

SUBCONTRACT		Please include the following subcontract number on all correspondence and invoices			
		SUBCONTRACT NUMBER: REFS 03-02-GG451-RD-0010			
CONTRACTOR: Louis Berger Group Inc - LBG		CLIENT: USAID	EFFECTIVE DATE: June 03, 2003		
SUBCONTRACTOR (NAME AND ADDRESS): U.S. Protection and Investigations, LLC 6401 Bingo Road, Suite 102 Houston, TX 77092 TELEPHONE: 713-462-6220 FAX: 713-462-2502		AMOUNT OF SUBCONTRACT: \$8,433,217 (incremental funding \$6,000,000)			
		WORK SHALL BE STARTED: June 3, 2003			
		WORK SHALL BE COMPLETED: October 31, 2004			
		REFERENCE PROPOSAL SUBMITTED: REFS Project #: REFS 21020 0401 0002			
THIS SUBCONTRACT IS ENTERED INTO BY AND BETWEEN LOUIS BERGER GROUP INC. - LBG (HEREINAFTER CALLED THE "CONTRACTOR"), A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA AND THE INDIVIDUAL, PARTNERSHIP, OR CORPORATION (HEREINAFTER CALLED THE "SUBCONTRACTOR"). THE PARTIES HEREBY AGREE AS FOLLOWS: THE SUBCONTRACTOR SHALL FURNISH ALL LABOR, EQUIPMENT, AND MATERIAL, AND PERFORM ALL SERVICES SET FORTH IN THE STATEMENT OF WORK, ANY PROPOSAL WHICH WAS SUBMITTED AND ALL OTHER SECTIONS IN THE TABLE OF CONTENTS BELOW.					
TABLE OF CONTENTS					
THE SUBCONTRACT CONTAINS THE FOLLOWING SECTIONS:					
NO.	REV. NO.	DESCRIPTION OF CONTENTS	NO.	REV. NO.	DESCRIPTION OF SECTION
REFER ALL QUESTIONS AND CORRESPONDENCE TO: LOUIS BERGER GROUP INC. (REFS) Street 13, Building 466, Wazir Akbar Khan Kabul, Afghanistan Telephone: 70 284 386				INVOICING INSTRUCTIONS: MAIL INVOICES TO: Same Address ATTENTION: _____	
IN WITNESS WHEREOF, PARTIES HAVE EXECUTED THIS SUBCONTRACT AS OF THE DATE SHOWN BELOW. THE EFFECTIVE DATE OF THIS SUBCONTRACT REMAINS AS ENTERED ABOVE.					
LBG: Michel Jichlinski SIGNATURE: <u><i>MJC</i></u> TITLE: Executive Vice President & COO DATE: <u>6/13/03</u>			SUBCONTRACTOR: _____ SIGNATURE: <u><i>Barbara Spier</i></u> TITLE: <u>PRESIDENT</u> DATE: <u>6-13-03</u>		

USPI00310

SUBCONTRACT AGREEMENT

This Agreement made this 3rd day of June, 2003 between THE LOUIS BERGER GROUP, INC., a corporation of the State of New Jersey, U.S.A., having offices at 100 Halsted Street, East Orange, New Jersey, U.S.A., hereinafter called the "CONTRACTOR", and The U.S. Protection and Investigations, LLC with offices at 6401 Bingoe Road, Suite 102, Houston, TX 77092 hereinafter called the "SUBCONTRACTOR";

WHEREAS the CONTRACTOR has entered into a Contract with the USAID Contract No. 306-C-00-02-00500-00, hereinafter called the "CLIENT", by which it has agreed to perform technical services, set forth in Appendix I, SCOPE OF WORK in accordance with contract No. Louis Berger Project No. GG451E and;

WHEREAS the CONTRACTOR and SUBCONTRACTOR have agreed that the SUBCONTRACTOR shall perform the work as hereinafter more particularly set forth in Appendix I, SCOPE OF WORK, Appendix II, Contract Budget, Appendix III Invoicing Instruction and Payment Provisions, and Appendix IV, CLIENT FLOW DOWN CLAUSES.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS HEREIN CONTAINED, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

1. All goods and services to be provided by the SUBCONTRACTOR hereunder shall strictly comply with all the terms and conditions and provisions of the contract between CONTRACTOR and the CLIENT, hereafter referred to as the "Client Contract", which is hereby incorporated by reference and made a part of this Agreement, except when altered by the present Subcontract Agreement. All clauses which the CONTRACTOR is required to insert in Subcontracts under the Client Contract are hereby incorporated into this Subcontract, and the SUBCONTRACTOR agrees to comply with them. For such purposes, the clauses incorporated in the Client Contract shall be considered altered for this Subcontract as is necessary for the proper identification of the contracting parties. Thus with respect to the Client Contract, the word "Contractor" shall be considered to be the "Subcontractor", and the words "Contracting Officer", or "Government" shall mean the "Contractor, Berger", except as the context otherwise requires.

2. The SUBCONTRACTOR shall be considered to be an independent contractor and shall not claim to be a Joint Venture partner, an agent, officer, or employee of CONTRACTOR and shall not have authority to make any commitment on behalf of the CONTRACTOR, except to the extent that such authority shall be expressly conferred in writing. SUBCONTRACTOR shall not have the right to use CONTRACTOR's title block on any plans or drawings whatsoever.

3. The SUBCONTRACTOR shall perform the work as set forth in and within the times established in Appendix I, SCOPE OF WORK.

4. All work shall be done in a good and workmanlike manner and in accordance with generally accepted engineering or other appropriate professional practices satisfactory to the CONTRACTOR, and subject to the inspection and acceptance of the CONTRACTOR and of the CLIENT. CONTRACTOR shall not be required to accept any work prior to acceptance by the CLIENT.

5. Neither the SUBCONTRACTOR nor any of its personnel may communicate or deal on substantial technical or contractual matters directly with the CLIENT or any of its agents or representatives regarding the project without the knowledge and approval of the CONTRACTOR. Notwithstanding this provision, all material contact, communication and dealings with the CLIENT and its agents and representatives by SUBCONTRACTOR and any of its personnel shall be solely through the CONTRACTOR, or his designated representative.

6. The CONTRACTOR shall pay or cause to be paid to the SUBCONTRACTOR for the true and faithful performance of all of the covenants and agreements herein contained in the manner set forth in Appendix II, PAYMENT SCHEDULE. All applications to CONTRACTOR for payment hereunder shall be made within sufficient time to allow the CONTRACTOR to make applications for payment according to the terms of the Client Contract, and all payments under this Subcontract are subject to the CONTRACTOR's receipt of the corresponding payment from the CLIENT. This provision shall relate to both the time and contingency of payment. The CONTRACTOR shall not be obligated to make payment hereunder until such corresponding payment is received by the CONTRACTOR.

7. If the Client Contract requires audits, the SUBCONTRACTOR shall provide certified annual audits of overhead(s) prepared by a Certified Public Accountant to the CONTRACTOR. Said audits shall be provided to the CONTRACTOR within thirty (30) days of the anniversary date of this Subcontract. Should an audit performed by the CLIENT or its representative result in reductions or adjustments in SUBCONTRACTOR's charges, or should part or all of a payment made to SUBCONTRACTOR be disallowed by the CLIENT, the SUBCONTRACTOR agrees to reimburse the CONTRACTOR for the amount of the difference within ten (10) days of receipt of notification by the CONTRACTOR. If the Client Contract provides for retainage, or if the SUBCONTRACTOR fails to provide certified annual audits of overhead(s) or requisite supportive (original or copies as necessary) documentation with its invoices, the CONTRACTOR may withhold payments to the SUBCONTRACTOR under this Subcontract or under the same terms and conditions as the Client Contract. If the SUBCONTRACTOR fails to provide certified annual audits of overhead(s), the CONTRACTOR shall also have the right to terminate this Subcontract.

8. The CONTRACTOR may at any time, by written order, make changes within the general scope of this Subcontract by additions, alterations, deviations, or omissions from Subcontract. If such changes cause an increase or decrease in the SUBCONTRACTOR's costs of, or time required for the performance of this Subcontract, an equitable adjustment should be made in the Payment Schedule herein.

9. The SUBCONTRACTOR may not assign, subcontract, yield or share any part of this agreement, any claims or settlements arising under this Agreement, or any part of the work described in this Agreement or the Client Contract without the prior written consent of the CONTRACTOR. Where such prior written consent is given, it shall not relieve the SUBCONTRACTOR of any of its responsibilities under this Contract. If prior written consent is given to the SUBCONTRACTOR to subcontract any part of the work described in this Agreement, the SUBCONTRACTOR shall make payment to each lower-tier subcontractor within seven (7) days of receipt of payment from the CONTRACTOR, and shall promptly provide proof of such payment if and when requested to do so by the CONTRACTOR.

The SUBCONTRACTOR shall insert the provisions of all clauses required by the Client Contract to be inserted in second-tier Subcontracts into any Subcontracts permitted hereunder.

10. The SUBCONTRACTOR shall hold harmless and indemnify the CONTRACTOR and its officers, directors, agents and employees from and against all losses, claims, causes of action, liabilities, and damages (including but not limited to costs, reasonable attorneys' fees, and amounts paid in reasonable settlement thereof) which arise or are alleged to arise as a result of the negligent acts, errors or omissions, or the willful misconduct, of the SUBCONTRACTOR, his agents, servants or employees, or which arise from the SUBCONTRACTOR's improperly performing or improperly failing to perform the work under this Subcontract Agreement.

