

**DEPARTMENT OF LABOR**

**Office of the Secretary**

**“Ensuring Benefits in the Formal Sector in El Salvador”**

**Agency:** Bureau of International Labor Affairs, Department of Labor.

**Announcement Type:** New. Notice of Availability of Funds and Solicitation for Cooperative Agreement Applications

**Funding Opportunity Number:** SGA 08-05

**Catalog of Federal Domestic Assistance (CFDA) Number:** Not applicable.

**Key Dates:** The closing date for receipt of applications is June 6, 2008 via **Grants.gov**.

**Executive Summary:** This notice contains all of the information and forms needed to apply for grant funding. The U.S. Department of Labor, Bureau of International Labor Affairs, announces the availability of funds to be granted by cooperative agreement to one or more qualifying organizations. The Department will award up to U.S. \$940,000 through one grant to an organization or organizations to increase compliance with laws regarding employer payments to the Salvadoran Social Security Institute. Specifically, the project will improve current systems to enforce compliance with laws regarding payments to the Salvadoran Social Security Institute, and it will raise awareness among workers and employers about how they can verify that correct payments are being made and where to go if they are not being made. In order to build local

capacity, partnerships between more than one organization are also eligible and encouraged, in particular with qualified, regionally-based organizations. In such a case, a lead organization must be identified.

## **I. Funding Opportunity Description**

The U.S. Department of Labor (USDOL), Bureau of International Labor Affairs (ILAB), announces the availability of funds to be awarded by Cooperative Agreement (hereinafter referred to as “grant” or “Cooperative Agreement”) to one or more qualifying organizations to increase compliance with laws regarding employer payments to the Salvadoran Social Security Institute (ISSS). Specifically, the project will improve current systems to enforce compliance with laws regarding payments to the ISSS, and it will raise awareness among workers and employers about how they can verify that correct payments are being made and where to go if they are not being made. ILAB is authorized to award and administer this program by the Consolidated Appropriations Act, 2008, P. L. No. 110-161, 121 Stat. 1844 (2007). This project is funded from the Revised Continuing Appropriations Resolution 2007, Pub L. 110-05, 121 Stat 8 (2007) provided by the U.S. Department of State. Cooperative Agreements awarded under this initiative will be managed by ILAB’s Office of Trade and Labor Affairs. The duration of the project funded by this solicitation is three to four years. The start date of program activities will be negotiated upon award of the Cooperative Agreement, but will be no later than September 30, 2008.

### **Statement of Work**

USDOL is seeking qualified organizations that will implement a project, in cooperation with USDOL, to increase compliance with laws regarding employer payments to the ISSS.

Specifically, the project will improve current systems to enforce compliance with laws regarding payments to the ISSS, and it will raise awareness among workers and employers about how they can verify that correct payments are being made and where to go if they are not being made. Applicants should submit proposals that demonstrate the organization's capabilities to implement a project in accordance with the Statement of Work and the selection criteria. USDOL encourages applicants to be creative in proposing innovative and cost-effective interventions that will produce a demonstrable and sustainable impact.

#### **A. Background and Problem Statement**

The CAFTA-DR Free Trade Agreement, between the United States and five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and the Dominican Republic, obligates each country to effectively enforce its labor laws. The countries also reaffirm their obligations as members of the International Labor Organization (ILO) and their commitments under the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up (1998)*.

In the Department of State's FY2007 budget, Congress provided funding for labor and environmental capacity building activities in support of CAFTA-DR. A portion of these funds were transferred to USDOL to administer projects related to labor capacity building in CAFTA-DR countries. Areas for labor capacity building in Central America and the Dominican Republic were identified through a cooperative process with recipient countries and reflect on-going needs identified in the April 2005 "White Paper" of the Working Group of the Vice Ministers Responsible for Trade and Labor in the Countries of Central America and the Dominican Republic.

The White Paper reports that a new inspection initiative was launched in October 2004 involving the Ministry of Labor, the Superintendent of Pensions, and the Salvadoran Social Security Institute (ISSS), which targets embezzlement by employers of worker contributions to pension and social security funds. In the period from 2005, when the integrated inspections began, through 2007, they reached 760 enterprises, with 12,300 workers, and recovered \$640,000 of payments owed to the ISSS.<sup>1</sup> In 2007, the ISSS conducted an awareness campaign, using TV and radio to inform workers how to check their social security accounts.

Currently, Article 29 of the Social Security Law of El Salvador establishes that the payment to the ISSS for each worker is the equivalent of 10.5% of a worker's salary, 7.5% from the employer and 3% from the worker. This allows the worker to access the ISSS health care system, a more extensive system than the general public health care available to all citizens, and other benefits. In general, if a worker stops working, they can still have access to the ISSS system one month after their payments cease.

Unfortunately, in the event that the deductions are made from the worker's salary but the employer does not transfer the quotas to the ISSS, the worker is unable to access the ISSS system. In this case, a worker at such an enterprise may be unaware that the ISSS payments are not being correctly made. He or she may discover the problem only when he or she attempts to access the ISSS health care and is denied access because the employer did actually not transfer the deductions to the ISSS.

This project will increase compliance with laws regarding employer payments to the Salvadoran Social Security Institute (ISSS). Specifically, the project will improve current systems to enforce compliance with laws regarding payments to the ISSS, and it will raise awareness among

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<sup>1</sup> Statistics provided by the ISSS, March 12, 2008.

workers and employers about how they can verify that correct payments are being made and where to go if they are not being made.

## **B. Target Population**

The Grantee(s) must target:

- Government of El Salvador -- responsible agencies (ISSS, Ministry of Labor)
- Workers
- Employers

## **C. Objectives**

The Grantee(s) will implement, in cooperation with USDOL, a project whose overarching objective is to increase compliance with laws regarding employer payments to the Salvadoran Social Security Institute (ISSS).

This will be achieved through the following Intermediate Objectives:

- i. Improve the enforcement capacity of appropriate Government of El Salvador agencies (ISSS, Ministry of Labor).
- ii. Increase awareness among workers about how to verify that payments have been made to the ISSS, and where to go if they discover problems with payment.
- iii. Increase awareness among employers regarding the process, and consequences of non-payment.

In order to ensure achievement of these project objectives and the most effective use of the Labor Ministry's time, the Grantee(s) must first coordinate with the U.S. Government (USG) and other projects in El Salvador to avoid any duplication of efforts and ensure input from the ISSS and Labor Ministry on project design. In addition, the Grantee(s) must consult with key local stakeholders to further develop the project strategy and work plan.

