

**AURA**  
**Central Administrative**  
**Services**  
**Procurement Procedures**

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## SECTION ii

### DEFINITIONS

- 1) **Acceptance** - The acknowledgment by AURA that the goods ordered have been inspected and conform to the specifications, quantity and quality as contracted for.
- 2) **Approved Receiving Report** - A Receiving Report signed by the requester indicating that the materials received are the items ordered and are in satisfactory condition.
- 3) **AURA** - Stands for the **Association of Universities for Research in Astronomy, Inc.** that is the company for which we work. It is an Arizona Corporation funded by the NSF through long-term Cooperative Agreements.
- 4) **Blanket Purchase Order** - A contract between AURA and a specific vendor for the purchase of designated items or services, in-undesignated quantities, over a specific period of time. The contract must be for a specific period at which time the Blanket Purchase Order is either renewed or allowed to lapse.
- 5) **BOMPA** - stands for the Bank One Merchants Purchase Authorization credit card. This is a credit card issued to specific individuals within the AURA organization to assist with the purchase of small dollar items.
- 6) **Bureau of Industry and Security** - The controlling authority under the purview of the U.S. Department of Commerce responsible for the export control of non-military materials, software, and data. Policies and procedures for the exportation of non-military items are found in the U.S. Export Administration Regulations.
- 7) **Buyer** - AURA, Inc. is always considered the Buyer of a vendor's goods and will be the party issuing the acceptance or rejection of shipment as determined by the requester. AURA, Kitt Peak, NSO, GONG, CTIO, GEMINI 8-Meter Telescope Project and Space Telescope Science Institute (STScI) are departments or projects within the AURA organization.
- 8) **CIPL** - Stands for **Commercial Invoice and Packing List** which is a document issued by the shipper and which details the items and their value which are included in a specific shipment. See Packing List.
- 9) **Contractual Authority** - The authority granted to an AURA employee to commit AURA into contractual agreements up to the amount indicated on a valid, signed requisition. Contractual Authority is different from Signature Authority. The delegation of Signature Authority does not grant that individual Contractual Authority.
- 10) **Covert Damage** - Damage to the contents of a shipment whose packaging does not reflect or indicate the potential damage.
- 11) **CTIO** - stands for **Cerro Tololo Inter-American Observatory** located about 50 miles West of La Serena, Chile. La Serena is about 300 miles (a 7-hour bus trip) north of Santiago, the capitol of Chile.
- 12) **Customs Bond** - is a bond issued by an insurer which insures payment to the U.S. Customs Service of all taxes and Duties and other charges associated with an importation. The Intercargo Insurance Company as administered by Roanoke Trade insures AURA's Customs Bond. The Customs Bond number is 5940015. Without this bond, AURA would be required to pay for a bond each time something was imported.
- 13) **DECam** - Is the Dark Energy Camera produced by the DES Project under the auspices of the Department of Energy. The camera will be positioned on the CTIO Blanco 4-Meter telescope in Chile.
- 14) **DES Project** - Is the Dark Energy Survey Project funded by the Department of Energy and tasked with the production and deployment of the DECam.
- 15) **Directorate of Defense Trade Control (DDTC)** - Is the enforcement and controlling agency of the Department of State export controls. Previously named the Office of Munitions Control (OMC), this agency controls the export of all defense-related materials. The ITAR is the regulations under which the DTC operates.
- 16) **Departmental Order Placers** - Those individuals within a specific department who have attended the Purchasing Certification Course and who have been delegated authority by the Manager, AURA Procurement to conduct small purchases under the Small Purchase Blanket Purchase Order System.
- 17) **ECCN** - Stands for **Export Commodity Control Number**, which is an alphanumeric designation, which identifies a specific type of material as being restricted for export. Specific ECCN listings are identified and detailed in the Department of Commerce's, Export Administration Regulations.