The SUBCONTRACTOR shall hold harmless and indemnify the CONTRACTOR and its CLIENT and each of their respective directors, officers, agents, and employees against any and all claims made by SUBCONTRACTOR's employees arising from any cause whatsoever excluding claims made for intentional or willful misconduct.

In any claims against the CONTRACTOR and/or its directors, officers, agents and employees by an employee of the SUBCONTRACTOR or lower-tier subcontractor, this indemnification shall not be restricted by any limitation on the amount or type of damages, compensation, or benefits payable by or for SUBCONTRACTOR under worker's compensation acts, disability benefit acts, or other employee benefit acts.

11. The CONTRACTOR shall hold harmless and indemnify the SUBCONTRACTOR and its directors, officers, agents and employees from and against all causes of action, losses, claims, liabilities, damages (including but not limited to costs, reasonable attorneys' fees, and amounts paid in reasonable settlement thereof) which arise or are alleged to arise as a result of the

negligent acts, errors or omissions or willful misconduct of the CONTRACTOR, his agents, servants or employees.

12. Without in any way limiting SUBCONTRACTOR's liabilities under this Agreement, SUBCONTRACTOR shall procure and maintain, at its sole cost and expense, the following insurance:

- a. Workers' Compensation and Employers' Liability Insurance as prescribed by the applicable law of the place of the hire and place of performance of the services to cover all employees, and himself if a proprietor or partner.
- b. Commercial General Liability Insurance (Personal and Bodily Injury/ Property Damage), including premises/operations and products/completed operations blanket contractual liability, the limits of which shall not be less than \$1,000,000 per occurrence.
- c. Automobile Liability Insurance with aggregate limits of \$1,000,000.
- d. Professional Liability Coverage in the amount of \$1,000,000. If SUBCONTRACTOR cannot procure and maintain this level of coverage, SUBCONTRACTOR shall provide CONTRACTOR with a Bond in the amount of \$1,000,000.

The insurance carriers, coverage, limits and deductible must be satisfactory to CONTRACTOR, and SUBCONTRACTOR shall present certificates of insurance evidencing said coverage prior to its beginning performance hereunder. Such certificates of insurance shall provide that the coverage evidenced therein may not be cancelled without at least 30 days written notice in advance to the CONTRACTOR. With respect to items b. and c. above, those coverages will provide that CONTRACTOR and USAID are additional insureds.

13. The SUBCONTRACTOR shall conform with all laws, regulations, codes, and ordinances that are applicable to SUBCONTRACTOR's work to be performed under this Agreement. Unless otherwise agreed between the parties in a writing attached hereto, SUBCONTRACTOR shall procure and maintain, at its own expense, all permits and licenses, required by law, to perform services under this Agreement.

14. SUBCONTRACTOR shall maintain a safe working environment during performance of the work. SUBCONTRACTOR shall comply and shall secure compliance by its employees, agents and lower-tier subcontractor, with all applicable health and safety laws and regulations, including, but not limited to, Federal OSHA and equivalent OSHA state regulations, City and County ordinances and codes, uniform fire codes, DOT regulations, CLIENT facility rules and regulations, all laws and rules of the country and locality where the work is to be performed, and applicable guidance documents.

15. SUBCONTRACTOR represents that its services shall be performed with the skill and care, which would ordinarily be exercised by members of SUBCONTRACTOR's profession or occupation working under similar conditions at the same time and in the same locality. If the failure to meet these standards results in deficiencies in SUBCONTRACTOR's services, SUBCONTRACTOR shall correct or revise, at its own cost and expense, these services. If the failure to meet this standard results in damages incurred by CONTRACTOR or CLIENT for the repair or correction of any part of the Project, SUBCONTRACTOR shall be liable for all costs associated with such repair and/or correction except to the extent that such costs constitute an addition to the value of the Project.

16. Composition of SUBCONTRACTOR's staff shall be subject to CONTRACTOR's approval, and CONTRACTOR shall have the right to request that any of SUBCONTRACTOR's personnel working under the terms of this Agreement be replaced, and SUBCONTRACTOR shall forthwith comply with such request. SUBCONTRACTOR shall be fully responsible for its personnel and the payment of all salaries, allowances, benefits, and taxes as required under all applicable Laws.

17. SUBCONTRACTOR agrees not to divulge to third parties, without the written consent of the CONTRACTOR, any information which relates to the technical or business activities of the

CLIENT or the CONTRACTOR unless: (i) the information is known to the SUBCONTRACTOR prior to obtaining the same from the CONTRACTOR or the CLIENT; (ii) the information is, at the time of disclosure by SUBCONTRACTOR, then in the public domain; or (iii) the information is obtained by the SUBCONTRACTOR from a third party who did not receive same, directly or indirectly from the CLIENT or the CONTRACTOR and who has no obligation of secrecy with respect thereto. SUBCONTRACTOR further agrees not to disclose without the prior written consent of the CONTRACTOR, any information developed or obtained by SUBCONTRACTOR in the performance of this Agreement except to the extent that such information falls within one of the categories described in (i), (ii), or (iii) above

18. SUBCONTRACTOR warrants that it, its affiliates and employees:

- a) have not and will not engage in the bribery of foreign officials in connection with any matter; and
- b) maintain and enforce a policy that prohibits bribery of foreign officials.

Definitions: For purposes of this agreement:

The term *affiliates* means (a) any company that holds, directly or indirectly, a majority of the voting stock of the Company; and (b) any other company, the majority ownership of whose voting stock is held, directly or indirectly, by a company described in (a).

The term *bribery of foreign officials* has the meaning of the term "bribery of foreign public
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officials" in the OECD Convention on Combating Bribery of Public Officials in International Business Transactions. In addition, for companies that are subject to the Foreign Corrupt Practices Act of 1977 (FCPA), the term "bribery of foreign public officials" refers to foreign trade practices prohibited by the FCPA (see 15 U.S.C., sections 78dd-1, 78dd-2 and 78dd-3).

19. SUBCONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions, which could result in a conflict with CONTRACTOR's interests.

During the term of this Agreement, SUBCONTRACTOR shall not accept any employment or engage in any work, which creates a conflict of interest with CONTRACTOR. Before engaging in an activity which may give rise to the perception of such conflict of interest, SUBCONTRACTOR shall disclose to CONTRACTOR its contemplated activity and obtain CONTRACTOR's approval before proceeding.

SUBCONTRACTOR or its employees shall not offer substantial gifts, entertainment, payments, loans or other considerations to CONTRACTOR's employees, their families, vendors, consultants, clients and other third parties for the purpose of influencing such persons to act contrary to CONTRACTOR's interest.

SUBCONTRACTOR shall immediately notify CONTRACTOR of all violations of this provision upon becoming aware of such violation.

20. The CLIENT may terminate the Client Contract for any reason. This includes a situation attributable to the acts or omissions of the CONTRACTOR. In such an event, the SUBCONTRACTOR shall be deemed terminated for all work herein, which remains unexecuted by SUBCONTRACTOR. SUBCONTRACTOR shall be entitled to be paid for all work done and all reimbursable expenditures justifiably incurred for the work up until the time of termination, and for the corresponding payments traceable for that work and those funds received by CONTRACTOR from the CLIENT.

21. Should circumstances occur which are beyond the reasonable control and without the fault or negligence of the SUBCONTRACTOR, such as a change in the conditions under which the services are to be performed, caused by Acts of God or the public enemy, fire, floods, epidemics, unusually severe weather, or an increase in the Scope of Work, the SUBCONTRACTOR shall within twenty-four hours of the commencement of any such delay, give to the CONTRACTOR written notice thereof and within five (5) calendar days of commencement of the delay, provide to the CONTRACTOR the anticipated impact of the delay on the performance of the services. Failure to give either of the above notices shall be sufficient grounds for denial of an extension of time or additional costs.

22. The CONTRACTOR shall have the option to terminate this Subcontract in the following cases:

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- a) If CONTRACTOR terminates the Client Contract.
- b) If SUBCONTRACTOR has subcontracted, yielded or shared any part of the works described under the Contract without written authorization of CONTRACTOR.
- c) If SUBCONTRACTOR fails to provide or is late in providing certificates of insurance after a demand in writing for the same, or if CONTRACTOR receives notice of the cancellation of any insurance coverage required by the SUBCONTRACTOR hereunder.
- d) If there are substantial faults or delays in the execution of the work or unsatisfactory performance of the work by SUBCONTRACTOR.
- e) If SUBCONTRACTOR ceases doing business, commits an act of bankruptcy, or makes an assignment for the benefit of creditors or takes benefit of any insolvency act, or if a receiver or trustee shall be appointed for it or, more generally, in any case where the financial or technical position of SUBCONTRACTOR is modified in such a way as in CONTRACTOR's judgment impairs its financial responsibility or its ability to perform the nature or scope of the work entrusted to it hereunder.
- f) If SUBCONTRACTOR conducts itself in an unprofessional manner in the execution of the works entrusted to it, or makes any unauthorized disclosure of information relating to this Agreement or the Client Contract, or if it fails to fulfill its obligations under the Subcontract, fails to make progress, or manifests its intention not to fulfill the Contract.
- g) For the convenience of the CONTRACTOR.
- h) At the specific request of the CLIENT.

