

What insurance will be required?

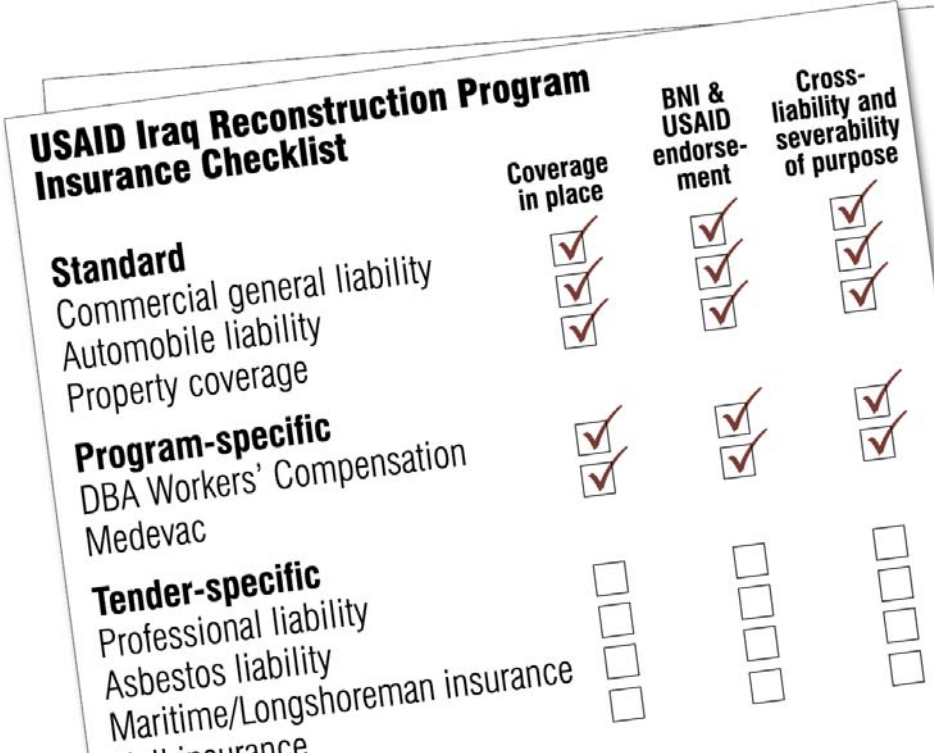
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Standard

- The types and levels of basic insurances will vary based on scopes of work and services to be provided; however,
- Generally, the required coverages will be third-party liability insurance; automobile liability insurance; and first-party property insurance for subcontractor/supplier business personal property.

Program-specific

- Defense Base Act Workers' Compensation and Medevac insurance for employees working at the various in-country sites and in neighboring countries in accordance with USAID instructions



USAID Iraq Reconstruction Program Insurance Checklist

	Coverage in place	BNI & USAID endorsement	Cross-liability and severability of purpose
Standard			
Commercial general liability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Automobile liability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property coverage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Program-specific			
DBA Workers' Compensation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medevac	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tender-specific			
Professional liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asbestos liability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maritime/Longshoreman insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hull insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Performance securities

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- **Bid securities**, when required, will be in the form of a certified or cashiers check in the amount of 10% of proposed price.
- **Performance securities**, when required, will be in the form of an unconditional and irrevocable bank guarantee in an amount typically equal to 10% of the awarded subcontract value.
- **Upon final acceptance**, the amount of the bank guarantee may be reduced to 5% to cover the warranty period.
- **The bank guarantee form** will be provided by Bechtel. Failure to use the proper form may be cause for rejection of a proposal. Bechtel reserves the right to approve the proposed bank supplying the security.

We further agree that any change, modification, addition or amendment which may be made to the terms and conditions of the AGREEMENT, or to the works to be performed thereunder, or to the payments to be made on account thereof, or any extension of the time of performance of the works or any commitment...

Performance Bank Guarantee

Bechtel National, Inc.
8180 Greensboro Drive
McLean, Virginia 22102

Subject: _____ Subcontract No. _____

Description of Subcontract: _____

Effective Date of Guarantee: _____

In consideration of you, Bechtel National, Inc. (hereinafter referred to as BECHTEL), having entered into the above subcontract (hereinafter referred to as AGREEMENT) with _____ (hereinafter referred to as CONTRACTOR), we _____ (hereinafter referred to as BANK) hereby irrevocably and unconditionally guarantee to BECHTEL and USAID subject only to the monetary limitation hereinafter specified, that CONTRACTOR shall well and truly perform and fulfil all the undertakings, covenants, terms and conditions of the AGREEMENT, and that CONTRACTOR shall well and truly perform and fulfil all changes, modifications, additions or amendments to the AGREEMENT that may hereafter be made, and that CONTRACTOR shall also indemnify, defend and hold harmless BECHTEL and USAID from all costs, liability and damage which BECHTEL or USAID may suffer by reason of CONTRACTOR's failure so to do.