#### **D. Relationship to USDOL Program Strategy**

By helping to improve labor law compliance in El Salvador, the proposed project supports achievement of USDOL's Government Performance and Results Act (GPRA) goal (2k), "promote internationally recognized workers rights and labor standards, including those related to the elimination of exploitive child labor, in the global community."

#### **E. Type of Work to Be Performed/Activities**

Applicants are responsible for developing a strategy for successfully achieving the objectives listed in Section 1.C and addressing the problem(s) identified in the Background and Problem Statement, developing and implementing the major tasks and activities to be accomplished as part of that strategy, tracking and reporting on performance and progress in achieving the stated objectives, and providing any necessary services.

An outline of illustrative activities could include the following:

- Diagnostic of current systems in place to ensure payments transferred to the ISSS.
- Development of new strategies or systems (*e.g.* software for public tracking system) or strengthening of existing systems, to ensure a transparent and efficient process.

- Trainings on existing or new strategies or systems.
- Media campaign to raise awareness among workers and employers. (Where possible, using existing materials already developed for further promotion.)
- Workshops or trainings with key organizations to raise awareness among workers and employers.
- Development of alliances with key actors to ensure collaboration and successful implementation.
- Development of systems to track impact on compliance and other project performance indicators.

## **F. Expected Outcomes/Project Outputs**

Applicants are expected to describe in their technical proposal: a) the strategy that they will adopt to achieve these outcomes within the stated timeframe and available USDOL funds; and b) the indicators and system of data collection they will use to measure performance and the achievement of the Intermediate Objectives.

### Expected Results

- Fewer employers in non-compliance with their payment obligations to the ISSS.
- Increased number of employees with access to the ISSS's benefits.
- More effective enforcement measures used to ensure payments to the ISSS.
- Greater number of workers who understand the ISSS payment system.
- Workers verifying that correct payments have been made to the ISSS.

## **G. Conditions Precedent**

In their technical proposal, Applicants should list all proposed partners or sub-awardees, the merits of those organizations, their specific duties, and their relationship with the different stakeholders. Partner organizations that were not included in the proposal must be approved by USDOL before being authorized to provide any technical assistance to the project country. Sub-contracts awarded after a Cooperative Agreement is signed, and not proposed in the application, must be awarded through a formal competitive bidding process, unless prior written approval is obtained by USDOL. See Section IV.E.2 for further information on subawards.

**II. Award Information Type of Assistance instrument:** Cooperative Agreement. USDOL's involvement in project implementation and oversight is outlined in Section VII.3. The duration of the project funded by this solicitation is three to four years. The start date of program activities will be negotiated upon awarding of the Cooperative Agreement, but will be no later than September 30, 2008. A total of up to USD \$940,000 will be awarded under this solicitation.

## **III. Eligibility Information**

### **A. Eligible Applicants**

Any commercial, international, educational, or non-profit organization(s), including any faith-based, community-based, or public international organization(s) with experience effectively implementing projects in the relevant technical field(s) and working with foreign national government ministries, regional and local government entities, employers and employer organizations, workers and labor organizations, and non-governmental and community-based



organizations is eligible for this grant. Neutral, non-religious criteria that neither favor nor disfavor religion will be employed in the selection of Cooperative Agreement recipients. Applications from foreign government and quasi-government agencies will not be considered. An Applicant must demonstrate a country presence, independently or through a relationship with another organization(s) with country presence, which gives it the ability to initiate program activities upon award of the Cooperative Agreement. *See Section V.*

In accordance with 29 CFR Part 98, entities that are debarred or suspended from receiving federal contracts or grants are excluded from Federal financial assistance and are ineligible to receive funding under this solicitation.

#### **B. Cost Sharing or Matching Funds**

This solicitation does not require Applicants to share costs or provide matching funds. However, the leveraging of resources and in-kind contributions is strongly encouraged and is a rating factor worth up to five (5) additional points (*see Section V*). Applicants who propose matching funds, in-kind contributions, and other forms of cost sharing must indicate their estimated dollar value in the Standard Form (SF) 424 and SF 424A submitted as part of the application. Grantees should note that they will be responsible for reporting on these funds quarterly in financial reports (SF 269s) and are liable for meeting the full amount of these costs during the life of the Cooperative Agreement.

#### **Dun and Bradstreet Number**

Applicants must include their Dun and Bradstreet Number (DUNS) in the organizational unit section of Block 8 of the SF 424. DUNS is an acronym which stands for “Data Universal Numbering System,” and DUNS numbers are unique nine-digit numbers used to identify

businesses. To obtain a DUNS number free of charge, call 1-866-705-5711 or access the following site: <http://www.dnb.com/us/>. **Grants.gov** does not allow for applications to be submitted without a valid DUNS number. Applicants without a current DUNS number are encouraged to begin the process of obtaining a DUNS number as soon as possible in order to avoid delays which could result in the inability to submit an application on **Grants.gov** and/or rejection of an application.

Requests for exemption from the DUNS number requirement must be made to the Office of Management and Budget (OMB), Office of Federal Financial Management at 202-395-3993. Unless an Applicant provides evidence of an OMB exemption from the DUNS number requirement, the application must have the Applicant's unexpired DUNS number entered on the SF 424. Applications that do not provide a current DUNS number will be rejected in **Grants.gov** and will not be evaluated.

After receiving a DUNS number, Applicants must also register as a vendor with the Central Contractor Registration through the following Web site: <http://www.ccr.gov> or by phone at 1-888-227-2423. Central Contractor Registration (CCR) should become active within 24 hours of completion. For any questions regarding registration, please contact the CCR Assistance Center at 1-888-227-2423.

After registration, Applicants will receive a confirmation number. The Point of Contact listed by the organization will receive a Trader Partnership Identification Number (TPIN) via mail. The TPIN is, and should remain, a confidential password.

#### **IV. Instructions to Offeror**

## **A. Application Package**

This solicitation contains all of the necessary information and forms needed to apply for Cooperative Agreement funding. Applications must be submitted to USDOL electronically at [www.Grants.Gov](http://www.Grants.Gov).

## **B. Content and Form of Application Submission**

The application must consist of two (2) separate parts. Part I of the application, the cost proposal, must contain the SF 424, "Application for Federal Assistance," sections A-F of the Budget Information Form SF 424A, a copy of the Applicant's most recent audit report, indirect cost information, and the EEO survey. These forms are available at:

<http://www.whitehouse.gov/omb/grants>.

