

Compilation of All Technical Questions Received on SGA 09-06 and USDOL Responses

Question 1: Since withdrawal and prevention are mutually exclusive categories, please clarify whether USDOL requires at least 1/3 of direct beneficiaries to be withdrawn from trafficking and domestic work or 1/3 prevented from trafficking and domestic work [for Indonesia]?

USDOL Response: Even though children withdrawn and children prevented from exploitive child labor represent two mutually exclusive categories, the requirement for Indonesia is for the Applicant to target 1/3 of total direct beneficiaries from trafficking and domestic work. It is up to the Applicant to propose the breakdown between withdrawal and prevention within this overall requirement.

Question 2: How does USDOL define plantation agriculture in Indonesia? Is this the same as commercial agriculture categorized as: tobacco, rubber, palm oil, coffee, cacao, sugar, and tea? Does plantation agriculture refer to children working on their family farms?

USDOL Response: USDOL seeks to support interventions that address this worst form of child labor as defined by the Government of Indonesia. The Government of Indonesia, in its National Plan of Action identifies “employment of children on plantations/estates” as a worst form of child labor. Consistent with the Government of Indonesia, USDOL seeks to eliminate the worst forms of child labor (WFCL) in commercial agriculture.

Question 3: Does the needs assessment report have a format? Does it need to be attached as an annex?

USDOL Response: There is no specific format required by USDOL for the needs assessment, nor does USDOL require that the needs assessment be included as a separate annex to the proposal. However, USDOL does, require Applicants’ project designs and strategies to be *informed by* their needs assessments, as outlined on page 32 of SGA 09-06.

Question 4: While we realize that revolving funds are not allowed, is it possible to incorporate community-based savings when the capital inputs are entirely from the community and the international organization is only a facilitator of the process?

USDOL Response: This activity *may be* allowable. If your organization decides to include this activity in your application, please be sure to provide additional details on what it is, how it would operate, and the role of the Applicant in facilitating the process.

Question 5: What is the period of time for the Teaming Agreement timeline? Pre-award/proposal design or post-award/project implementation?

USDOL Response: The SGA states on page 38 that “An Association Agreement should reflect an appropriate joint venture, partnership or contractual agreement and outline the deliverables, activities, and corresponding timeline for which each Associate will be responsible.” As this suggests, the Association/Teaming Agreement is expected to cover the post-award/project implementation timeframe.

Question 6: Please confirm if the Audit Reports may be included in the Cost Proposal rather than as an Annex of the Technical Proposal since the technical proposal will become available under the FOIA.

USDOL Response: As stated in SGA 09-06 on pages 38 and 57, all required audit reports must be included as part of the Technical Proposal in Annex G.

Question 7: Please confirm that the Applicant can use any program or format for the presentation of the work plan (for example Microsoft Word).

USDOL Response: Yes, that is correct. The Workplan may be submitted using the format or program of the Applicant’s choosing. However, Applicants planning to submit their applications electronically must bear in mind the software program requirements stated on page 39 of the SGA: “when submitting on www.grants.gov, Applicants must save all attachments as a .doc, .pdf, .txt, or .xls file....”

Question 8: Please confirm that, since the direct beneficiary table is not required at this time, it is sufficient to include only information about the selection criteria and data available on the incidence of child labor?

USDOL Response: As noted on page 8 of the SGA, Applicants must describe selection criteria for direct beneficiaries as well as “describe the process they will use to identify direct beneficiaries in the target geographic area(s), including: 1) who will be responsible for identifying the children, 2) how the process will be conducted, and 3) how the project will prioritize children who meet the criteria for withdrawal or prevention and demonstrate the greatest need. In cases where multiple organizations will be responsible for withdrawing and preventing children from exploitive child labor, the application must describe the identification process that will be used by all implementing organizations (including Associate(s) and/or subcontractors). It should also describe how the Lead Applicant will ensure that all Associate(s) and/or subcontractors use the same criteria to select and prioritize direct beneficiaries.”