23. Termination of the Subcontract shall be effected by written notice to the SUBCONTRACTOR. In the event termination is due to action or fault of the SUBCONTRACTOR, the CONTRACTOR may hold it liable for reimbursement for expenses incurred due to the said action or fault, any damage of any kind to the works due to said action or fault, and any penalties, damages or interest which are incurred by the CONTRACTOR as a result of said action or fault. The reimbursements set forth above may be deducted from any sums due to the SUBCONTRACTOR, and SUBCONTRACTOR shall promptly pay any deficiencies. Upon termination of the Subcontract, SUBCONTRACTOR shall, with all speed, remove its personnel and/or equipment from the site when so ordered by the CONTRACTOR.

24. Any dispute or disagreement which cannot be resolved by the parties and any controversy, claim or dispute otherwise arising out of or in connection with this Agreement, or the breach thereof, or otherwise arising from the Project, shall be settled under the rules of the American Arbitration Association. Arbitration proceedings shall be held in Florham Park, New Jersey, U.S.A. or such other place as is mutually acceptable to both parties. The award in any

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arbitration proceeding shall be final and binding upon all parties and judgment thereon may be entered in any court of competent jurisdiction upon application of either of the parties.

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25. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and the applicable laws of the United States of America. This Agreement has been entered into in New Jersey, and it shall be performable for all purposes in New Jersey. SUBCONTRACTOR acknowledges and agrees that it is subject to the in personam jurisdiction of the State and Federal Courts of New Jersey. Any action or proceeding under or in connection with this Agreement or any of the Contract documents which by the nature of its subject matter cannot be settled through arbitration pursuant to the proceeding paragraph hereof, shall be brought in any state court in Morris County, New Jersey or federal court in Essex County, New Jersey. The SUBCONTRACTOR hereby waives any and all rights to seek a change of venue based upon forum non conveniens or any other procedural theory.

26. Should either party request arbitration or bring suit in court against the other party in connection with any dispute or matter pertaining to their Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to any other relief granted by the arbitrator or court.

27. The present Subcontract shall be valid from the date of its signing by the two parties. It shall remain valid until the date when all commitments and obligations under the Client Contract and its possible amendments have been fulfilled, and the accounts of the parties have been settled.

28. This Agreement represents and constitutes the entire Agreement between the parties hereto with respect to the subject matter of this Agreement and supersedes any and all previous agreements between the parties, whether written or oral, with respect to such subject matter. All negotiations, representations, warranties and agreements made between the parties are merged herein and the making, execution, and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties, or agreements that are not expressed fully herein. Neither of the parties shall be bound by any conditions, definitions, warranties, or representations with respect to the subject matter of this Agreement unless expressly provided in this Agreement. No term or provision of this Agreement may be varied or modified by any prior or subsequent statement, conduct, or act of either of the parties, provided that the parties hereto may amend this Agreement by written instrument specifically referring to, and executed in the same manner as, this Agreement.

29. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their heirs, personal representatives, successors, and assigns (as the case may be), except as otherwise provided for herein. A corporate officer signing this document on behalf of SUBCONTRACTOR warrants that he has full authority to sign this document.

30. Any notice required by this Agreement shall be in writing and delivered by certified or registered mail return receipt requested to the following:

CONTRACTOR: Vice President
THE LOUIS BERGER GROUP, INC.
100 Halsted Street
East Orange, New Jersey 07018

SUBCONTRACTOR:

31. If any element of this Agreement is held to violate any law, then the element shall be deemed void and all remaining provisions shall continue in force. However, CONTRACTOR and SUBCONTRACTOR shall in good faith attempt to replace any invalid or unenforceable provision with one that is valid and enforceable and which comes as close as possible to expressing the intent of the original provision.

APPENDIX I
SCOPE OF WORK

SECURITY PLAN.
FOR THE
KABUL TO KANDAHAR ROAD RECONSTRUCTION PROJECT

This security plan is based on a Ministry of Interior presence on the Kabul to Kandahar Road. The Louis Berger Group through a security contractor will be providing the Ministry with support to maintain that presence. Neither The Louis Berger Group, nor its subcontractors, are providing security services.

INTRODUCTION

The Louis Berger Group (LBG) has awarded five road reconstruction contracts for the Kabul to Kandahar Road under an accelerated schedule for USAID's contract 306-C-00-02-0050-00. However, the assurance of well-designed and implemented securities measures is essential to the timely completion of the Road. Sections of the Road are subject to hijackings, robberies and killings. Organized terrorist groups are operating within the Road corridor environs, and expatriates have been intentionally targeted in recent incidents. Neither rehabilitation nor de-mining activities can move ahead smoothly and meet the needs of the program and its deadlines without effective and continuous security. Therefore, LBG has been asked by USAID to provide support for Road security that assures December 2003 and October 2004 Road reconstruction milestones are met.

The Security Plan objective is to provide a secure and safe work environment for all work related personnel, local and international, assigned by Berger and its subcontractors, and for the U.N. de-mining services teams working in connection with the road project. By providing secure work and materials production areas and living sites, the rehabilitation subcontractors will be able to concentrate on completing their road rehabilitation sections in a timely manner and within budget.

This Security Plan has been developed in close consultation with U.S.G. staff and senior officials of the Afghan government, particularly within the Ministry of the Interior. The program is based on first hand experience of a similar security program for over 520 kilometers of pipeline and roadway in Algeria. The Plan has been designed to cover all security aspects for the road rehabilitation works, including initial and concurrent U.N. sponsored de-mining operations. Its design is based on security threats as interpreted from the current levels of nuisance interruptions and periodic, injurious assaults.

The scope of the work is challenging. The Road to be rehabilitated includes some 60 – 70 kilometers of paved road and about 430 kilometers of road in bad condition. Serious and, at times, focused security incidences have been experienced, and the road right-of-way is known to include perhaps several hundred unexploded ordnances and land mines. During the past two weeks, travel on the road by expatriates has been restricted to only the extreme northern and southern ends. The reconstruction four subcontractors will be in full mobilization NLT June 1, 2003 and each has approximately 85 kilometers to pave. They expect to employ well over a thousand workers through October 2004 within this vulnerable and heavily mined environment. The security services will therefore need to operate on a continuous basis for locations where critical reconstruction functions are being performed (such as off road materials borrow pits, where water supplies are developed, at rock screncers

and crushers, and at bridges, drainage structures and surfacing operations), and at construction camps where constructors are present.

The operational concept of the program is to secure the project work locations and living sites with a combination of 'patrol and guard' security units. The 'patrol' units will consist of five-man, armed mobile vehicle patrols, which will transit assigned areas in each road section in radio-equipped, pick-up type vehicles. The mobile 'patrols' will also perform convoy/escort functions as directed. Five fixed road subcontractor camps and work sites will be protected with armed, 'guard' personnel, who will provide perimeter and area security, including 'escort' functions, as required. The area guards will also control access to construction camps, office facilities and maintenance and living quarters areas. As needed, the program will also provide medical technicians, doctors and specialists to ensure a reasonable proximity of emergency medical support for security personnel and road rehabilitation work crews.

The 'patrol and guard' security program is expected to utilize approximately 700 Afghan Ministry of Interior staff. Personnel will be paid directly by the Government of Afghanistan using its own funds. The security personnel will be organized into five or six operations teams, each with a senior person/coordination leader provided by the Afghan Ministry of Interior. Within each 'road sector' team, there will be at least five or six vehicle patrols and enough 'guard' staff to accommodate the road section contractor's and the companion demining group's work efforts. These teams will all be connected for command and operations purposes by an integrated radio network.

A to be selected security sub contractor with Afghan experience, will support the security program. This team will be headed by a Program Manager, and supported by six other expatriates, i.e., four road section security supervisors, one Assistant Manager, and one Communications Specialist who will maintain the Program's radio network and related communications linkages. Together, the expatriate oversight group will provide management support and guidance to the contractors and security teams, as well provide on-the-spot assistance in implementation of the security plan. About a dozen local personnel who will perform operational, translation and general administrative services will support the expatriate oversight team. Details of the security operation follow.

SECURITY SETTING AND STRUCTURE

The Kabul to Kandahar Road is 482 Kms long. Berger reconstruction efforts begin at Km 43 and end at Km 432. In May 2003 Berger subcontracted the final sections of approximately 359 Kms to an additional four subcontractors. The subcontractors must have in place by December 2003 at least an initial paving lift. All Road work will be finished NLT October 2004. Berger is also responsible for rehabilitation of Km 0-43 while the Japanese are rehabilitating Km 432-482.

The Road runs southwest from Kabul city to Kandahar, the country's second largest city. The road passes through Wardak, Ghazni, Zabul and Kandahar Provinces. There are a number of small villages, farms and shops along the road. The largest population area enroute is the town of Ghazni, which is about half way between the two cities.

PLAN OBJECTIVE

The Security Plan objective is to provide a secure and safe work environment for all work related personnel, local and international, assigned by Berger and its subcontractors, and for the U.N. de-mining services teams working in connection with the road project. The Plan intends to provide appropriate preventive and reaction 'patrol' and 'guard' measures to cope with theft, terrorism; small demonstrations and small group problems.