Part II must contain a technical proposal, including an outputs-based budget, that demonstrates capabilities in accordance with the statement of work (Section I) and the selection criteria (Section V). The application must include the name, address, telephone and fax numbers, and e-mail address (if applicable) of a key contact person at the Applicant's organization in case questions should arise. All Applicants are requested to complete the Survey on Ensuring Equal Opportunity for Applicants (OMB No. 1890-0014).

To be considered *responsive* to this solicitation, Part II of the application (the technical proposal) must not exceed 45 single-sided (8-1/2" x 11" or A4), double-spaced, 12-point font, typed pages. Major sections and sub-sections of the application should be divided and clearly identified and all pages must be numbered. Applicants must address the project objectives identified in the Statement of Work in Section I. The application must include a table of contents and an abstract

summarizing the application in not more than two (2) pages. Any applications that do not conform to these standards will be deemed non-responsive to this solicitation and will not be evaluated. Standard forms, attachments, project budget, Curriculum Vitae, exhibits, letters of support, audit attachments and the abstract are *not* counted towards the page limit.

### **Suggested Outline for Technical Proposal**

This outline is provided as a guideline. Applicants may elect a format of their choosing, subject to the requirements of this announcement.

- i. Executive Summary
- ii. Program Description
- iii. Goal and Objectives
- iv. Background
- v. Technical Approach and Implementation Timetable (Proposed Intervention)
- vi. Staffing Pattern and Project Management Organizational Chart
- vii. Leveraging of non-Federal Resources
- viii. Outputs-based Budget
- ix. Attachments:
  - Summaries of Past Performance
  - Curricula Vitae of key personnel and signed letters of commitment to the project

- Audit reports

Successful proposals submitted in response to this solicitation will be incorporated into the text of the grant with the selected Applicant(s).

USDOL will screen all applications to determine whether all required elements are present and clearly identified, including the cost proposal, technical proposal, recent audits, partnership agreements where applicable, past performance, Curricula Vitae of key personnel, and personnel agreements.

### **C. Submission Dates, Times, and Address**

**1. Application Deadline:** Applications must be submitted via [www.Grants.gov](http://www.Grants.gov), and must be received by **Grants.gov** no later than 11:59 p.m. EST on June 6, 2008. Applications sent by mail or other delivery services, e-mail, telegram, or facsimile (FAX) will not be accepted. Applications that are not received by the deadline will not be considered. It is strongly recommended that Applicants immediately initiate and complete the “Get Registered” registration steps at [http://www.grants.gov/Applicants/get\\_registered.jsp](http://www.grants.gov/Applicants/get_registered.jsp). These steps may take multiple days to complete, and this time should be factored into plans for electronic submission in order to avoid facing unexpected delays that could result in the rejection of an application. It is also recommended that Applicants consult the **Grants.gov** Web site’s Frequently Asked Questions and Applicant User Guide, which are available at <http://www.grants.gov/help/faq.jsp>, and [http://www.grants.gov/assets/UserGuide\\_Applicant.pdf](http://www.grants.gov/assets/UserGuide_Applicant.pdf) respectively.

**2. For Further Information Contact:** Any questions about this solicitation for grant applications (SGA 08-05) should be directed to Lisa Harvey at [harvey.lisa@dol.gov](mailto:harvey.lisa@dol.gov) or at 202-

693-4592 (this is not a toll-free number). Technical questions must be emailed to [harvey.lisa@dol.gov](mailto:harvey.lisa@dol.gov) and will be taken up to 10 days prior to the closing date for receipt of applications. If an Applicant is having difficulty electronically assembling their grant application on **Grants.gov**, the Applicant may contact Troy Hargrove at (202) 693-4584 for assistance. In order to ensure timely filing, the request for assistance must be made at least one week prior to the application deadline date. If an Applicant has problems downloading the application package from **Grants.gov** or software compatibility questions, contact **Grants.gov** Customer Support at 1-800- 518-4726 or [support@Grants.gov](mailto:support@Grants.gov).

**3. Signature:** A person with authority to bind the Applicant must sign the application and forms. Applications submitted electronically through **Grants.gov** do not need to be signed manually; the form will automatically affix an electronic signature for the authorized person identified.

**4. Applying Online:** Applicants must save the attachments as a .doc, .pdf, .txt or xls file type. Applications will be transmitted to **Grants.gov** through Pure Edge Viewer.

**5. Eligibility:** The Applicant must attach their application for DUNS number, if an approved number has not been received by the time they file their application with USDOL. Applications that do not contain all of the required elements will not be considered.

#### **D. Intergovernmental Review**

This funding opportunity is not subject to Executive Order 12372, “Intergovernmental Review of Federal Programs.”

## **E. Funding Restrictions, Unallowable Activities, and Specific Prohibitions**

USDOL would like to highlight the following restrictions, unallowable activities, and specific prohibitions, as identified in OMB Circular A-122, 29 CFR Part 95, 29 CFR Part 98, and other USDOL policy, relevant to this project. If any Grantee has questions about these or other restrictions, please e-mail Lisa Harvey at [harvey.lisa@dol.gov](mailto:harvey.lisa@dol.gov). Questions must be received no later than 10 days prior to the closing date for receipt of applications.

### **1. Pre-award Costs**

Pre-award costs are not reimbursable.

### **2. Subawards to Organizations, Groups, and/or persons**

Grantees may procure sub-contracts with, or award sub-grants to, other organizations to fulfill the purpose and activities of the Cooperative Agreement. Subawards may be included as a budget line item. Sub-contracts must be awarded in accordance with 29 CFR 95.40-48 and all subawards subject to audit, must be awarded in accordance with the requirements of 29 CFR 95.26. In addition, all subawards are subject to the restrictions and prohibitions related to prostitution, inherently religious activities, and terrorism as outlined in this Section (5-7). Detailed information on subawards should be provided during the project document review process. Copies of all subawards above \$100,000 must be provided to USDOL prior to implementation.

### **3. Lobbying or Fund-raising the U.S. Government with Federal Funds**

No activity, including awareness raising and advocacy activities, may include fund-raising for, or lobbying of U.S. Federal, State or Local Governments (*see* OMB Circular A-122).