Question 9: Please confirm that if an Applicant has submitted the incurred cost submission (within the required period) to its cognizant agency (but has yet to receive an updated NICRA) that documentation confirming the submission and the most recent NICRA is sufficient for the purposes of the application.

USDOL Response: Yes, submitting such documentation in your application, along with the Applicant’s most recently approved NICRA and the required NICRA form, is sufficient for the purposes of meeting the requirements of the solicitation.

Question 10: The Nepal National Master Plan on Child Labor mentions 5 subsectors of child labor:

- 1) Violations of Human Rights
- 2) Service
- 3) Manufacturing
- 4) Mining/Quarries
- 5) Agriculture.

However it also refers to the 16 WFCL as sectors:

- 1) Slavery and Forced Labor
- 2) Prostitution
- 3) Trafficking in Persons
- 4) Drug Peddling
- 5) Armed Conflict,
- 6) Scavenging and Rag Picking
- 7) Portering
- 8) Small Restaurants and Bars
- 9) Domestic Service
- 10) Overland Transportation
- 11) Carpet Factories
- 12) Brick and Tile Kilns
- 13) Match Factories
- 14) Leather Tannery
- 15) Stone Quarries
- 16) Coal Mines

Does USDOL consider the 5 subsectors or the 16 WFCL (all listed above) as the sectors in which the Grantee needs to target at least 3 in addition to the entertainment industry?

USDOL Response: Applicants must select at least 3 sectors from the list of 16 WFCL sectors and target these sectors, in addition to the entertainment industry.

Question 11: The EEO survey is listed in the “mandatory documents” section of the grants.gov application. Is the survey required to be filled out only by the Lead Applicant?

USDOL Response: Please note that the SGA states on pages 31 and 56 that the Equal Opportunity Survey is optional for all Applicants. From page 31: “All Applicants are requested, but not required, to complete and include the Survey on Ensuring Equal Opportunity for Applicants (OMB No.189-0014) in their applications....” It is important to note, however, that for the purposes of this SGA, as indicated on page 25 of the SGA,

the term “Applicant” is intended by USDOL to connote all members of an Association, which would be interpreted as including the Lead Applicant as well as Associates.

Question 12: Our organization just started in June 2009 and does not have an audit report so far. Are we disqualified for submitting a proposal for SGA-09-06?

USDOL Response: No, not necessarily. However, as noted in the SGA on page 48, your organization would need to adhere to all relevant audit requirements going forward.

Question 13: What is the meaning of key personnel? Is it in the U.S., or in Nepal, or in both countries?

USDOL Response: As stated on pages 34-35 of the SGA, the Project Director, Education Specialist, and Monitoring and Evaluation Officer comprise the key personnel of USDOL-funded child labor projects. These three members of the project staff are deemed essential to the successful operation of the project and completion of all proposed activities and deliverables. All key personnel must allocate 100 percent of their time to the project and live in the target country.

Question 14: Our organization has collaborated with a well-established non-profit organization in Nepal. Is it required to submit the MOU signed by our two organizations?

USDOL Response: If your organization is applying with another organization as an Association, see the requirements for Associations listed on pages 25-26 of the SGA. If not, this information could be included to reflect your strategy in-country, but this is not required.

Question 15: Is our organization required to submit audit reports of the Nepali organization, which has an agreement with us?

USDOL Response: If your organization is applying with this Nepali organization as an Association, then your application must include all required audits reports pertaining to Associations, as stated on page 38 of the SGA.

Question 16: For Nepal, the solicitation focuses on removal of children under 14 from the worst forms of child labor. Would children under 14 at the time of enrollment not removed until they have passed 14 years of age count or not count towards the removal targets?

USDOL Response: Children under the age of 18 years may be counted as withdrawn or prevented for the purposes of GPRA, as stated on pages 14-15 of the SGA for all projects. However, in Nepal, children under the age of 14 cannot legally work and, therefore, must be completely removed from work in accordance with the labor law.