- 18) **Export Declarations** - Export documents that identify to U.S. Customs and to the Department of Commerce the items within a specific shipment falling under the authority of the U.S. export regulations. Also known as "EX DECS".
- 19) **F.O.B.** - Stands for **Free On Board** and indicates who has the responsibility for the materials ordered while they are in transit. Normal F.O.B. terms are "Destination", "Ship Point", "Factory", or a specific location such as "San Francisco, CA". Free On Board is the designated place in the contract at which Title and Risk of Loss shall pass to the Buyer. It also is a designation of the point from which the Buyer shall bear the cost of transportation
- 20) **F.O.B. Destination** - Designates that the vendor is responsible for transportation costs to the point of destination designated in the contract. At that point both the Title and Risk of Loss are transferred to AURA. The vendor will designate the carrier and may or may not charge AURA for the freight costs. State taxes on the freight costs are based on the point at which title for the goods is transferred. In this case, state tax on the freight costs will not be assessed AURA.
- 21) **Santiago Operations Office** - an office located in Santiago, Chile which handles incoming freight and visiting astronomers for AURA-South. The address is: Santiago Operations, Av. Presidente Riesco 5335, Oficina No. 507, Las Condes, Santiago-, Chile, Phone: 56-2-370-1085
- 22) **F.O.B. Ship Point; F.O.B. City, State;** etc. - Designates that AURA is responsible for the transportation costs from the designated shipping point. In addition, AURA will obtain title at that point and become responsible for any loss occurring during the transportation process. AURA will designate the carrier and pay all freight costs. State taxes on the freight costs are based on the point at which title for the goods is transferred. In these cases, state tax on the freight costs may be assessed AURA.
- 23) **Gemini 8-Meter Telescope Project** - The name assigned to the 8-Meter Telescope project which is an organization created by the NSF to build twin 8-Meter telescopes - one on Mauna Kea in Hawaii and the other on Cerro Pachon, near CTIO. The members of the organization include Canada, England, Chile, Argentina, and Brazil. The project is administered by AURA. Main offices are located in Hilo, HI.
- 24) **GONG** - A project under control of NSO that analyzes the vibrations on the sun. GONG stands for **Global Oscillation Network Group**.
- 25) **Implied Warranty** - A fact, or warranty, not explicitly written or stated but which is determined by deduction or inference from known facts and circumstances.
- 26) **Invoice** - A document that is sent by a vendor to Accounting seeking payment for goods or services ordered. At times this document accompanies the shipment and can be confused with the packing list.
- 27) **KPNO** - Stands for **Kitt Peak National Observatory** and is located 50 miles West of Tucson. AURA runs Kitt Peak for the US Government. The University of Arizona is one of many tenants on the mountain which pay rent to AURA.
- 28) **Material Safety Data Sheet** - A document produced by a manufacturer which details the hazards associated with a specific product. This information is required for the shipment of the materials as it details how to counteract the hazards associated with the product should an emergency occur.
- 29) **MSDS** - See **Materials Safety Data Sheet**.
- 30) **AURA** - Stands for the **National Optical Astronomy Observatories** that include CTIO, KPNO and NSO. AURA is not a legal entity and can not issue contracts. AURA is the legal entity and AURA is a department within AURA.
- 31) **NSF** - Stands for the **National Science Foundation** and is a U.S. government agency that contracts with AURA to operate several national observatories for the U.S. government.
- 32) **NSO** - Stands for the **National Solar Observatories**, which has two locations. One is on Kitt Peak. The second is at Sacramento Peak Observatory near Sunspot, New Mexico that is in the mountains outside Alamogordo, New Mexico, about 50 miles north of El Paso, TX.
- 33) **Overt Damage** - Damage to the shipping container that is easily visible, i.e. the rattle of broken glass inside, torn or smashed outer wrappings, etc.
- 34) **Packing List** - A document issued by the shipper which accompanies a specific shipment of materials. This document detail what is in the shipment and, in most cases, the Purchase order under which the goods were ordered. In order to comply with Chilean (and most other countries') import regulations, AURA erroneously names this document a Commercial Invoice & Packing List (CIPL).
- 35) **Payment Terms** - See Terms
- 36) **Personal Goods Shipment** - A shipment to CTIO of personal goods that may contain any number of packages for AURA employees.