COOPERATIVE AGREEMENT APPLICANTS CLASSIFIED UNDER THE INTERNAL REVENUE CODE AS A 501(c)(4) ENTITY (*see* 26 U.S.C. 501(c)(4)), MAY NOT ENGAGE IN LOBBYING ACTIVITIES. According to the Lobbying Disclosure Act of 1995, as codified at 2 U.S.C. 1611, an organization, as described in Section 501(c)(4) of the Internal Revenue Code of 1986, that engages in lobbying activities directed toward the U.S. Government will not be eligible for the receipt of Federal funds constituting an award, grant, Cooperative Agreement, or loan.

### **4. Funds to Host Country Governments**

USDOL funds awarded under this solicitation are not intended to duplicate or substitute for host-country government efforts or resources. Therefore, in general, Grantees may not provide any of the funds obligated under the Cooperative Agreement to foreign government entities, ministries, officials, or political parties.

### **5. Prostitution**

The U.S. Government (USG) is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. U.S. non-governmental organizations, and their subawardees, cannot use USG funds to lobby for, promote or advocate the legalization or regulation of prostitution as a legitimate form of work. Foreign non-governmental organizations, and their subawardees, that receive USG



funds cannot lobby for, promote or advocate the legalization or regulation of prostitution as a legitimate form of work; this includes organizations receiving both general and trafficking-related grants. It is the responsibility of the primary Grantee to ensure its subawardees meet these criteria.

Also, applicants will be required to adhere to the requirements at 2CFR part 175, relating to trafficking in persons, which will be inserted into the cooperative agreement.

## **6. Inherently Religious Activities**

The USG is generally prohibited from providing direct financial assistance for inherently religious activities. Federal funds provided under a USDOL-awarded Cooperative Agreement may not be used for religious instruction, worship, prayer, proselytizing or other inherently religious activities. Neutral, non-religious criteria that neither favor nor disfavor religion must be employed by the Grantee in the selection of subawardees. This provision must be included in all subawards issued under the Cooperative Agreement.

## **7. Terrorism**

Applicants are reminded that U.S. Executive Orders 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 Grantees to ensure compliance with these Executive Orders and laws. Applicants and Grantees subsequently awarded funding by USDOL under this solicitation must check the following Web sites to assess available information on parties that are excluded from receiving Federal financial and nonfinancial assistance and benefits, pursuant to

the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404:

<http://www.epls.gov/> and <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>.

This provision must be included in all subawards issued under the Cooperative Agreement.

## **V. Evaluation Criteria for Award**

The criteria below will serve as the basis upon which submitted applications will be evaluated.

Technical aspects of the application will constitute 100 points of the total evaluation. Up to five (5) additional points will be given for leveraging non-Federal resources.

### **Technical Approach - 55 points**

The Applicant will be evaluated on the thorough and accurate assessment of the implementing environment and the problems that exist and clear identification of the specific problem(s) the Applicant proposes to address. This requires a demonstrated familiarity with the major issues related to the components being addressed (*e.g.*, labor laws, payroll tax systems, institutional capacity building, media outreach and educational campaigns), key problems and/or needs in the relevant country/area, the specific problems and/or needs that will be addressed by this project, and relevant constraints. **(5 points)**

The Applicant will be evaluated on the clear identification and description of the specific strategy the Applicant proposes to use, effectiveness, and attainability of project objectives by the end of the grant period. Proposals should include work plans that are practical, manageable, and can achieve project results. The Applicant must include an implementation plan that lists a schedule of activities and list of deliverables that would be completed by the Grantee each quarter for the duration of the project. The Applicant should also include a sustainability plan

outlining clearly how the project objectives and activities will be sustained when the project has been completed. *See Annex 1 for a sample sustainability matrix. (25 points)*

The Applicant will be evaluated on their monitoring and evaluation plan for measuring project performance that includes challenging but realistic targets and measurable, verifiable project indicators that measure achievement of project objectives and performance in project implementation. The plan should show how the information and data will be collected and what systems will be put in place for self-assessment, monitoring, and continuous improvement. Applicants should include a process for project evaluation, using an independent evaluation method for mid-term and final evaluations. **(10 points)**

The Applicant will be evaluated on their approach to expending funds in the most cost-effective method possible in order to achieve the project objectives. As part of the technical proposal, the Applicant should submit an Outputs-based Budget, a sample of which is provided in Annex 2. The Applicant should refer to its submitted budget in explaining how the budgeted funds will be utilized cost-effectively. The Applicant will be evaluated based on the clear identification of all project costs and efficient and effective allocation of funding. The project budget should clearly demonstrate that the total amount and distribution of funds is sufficient to cover the cost of all major project activities and deliverables identified by the Applicant in its proposal, management of the project, monitoring and evaluation, financial audits, report preparation, ensuring compliance with procurement and property standards, and project close-out.

The distribution of funds should maximize the provision of goods and/or services to project beneficiaries. In their budget, Applicants must provide a breakdown of the total administrative costs into direct administrative costs and indirect administrative costs. Higher ratings may be

given to Applicants with low administrative costs and with a budget breakdown that provides a larger amount of resources to project activities. The Grant Officer reserves the right to negotiate administrative cost levels prior to award. All projected costs should be reported, as they will become part of the Cooperative Agreement upon award. Indirect cost charges should be based on allowable, allocable, and reasonable costs based on the applicable cost principles included in OMB Circular A-122 and Indirect Charges Instructions included in Annex 3. This section will be evaluated in accordance with applicable Federal laws and regulations. The budget must comply with Federal cost principles (which can be found in the applicable OMB Circulars listed in Section VII.2.C.).

Applicants are encouraged to discuss the possibility of exemption from customs and Value Added Tax (VAT) with government officials during the preparation of an application for this Cooperative Agreement. While USDOL encourages host governments to not apply customs or VAT taxes to USDOL-funded programs, some host governments may nevertheless choose to assess such taxes. USDOL may not be able to provide assistance in this regard. Applicants should take into account such costs in budget preparation. If major costs are omitted, a Grantee may not be allowed to include them later. **(15 points)**

- **Institutional Qualifications/Past Performance – 30 points**

Prior experience of all organizations, including: prime and sub-awardees, in designing and implementing activities in developing countries, especially in Central America, or specifically El Salvador, related to labor law compliance, social security or payroll tax systems, strategic planning, and capacity building as well as media outreach and educational campaigns. The Applicant must include information as an attachment (that will *not* count towards the page limit)

about previous and current grants, contracts or cooperative agreements, including: a) the organization for which the work was done; b) a contact person in that organization with his/her current phone number; c) the dollar value of the grant, contract, or cooperative agreement for the project(s); d) the time frame and professional effort, either directly by key personnel, by consultants, or under contractual arrangements involved in the project(s); e) a brief summary of the work performed; and f) a brief summary of accomplishments. Applicants must also address their organization's country presence and ability to work directly with government and non-governmental organizations (NGO's), including local and community-based organizations. Applicants may submit supporting documentation (that will *not* count toward the page limit) with their application demonstrating country presence and/or outreach to host government ministries and non-governmental organizations in the country.