PRESENT ROAD RISKS

The Road is a high security risk, and in the month of May 2003 has become a higher security risk. UN deminers have been shot and threatened. All demining south of K 138 has been stopped. Travel below K 20 has been prohibited for foreigners. The security risk increases further south from Kabul. Lower Ghazni, Zabul and Kandahar are classified as a higher risk than Wardak. There have been hi-jackings, false roadblocks, robberies and shootings. Recently coalition forces discovered a large cache of weapons close to Qalat in Zabul province.

The Afghan Government reports that it has established 47 police checkpoints/stations between Kabul and Kandahar, supplemented with 2-day time patrols and 1 nighttime patrol.

GOVERNMENT/PROVINCIAL LIAISON

The Ministry of Interior will provide up to 700 personnel for 24/7 Road security. Additional support may be provided on an as needed basis from the governors in the provinces of Wardak, Ghazni, Zabul and Kandahar.

PROJECT SECURITY MEASURES

The following security measures are the basis of the Security Plan:

1. Protection for five camps
2. Protection for material crushers sites
3. Protection for asphalt batch plants
4. Protection for equipment, including night-time parking areas
5. Vehicle patrols for active construction and de-mining areas
6. Escorts, as required
7. The security contractor will work with LBG and the subcontractors with employee screening and the issuance of identification cards.
8. Identify and mark all government checkpoints.
9. Continuous communications with MOI and relevant back-up units.
10. Establish patrols and checkpoints for the outer perimeter with Afghan Military personnel.

PROJECT EMERGENCY MEDICAL SUPPORT

Emergency medical support will be provided to ensure Berger and MOI personnel protection. (Subcontractors are providing their own services):

1. Five medical doctors
2. Five Nurses/paramedics
3. Five Technicians
4. Supply of basic medication for each field unit
5. Access to the LBG project helicopter for medivac actions

SECURITY SUBCONTRACTOR

A to be selected security sub contractor with Afghan experience will provide overall management and oversight. The security sub contractor will be responsible for liaison with the Ministry of Interior providing their security personnel with per diem and support patrol vehicles, drivers, medical services and staff. The subcontractor will provide a radio technician and support, and provide assistance for security surveys as well as liaison with US and other Afghan Government officials on security related matters. It will provide security related information and advisories to project personnel, liaison with the UN and NGO's on security matters and provide security briefings for LBG and subcontractor personnel.

LEVELS OF SECURITY

The Plan assumes continuous communications between the Security Subcontractor, road construction camps; de-mining teams, Regional and National Security Forces, and the United States Military. It is premised on two levels of security:

Level One: MOI staff provides personnel and on-site security to Berger, subcontractor's and United Nations deminers at their sites. This assumes expatriates are able to work at all or some sites, and there are no overall security threats.

Level Two: Security problem or threat requires response by the Afghan military forces and/or the foreign military forces operating in country. No roadwork can proceed. Berger understands that certain arrangements are being made between the Government and such entities. However, since this is an unclassified document they will be detailed in other more appropriately classified documents.

LEVEL ONE SECURITY

Field camps Living Quarters and Office Facilities

The security contractor will be responsible for the physical security measures for the camps and the inside guards for the camps.

1. All living and office facilities shall be located inside a perimeter wall or fence at least 3 meters in height.
2. All facilities occupied by expatriates must have secure doors.
3. All outside doors and doors to sleeping areas must be lockable.
4. The facilities will be provided electricity by generator.
5. The perimeter gate(s) must be kept closed and locked except during ingress and egress.
6. A HF/SSB radio should be located at each camp.
7. A safe area will be provided where the expatriates can take refuge in an emergency.

8. Access to the compound must be controlled.
9. Personnel working at the camps must have a security check done by the local police.
10. Perimeter lighting should be installed at all residence and office compounds.
11. Unarmed security contractor personnel will be assigned to all camps.
12. A minimum 15 armed security contractor personnel will be on duty at the outer perimeter of the compound. Personnel assigned to the patrol function will be housed with the other armed guards at the camps when they are not on patrol.
13. Defensive positions will be constructed at each camp.
14. All departing camp personnel will be logged when leaving and their return verified.

Crusher sites

Five armed security personnel will be assigned to each site. These officers will live and work onsite 24 hours a day.

Batch plants

Five armed security personnel will be assigned to each site. These officers will live and work onsite 24 hours a day.

Nighttime parking areas for equipment

Five armed security personnel per location will be assigned to guard the equipment when it is parked. It is estimated that the workday will be approximately 12 hours and the equipment will be parked for 12 hours. If the workday length changes, then the hours for the guards will be changed to meet the need.

Vehicle security patrols

Prior to the departure of the work crews from the camps, patrols would conduct a "sweep" of the road reconstruction area. The patrols will drive the road and inspect any area that they determine to be suspicious. The patrols would also link up with equipment guards located along the road and obtain a status report from the guards if anything irregular happened during the night.

Once the sweep is conducted, the patrols would focus on areas around work activity. An effort must be made to provide security coverage around the work site without interfering with the work effort. The security personnel will position themselves a short distance away from the actual work site to permit better screening and observations for hostile threats.

These patrols will move slowly and constantly to cover the road and maintain radio contact with static security positions. They will respond to security situations that present a threat to construction personnel. They will facilitate the movement of emergency personnel and/or vehicles in the event of a medical emergency. Patrols will divert local traffic off of the roadway to insure those local vehicles and/or the movement of construction vehicles does not endanger personnel.

The workday ends when the "construction supervisor" directs personnel to return to the camps. The security

patrols should be at the farthest end of their designated patrol routes and conduct a sweep of the right-of way as they return for the evening. They will ensure that no personnel or workers are stranded on the right-of-way.

In addition to the daily patrols, security force will support the construction activities that occur during the off hours, including activities such as emergency equipment maintenance and refueling by contractor personnel. The patrols will maintain security for these activities and escort the workers back to the camps at the conclusion of the work. Occasionally there will be personnel who must travel from one camp area to another during the closing hours of the day. The patrol will escort those traveling workers and conduct "hand off" procedures to security patrols in neighboring road sectors.

The vehicle patrol deployment by sector will be as follows:

Sector B Km 43-92	Five patrol/escort vehicles with radios One command vehicle with radio
Sector C Km 92-177	Eight patrol/escort vehicles with radios One command vehicle with radio
Sector D Km 177-262	Eight patrol/escort vehicles with radios One command vehicle with radio
Sector E Km 262-347	Eight patrol/escort vehicles with radios One command vehicle with radio
Sector F Km 347-432	Eight patrol/escort vehicles with radios One command vehicle with radio

Escorts

Armed vehicle escorts will be provided as required for the travel of personnel.

MOI screening

All MOI staff will be screened by the cognizant authorities.

Communications

1. Codan HF radios will be required as follows:

- Kabul office
- Ghazni office
- Kandahar office
- 5 work camps
- 5 patrol command vehicles
- 3 security management vehicles
- Helicopter (separate subcontract)
- UN De mining medical units

2. Thuraya phones

- Ghazni office
- Kandahar office
- 5 work camps
- 5 patrol command vehicles
- 3 Security management

Expatriate Travel

Expatriate travels away from an assigned work site must be reported to the LBG security group.

Exchange of information

The exchange/collection of security-related information will entail coordination and liaison with a number of sources, e.g., UN, NGOs, Local security/officials, US/Other security-oriented staffs, Security professionals and the US Embassy. Each source will require contact at different levels and locations.

The security sub contractor will provide daily work locations to relevant Government and other authorities.

Police Checkpoints

The Deputy Interior Minister has approved placing signs at all official Government checkpoints. He also will have one of his Assistants help with the identification of additional checkpoints.

Provincial Government Support

The security contractor will work with the Province Governor and Security Chief to facilitate sweep and information gather operations in areas adjacent to the construction work sites. The security contractor will also work with the Provincial Governor regarding community development projects to enhance the Government's image and develop and maintain a good relationship for road constructors with Government authorities and the general population.

The Security consultant will hold weekly meetings with the Province Security Chiefs to exchange information and ideas.

LEVEL TWO SECURITY

Level Two will be triggered by one of the following, or similar incident:

Kidnapping

In the event of a kidnapping of a U.S. citizen, the US Embassy and USAID, or, if other than a US citizen, the appropriate Embassy/authority would be notified. Notifications would also be made to the Afghanistan Authorities and cognizant other foreign entities.

Immediate action would be taken to identify the kidnappers and work with the local authorities so they might take appropriate action to deal with the situation and facilitate a safe return of the victim(s).

Serious Attack

Prior to the starting of the road rehabilitation works, contacts would be made with appropriate authorities to work out a plan for back-up assistance. In addition continuous liaison will be maintained with the provincial and local authorities.

Notification

Notification would be initiated at the first sign of an attack or credible information of a possible attack, as follows:

- All construction sites and camps
- Local government security
- Cognizant Central Government and other security entities
- LBG Office

In the event that a work site would come under an attack, the workforce would be moved with escorts to the camp or other safe location, and personnel placed in a protected area. The MOP's armed security force would be placed in defensive positions thereabout.

In the event of a camp coming under an attack, personnel would be moved to a protected area and the armed security force placed in defensive positions. Assistance would be requested from the Local Authorities and other cognizant entities.