- 37) **Purchase Requisition** - The document issued by an AURA employee requesting the purchase of specific materials. The Purchase Requisition is not a valid purchase document until it is approved by the individual with the proper Signature Authority for the account number indicated on the Purchase Requisition.
- 38) **Purchase Order** - A Contract between AURA and a specific vendor for the purchase of services and/or materials requested in accordance with the valid Purchase Requisition. The Contract must be for specific items, at a specific cost, delivered to a specific location within a specific time. Purchase Orders are issued in response to a valid Purchase Requisition.
- 39) **Reasonable Period of Time** - A legal term used to indicate the period of time a buyer has to accept, reject, or revoke his acceptance of the item received. No specific time frame is indicated but the period depends on the specific circumstances and ability of the receiving organization to inspect the item. Generally 10 days is considered reasonable.
- 40) **Receiver** - See Receiving Report.
- 41) **Receiving Report** - Document issued by the receiving facility signifying a cursory inspection of the materials received to determine damage, and the materials conformance to the items ordered on the Purchase Order regarding quantity and apparent nomenclature (Model Numbers, Part Numbers, etc.)
- 42) **Requisition ("REQ")** - See Purchase Requisition.
- 43) **Requester** - The individual initiating the Purchase Requisition and seeking the acquisition of specific materials, equipment or services.
- 44) **REQLESS** – an administrative portal for a variety of services including the production of requisitions, check requests shipping memos and travel requests.
- 45) **Requisitioner** - See Requester.
- 46) **Sac Peak** - The nickname of the **Sacramento Peak** Solar Observatory near Alamogordo, NM.
- 47) **Shipping Memo** - A document authorizing the shipment if the materials listed on the document and the charging of the freight costs against the account number listed on the Shipping Memo.
- 48) **Signature Authority** - The individual designated by the AURA Director as authorized to expend funds from a specific account. The individual with the proper Signature Authority must approve each Purchase Requisition for the account listed on the Purchase Requisition. If more than one account is listed on the requisition, individuals who have Signature Authority on each account must approve the requisition.
- 49) **SOAR Telescope Project** – Is the Southern Observatory for Astrophysical Research (SOAR) which will be a 4-Meter Class telescope located on Cerro Pachon, near Cerro Tololo, in Chile.
- 50) **SOLIS** – is the Synoptic Optical Long-term Investigations of the Sun (SOLIS) project administered by the National Solar Observatories. The project will establish a solar facility at the Kitt Peak National Observatory.
- 51) **Sole Source** - A vendor requested by the Requisitioner as being the one from whom the items ordered on the Purchase requisition are to be purchased.
- 52) **Sole Source Justification** - A document accompanying a Purchase Requisition that authorizes AURA Procurement to purchase the ordered items from the single vendor listed on the Purchase Requisition.
- 53) **T&Cs** - Stands for Terms & Conditions and are detailed on either AURA Form T-1, AURA form T-2 or in the written purchase contract. See Terms and Conditions.
- 54) **Terms** - Indicates how long AURA has before it must pay the invoice for the ordered items. These also indicate any special discounts available to AURA for the early payment of the invoice.
- 55) **Terms & Conditions** - The conditions under which the contract is made between AURA and the vendor. These "T&Cs" are based on government regulations, the AURA-NSF Cooperative Agreement, and good business practices.
- 56) **UCC** - Stands for the Uniform Commercial Code that is the legal basis for the conduct of commercial business.
- 57) **Vendor Acknowledgment** - A document sent by the same vendors which confirms the purchase of specific materials, equipment or services as originally requested on the AURA Purchase Order. This document may or may not detail the vendor's terms under which they want to conclude the purchase. If the vendor's terms vary from the AURA Terms and Conditions, AURA must negotiate with the vendor to satisfactorily resolve the conflict.
- 58) **Warranty** - An assurance by one party to a contract of the existence of a fact upon which the other party may rely and which amounts to a promise to indemnify the promises for any loss if the fact warranted proves untrue.
- 59) **WIYN Telescope** - A telescope project on Kitt Peak which is a joint effort by the University of Wisconsin, University of Indiana, Yale University and AURA.

**Section iii**  
**POLICY STATEMENT**

**1. Policy Statement.** It is AURA's policy to follow 2 CFR §200.317 to §200.326 "Procurement Standards," the terms and conditions of the relevant cooperative agreement or grant, relevant law (including the Uniform Commercial Code) and standard acceptable business practices in the issuance of purchase orders and contracts....

**2. Procurement Standards.** The standards contained in this section do not relieve AURA, the Centers or the individual buyers of their contractual responsibilities arising under the existing AURA-NSF Cooperative Agreement or any individual Grant, Memorandums of Understanding or Corporate Bylaws. AURA is the responsible authority, without recourse to the National Science Foundation, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the current AURA-NSF Cooperative Agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

**3. Avoiding Purchases of Unnecessary Items.** All AURA staff members are responsible for ensuring that the funding provided by funding agencies is spent wisely. In accordance with 2 CFR §200.318, c, 2, AURA staff must avoid initiating or approving the purchase of unnecessary or duplicative items. The initiation or approval of a requisition signifies that the requested item appropriately meets the need for which it is being purchased and verifies that no suitable item exists in AURA's inventory.