USDOL encourages the use of existing expertise from the recipient country in order to reduce costs and further develop local capacity. The proposal should propose specific organizations to carry out the project work at the community level. Local organizations will be rated on their technical ability to effectively carry out the proposed work, their experience working with the project beneficiaries and stakeholders in target communities, and ability to implement activities in a timely fashion. **(20 points)**

Applicants will be evaluated on their ability to provide evidence that the organization has a sound financial system in place. If the Applicant is a U.S.-based, non-profit organization already subject to the single audit requirements, the Applicant's most recent single audit, as submitted to the Federal Audit Clearinghouse, must accompany the application as an attachment. In addition, applications must show that they have complied with report submission timeframes established in OMB Circular A-133. If an Applicant is not in compliance with the requirements for

completing their single audit, the application will be considered unresponsive and will be rejected. If the Applicant is a for-profit or foreign-based organization, a copy of its most current independent financial audit must accompany the application as an attachment. Applicants should also submit a copy of the most recent single audit report for all proposed U.S.-based, non-profit partners and subawardees that are subject to the Single Audit Act. If the proposed partner(s) is a for-profit or foreign-based organization, a copy of its most current independent financial audit should accompany the application as an attachment. If the audit submitted by the Applicant reflects any adverse opinions, the application may not be further considered by the technical review panel and may be rejected. USDOL reserves the right to ask further questions on any audit report submitted as part of an application. USDOL also reserves the right to place special conditions on Grantees if concerns are raised in their audit reports. In order to expedite the screening of applications and to ensure that the appropriate audits are attached to the proposals, the Applicant must provide a cover sheet to the audit attachments listing all proposed partners and subawardees. These attachments will not count toward the application page limit. **(10 points)**

- **Experience of Personnel/Management plan– 15 points**

The Applicant will be evaluated on the qualifications of key personnel. The Applicant must demonstrate that key personnel has prior experience directly related to the proposed work, including technical and language qualifications, professional competence, relevant academic background, and demonstrated experience. All key personnel must allocate 100 percent of their time to the project. Key personnel positions must not be combined. Proposed key personnel candidates must sign letters of agreement to serve on the project and indicate their availability to commence work within 30 calendar days of the Cooperative Agreement award. Applicants must

submit a Curriculum Vitae for each key personnel proposed, which includes the individual's current employment status and previous work experience, including position title, duties performed, salary history covering their last 10 years of employment, dates in position, employing organizations, and educational background. Duties must be clearly defined in terms of role performed (*i.e.*, manager, team leader, consultant). Curriculum Vitae must be included as attachments, which do not count against the page limitation. Management and professional technical staff members comprising the Applicant's proposed team must be individuals who have prior experience with organizations working in similar efforts, and who are fully qualified to perform the work specified in the Scope of Work. **(10 points)**

Successful performance of the proposed work depends heavily on the management of the project. Accordingly, in its evaluation of each application, USDOL will place emphasis on the Applicant's management approach involved in accomplishing the assigned tasks. This section of the application must include sufficient information to judge management and staffing plans. Where subawards or outside assistance are proposed, organizational lines of authority and responsibility should be clearly delineated to ensure responsiveness to the needs of USDOL. **(5 points)**

- **Leveraging of Grant Funding – 5 points**

USDOL will award up to five (5) additional rating points to applications that include non-Federal resources that significantly expand the size, scope and impact of project-related activities or will help continue the project after USDOL funding ends. To be eligible for the additional points, the Applicant must list the resource(s), the nature, and possible activities anticipated and any

partnerships, linkages, or coordination of activities, cooperative funding, etc., including the specific value of such contributions.

## **VI. Application Review Information**

USDOL will screen all applications to determine whether all required elements are present and clearly identifiable, including the technical proposal, cost proposal, recent audits, partnership agreements where applicable, the Curricula Vitae of key personnel, and personnel agreements. A Technical Panel will objectively rate each complete application against the criteria described in this announcement. The panel recommendations to the Grant Officer are advisory in nature. The Grant Officer may elect to select a Grantee on the basis of the initial proposal submission, or the Grant Officer may establish a competitive or technically acceptable range for the purpose of selecting qualified Applicants. If deemed appropriate, following the Grant Officer's call for the preparation and receipt of final revisions of proposals, the evaluation process described above will be repeated to consider such revisions. The Grant Officer will make a final selection determination based on what is most advantageous to the USG, considering factors such as panel findings based on the criteria listed below and the best value to the government, cost, and other factors. The Grant Officer's determination for award under this SOLICITATION is final.

**NOTE:** Selection of a Grantee does not constitute approval of the grant application as submitted. Before the actual grant is awarded, USDOL may enter into negotiations about such items as program components, funding levels, and administrative systems to support grant implementation. If the negotiations do not result in an acceptable submission, the Grant Officer reserves the right to terminate the negotiation and decline to fund the application.

## **VII. Award Administration Information**



## **1. Award Notices**

The Grant Officer will notify Applicants of designation results as follows:

*Designation Letter:* The designation letter signed by the Grant Officer will serve as official notice of an organization's designation. The designation letter will be accompanied by a Cooperative Agreement and ILAB's Management Procedures and Guidelines (MPG).

*Non Designation Letter:* Any organization not designated will be notified formally of the non-designation and given the basic reasons for the determination.

Notification of designation by a person or entity other than the Grant Officer is not valid.

## **2. Administrative and National Policy Requirements**

### **A. General**

Grantees are subject to applicable U.S. Federal laws (including provisions of appropriations law) and regulations, Executive Orders, applicable OMB Circulars, and USDOL policies. If, during project implementation a Grantee is found in violation of U.S. laws and regulations, the terms of the Cooperative Agreement awarded under this solicitation may be modified by USDOL, costs may be disallowed and recovered, the Cooperative Agreement may be terminated, and USDOL may take other action permitted by law. Determinations of allowable costs will be made in accordance with the applicable U.S. Federal cost principles.

### **B. Audits**

After award, Grantees must submit an annual independent audit regardless of grant amount.