Question 17: For Nepal, a small percentage of commercially sexually exploited children (CSEC) are under 14 with the majority being in the 14-18 age group. When CSEC is unconditional is it necessary to separate targets for under 14 from the 14 to 18 when age is so hard to determine and all need to be withdrawn?

USDOL Response: Please see the Amendment to SGA 09-06 published on Grants.gov, which can be accessed by following the link below: <http://www07.grants.gov/search/search.do;jsessionid=c4tMKpRdj26hJ43PnLBnp1Dn2VYm5J829Ty8NjL1V3Xjd69npt42!-723925807?oppId=47743&mode=VIEW>.

Question 18: For Nepal, determining CSEC – 100% withdrawal – can you target a larger number of beneficiaries with an expectation that a stated % is withdrawn by the end of the project – e.g., Other trafficking donors look for a % of targeted beneficiaries to be in non-exploitative employment.

USDOL Response: Yes, Applicants can propose to enroll a larger number of beneficiaries, with the understanding that some may not meet the criteria for withdrawn. However, Applicants will be responsible for meeting the targets for withdrawal and prevention specified in their application.

Question 19: For Nepal, can you clarify what is meant by counting beneficiaries from previous projects if they continue to receive services in the new project? Do you mean that we can count beneficiaries already engaged in education services in the same target districts where we will work but who are still not withdrawn? Or can we provide scholarships to previously withdrawn children to continue to keep them out of child labor be counted?

USDOL Response: Children may only be reported once for GPRA purposes. Children reported to USDOL as withdrawn or prevented under one project may not be reported to USDOL as withdrawn or prevented by another project. Applicants may propose to provide additional assistance to children who were previously reported as withdrawn and prevented, but again, these children may not be reported again for GPRA purposes.

Question 20: For Nepal, if a ‘trafficked’ child is intercepted - for example at the border, before they end up in commercial sexual exploitation, are they counted as withdrawn from trafficking for that sector or prevented from entering exploitive labor if they receive the educational and other direct services even if they never engage in exploitative labor?

USDOL Response: If the Applicant has verified that a child is in the process of being trafficked for either labor or sexual exploitation, then that child, after being rescued from a trafficking situation and having received direct educational services and other direct services, could be counted as withdrawn.

Question 21: Will USDOL make available contact information for those organizations interested in building an Association or seeking partnerships with organizations with particular expertise?

USDOL Response: USDOL has made available on our Web site a list of attendees and organizations represented at the June 24, 2009 Bidders' Meeting convened by USDOL/ILAB. Please see our Web site for more information: <http://www.dol.gov/ilab/grants/20090624/>.

Question 22: Does USDOL require that all implementing organizations be signed on as Associates?

USDOL Response: As noted in the SGA on page 4, organizations may apply individually or as an Association. If a Grantee works with another organization to implement an activity of the project, this may be done through a subcontract but not a subgrant. Please see page 58 of the SGA for information on the difference between a subgrant and a subcontract.

Question 23: Are any of these USDOL monies going to be awarded to smaller organizations? As you are aware, money is tight these days for all non-profits, and we must be careful how we spend time applying for grants, etc.

USDOL Response: Cooperative Agreements will be awarded in accordance with the criteria outlined in Section V. of SGA 09-06. While organizational capacity is considered as a criterion, the size of an organization is not a criterion for evaluation of proposals. Additional information on which organizations are eligible to apply for USDOL funding can be found on pages 24-25 of this solicitation.

Question 24: Are you going to consider awarding money to projects that not only concentrate on education within the four countries listed, but also attempt to educate the rest of the world on awareness of child labor and how we can assist/help/make a real difference?

USDOL Response: Projects will be awarded in accordance with the criteria laid out in Section V. of SGA 09-06. Applications must respond to the entire Scope of Work outlined in section I.B. of this solicitation for each target country for which an application is submitted, including the five goals of USDOL-funded projects, other general requirements, and country-specific requirements.