**4. Code of Conduct.** No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Unless specifically approved by the Director, the officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. Individuals acting on behalf of AURA for the purposes of procuring supplies and materials in support of the existing Cooperative Agreements will advise the Manager, AURA Procurement or on-site Purchasing Supervisor whenever they are offered a gratuity from an officer, employee or agent of a vendor with which AURA does business. The receipt of samples, advertising materials, business meals and items valued under \$25 are not considered contrary to this policy. However, if the employee is uncomfortable with an offer, they should advise the Manager, AURA Procurement or on-site Purchasing Supervisor of the situation and let the Manager or on-site Purchasing Supervisor decide a course of action. Employees of AURA accepting gifts and gratuities will be initially warned of their errors and required to return the gifts. A second offense may be grounds for dismissal.

## SECTION 1

### **REQUISITION PROCEDURES**

- 1) **INTERNAL AURA REQUISITION APPROVAL AUTHORITIES:** - Individuals with the proper authority to expend the funds must approve all requisitions. Such authority, however, is not an authorization to commit AURA to a contractual agreement with anyone. It is simply an approval to commit the funds within the AURA organization and to authorize Procurement to initiate a purchase. The signature authorities and amounts authorized as detailed in the AURA PPM and as initially delegated by the Center Directors, are listed below along with the amounts they may approve.
- A) The AURA Board of Directors via the AURA Executive Committee is authorized to approve expenditures exceeding \$3,000,000.
  - B) The President of AURA may approve expenditures up to \$3,000,000.
  - C) The Center Directors, have been granted signature authority by the AURA President not to exceed \$1,000,000.
  - D) Center Associate Directors may be delegated signature authority by the Center Director for amounts not to exceed \$250,000.
  - E) The WIYN Telescope Project Manager has been granted signature authority by the WIYN (Wisconsin, Indiana, Yale, and AURA) Board of Directors in the amount of \$20,000. The WIYN Consortium President must approve amounts in excess of that limit.

NOTE: For REQLESS, the WIYN Telescope Project Manager has signature authority up to \$250,000. However, his approval of any requisition exceeding \$20,000 is simply a statement on his part that he has received the necessary approvals for the purchase. Any and all questions concerning the authorizations of purchases exceeding \$20,000 will be forwarded to the WIYN Telescope Project Manager for clarification.

- F) As related to individual centers, further delegation of the above signature authorities by the Center Director is normally to specific Account and/or Project Managers. In turn, these managers may further delegate that authority to sub-managers and/or supervisors. The details of these delegations and of the assignment of temporary signature authorities are listed in the Signature Authority Listing. Procedures concerning the publication and distribution of the Signature Authority Lists and Signature Authority List Updates are as follows:
  - a) The Signature Authority List will be updated by AURA Procurement whenever a significant change in the signature authority delegation is made.
  - b) Temporary changes to the Signature Authority List will be included.
  - c) Printed copies of The Signature Authority List will be distributed as requested.
- G) The Procurement Manager, the on-site Purchasing Supervisors, or their designate is authorized to sign purchase orders up to the limits authorized by the Director against duly authorized and approved requisitions without regard to the size of the order. Such a signature authorization is the authority to commit AURA into a contractual agreement with another party.
- H) The Procurement Manager, the on-site Purchasing Supervisors, or their designate is authorized to sign purchase orders for WIYN, LSST, Gemini and any other organization for which AURA has an administrative support agreement up to the amount indicated on an approved requisition.
- I) The AURA Buyers are authorized by the Procurement Manager or the on-site Purchasing Supervisor, to commit AURA into contractual agreements for the purchase of any commodity as

long as that purchase is in response to a duly authorized and signed requisition. This authorization is implied in the individual's function as a Buyer and is verified by the distribution to that individual of a valid requisition by the Procurement Manager, the on-site Purchasing Supervisors, or their designate. Such authority to commit AURA into a contractual agreement will not exceed that authority mentioned above.

