

U.S. Government Rules

Compliance Issues

Background for Subcontractors

The United States Agency for International Development (USAID) awarded Bechtel National, INC. (BNI) a cost plus fixed fee (CPFF) contract for reconstruction activities in Iraq. The contract to be performed is subject to full compliance with domestic and applicable international law and governed by the United States Government procurement rules and regulations. BNI and its subsidiary Bechtel International Systems, Inc. (BISI) maintain accounting and procurement systems that are subject to constant oversight and approval by the United States Government Audit Agencies. 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 United States. Many of the regulations found in the prime contract will be passed down to subcontractors by means of flowdown clauses.

Subcontractor Responsibilities

Subcontractors that are presently providing goods or services to one of the various United States agencies may already have approved cost and pricing systems or already be subject to oversight by an official government audit agency and therefore will be familiar with the 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).

These documents can be found at:
www.arnet.gov/far/
www.usaid.gov



Subcontractor Oversight

Subcontracts awarded for this effort will be subject to oversight by BNI/BISI and one or more of the following organizations or agencies. The USAID Office of the Inspector General has broad oversight and review responsibilities for contracts awarded by the USAID. In addition, the USAID has advised BNI that certain efforts may also be performed by the Defense Contract Audit Agency when and where appropriate.



Export Control

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 encourage them to seek legal guidance. However, 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 website of the U.S. Department of Commerce, Bureau of Industry and Security at <http://www.bis.doc.gov>. 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 following site: http://w3.access.gpo.gov/bis/ear/ear_data.html (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.