- i. For U.S. based non-profit organizations expending \$500,000 or more in a year in Federal awards: a "single" or "program specific" audit conducted under the provisions of OMB

Circular A-133 is required.

- ii. For all other organizations (including foreign-based and private for-profit grantees): an audit conducted in accordance with the U.S. Government Accountability Office's (GAO) "*Government Auditing Standards*" is required. The audit must address the following:
  - (a) Compliance with the USDOL's regulations and the provisions of the Cooperative Agreement; and
  - (b) Reliability of the organization's financial and performance reports.

Costs for audits or attestation engagements should be included in the cost proposal as direct or indirect costs, whichever is appropriate.

**Please Note:** USDOL generally allows the costs to be allocated based on the following (applicable to U.S. based agencies only): 1) A-133 "single audit" costs as part of the indirect cost rate/pool for organizations with more than one Federal source of funding. Organizations with only one Federal source could charge the A-133 single audit cost as direct costs; 2) A-133 "compliance supplement" costs – as direct costs for Federal sources only through a cost allocation methodology approved by the Federal cognizant agency; or 3) A-133 program specific audits as direct costs. Any deviations from the above must be explained and justified in the application.

### **C. Administrative Standards and Provisions**

The Cooperative Agreements awarded under this solicitation are subject to the following administrative standards and provisions, and any other applicable standards that come into effect during the term of the Cooperative Agreement, if applicable to a particular Grantee:

- i. 29 CFR Part 2 Subpart D – Equal Treatment in Department of Labor Programs for Religious Organizations; Protection of Religious Liberty of Department of Labor Social Service Providers and Beneficiaries.
- ii. 29 CFR Part 31 - Nondiscrimination in Federally Assisted Programs of the Department of Labor-- Effectuation of Title VI of the Civil Rights Act of 1964.
- iii. 29 CFR Part 32 - Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.
- iv. 29 CFR Part 33 - Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Labor.
- v. 29 CFR Part 35 – Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance from the Department of Labor.
- vi. 29 CFR Part 36 – Federal Standards for Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance.
- vii. 29 CFR Part 93 – New Restrictions on Lobbying.
- viii. 29 CFR Part 95 – Uniform Administrative Requirements for Grants and Agreements

with Institutions of Higher Education, Hospitals and other Non-Profit Organizations, and with Commercial Organizations, Foreign Governments, Organizations Under the Jurisdiction of Foreign Governments and International Organizations.

- ix. 29 CFR Part 96 – Federal Standards for Audit of Federally Funded Grants, Contracts and Agreements.
- x. 29 CFR Part 98 – Federal Standards for Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants).
- xi. 29 CFR Part 99 – Federal Standards for Audits of States, Local Governments, and NonProfit Organizations.

#### **D. Key Personnel**

As noted in Section V, the Applicant must list all key personnel candidates. After the Cooperative Agreement has been awarded and throughout the life of the project, the Grantee agrees to inform the Grant Officer’s Technical Representative (GOTR) whenever it appears impossible for key personnel to continue work on the project as planned. The Grantee must nominate, through the submission of a formal project revision, new personnel; however, the Grantee must obtain approval from the Grant Officer before all changes to key personnel are formalized. If the Grant Officer is unable to approve the key personnel change, she or he reserves the right to terminate the Cooperative Agreement or disallow costs.

## **E. Encumbrance of Grant Funds**

Grant funds may not be encumbered/obligated by the Grantee(s) before or after the period of performance. Encumbrances/obligations outstanding as of the end of the grant period may be liquidated (paid out) after the end of the grant period. Such encumbrances/obligations may involve only commitments for which a need existed during the grant period and which are supported by approved contracts, purchase orders, requisitions, invoices, bills, or other evidence of liability consistent with the Grantee's purchasing procedures and incurred within the grant period. All encumbrances/ obligations incurred during the grant period must be liquidated within 90 days after the end of the grant period, unless USDOL authorizes an extension.

## **F. Acknowledgement on Printed Materials**

In all circumstances, the following must be displayed on printed materials: "Preparation of this item was funded by the United States Department of Labor under Grant No. [insert the appropriate grant number]." When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all Grantees receiving Federal funds must clearly state:

- The percentage of the total costs of the program or project, which will be financed with Federal money;
- The dollar amount of Federal funds for the project or program; and
- The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

- All documents should include the following notice: “This document does not necessarily reflect the views or policies of the U.S. Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.”

### **G. Use of the USDOL Logo**

In consultation with ILAB, the Grantee(s) may acknowledge USDOL’s role in the following way:

- The USDOL logo may be applied to USDOL-funded material prepared for world-wide distribution, including posters, videos, pamphlets, research documents, national survey results, impact evaluations, best practice reports, and other publications of public interest. The Grantee(s) must consult with USDOL on whether the logo may be used on any such items prior to final draft or final preparation for distribution. In no event shall the USDOL logo be placed on any item until USDOL has given the Grantee written permission to use the logo on the item.

### **H. Privacy and Freedom of Information**

Any information submitted in response to this solicitation is subject to the provisions of the Privacy Act and the Freedom of Information Act, as appropriate.

### **I. Site Visits**

USDOL, through its authorized representatives, has the right, at all reasonable times, to make site visits to review project accomplishments and management control systems and to provide

such technical assistance as may be required. If USDOL makes any site visit on the premises of the Grantee or a subawardee(s) under this grant, the Grantee must provide and must require its subawardee(s) to provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All site visits and evaluations will be performed so as not to unduly delay the implementation of the project.

### **3. Reporting and Deliverables**

Guidance on USDOL procedures and management requirements will be provided to Grantees in the MPGs with the Cooperative Agreement. Unless otherwise indicated, a Grantee must submit copies of all required reports and deliverables to USDOL by the specified due dates. Exact timeframes for the completion of deliverables will be addressed in the Cooperative Agreement and the MPGs. Specific deliverables are outlined below.

#### **A. Required Deliverables**

Following the award of the grant, the Grantee(s) must collaborate with USDOL/ILAB to:

- Develop a Project Document (including a project budget) that will set the technical parameters and provide guidance to the project. It should include all information and be prepared according to the standardized format outlined by USDOL. While the Applicant's original proposal will serve as the basis of the Project Document, USDOL has found it advantageous to visit the field and reach consensus on the project strategy with host country counterparts in order to further inform the project design. USDOL must receive a draft of the Project Document 45 days after returning from travel to the

relevant area(s). The Project Document must be finalized no later than 30 days after receipt of USDOL comments on the draft.