J) Unless otherwise approved by the Procurement Manager, the on-site Purchasing Supervisors, or their designate will not personally receive items that they personally purchased. All requisitions initiated by those individuals will either be purchased by another buyer or received by the shipping and receiving personnel. All credit card purchases made by those individuals that are to be received by them will have the credit card statement approved by either their supervisor or an accounting manager.

2) **EXTERNAL REQUISITION APPROVAL AUTHORITIES:** Under certain circumstances, the National Science Foundation must either be notified of a pending purchase, approve a specific purchase, or both. Any purchase requiring interaction with the National Science Foundation must be routed through the Contracts Officer prior to actual processing of the requisition. Only upon his/her approval may such a requisition undergo processing. The circumstances that govern what action, if any, must be taken concerning the NSF are detailed in the AURA-NSF Cooperative Agreement AST-0809409 currently in effect.

The Contracts Officer will handle all communications between AURA and the National Science Foundation concerning these approval procedures. Under that Award:

A) Written consent is required of the National Science Foundation prior to a purchase whenever:

- a) A Time and Material or Labor-Hour purchase is entered into in excess of \$250,000.
- b) A Fixed Price purchase is made which exceeds \$250,000.
- c) A purchase is made for the fabrication, purchase, rental, installation, or other acquisition of any items of industrial facilities exceeding \$250,000.
- d) A purchase is made for Architectural or Engineering services exceeding \$250,000.
- e) A purchase is made for construction, including renovations and alterations exceeding \$250,000.
- f) A lease of aircraft exceeding \$250,000 in acquisition costs.
- g) Consultant services exceeding \$250,000.
- h) A purchase from foreign vendors except for items purchased on behalf of AURA facilities in Chile and for use at those facilities.
- i) Entering into a purchase that is one of a number of purchases for the same or related supplies or services that, in the aggregate, are expected to exceed \$250,000 within any Fiscal Year.
- j) Insurance is requested for transportation of any equipment or property purchased with government funds and is in the care and custody of an AURA Center.

B) No purchase shall be made which is based on a "cost-plus-percentage-of-cost" basis.

3) **INTERNAL REQUISITION ROUTING PROCEDURES:** - Incoming requisitions will be routed as follows prior to undergoing processing by AURA Buyers:

A) Initial distribution will be made by the Procurement Manager, the on-site Purchasing Supervisors, or their designate, who will check and distribute the incoming requisitions to the various Buyers. Such an assignment is an authorization for that Buyer to commit AURA into a contractual agreement with

a third party for the purchase of those articles indicated on the approved requisition. In reviewing the incoming requisitions, the individual distributing the requisitions will:

- a) Determine whether or not the requisition calls for processing procedures outside the norm as would be warranted by an Emergency, Scheduled Project, or other specially identified requisition.
- b) Identify whether or not special shipping or exporting procedures need to be followed and, if such procedures are needed, the individual distributing the requisitions will:
  - (1) Forward copies of all purchases to be processed in the United States and requested by or destined for an international site to the AURA Materials Transfer Supervisor for review of any export restrictions in accordance with Section 8 of this manual
- c) Note whether or not the materials ordered are hazardous and if a Material Data Safety Sheet will be required
- d) Determine whether or not the requisition requires interaction with the AURA, Washington Office, AURA Board of Directors or Executive Committee, or the National Science Foundation and assigns such requisitions to the Contract Officer or their on-site designate for processing.
- e) Determine if the requisition needs to be reviewed by the Contract Officer or their on-site designate. If review is necessary, the Contract Officer or their on-site designate will:
  - (1) Confirm that no interaction is required with the National Science Foundation as called for in the Cooperative Agreement.
  - (2) Confirm that a subcontract should not be issued and that the purchase can be accomplished through the use of a Purchase Order.

(A) One deciding factor in this decision is NOT the cost of the materials purchased but:

- (a) The complexity of the order,
- (b) The liability exposure AURA will have if the order is not complete as required,
- (c) The chance of legal involvement, and
- (d) The potential for default.

(3) Reassign the requisition to AURA Contracts if either a subcontract must be issued or if interactions with the NSF are required.

B) Once reviewed by the appropriate individuals, the requisitions will be distributed to the assigned Buyer for further processing.

#### 4) **PROCESSING EMERGENCY PURCHASE REQUESTS WITHOUT REQUISITIONS IN HAND:**

At certain times a requisition will be called in to a Buyer to expedite an emergency order while the requisition is entered into REQLESS and routed for approvals.