Emergency Evacuation

A helicopter-landing pad will be constructed close to each construction camp.

Emergency Medical Response

Medical personnel trained and equipped to provide immediate medical attention will provide emergency medical services. It is understood that the construction subcontractor and the UN De-Mining group will have medical units assigned to each construction sector. In the event of an emergency evacuation, the project's supervision, or the UN medical helicopter, will be used to assist with personnel transport.

THE MINISTRY OF INTERIOR

Primary responsibilities and the participation of the Afghan Government are essential for the success of the road security program. It is desirable and necessary to lower the foreign profile of the Road project, enable more local hiring, and finally and most importantly, to assure a high degree of security for the people working on the road. Coordination with Afghan highway security personnel would have many advantages:

- By minimizing the presence of foreigners, the program will be less confrontational,
- The Afghan Ministry of Interior is responsible for overall security
- A direct, prominent role for foreign military personnel would be inconsistent with the institution rebuilding plan
- Active, positive and constructive roles for the central Afghan Government would enhance its image
- The greater Afghan involvement will help minimize security function costs.

An agreement has been made with the Interior Minister for three senior members of his staff to collaborate directly with the security program manager. The close cooperation of the Interior Minister, will enable the Security Sub Contractor Program Manager to convey timely and actionable advice on program activities. Related to MOI guard and patrol efforts assisted by this support sub contract, it is understood that the MOI is also benefiting from "U.S.-led police training" designed to establish and/or strengthen a "highway patrol" capacity within the MOI. In these respects, members of the 700 person MOI "guard and patrol" teams may, after performing such "guard and patrol" duties, become eligible to be trained under the "highway patrol" training activity, provided any such training does not, in the opinion of the "Program Manager", interfere in any manner with their "guard and patrol" road priorities.

A major challenge for the road rehabilitation, as well as in other areas, is the autonomy and potential non cooperation of provincial authorities. This is being addressed in the security program. The Interior Minister has agreed to direct provincial governors to assign local units to conduct patrols and man checkpoints along the perimeter of the road reconstruction work. Such day-in-day-out cooperation and on-the-ground interactions in security operations will be of tremendous help providing security for the reconstruction project.

BUDGET NARRATIVE

The subcontract budget is based on leased vehicles and its estimated cost is \$8,601,162. Note: 1) there is no overhead, all costs are direct costs, 2) there is a fixed fee of 7%, 3) we are estimating health insurance at 20%, 4) we are estimating general liability insurance; and 5) we are estimating expatriate personnel salaries.

The bulk of the program cost is for vehicle transport and expatriate security advisors. Seven expatriates will be involved in guiding the security program. The 700 or so individuals performing the specific security patrols and guard work are expected to be employees of the Ministry of the Interior, will be required to perform in remote locations and functions beyond their normal duties. These individuals would not be performing or involved in any police or law enforcement activities while performing the described road security and facilities guard functions. USAID funding will not be used for their salaries or any salary supplements under this arrangement. The plan would, however, compensate them for the extra costs associated with their performing guard and patrol services outside of their normal working hours and in the remote locations, as dictated by the road construction and de-mining efforts. This compensation would be in the form of a per diem to help cover these non-regular, off-duty expenses. They would likely be supported with food and, e.g., (guard) camp amenities, depending upon the field - guard duty conditions. The plan would also include hiring local administrators/translators, and drivers for supervision vehicles.

Medical coverage will be subcontracted out for an estimated \$500,000.

The seven-person expatriate team overseeing the security program has extensive experience in such programs around the world. The Manager and two of the Security Coordinators have had comparable experience in

Algeria managing a security program for 520 kilometer of pipeline/road construction in a hostile environment. This was successfully completed. The budget for the seven expatriates is \$1.28 million. The budget includes time spent on vacation and R&R. The team includes:

- D. Spier Manager
- D. Lietner Security Coordinator
- B. KhounvaLong Security Coordinator
- D. Mitchell Security Coordinator
- TBD Security Coordinator
- M. Dunne Radio Technician
- B. Spier Administration Manager

The expatriate team will be stationed in Kabul, Kandahar and Ghazni, depending upon the location of the construction campsites. The Manager will be responsible for the overall supervision of the security program, and will directly assist the security team for road sector B. The four security coordinators will be assigned to Kandahar and Ghazni and each will be responsible for a separate construction sector. The Manager will provide back-up support and guidance to the security specialists, and will liaise, as needed, with the construction contractors in their sectors.

The radio technician will be responsible for installing and maintaining the 90 plus program radios that will be installed for the security and medical response functions. The Administration Manager will be stationed in Kabul, and will have the responsibility for the financial management of the security budget. The Administrative Manger will also have the responsibility of monitoring and providing guidance on all payment systems for the program. Considerable travel by the staff is expected to cover all sectors and work with local government officials.

Seven local administrators/translators will be working with the management team. They will be working with each expatriate and will be addressing the coordination, translation organization and communications needs of the security program. The budget item for these support staff is A. 3, approximately \$100,000.

The bulk of personnel performing guard and patrol services under the project will be directly addressing security issues, and supported by drivers and communications capabilities. Local staff working directly on delivering guard and patrol services will total about 700. The local staff will likely include 91-armed supervisors and 609-armed personnel. The program manager has agreed with the Minister of the Interior for the dedication of the 700 personnel to the security program. Reflecting the fact that the Ministry personnel will be on the road and at remote sites for the work, a per diem rate of \$5 per day was agreed as suitable compensation for the participants' outside-of-normal-work-hours functions. The per diem and miscellaneous support will cover their extra guard costs, such as tents at remote locations and other living, food, location and related expenses. The total per diem can be seen in item B.2. of the Budget, which is approximately \$1.8 million for the entire period. The program manager, so as to assure better patrolling efficiency and support will provide drivers independently. The budget for the drivers is shown in A. 2.

The other major item in the budget besides personnel is program support cost. Over half of the budget accounted for by transportation and vehicles. Continuous patrolling is essential for maintaining good road security. Each vehicle will be staffed with five armed guards and a driver.

The security program will use 4x4 duel cab pickups for patrolling the work sites. These vehicles allow for the

armed guards to ride in the back for better observation. In the event of bad weather, they can come inside the cab of the pickup. There will be six armed mobile vehicle patrols for sector B and nine armed mobile patrols each for sectors C, D, E & F. All vehicles will have radios, with one patrol unit in each sector being a command unit. These will be complemented by a helicopter (another subcontract), which will be able to provide rapid back up to patrols, as well as to do emergency medical evacuations.

The remainder of the program support is accounted for by, e.g., radio and communications equipment, eight computers, spare parts and upgrades of security for the six campsites. Ninety SSB-HF radios will be utilized in the security program to have continuous communications for the guards, mobile patrols, the camps, and the emergency communications with the province and district administration in support of the road rehabilitation security. Radio units will also be issued to the patrol units assigned to the de-mining teams for security and emergency requirements. The radios will be programmed so that each sector will have its own frequency, and also have access to other sectors' frequencies and the emergency frequency. All expatriate vehicles will also have radios, the helicopter will have communications and all work camps will have a base station. All mobile vehicle patrols will have radios and the patrol teams assigned to the de-mining teams will have radios. An emergency provincial and distraction communication net will be provided for emergency security situations.

Medical coverage will be established at each camp. Each clinic will be staffed with an Afghan, western-trained doctor, a paramedic and a technician. The clinics will be equipped and a supply of medicine will be kept under lock at each clinic. This medical support will be coordinated with the medical resources of the construction units. The medical support will be provided under subcontract and is budgeted at \$500,000.

CAMP SITE HARDENING

Recognizing that road subcontractors may have specific requirements or concerns for their living sites, the security staff will work closely with the subcontractors on the design and site selection for their camps. This will improve the security posture of the living sites. The security staff will also provide consultation for the subcontractors as required and requested. \$150,000 is provided for this activity in the budget.

INCLUSION OF UNITED NATIONS DEMINERS

This security plan has been designed to include security support for United Nations deminers. De-mining of the work sites, campsites and facility site is very important. Due to recent incidents, the UN has restricted the travel and work of the demining teams. It has been agreed that when the subject security operation is up and running, the de-mining teams will go back to work. One armed mobile patrol unit will be assigned to each de-mining team, and will escort them to and from their work site.