Question 25: On page 41 of the SGA, it is stated that housing and personal living expenses would only be allowable if they are "separately accounted for as direct costs of the project necessary for the performance of the project." Can USDOL please provide a list of acceptable allowances? For example, would an "education allowance" that provides for staff's dependents be allowable under USDOL's provisions?

USDOL Response: The allowability of costs is determined by OMB Circular A-122 and other sources, as applicable. USDOL does not maintain a list of acceptable costs and allowances for housing, personal, and living expenses. If the Applicant wishes to propose an "education allowance" that provides for staff's dependents, whether such a

cost is allowable would be considered by USDOL. It could be allowable if it is separately accounted for as a direct cost of the project deemed necessary for the performance of the project, although such a proposed cost requires prior approval from USDOL, as stated on page 41 of SGA 09-06.

While this cost may be considered allowable, Applicants should bear in mind the evaluation criteria spelled out on page 44 of SGA 09-06: “Applicants will also be evaluated on the degree to which budget-performance integration—the link between the allocation of resources in the budget and the project’s strategy—is evident and the extent to which proposed costs will lead to the achievement of identified outputs. Applicants will also be evaluated on the extent to which the budget supports a cost-effective plan for ensuring the long-term withdrawal and prevention of children from exploitive child labor, taking into account such factors as the sector(s) of work being targeted. Preference may be given to Applicants with low administrative costs and a budget breakdown that provides a larger amount of resources to direct services (*i.e.*, direct educational services, other direct services, and other project interventions).”

Question 26: Is there a specific person that serves as the point of contact/attaché for USDOL in Guatemala? If so, can you please provide information for that individual?

USDOL Response: Given that USDOL does not maintain a country presence in Guatemala, there is no USDOL point of contact that we can refer you to in-country.

Question 27: For the “child labor-free zone” for Guatemala, is there any USDOL preference for which of the 136 municipalities that should be targeted for intervention?

USDOL Response: No. The SGA at page 16 states that, “The Applicant must work in a self-selected number of municipalities chosen from the 136 municipalities that Guatemala’s *Consejo de Cohesión Social* has initially targeted in the *Mi Familia Progresá Program*.” While USDOL does not have a preference about which municipalities should be targeted for intervention, Applicants are required to identify the geographic area(s) to be targeted and provide a justification for these choices, as stated on page 15 of the SGA.

Question 28: On page 38 of the SGA, it states (under documentation of country presence), “Such documentation could include, but is not limited to: official registration of the Applicant’s organization in the target country. Documents indicating the support the Applicant has received from the host government in the target country may also be included in this Annex. Such documentation could include, but is not limited to a current Memorandum of Understanding between the Applicant and the host country government in the target country and/or letters of support for the proposed project from the national and /or local government of the target country.” Therefore, can it be assumed that a Memorandum of Understanding and/or Letters of Support from the host government can serve the purposes of documenting country presence?

USDOL Response: No, it cannot automatically be assumed that a Memorandum of Understanding and/or letters of support constitute country presence. A Memorandum of Understanding between the Applicant and the host country government in the target country and/or letters of support for the proposed project from the host government of the target country can serve to document country presence if these documents provide a clear indication that the Applicant is legally registered in the country or otherwise is able to demonstrate a country presence.

Question 29: The SGA states that “USDOL funds may only be used to pay for housing costs, housing allowances, and personal living expenses (*e.g.*, dependents’ allowance) of the project staff if they 1) are separately accounted for as direct costs of the project necessary for the performance of the project and 2) receive prior approval from USDOL” (page 41). Please confirm this is in reference to allowances typically given to international staff and would include payroll, cost of living allowance, housing (rent) and utilities, educational reimbursement, relocation airfare, medical exams, shipping and baggage, storage, passport and visas, settling-in allowance, rest and relaxation, home leave travel, medevac and/or emergency allowance (if applicable). Please confirm that benefits paid to national staff based on local laws and practices (*e.g.*, health insurance, medical allowance, emergency allowance, cost of living) in addition to fringe costs (*e.g.*, pension and severance) will also need to be detailed separately for approval. Please also confirm that Applicants may attach a separate budget sheet with these costs detailed as individual line items and then combined into a single line in the budget itself.