A) In such cases, the situation may require that a Purchase Order be issued on the unofficial request while the actual requisition is pending approval. These procedures apply only to true emergency requisitions for the repair or replacement of articles without which the operations of AURA may be seriously jeopardized. In such cases, the Procurement Manager, the on-site Purchasing Supervisors, or their designate will approve the purchase in lieu of an actual requisition.

- 5) **MISCELLANEOUS REQUISITION ROUTING PROCEDURES:** - Certain situations arise which require additional routing procedures, below are listed additional routing procedures for special type requisitions:

**A) HAZARDOUS MATERIALS:**

- a) All purchase requisitions for hazardous materials, raw materials, or other base materials are to be brought to the attention of the appropriate local personnel. This will be accomplished by the distribution of the Material Safety Data Sheets (MSDS).
- (1) All requisitions for hazardous materials will be marked "NEED MSDS FOR ITEM NO(S). xx" either by the Procurement Manager, the on-site Purchasing Supervisors, or their designate when the requisition is distributed or by the Buyer during the processing of the requisition.
  - (2) List the Material Data Safety Sheets as a line item on the requisition and purchase order
- b) The AURA Buyer will have the responsibility of obtaining the MSDS from the vendor. In the vast majority of cases, simply requesting the MSDS will not be sufficient
- (1) Most MSDS sheets can be obtained from vendors on line.
  - (2) MSDS Sheets are to be printed to .pdf file and stored in accordance with local procedures for further processing by shipping and receiving and transportation or safety personnel in accordance with local procedures.
- c) If the order is placed in Tucson:
- (1) Once the MSDS is received by the Buyer:
    - (A) The Buyer will note on the MSDS both the Purchase Order Number and Item Number.
    - (B) The annotated MSDS will be distributed as follows:
      - (a) One copy will be sent to the AURA Materials Transfer Supervisor.
      - (b) One copy will be affixed to the original requisition.
      - (c) The MSDS copy is to be affixed to the receiving (Golden Rod) copy of the Purchase Order.
        1. The AURA Materials Transfer Supervisor will confirm that the MSDS it is in the Shipping/Receiving Data base.
        2. A copy will be sent to Kitt Peak with the shipping manifest for the driver.
        3. For AURA-South shipments the MSDS will accompany the export documents for the carrier and placed in the box.
        4. For Tucson deliveries the MSDS is affixed the Pink Receiver copy and given to the requestor.
  - (2) AURA Tucson Shipping and receiving personnel will utilize the procedures for hazardous materials shipments that are to be distributed outside the local, Tucson facilities as detailed in Section 10.

- 6) **REQUISITIONS CONCERNING EQUIPMENT LOANS TO AURA:** In certain instances equipment is loaned to AURA for either demonstration purposes, testing purposes, or for AURA use until the ordered equipment arrives.

- A) When a Loan Agreement is required, Attachment A will be used when AURA is receiving something from a vendor for any of the following reasons:
- a) An item is being loaned to AURA as a temporary replacement for an item that has been returned to the vendor for repair, testing, or evaluation or for AURA's use until the ordered equipment arrives. A Requisition will be required. In the case of a loan in conjunction with a purchase the requisition for the actual purchase will be sufficient.
  - b) An item is loaned to AURA for evaluation purposes the success of which will result in the same item's purchase. A requisition will be required;
  - c) An item is left with AURA by a vendor after being demonstrated to AURA employees who would like to try it out for a specific period of time.
- B) A requisition is required in case there are any costs associated with the loan as a result of damage or other factors
- C) The form needs to be completed and signed by both parties as detailed below.
- D) Specific procedures for the use of Loan Agreements:
- a) The form can be used as an attachment to the PO. In this case, the form must be completed by the Buyer and signed by both the Buyer and Vendor.
  - b) The Vendor will retain one copy of the form and return the other two to Procurement. Of Procurement's two copies, one will be kept with the PO and one forwarded to the requester.
  - c) A Tickler File is to be set up to insure that either the item is returned prior to the dates agreed upon or the agreement amended to extend the return dates.
- 7) **CONTRACTUAL AUTHORIZATIONS:** All AURA procurement and contracts personnel have been delegated specific limits for which they are allowed to sign purchase orders and sub awards as long as those documents are based on valid, approved requisitions. These signatures are monitored and controlled by the Procurement Manager, the on-site Purchasing Supervisors, or their designate and verified in annual third party audits. Copies of the specific delegations are available on request.
- 8) **PURCHASES ON BEHALF OF SISTER OR PARTNER ORGANIZATIONS:** AURA has, on occasion purchase materials on behalf or partner or sister organizations (SOAR, WIYN, LSST, GEMINI, etc.). These purchases will be made under the terms, conditions and flow through clauses found in AURA policy and procedures manuals an in accordance with AURA's cooperative agreement with the National Science Foundation. If any tenant, partner or sister organization requires or wishes to have special terms and conditions or flow-through clauses from their specific contractual obligations become a part of the individual order, they are to inform the procurement department at the time the request/requisition is submitted.