Attachments: Program Budget Tables

APPENDIX I
CONTRACT BUDGET

CONTRACTOR shall reimburse the SUBCONTRACTOR upon receipt of payment from the CLIENT, under the following schedule, provided such costs have been paid by SUBCONTRACTOR for the performance of the work hereunder, and subject to all the terms and conditions of the within Subcontract Agreement as relevant:

- Cost Plus Fixed Fee Total amount not to exceed \$8,433,217
 Total Cost \$8,037,349
 Total Fixed Fee \$395,867

 Funded Amount \$6,000,000

SECURITY BUDGET SUMMARY

	FY 2003	FY 2004	TOTAL
PROGRAM SUPPORT			
A. Salaries and Wages			
1. LTTA -Expatriate	416,601	715,164	1,131,765
2. CCN drivers	19,600	28,840	48,440
3. CCN Administration Staff	39,200	57,680	96,880
Total Salaries and Wages	475,401	801,684	1,277,085
B. Social Benefits			
1. FICA & Medicare	31,870	54,710	86,580
2. Health Insurance	83,920	143,033	226,353
3. MEDEX	863	1,439	2,302
Total Social Benefits	116,653	199,181	315,235
C. Travel, Transportation and Per Diem			
1. Travel, Transportation and Per Diem	62,400	62,400	124,800
2. Per Diem	735,000	1,050,000	1,785,000
3. Local Travel	-	-	-
4. Miscellaneous Travel Expenses	3,250	3,250	6,500
Total Travel, Transportation and Per Diem	800,650	1,115,650	1,916,300
D. Allowance			
1. Post Differential Allowance	104,150	178,791	282,941
2. Household Effects	13,750	16,500	30,250
3. Danger Pay	104,150	178,791	282,941
4. Separate Maintenance Allowance	19,600	28,000	47,600
Total Allowance	241,650	402,082	643,732
E. Other Direct Costs			
1. DBA Insurance	5,999	10,298	16,297
2. Other Travel Expenses	3,600	-	3,600
3. Program Support Costs	1,621,600	1,623,500	3,245,100
4. General Liability Insurance	-	-	120,000
Total Other Direct Costs	1,631,199	1,633,798	3,264,997
Subtotal Program Support	3,264,953	4,152,396	7,537,349
2. SUBCONTRACT			
Medical	250,000	250,000	500,000
Subtotal Subcontracts	250,000	250,000	500,000
SUBTOTAL PROGRAM SUPPORT	3,514,953	4,402,396	8,037,349
Fixed Fee 5.0%	175,748	220,120	395,867
TOTAL PROGRAM SUPPORT	3,690,701	4,622,516	8,433,217

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	FY 2003			FY 2004			Total	
	Period: June 1, 2003 - December 31, 2003			Period: January 1, 2004 - October 31, 2004			Units	Cost
A. Salaries and Wages	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
Name								
1. Long-Term Technical Assistance								
EXPATRIATE (daily rate)								
Manager (D. Spier)	403.85	156	63,000.60	415.97	260	108,151.03	416	171,161.63
Security coordinator (D. Lietner)	400.00	156	62,400.00	412.00	260	107,120.00	416	169,520.00
Security coordinator (B. Khounvalong)	400.00	156	62,400.00	412.00	260	107,120.00	416	169,520.00
Security Coordinator (D. Mitchell)	400.00	156	62,400.00	412.00	260	107,120.00	416	169,520.00
Security Coordinator TBN	400.00	156	62,400.00	412.00	260	107,120.00	416	169,520.00
Administration Manager (B. Spier)	266.67	156	41,600.00	274.67	260	71,413.33	416	113,013.33
Communications Technician (M. Dunne)	400.00	156	62,400.00	412.00	260	107,120.00	416	169,520.00
Total Long-Term Technical Assistance		1,092	416,600.60		1,620	716,164.36	2,912	1,131,764.96
2. CCN Personnel (monthly rate)								
Drivers	400.00	49	19,600.00	412.00	70	28,840.00	119	48,440.00
3. CCN Administration Staff (monthly rate)								
Translator/Assistant	800.00	49	39,200.00	824.00	70	57,680.00	119	96,880.00
Total CCN Personnel		98	58,800.00		140	86,520.00	238	145,320.00
TOTAL SALARIES AND WAGES			475,400.60			801,684.36		1,277,084.96

Number of security personnel is based on 12 hour work days, 1 camp per sector, 2 crusher sites per sector, 2 asphalt sites per sector and 3 night time parking areas per sector, sector for 5 sectors

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B. Social Benefits	FY 2003			FY 2004			Total	
	Rate	Units	Cost	Rate	Units	Cost	Units	Cost
1. FICA & Medicare LITA - EXPATRIATE	7.65%	416,600.60	31,869.95	7.65%	715,164.36	54,710.07		86,580.02
Total FICA			31,869.95			54,710.07		86,580.02
2. Health Insurance LITA - EXPATRIATE	20.00%	416,600.60	83,320.12	20.00%	715,164.36	143,032.87		226,352.99
Total Health Insurance			83,320.12			143,032.87		226,352.99
3. MEDEX LITA - EXPATRIATE	\$20.55	42	863.10	\$20.55	70	1,438.50		2,301.60
Total MEDEX			863.10			1,438.50		2,301.60
TOTAL Social Benefits			116,053.17			199,181.45		315,234.61

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C. Travel, Transportation and Per Diem	FY 2003			FY 2004			Total	
	Period: June 1, 2003 - December 31, 2003			Period: January 1, 2004 - October 31, 2004			Units	Cost
	Rate	Units	Cost	Rate	Units	Cost		
1. International Travel								
a. Long-Term Technical Assistance - EXPATRIATE								
Manager (D. Spler)								
R/T:US-Afghanistan	4,800.00	0	-	4,800.00	0	-		
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Security coordinator (D. Lislner)								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Security coordinator (B Khounvalong)								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Security Coordinator (D. Mitchell)								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Security Coordinator TBN								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Administration Manager (B. Spler)								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Communications Technician (M. Dunna)								
R/T:US-Afghanistan	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
R&R:Afghanistan-US	4,800.00	1	4,800.00	4,800.00	1	4,800.00	2	9,600.00
Total International Travel		13	62,400.00		13	62,400.00	26	124,800.00
2. Per Diem								
a. EXPATS (local travel)								
b. CCNs (approx. 700 security personnel support)	5.00	147,000	735,000.00	5.00	210,000	1,050,000.00		1,785,000.00
Total Per Diem			735,000.00			1,050,000.00		1,785,000.00
3. Local Travel								
Home Office Staff Visits	0	0	0	0	0	0		
Total Local Travel			\$0.00			\$0.00		
4. Miscellaneous Travel Expenses (includes toll, airport, taxis, taxes, passports, etc.)								
LTTA	250.00	13	3,250.00	250.00	13	3,250.00	26	6,500.00
Total Miscellaneous Travel Expenses			\$3,250.00			\$3,250.00		6,500.00
TOTAL TRAVEL, TRANSPORTATION AND PER DIEM			800,650.00			1,115,650.00		1,916,300.00

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D. Allowance	FY 2003			FY 2004			Total	
	Period: June 1, 2003 - December 31, 2003			Period: January 1, 2004 - October 31, 2004			Units	Cost
	Rate	Units	Cost	Rate	Units	Cost		
1. Post Differential Allowance								
LTTA - EXPATS	25%	\$416,600.80	104,150.15	25%	\$716,164.36	178,791.09		282,941.24
Total Differential Allowance			104,150.15			178,791.09		282,941.24
2. Household Effects								
LTTA - EXPATS								
- Excess Baggage	250.00	5	1,250.00	250.00	6	1,500.00		2,750.00
- Air Freight	2500.00	5	12,500.00	2,500.00	6	15,000.00		27,500.00
Total Household Effect			13,750.00			16,500.00		30,250.00
3. Danger Pay								
LTTA - EXPATS	25%	\$416,600.80	104,150.15	25%	716,164.36	178,791.09		282,941.24
Total Danger Pay			104,150.15			178,791.09		282,941.24
4. Separate Maintenance Allowance								
LTTA - EXPATS	700.00	28	19,600.00	700.00	40	28,000.00		47,600.00
Total Separate Maintenance Allowance			19,600.00			28,000.00		47,600.00
Total Allowance			184,004.00			402,082.18		643,732.48

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E. Other Direct Costs	FY 2003			FY 2004			Total	
	Period: June 1, 2003 - December 31, 2003	Rate	Units	Cost	Period: January 1, 2004 - October 31, 2004	Rate	Units	Cost
1. DBA/FGL Insurance LTTA - EXPATS	1.44%	416,600.60	5,899.05	1.44%	716,194.36	10,298.37		16,297.42
Total DBA Insurance			5,899.05			10,298.37		16,297.42
2. Other Travel Expenses Medical Exams/Inoculations - LTTA	600.00	6	3,600.00	600	0	-		3,600.00
Total Other Travel Expenses			3,600.00			-		3,600.00
3. Program Support Costs								
Office Rent	5,000.00	6	30,000.00	5,000.00	10	50,000.00		80,000.00
Office Make-Ready Costs	7,000.00	1	7,000.00	7,000.00	0	-		7,000.00
Office Supplies	300.00	6	1,800.00	300.00	10	3,000.00		4,800.00
Office Cleaning Services	400.00	6	2,400.00	400.00	10	4,000.00		6,400.00
Communications	160.00	6	960.00	160.00	10	1,600.00		2,560.00
Postage/Shipping	150.00	6	900.00	150.00	10	1,500.00		2,400.00
Used Vehicles - Lease (Management and LBG Offices)	1,600.00	48	73,500.00	1,500.00	70	105,000.00		178,500.00
Used Vehicles - Lease (Patrol)	1,500.00	140	210,000.00	1,500.00	200	300,000.00		510,000.00
Used Vehicles - Lease (Sectors)	1,500.00	315	472,500.00	1,500.00	450	675,000.00		1,147,500.00
Used Vehicles - Lease (Communication system)	1,500.00	7	10,500.00	1,500.00	10	15,000.00		25,500.00
Vehicles Maintenance + Gas	600.00	511	306,600.00	600.00	730	438,000.00		744,600.00
Procurement								
Satellite Phones	800.00	8	6,400.00	800.00	10	8,000.00		14,400.00
Satellite Phones - Service	240.00	6	1,440.00	240.00	10	2,400.00		3,840.00
Base Units	5,500.00	8	44,000.00	5,500.00	0	-		44,000.00
Base Units (Province and District emergency network)	5,500.00	1	5,500.00	5,500.00	0	-		5,500.00
Mobile Units	3,000.00	69	207,000.00	3,000.00	0	-		207,000.00
Mobile Units (Province and District emergency network)	3,000.00	20	60,000.00	3,000.00	0	-		60,000.00
Computer Equipment Laptop	1,500.00	5	7,500.00	1,500.00	0	-		7,500.00
Computer Desktop	1,200.00	3	3,600.00	1,200.00	0	-		3,600.00
Communication System spare parts	20,000.00	1	20,000.00	20,000.00	1	20,000.00		40,000.00
Security Construction/Measures (constructing/upgrading perimeter walls or fences, lights, locks, defense positions, gates, etc.) - 1 per Sector	25,000.00	6	150,000.00	25,000.00	0	-		150,000.00
Total Program Support Cost			1,621,000.00			1,623,500.00		3,244,500.00
4. General Liability Insurance								120,000.00
TOTAL OTHER DIRECT COSTS			1,631,199.05			1,638,798.37		3,384,997.42