In the event that BECHTEL, in its absolute discretion, gives notice to us at any time of _____ (CONTRACTOR) to perform or fulfil any of the acts or obligations set forth _____, we unconditionally and irrevocably undertake, _____ behalf or on behalf of



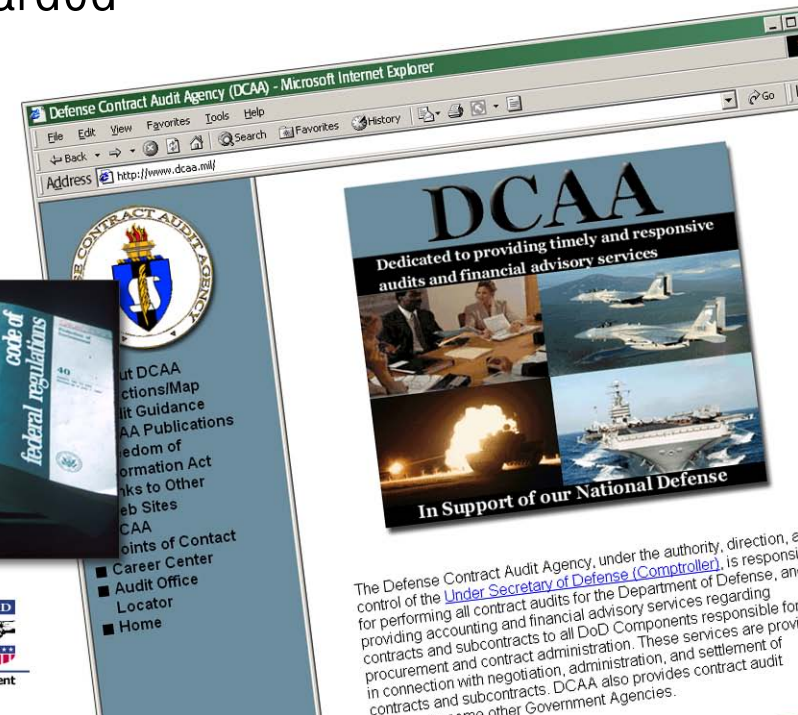
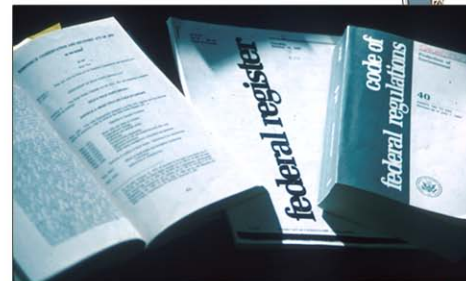
Background for subcontractors

- The contract to be performed is subject to **full compliance** with domestic and applicable international law and governed by U.S. Government procurement rules and regulations.
- Those contractors that are not familiar with these rules and regulations are encouraged to review the Federal Acquisition Regulations (FAR) and the USAID Supplements (AIDAR).
- Subcontractors and potential subcontractors will also be expected to operate in full compliance with domestic and applicable international laws and the various procurement regulations of the U.S. Many of the regulations found in the prime contract will be passed down to subcontractors by means of **flowdown clauses**.

Subcontractor responsibilities

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- BNI and its subsidiary Bechtel International Systems, Inc. (BISI) maintain accounting and procurement systems that are subject to **constant oversight and approval** by U.S. Government Audit Agencies.
- Subcontracts awarded for this effort will be subject to oversight by BNI/BISI and one or more of the following organizations or agencies:
 - USAID's Office of the Inspector General has broad oversight and review responsibilities for contracts awarded by USAID, and
 - Certain efforts may also be performed by the Defense Contract Audit Agency when and where appropriate.



U.S. Government rules—export control

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- Certain shipments associated with Bechtel's USAID Reconstruction Contract will be subject to export control laws.



- If subcontractors or suppliers have questions about export control laws, we strongly encourage them to seek legal guidance.
- Bechtel will typically need all subcontractors and suppliers to provide it with U.S. Export Control Classification Numbers (ECCNs)—and information about where the item was produced and where the item's parts were sourced—for all items to be shipped in support of work for Bechtel.

- If you would like to learn more about U.S. export control laws, and how to determine ECCN numbers, you can access the web site of the U.S. Department of Commerce, Bureau of Industry and Security.
- If you would like to access a copy of the Commerce Control List, which is a list of dual-use items that may be subject to certain export controls, you can find the list at the GAO web site (here you can review the items in the 10 categories associated with Part 774). As you will see if you access the list, each item is assigned an ECCN. Typically, Bechtel will need the ECCN from all subcontractors and suppliers.



- **Mission**—Reconstruction of existing infrastructure to provide the people and country of Iraq the opportunity to prosper
- **Sequence**—Urgency in all areas of infrastructure but particularly those most directly connected to delivery of humanitarian assistance; such as water, food, and basic utilities
- **Worldwide response**—Interest in the program is unparalleled. Competition is global and standard tendering processes are applied, inclusive of applicable FARs and AIDARs
- **Evaluation criteria**—A combination of safety, quality, price, and delivery/schedule. The paramount factor will vary for different services.

Questions and answers

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