grants Officer to review any proposed sub-grant or contract to provide the written approval as required by Provision XI, the Recipient shall submit a completed form DS-4100 for each such proposed sub-contractor or sub-grantee.

D. RECORDKEEPING AND REPORTING REQUIREMENTS:

(a) It is a condition of this grant or cooperative agreement, in accordance with OFAC License No. IA-7421-a and with 31 C.F.R. part 501, that the Licensees are required to keep full and accurate records of all transactions engaged in pursuant to the authorization contained in this license pursuant to this grant or cooperative agreement. Such records shall be made available for examination upon demand for at least five years from the date of each transaction. Such records shall clearly demonstrate the applicability to the objectives set forth in this grant or cooperative agreement. (Attention is drawn to the recordkeeping, retention and reporting requirements of 31 C.F.R. §§ 501.601 and 501.602.)

(b) As a condition of the OFAC license pertaining to grants or cooperative agreements made to advance democracy and human rights in Iran, NEA is required on a quarterly basis to certify directly to OFAC that its awardees are and will continue to be in accordance with all of the conditions set forth in the NEA grant or cooperative agreement. NEA is also required to report to OFAC the circumstances of any situation in which an awardee has engaged in activity in contravention of an NEA grant or cooperative agreement or any provisions of 31 C.F.R. chapter V. It is imperative that awardees submit all quarterly reports to NEA on-time

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and include a formal statement that they are in accordance with these conditions. Failure to submit timely reports may result in a revocation of OFAC's authorization to the awardee.

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PART II
ATTACHMENT 1
STATEMENT OF WORK

MEPI is providing funding to ICG to implement a project entitled *Peyman Online: News in Motion*. The Statement of Work below represents the complete description of the work to be undertaken and associated requirements of the award.

A) PROJECT DESIGN

1. Project Context

This project is intended to contribute to the following NEA strategic goals:

- Support an expanded public space where democratic voices can be heard in the political process
- Support independent media by strengthening media sector civil society organizations and related groups/activities (including but not limited to internet-based networking initiatives and regional initiatives)

2. Intended Outcome, Objective, and Performance Indicators

Intended Outcome: Sustainable independent online media source informs and connects citizens to global communities	<ul style="list-style-type: none"> • Feasible model for online media with sustainable circumvention technology
Objective: To develop independent and credible multi-media news with interactive sources	Performance Indicators: <ul style="list-style-type: none"> • % of Phase 1 activities completed • Number of freelance users developing original content

Activities

The major activities the project will carry out to reach these objectives and intended outcome are listed below. A more detailed work plan, including results monitoring plans, will be submitted by ICG within 15 days after award is issued.

Objective: Independent and credible multi-media news source developed

Activity	Milestone (Completion Date)
• Phase I: Develop work plan including outline of costs: requirements, team requirements, and hardware-software requirements	May 15, 2007
• Phase I: Complete required travel to region	June 15, 2007
• Phase I: Submit trip report outlining collection of	June 30, 2007

sample media documents, identification of proposed staff, cost estimate of circumvention technology, and outline for the establishment of freelancer network	
• Phase I: Develop online marketing strategy and price quotations for implementation	July 15, 2007
• Phase I: Design site with templates	July 31, 2007
• Phase II: Establish a freelancer network	July 31, 2007
• Phase II: Begin production of original content	August 15, 2007
• Phase II: Conduct quality assurance testing	August 31, 2007

B) Requirements

1. NEA Consultation and/or Approval

NEA consultation and/or approval is required for the following actions associated with this project:

- All full or part time personnel and technical consultants working on this project are subject to NEA approval.
- Venue of all project activities
- NEA requires consultation and review of all questionnaires
- NEA requires approval for anyone who will have access to the data collected through this project

2. Branding

Branding is waived for all public events, publications, and articles

3. Schedule for Reporting and Other Required Submissions

- Workplan, including monitoring and evaluation plans is due May 15, 2007
- Monthly financial report on drawdowns and expenditures, due the last day of every month
- Trip report due June 30, 2007
- Progress report and continuation application is due July 31, 2007
- Final reports due November 30, 2007 unless continuation is approved

**PART II
ATTACHMENT 2
LINE-ITEM BUDGET**

Peyman Online	Description	4 month est. 4 months
a. Personnel	Project Director (FT)	\$40,000
	Senior Producer (FT)	\$24,000
	Media Expert (FT)	\$24,000
	IT Expert, Developer (FT)	\$12,000
	Iranian Media Analyst (PT)	\$14,000
	Senior Researcher (FT)	\$10,000
	Financial Manager	\$8,000
	Copy Editor/Translator	\$10,000
		Personnel total: \$142,000
b. Travel	International Travel:	
	Ticket = \$1,500	
	3 Nights Accommodation = \$500-\$700	
	5 Days Per Diem = \$500	
	Transportation, allowance = \$300	
	3 International Trips Total:	\$9,000
	Domestic Travel:	
	Ticket= \$500	
	1-2 Nights Accommodation = \$200-\$300	
	2 Days Per Diem = \$200	
	Transportation, Allowance = \$200-\$300	
	7 Domestic Trips Total:	\$9,000
		Travel total: \$18,000
c. Supplies	International Phone Cards	Supplies total: \$1,500
d. Other	Mobile Phone Services:	
	Six Units @ (\$100 per month)	\$1,200
	Freelance Writers/Regional Stringers/VJs	\$8,000
	Reporting Inside Iran (freelance, equipment rental)	\$10,000
	Online Strategy, Research & Design Study	\$35,000
	Enterprise and IT Architecture Consulting	\$20,000
	Logo Design, Branding, Media Planning	\$15,000
	Internet Filtering and Circumvention Consulting	\$15,000
	TV Production Equipment Rental Services	\$13,000
	TV Production Assistance (professional services)	\$15,000
	Outsourced TV Production	\$5,000
	Acquired feeds, licensing fees	\$25,000
	Office space, equipment, furniture (rental)	\$10,000
	Internet Access	\$240
	Internet Testing Costs	\$8,000
	Office Supplies	\$1,000
		Other total: \$181,440
k. Totals		\$342,940