USPI 000240

U.S. Protection and Investigations, LLC
6401 Bingoe Road, Suite 102
Houston, TX 77092

Reference Medical budget

	<i>Rate</i>	<i>Units</i>	<i>Total</i>
Director	1,000.00	16	16,000.00
5 Doctors	700.00	80	56,000.00
5 Paramedics	300.00	80	24,000.00
5 Technician	300.00	80	24,000.00
			120,000.00
Equipment for 5 clinics	7500	5	37,500.00
Medicine	2500	80	200,000.00
Vehicles (30)	50	2400	120,000.00
Fuel, etc	10	2400	22,500.00
		TOTAL	500,000.00

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APPENDIX I
INVOICING INSTRUCTIONS AND PAYMENT PROVISIONS

Invoicing Instructions: The Subcontractor is required to submit invoices on a monthly basis (original plus 1 copy), addressed to the designated individual below, at the following address:

Name and Address

A proper invoice must clearly indicate the following information:

- Subcontractor Name and Address
- Invoice Date and Invoice Number
- Subcontract Agreement Number and Prime Contract Number
(See Page 1 of Subcontract)
- Project Number: GG451E
- Rates used, and number of hours/days expended by
- Receipts for all Other Direct Costs
- Period for which Costs are being claimed
- Current Subcontract Amount
- Current and Cumulative Billed Costs
- Remaining Unbilled Subcontract Amount
- Subcontractor Remittance Address

Final Invoice: Notwithstanding any other provision in this Agreement to the contrary, Subcontractor is required to submit the final invoice, appropriately marked as such, under this Agreement not later than ninety (90) calendar days after completion of the project, or any longer period as may be mutually agreed between the parties. All final invoices must be marked as such, and the following shall accompany the final invoice:

- A certification by the Subcontractor that its suppliers and sub-tier subcontractors, if any, have been paid.

Payment Provisions (Cost Plus Fixed Fee, CPFF)

The Subcontractor shall invoice not more frequently than monthly. Each invoice shall separately detail (1) each Subcontractor employee's name and Subcontract labor category, if applicable, employed, (2) time worked (i.e., hours, days, months) by each employee (in the same unit of measure as per Subcontractor's proposal), (3) the salary rate for each Subcontractor employee, (4) any other direct costs (ODCs), including travel and any subtier subcontractors/vendors, separately detailed as to item, quantity, unit price, and amount, and (5) applicable indirect burdens, individually detailed as to rate, application base and amount. Copies of timecards may be requested to support claimed labor costs for work rendered and accepted during the invoice billing period. For ODCs, copies of receipts evidencing payment must be provided for individual items.

Failure to provide the above minimum information will subject the invoice to immediate return to the Subcontractor for correction

(SAMPLE INVOICE FORMAT)

Name of Contractor: SUBCONTRACTOR
Address:
Project Name:
Reporting Period:
Submission No.:
Submission Date:

BUDGET	Unit	Rate	This Period	Cumulative	Remaining Budget	% of Budget Expended
Amount						
LABOR-						
Name of Specialist # 1	# of Days					
Name of Specialist # 2	# of Days					
TOTAL LABOR		\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	
OTHER DIRECT COSTS:						
-Administrative Staff Costs						
-Postage						
-Communication						
TOTAL ODCs		\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	
TOTAL LABOR & ODC'S		\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	
FIXED FEE @5%		\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	
TOTAL COSTS PLUS FEE		\$ 00.00	\$ 00.00	\$ 00.00	\$ 00.00	

The undersigned hereby certifies that (1) this voucher and any attachments have been prepared from the books and records of the Subcontractor in accordance with the terms of the Subcontract between CONTRACTOR and (Subcontractor), and to the best of my knowledge and belief that they are correct; that the sum claimed is proper and due; that all daily rates claimed are for actual days (or fractions thereof) which have been satisfactorily provided/performed; that other costs claimed are allowable and are the actual direct costs incurred in the performance of the subcontract, and have been paid by the Subcontractor, that the quantities and amounts involved are consistent with the requirements of the Subcontract, that all required approvals have been obtained, and (2) appropriate refund shall be made to CONTRACTOR promptly upon request in the event of disallowance by USAID.

Name:
Signature:
Title:

Date:

SECTION I - CONTRACT CLAUSES

1.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

NUMBER	TITLE	DATE
52.202-1	DEFINITIONS ALTERNATE I (MAY 2001)	DEC 2001
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 1997
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER	AUG 2000
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS--NEGOTIATION	JUN 1999
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT 1997
52.215-11	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS	OCT 1997
52.215-13	SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS	OCT 1997
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998)	DEC 1998
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB)	OCT 1997
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
52.215-21	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA	OCT 1997

52.216-7	ALLOWABLE COST AND PAYMENT ALTERNATE I (MAR 1997)	FEB 2002
52.216-7	FIXED FEE	DEC 2002
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	OCT 2000
52.222-3	CONVICT LABOR	AUG 1996
52.222-19	CHILD LABOR - COOPERATION WITH AUTHORITIES AND REMEDIES	DEC 2001
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999
52.222-30	DAVIS-BACON ACT-PRICE ADJUSTMENT (NONE OR SEPARATELY SPECIFIED METHOD)	DEC 2001
52.222-38	COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS	DEC 2001
52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW	APR 1998
52.223-6	DRUG-FREE WORKPLACE	MAY 2001
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUL 2000
52.225-14	INCONSISTENCY BETWEEN ENGLISH VERSION AND TRANSLATION OF CONTRACT	FEB 2000
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	AUG 1996
52.227-16	ADDITIONAL DATA REQUIREMENTS	JUN 1987
52.228-3	WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)	APR 1984
52.228-4	WORKERS' COMPENSATION WAR-HARZARD INSURANCE OVERSEAS	APR 1984
52.228-11	PLEDGES OF ASSETS	FEB 1992
52.230-2	COST ACCOUNTING STANDARDS	APR 1998
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS	NOV 1999
52.232-18	AVAILABILITY OF FUNDS	APR 1984
52.232-22	LIMITATION OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.233-1	DISPUTES	DEC 1998
52.233-3	PROTEST AFTER AWARD ALTERNATE I (JUN 1985)	AUG 1996
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242-3	PENALTIES FOR UNALLOWABLE COSTS	MAY 2001
52.242-13	BANKRUPTCY	JUL 1995
52.242-14	SUSPENSION OF WORK	APR 1984
52.242-15	STOP-WORK ORDER (ALT I APR 1984)	AUG 1989
52.243-2	CHANGES--COST-REIMBURSEMENT ALTERNATE III (APR 1984)	AUG 1987
52.243-6	CHANGE ORDER ACCOUNTING	APR 1984
52.243-7	NOTIFICATION OF CHANGES	APR 1984
52.244-2	SUBCONTRACTS ALTERNATE II (AUG 1998)	AUG 1998
52.244-5	COMPETITION IN SUBCONTRACTING	DEC 1996
52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME AND MATERIALS, OR LABOR HOUR CONTRACTS)	JAN 1986

52.247-67	SUBMISSION OF COMMERCIAL TRANSPORTATION BILLS TO THE GENERAL SERVICES ADMINISTRATION FOR AUDIT	JUN 1997
52.249-6	TERMINATION (COST-REIMBURSEMENT) ALTERNATE I (SEP 1996)	SEP 1996
52.249-14	EXCUSABLE DELAYS	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991
752.202-1	DEFINITIONS	
752.211-70	LANGUAGE AND MEASUREMENT	JUN 1992
752.226-2	SUBCONTRACTING WITH DISADVANTAGED ENTERPRISE	APR 1997
752.226-3	LIMITATIONS ON SUBCONTRACTING	
752.228-3	WORKER'S COMPENSATION INSURANCE (DEFENSE BASE ACT)	JUN 1993
752.228-70	MEDICAL EVACUATION (MEDVAC) SERVICES	MAR 1993
752.242-70	PERIODIC PROGRESS REPORTS	JUL 1998
752.245-70	GOVERNMENT PROPERTY-USAID REPORTING REQUIREMENTS	
752.245-71	TITLE TO AND CARE OF PROPERTY	APR 1984
752.7001	BIOGRAPHICAL DATA	JUL 1997
752.7002	TRAVEL AND TRANSPORTATION	JAN 1990
752.7006	NOTICES	APR 1984
752.7007	PERSONNEL COMPENSATION	JUL 1996
752.7008	USE OF GOVERNMENT FACILITIES OR PERSONNEL	APR 1984
752.7010	CONVERSION OF U.S. DOLLARS TO LOCAL CURRENCY	APR 1984
752.7011	ORIENTATION AND LANGUAGE TRAINING	APR 1984
752.7013	CONTRACTOR-MISSION RELATIONSHIPS	OCT 1989
752.7014	NOTICE OF CHANGES IN TRAVEL REGULATIONS	JAN 1990
752.7015	USE OF POUCH FACILITIES	JUL 1997
752.7025	APPROVALS	APR 1984
752.7028	DIFFERENTIALS AND ALLOWANCES	JUL 1996
752.7029	POST PRIVILEGES	JUL 1993
752.7033	PHYSICAL FITNESS	JUL 1997