USDOL Response: As stated on page 30 of the SGA, Applicants should provide a clear breakdown of costs associated with staff salaries and other proposed costs, cost of living allowance, housing allowance and other personal living expenses (*e.g.*, dependents’ allowance). Applicants must include a justification for any proposed housing costs, housing allowances, and/or personal living expenses. Housing costs, housing allowances, and/or personal living expenses (*e.g.*, costs of project staff) may only be included in the project budget if they are accounted for as direct costs of the project, not as fringe benefits or indirect costs. Applicants must provide this information in the budget and budget narrative as stated in the SGA. A separate budget sheet with these costs detailed is acceptable.

Question 30: The SGA states, “As a general rule, it is USDOL’s position that housing and other personal expenses are costs that are appropriately the responsibility of the individual employees, whether they are residing in the United States or abroad. In general, housing costs, housing allowances, and personal living expenses will only be authorized under the cooperative agreement if deemed necessary for the performance of the project” (page 41). Please confirm that this is in reference to international expatriate benefits packages, as opposed to local benefits, which are in line with local laws and practices, serve as part of an employee agreement, and paid for by an organization (*e.g.*, health insurance).

USDOL Response: The above statement from page 41 of SGA 09-06 refers to housing costs, housing allowances, personal living expenses, and other personal expenses, and not

to standard benefits typically included in employee compensation packages, such as health insurance.

Question 31: Would USDOL allow projects to include third country study tours, site visits, and/or training in their technical design? If so, would direct expenses for host government participants (*e.g.*, transportation, hotel) be an allowable cost?

USDOL Response: Applicants may propose activities (*e.g.*, tours, site visits, training), as well as the direct costs associated with host government officials' participation in these activities. The allowability of such costs will be determined in accordance with applicable cost principles, as set forth in OMB Circulars or the Federal Acquisition Regulation.

Applicants are advised to include a justification in their Budget Narrative for any such costs proposed, and should bear in mind the following statement on page 44 of SGA 09-06: "Applicants will..be evaluated on the degree to which budget-performance integration—the link between the allocation of resources in the budget and the project's strategy—is evident and the extent to which proposed costs will lead to the achievement of identified outputs."

Question 32: The grant notice is not clear as to whether the projects covered by the grant funds are limited to those providing directly educational services for children (literally building schools, providing scholarships, eliminating school fees, and the like). Our question is whether awareness raising and training of local government officials for better enforcement of education and child labor policies would fall under the activities covered by the grant.

USDOL Response: As noted in the SGA, Applicants must respond to the entire Scope of Work for each country for which an application is submitted.

Question 33: Are there separate specific percentages or predetermined amounts designated for the eradication of child labor and for the prevention of child labor because the cost for eradication versus prevention may be significantly different?

USDOL Response: USDOL does not designate specific percentages or amounts for the withdrawal of children from exploitive child labor versus prevention. As stated on page 9 of the SGA, in the process of targeting direct beneficiaries, Applicants are strongly encouraged to propose a greater number of children for withdrawal than for prevention, and to prioritize the withdrawal of children engaged in the worst forms of child labor as a matter of urgency, as called for by ILO Convention 182. This recommended prioritization of children in the worst forms of child labor should be balanced with the need for prevention, and should take into account the realities of the implementing environment.