- Establish a work plan identifying major project activities, deadlines for their completion, and person(s) responsible for completing these activities (within 60 days after the Project Document is finalized).
- Set project indicators, including indicators that support ILAB's GPRA goals: "Improve living standards and conditions of work for workers" (within 90 days of finalizing the Project Document).
- Create a Performance Monitoring Plan (PMP) to establish the data needed to measure project performance and progress toward achievement of project objectives and the methods for systemic data collection and reporting. It should include all information and be prepared according to the standardized format outlined by USDOL (within 90 days of finalizing the Project Document).

## **B. Required Reporting**

The Grantee(s) must submit financial reports on a quarterly basis. Reporting periods end on the last day of the fiscal quarter (December 31, March 31, June 30, or September 30) from the date the grant was signed. The Grantee(s) must submit a SF 269A, *Financial Status Report*, electronically to USDOL through the E-Grants system to report the status of the funds, at the project level, during the grant period. A final SF 269A must be submitted no later than 90 days following completion of the grant period. If the Grantee(s) uses the U.S. Department of Health and Human Services Payment Management System (HHS PMS), it must also send USDOL



copies of the PSC 272 that it submits to HHS, on the same schedule. Otherwise, the Grantee(s) must submit SF 272, *Federal Cash Transactions Report*, on the same schedule as the SF 269A. Financial reports are due within 30 days of the end of the reporting period (*i.e.*, by April 30, July 30, October 30, and January 30).

### **Technical Reporting Requirements**

After signing the Cooperative Agreement, the Grantee(s) must submit progress reports to USDOL/ILAB at the end of each fiscal quarter. The first reporting period ends on the last day of the fiscal quarter (December 31, March 31, June 30, or September 30) from the date the grant was signed. Between reporting dates, the Grantee(s) must also immediately inform USDOL/ILAB of significant developments and/or problems affecting the organization's ability to accomplish work. The Grantee(s) must submit progress reports according to the standardized format used by USDOL/ILAB.

### **VIII: Agency Contacts**

All inquiries regarding this solicitation should be directed to: Ms. Lisa Harvey, U.S. Department of Labor, Procurement Services Center, 200 Constitution Ave, N.W., Room N-5416, Washington DC 20210; telephone (202) 693-4570 (this is not a toll-free number) or e-mail:

[harvey.lisa@dol.gov](mailto:harvey.lisa@dol.gov).

### **IX. Paperwork Reduction Act**

OMB Information Collection No. 1205-0458

Expires September 30, 2009

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 30 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden, to the OMB Desk Officer for ETA, Office of Management and Budget, Room 10235, Washington, DC 20503. PLEASE DO NOT RETURN YOUR COMPLETED APPLICATION TO THE OMB. SEND IT TO THE SPONSORING AGENCY AS SPECIFIED IN THIS SOLICITATION.

## ANNEX 1

Sustainability Matrix for Project _____				
Date initially prepared			Date of this version	
<b>Project Component</b>	<b>Conditions for Sustainability</b>	<b>Further action by institutions and partners involved</b>	<b>Process for monitoring progress on the sustainability elements</b>	<b>Status on the sustainability elements</b>
(Components of the project or immediate objectives)	(Conditions in which there is the required degree of sustainability)	(Further action by partners /next level outcome if the conditions in which there is the required degree of sustainability are present)	(How does the project monitor that conditions in which there is the required degree of sustainability)	(Narrative to describe the progress achieved towards the expected degree of sustainability)
Example Capacity building for Labour Monitoring Through developing and pilot testing a model	labour monitoring processes is an integral part of local government processes and committees through issuing of decree and policy at the appropriate level	District development committees operate a monitoring system by allocating resources and assigning responsibility	Monitoring through district level focal point of the status of the discussions and actions taken on setting up the district based labour monitoring systems, measured against a model process	Status of the process in the districts in which process is assessed to be at the point that could be reasonably expected

## ANNEX 2: OUTPUT-BASED BUDGET SAMPLE

I. DIRECT LABOR	notes	Unit Costs	YR 1		YR 2		TOTAL
			Units	Fed\$	units	Fed\$	
<b>A. Int'l Field Staff Salaries and Benefits</b> Project Director Fringe Benefit Allowances           a b c etc							
<b>B. Home Office Salary and Fringe Benefits</b> Project Coordinator and Salary and FB oversight Team Fringe Benefits							
<b>C. Local Technical Staff</b> Project director Mediation Specialist M and E Specialist Security Fringe Benefits							
<b>D. Allowance for local Staff</b> <b>E. Short Term Consultants</b> 1. Local							
<b>TOTAL SALARIES</b>							
<b>II. EQUIPMENT</b> A. Laptops <b>B. Desktop Computer</b> C. Printer <b>D. Photocopier</b> K. Office Furniture <b>TOTAL EQUIPMENT</b>							
<b>III. OFFICE EXPENSES</b> A. Translation B. Internet C. Computer maintenance D. Rent C.Communication F. Office Utilities G. Supplies H. Copying K Wire Transfers <b>TOTAL OFFICE EXPENSES</b>							
<b>IV. GENERAL TRAVEL AND PER DIEM</b> A. Airfares B. Ground Travel C. Per Diem							

D. Misc <b>TOTAL GENERAL TRAVEL</b>			
<b>OUTPUT BUDGETS</b>			
<b>V. OUTPUT 1 MOL ADR Centers</b> A. refurbish centers IT equipment furniture B. Training Salaries Mediation trainer Salary Assistant Salary C. Training for mediators training materials venue rental D. Per Diem Travel M & E visit Trainer travel regional mediators travel <b>TOTAL OUTPUT 1</b>			
<b>VI. OUTPUT 2: ENTERPRISE ADR TRAINING</b> A. Salaries Labor relations expert Trainer B.Travel per diem 1. travel to workplaces 2. trip to headquarters C. Trainings venue rental material production <b>TOTAL OUTPUT 2</b>			
<b>VII. OUTPUT 3: WORKER TRAINING</b> A. Salaries Trainer B.Travel per diem 1. participant travel 2. trainer travel C. Trainings venue rental material production			
<b>VIII. OUTPUT 4: PUBLIC AWARENESS</b> A. Awareness material development (for trainers, staff) B. National Conferences 1. launch			

<ul style="list-style-type: none"> <li>2. sustainability</li>   <li>C. Development of information tool kits</li> <li>D. Quarterly Awareness Workshop for National Leaders <ul style="list-style-type: none"> <li>1. venue rental</li> <li>2. training material</li> </ul> </li>   <li>D. Travel and per diem <ul style="list-style-type: none"> <li>A. Trainings</li> <li>B. launch</li> <li>C. sustainability</li> </ul> </li>   <li>E. Sub contractors <ul style="list-style-type: none"> <li>1. event organizer</li> </ul> </li> <li><b>TOTAL OUTPUT 4</b></li> </ul>			
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## ANNEX 3:

### INDIRECT CHARGES

This clause is applicable to all entities (non-profit, for-profit organizations, and State and local organizations, etc.) receiving Federal cost reimbursable grants or contracts.