I.1 52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed \$0 or the overtime premium is paid for work--

(1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(2) By indirect-labor employees such as those performing duties in connection with

administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

(1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;

(2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;

(3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and

(4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

AIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS AND AIDAR 752.7027 PERSONNEL

Prior written approval for international travel, provided that concurrence with the assignment of individuals outside the United States is obtained by the Subcontractor, in writing, from the LBG prior to their assignment abroad, which must be within the terms of this contract, is subject to availability of funds, and should not be construed as authorization either to increase the estimated cost or to exceed the obligated amount (see Section B). The Subcontractor shall retain for audit purposes a copy of each travel concurrence.

INSURANCE AND SERVICES

(a) Pursuant to AIDAR 752.228-3 Worker's Compensation Insurance (Defense Base Act); USAID's DBA insurance carrier is:

Rutherford International, Inc.
5500 Cherokee Avenue, Suite 300

Alexandria, VA 22312

Points of Contact:
Sara Payne or Diane Ford
(703) 354-1616

Hours of Operation are: 8 a.m. to 5 p.m. (EST)
Telefax: 703) 354-0370
E-Mail: www.rutherfordord.com

(b) Pursuant to AIDAR 752.228-70 Medical Evacuation (MEDEVAC) Services, USAID's Medevac service provider is:

Medex Assistance Corporation
P.O. Box 5375
Timonium, MD 21094-5375
Telephone: (410) 453-6300 in Maryland;
or (800) 537-2029 (toll-free)
Telefax: (410) 453-6301

Applicants should request coverage in accordance with USAID Contract No. HNE-Q-00-98-00106-00.

Medevac services costs are allowable as a direct cost.

AUTHORIZED GEOGRAPHIC CODE

The authorized geographic codes for procurement of goods and services under this contract is 935.

Purchases of motor vehicles authorized in H.4 from a non-U.S. source or origin will be held to a minimum and carried out only when necessitated by required specifications, spare parts, and maintenance capabilities. The contractor will document its contract file record appropriately for each instance when it determines it must purchase a motor vehicle from a 935 source and/or origin instead of U.S. source and origin.

NONEXPENDABLE PROPERTY PURCHASES AND INFORMATION TECHNOLOGY RESOURCES

The Subcontractor is hereby authorized to lease the vehicles listed below and also procure the equipment also listed below:

Item Description	Units
Used Vehicles - Lease (Management and LBG Offices)	49

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Used Vehicles - Lease (Patrol)	140
Used Vehicles - Lease (Sectors)	315
Used Vehicles - Lease (Communication system)	7
Vehicles Maintenance + Gas	511
Procurement	
Satellite Phones	8
Satellite Phones - Service	6
Base Units	8
Base Units (Province and District emergency network)	1
Mobile Units	69
Mobile Units (Province and District emergency network)	20
Computer Equipment Laptop	5
Computer Desktop	3
Communication System spare parts	1

Note: The Subcontractor is authorized to lease the vehicles for a period of three months from the signing of the contract. To extend the lease agreement the subcontractor must obtain written authorization by LBG.

LOGISTIC SUPPORT

The Subcontractor shall be responsible for furnishing all logistic support in the United States and overseas.

PERSONNEL COMPENSATION

Any Approvals issued pursuant to this section shall be retained by the Subcontractor for audit purposes. Approvals issued pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract.

(a) Limitations:

(1) Salaries and wages may not exceed the Subcontractor's established policy and practice, including the Subcontractor's established pay scale for equivalent classifications of employees, which shall be certified to by the Subcontractor. Nor will any individual salary or wage, without approval of the Client, exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years.

(2) In addition, there is a ceiling on the reimbursable base salary or wage paid to personnel under the Contract equivalent to the maximum annual salary rate of the USAID "ES-6" (or the equivalent daily rate of the maximum ES-6 salary, if compensation is not calculated on an annual basis), as amended from time to time, unless an advance written waiver is granted by the USAID Procurement Executive.

NOTE: The ES-6 daily rate is determined by dividing the annual salary by 2080 hours and

multiplying the quotient by 8.

(b) Salaries During Travel

Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route.

(c) Return of Overseas Employees

Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct, inexcusable non-performance, or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most direct and expeditious air route.

(d) Annual Salary Increases

Annual salary increases of any kind exceeding the limitations of H.7 or exceeding the maximum salary of ES-6.

(e) Consultants

No compensation will exceed 1) the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or 2) the maximum daily salary rate of ES-6, whichever is less.

(f) Initial Salaries

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract and which are proposed in excess of the limitation of (a)(1) must be approved, in advance and in writing, by the Client. The initial compensation of consultants proposed to exceed the limitation of (e) must be approved, in advance and in writing, by the Contracting Officer. In all cases, reimbursement of amounts in excess of the ES6 maximum remain a matter requiring approval by the Procurement Executive.

(g) Work Week

(1) Nonoverseas Employees. The length of the contractor's U.S., non-overseas employees workday shall be in accordance with the contractor's established policies and practices.

(2) Overseas Employee

The work week for the Contractor's overseas employees shall not be less than 48 hours and shall be scheduled to coincide with the work week for those employees of the USAID Mission and the Cooperation Country associated with the work of this contract.

(h) Definitions

As used herein, the terms "Salaries," "Wages," and "Compensation" mean the periodic remuneration received for professional or technical services rendered, exclusive of any of the differentials or allowances defined in the clause of this contract entitled "Differentials and Allowances" (AIDAR 752.7028), unless otherwise stated. The term "compensation" includes payments for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges (see also the clause of this contract entitled "Personnel Compensation" (AIDAR 752.7007).

IMPLEMENTATION OF E.O. 13224 – EXECUTIVE ORDER ON TERRORIST FINANCING

The contractor is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Subcontractor to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract.

CONSENT TO SUBCONTRACT

Consent is provided for The Blossom Company to provide medical services.

EMPLOYMENT COSTS OF THIRD COUNTRY NATIONALS AND COOPERATING COUNTRY NATIONALS

a. The following are unallowable costs for third country nationals (TCN's) and cooperating country nationals (CCN's) unless the Contracting Officer provides a written determination that such costs are allowable for specifically named individuals:

- 1) Compensation, including merit or promotion increases, that exceeds the prevailing compensation paid to personnel performing comparable work in the cooperating country;
- 2) Payment of compensation to TCN and CCN employees in other than the currency of the local country.
- 3) Allowances and Differentials;

b. Unless otherwise approved by the Contracting Officer, the maximum prevailing compensation will be the same as the maximum salary under the Mission Local Compensation Plan.

- c. The Contracting Officer will only determine the above costs to be allowable if and to the extent that the Mission Director (or other delegated authority) approves such exceptions and the costs themselves are reasonable and allocable to the contract.
- d. Even if the contract ceiling price is based on a cost proposal that estimated such payments, a specific allowability determination from the contracting officer is required in order for such costs to be reimbursed under the contract.

HOST COUNTRY TAXES

Neither the contractor or subcontractors at any tier will pay any host country taxes, duties, levies, etc. from which this USAID program is exempt pursuant to the February 7, 1951 Agreement between the United States of America and Afghanistan.

A copy of the Agreement is provided as an attachment to this contract. Article III of the Agreement exempts equipment, materials and funds introduced into Afghanistan under a USAID program from any taxes.

In the event that any exempt charges are paid by the contractor or its subcontractors at any tier, they will not be reimbursed to the contractor by USAID.

The contractor will immediately notify USAID (both the CTO and the contracting officer) if any such taxes are assessed against the contractor or its subcontractors at any tier.

A clause similar to this, including this sentence, must be included in all subcontracts.

AUDIT AND RECORDS

In Section I of this contract, FAR clause 52.215-2 "Audit and Records - Negotiation" is incorporated by reference. USAID or its authorized representatives to have access to the records of the subcontractor with respect to:

- 1) Its quality inspection and assurance procedures and records;
- 2) Its supporting records and materials pertaining to cost, funding or performance reports that are required by the subcontract/order; and
- 3) Its supporting records and materials pertaining to any requests for advance payments or other requests for partial payment for work under the subcontract or order.

Reporting Requirements

A weekly progress report must be submitted to the REFS Project Manager. The submission schedule should be coordinated with the REFS Project Manager.