Question 34: On page 9, paragraph a.3, Minimum Number of Direct Beneficiaries, the SGA states that Applicants must propose to serve a minimum of 177 direct beneficiaries for each USD 100,000 of USDOL funding requested under this solicitation. Please

confirm that this means \$565 per child and, if this is correct, is there a set aside percentage for technical assistance for social marketing, communication and strengthening of institutional capabilities to restore the rights of child laborers to maintain adequate working standards that is in addition to the \$565 per child? If not, are there additional resources to cover all of the costs of separating the child laborer from work and incorporating him/her to more productive activities, i.e., costs that cannot be covered by other collaborating organizations.

USDOL Response: Yes, the minimum number of beneficiaries that must be served is 177 children per USD 100,000 of funding being requested under SGA 09-06, which translates into USD 565 per child. This formula, however, reflects the number of children to be withdrawn or prevented in relation to the entire dollar amount of the grant award. Therefore, an Applicant must propose a project and budget that accounts for project costs beyond merely those to be incurred on direct beneficiary activities.

Question 35: The second paragraph of Section III. A. Eligible Applicants, page 25, states that “For Applicants...that are...for-profit organizations, failure to submit the most current independent audit will result in an application being considered non-responsive and rejected.” For a privately and closely held corporation where one or two individuals own 100% of the stock, and where there is no federal audit requirement, and where such audit is not normally undertaken in the normal course of business, will any of the following alternatives be acceptable, given the short time frame for submission of a proposal in response to the SGA and the time required for undertaking an independent audit:

- a. An internally prepared Income Statement and Balance Sheet, which is certified by the Chief Financial Officer to correctly represent the financial position of the organization;
- b. If “a” is not acceptable, would a compilation by an independent CPA be acceptable;
- c. If “b” is not acceptable, would a review by an independent CPA be acceptable;
- d. If “c” is not acceptable, would an independent audit for the year ended December 31, 2001 be acceptable?
- e. If neither “a”, “b”, “c”, or “d” is acceptable, would submission of a completed audit report at time of contract award be acceptable to allow time for the preparation of an audit by an independent CPA, and given that it would be extremely difficult to have an independent audit conducted and completed by the due date of the proposal.

USDOL Response: If a for-profit organization that is not subject to U.S. Federal Government audit requirements does not have a current independent audit report on file, it may still submit an application for funding under SGA 09-06 and be considered responsive. As stated on page 25 of the SGA, “To meet the requirements under the SGA, a for-profit organization must submit its most recent financial audit.” However, the organization should provide as much information as possible to support its financial viability. If this applies to your organization, please include detailed information about your organization’s financial position (including information that would be relevant and demonstrate compliance with USDOL regulations and the reliability of the Grantee’s

financial and performance reports). The Applicant should also explain in detail, why an independent audit report is not available at the time of the SGA closing date.

In the event of award, the Grantee, including foreign-based and private for-profit Grantees, are subject to attestation engagements during the life of the cooperative agreement. Such an attestation engagement will be conducted in accordance with U.S. Government Auditing Standards, which includes auditors' opinions on 1) compliance with USDOL regulations and the provisions of the cooperative agreement and 2) the reliability of the Grantee's financial and performance reports.

Question 36: The SGA makes mention of sub-contracts and Associations. Please clarify the benefits and differences of each. Apart from Appendix D, please provide any other USDOL sources that may help clarify the differences between these two in greater detail?

USDOL Response: The difference between a subcontract and an Association is that all members of an Association are jointly considered by USDOL to be the Grantee. By contrast, a subcontractor's contractual relationship is with the Grantee, rather than USDOL. As the table in Appendix D reflects, a Grantee that enters into a subcontract generally retains responsibility for deciding on the major activities that occur under the contract and how they are to be carried out. That responsibility is not abdicated to the subcontractor. Given that Associates are together considered the Grantee, however, the responsibility for different aspects of a project can be shared or divided as the Associates see fit. The benefits of having Associates or subcontractors would need to be assessed by each Applicant. Beyond what is discussed on page 41 and in Appendix D of the SGA, USDOL does not have any additional sources that address the differences between a subcontract and an Association.