Indirect cost charges should be based on allowable, allocable, and reasonable costs based on the applicable cost principles<sup>2</sup>. It is important to highlight the submission requirements of indirect cost proposals. As an example, OMB Circular A-122, Attachment A, Section E. 2. Negotiation and Approval of Indirect Rates, states:

- *A non-profit organization which has not previously established an indirect cost rate with a Federal agency **shall** submit its initial indirect cost proposal immediately after the organization is advised that an award will be made and, in no event, later than three months after the effective date of the award.*
- *Organizations that have previously established indirect cost rates **must** submit a new indirect cost proposal to the cognizant agency<sup>3</sup> within six months after the close of each fiscal year.*

Negotiated Indirect Cost Rate Agreements (NICRAs) are used to support indirect cost claims. These documents should be current at the time of the award (See statement on “Adequate NICRAs” further below). The final rates in the NICRAs are used for “close-out” purposes.

**Regarding allocable costs, attachment A of the Circular, also states:**

- *Any cost allocable to a particular award or other cost objective under these principles **may not be shifted** to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.*

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<sup>2</sup> OMB Circular A-122 for non-profit organizations or OMB Circular A-87 for State and local organizations available at: <http://www.whitehouse.gov/omb/circulars/index.html>; Federal Acquisition Regulations, Part 31.2 for for-profit organizations available at <http://www.arnet.gov/far/>.

<sup>3</sup> Federal agency providing the preponderance of direct Federal funds.

**In light of the above requirements, mark the appropriate clause below (A, B, or C) for the organization and fill in the blanks, as appropriate:**

\_\_\_\_\_ A. A current approved cost allocation plan (CAP) or NICRA has been provided and approved - *Copy Attached*).

**Note:** Future NICRAs, showing provisional/final rates for each applicable fiscal year, must be submitted to the GO and GOTR for the entire grant period.

\_\_\_\_\_ B. No CAP or NICRA has been approved by the Federal Cognizant Agency.

**Note:** A "Temporary Billing Rate", not exceeding 90 days, may be negotiated by the Grant/Contract Officer. Future billings of indirect costs, however, should be based on approved NICRAs.

Within this 90-day period, the organization must submit an acceptable indirect cost proposal or CAP to their Federal cognizant agency to obtain a provisional indirect rate or an approved CAP. ***Failure of the organization to submit an indirect cost proposal or CAP within this 90 day period means that it shall not receive further (if applicable) reimbursement for indirect costs.***

The 90 days are provided to:

1. allow the entity to bill indirect costs during this time (subject to future adjustments),
2. provide the entity enough time to prepare the initial provisional indirect cost rate proposal to be submitted to the Federal cognizant agency.

In light of the above, a temporary billing rate of (N/A or %) \_\_\_\_\_% has been approved by \_\_\_\_\_ (grant/contracting officer at the Departmental agency; example: ETA, OASAM, etc.) for the first **90 days** of the grant/contract period. This rate is based on the fact that the organization has not established a NICRA or approved CAP.

DOL – Federal Cognizant Agency

If DOL is the Federal cognizant agency, please contact Victor M. Lopez, Chief, Division of Cost Determination (DCD) at 202-693-4106. DCD's main phone number is 202-693-4100. For more information, visit DCD's website available at: <http://www.dol.gov/oasam/programs/boc/costdeterminationguide/main.htm>.

\_\_\_\_\_ C. No indirect costs are claimed in the proposed budget.

**Notes:** As stated previously,

<p>- Any cost allocable to a particular award or other cost objective under these principles <b>may not be shifted</b> to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.</p>
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**In light of the above statement, a “Certificate of Direct Costs” must be completed in support of future claims of direct costs (see attached).**

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**Adequate NICRAs**

Some federal agencies issue indirect cost rate agreements that are effective “*until amended.*” These rate agreements will not be accepted by the grant officer if the last negotiated fiscal year shown in the agreement is more than one year past the date of the DOL award.

For example, a provisional rate approved for FYE 12/31/03 “until amended” will not be accepted for any DOL award issued after 12/31/04. This statement is based on the federal cost principles (see footnote 1 above) that require organizations to submit a final indirect cost proposal to the Federal cognizant agency no later than six months after the entity’s fiscal year ends.

Following the example above, by 6/30/04 the organization should have submitted a new indirect rate proposal to its federal cognizant agency for review and negotiation.

**CERTIFICATE OF DIRECT COSTS**

The following must be filled in for organizations that are not proposing any indirect costs.

This is to certify that:

1. All costs budgeted and to be claimed under this proposal supporting the period \_\_\_\_\_, through \_\_\_\_\_ are allowable in accordance with the requirements of grants/contracts to which they apply and with the Federal cost principles; i.e., (please check those applicable cost principles):

\_\_\_\_\_ OMB Circular A-87, Cost Principles for State, Local and Federally recognized Indian Tribal Governments.

\_\_\_\_\_ OMB Circular A-122, Cost Principles for Non-Profit Organizations

\_\_\_\_\_ Federal Acquisition Regulation (FAR), Subpart 31.2, Cost Principles for Commercial Organizations.

2. Claimed costs do not include any costs which are unallowable under applicable Federal cost principles. For example:

advertising, contributions and donations, bad debts, entertainment costs, fines and

penalties, general government expenses, and defense of fraud proceedings;

3. The requirements standards on lobbying costs for non-profit (A-122) and commercial (FAR) organizations have been complied with and,

4. All costs included in the proposal are properly allocable to U.S. Department of Labor grants/contracts on the basis of a beneficial or casual relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable Federal cost principles.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC 3801 et seq.), and the Department of Labor's implementing regulations, (29 CFR Part 22), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statements Act (18 USC 1001), I declare to the best of my knowledge the foregoing is true and correct.

Grantee/Contractor: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Authorized Official: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_