## **SECTION 2**

### **GENERAL PROCEDURES**

#### **1. Competition.**

(a) Competition generally required.

1. All procurement transactions over the \$5000 micro-purchase threshold shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

2. For commercial off the shelf items, routine custom items, and services, open and free competition generally means obtaining at least three competitive bids.

3. For procurements for complex or expensive goods and services, the Buyer should consult the “Formal Source Selection Procedures” found in section VI.E. of the AURA Procurement Policies.

4. Buyers shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids or requests for proposals shall be excluded from competing for such procurements.

5. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to AURA, price, quality and other factors considered. The basis for vendor selection shall be documented in the procurement file. See AURA Procurement Policies section VI “Source Selection Policies and Procedures” for guidelines on this topic.

6. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in AURA’s interest to do so.

(b) No competition required for micro-purchases. Items that cost \$5000 or less (“micro-purchases”) may be made without obtaining competitive quotations provided that the price(s) are deemed to be reasonable based on the Buyer’s knowledge of current market prices for similar goods and services.

(c) No unduly restrictive requirements. Technical requirements used in procurements shall not contain features that unduly restrict competition, i.e. features that eliminate most potential vendors will not be used unless they serve a legitimate need of AURA that cannot reasonably be met in any other way.

(d) Non-Competitive procurements. Procurements for which bids are otherwise required under these procedures may be awarded on a “sole-source” basis only when there is adequate justification documented in the procurement file showing that a competitive procurement is impossible due to one of the following circumstances:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
4. After solicitation of a number of sources, competition is determined inadequate.

(e) Emergency procurements. Buyers may make procurements without competition in emergency situations with the prior approval of the CAS Procurement Manager.

(f) Professional services provided on an hourly or otherwise periodic basis. Certain services such as legal and consultant services can be contracted on an hourly or retainer basis or a combination thereof. Typically, the exact nature of the advice or service is not known at the time of the agreement. The professionals are secured for swift access when a need arises. Selection is made based on the service provider’s knowledge, reputation, and access to resources within the area of expertise. A competitive analysis is not required for these services if related to Corporate Office designated activities which meet the requirements to be included in the Corporate indirect cost pool. Rates must be reasonable and comparable based on the services provided in the relevant industry. A reasonableness determination is signified by signature on the contract.

## **2. Solicitations for bids and proposals.**

(a) Elements of a Solicitation: All solicitations of bids or proposals issued by CAS Procurement (e.g. requests for bids, requests for proposals, invitation for bids, etc.) shall contain the following elements:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition;
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals;
3. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation;
4. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement; and
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment and are energy efficient.

(b) Selecting contract type. Before a solicitation is issued, the Buyer or Contract Officer, in consultation with the person submitting the requisition, shall determine whether the contract shall be fixed price, cost reimbursable, hourly rate, or include bonuses for meeting performance goals. The determination shall be made based on which form is likely to provide the best value for AURA. The “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods of contracting shall not be used. See also section VI.E.4 of the AURA Procurement Procedures.

**3. Provide solicitation documents to NSF upon request.** As required by 2 CFR §200.324, Procurement staff shall make pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., available to the NSF when any of the following conditions apply:

- a) AURA's procurement procedures or operation fails to comply with the procurement standards in the Federal awarding agency's implementation of this part;
- b) The procurement is expected to exceed \$150,000 and is to be awarded without competition, or only one bid or offer is received in response to a solicitation;
- c) The procurement, which is expected to exceed \$150,000, specifies a “brand name” product;
- d) The proposed award over \$150,000 is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- e) A proposed contract modification changes the scope of a contract or increases the contract amount by more than \$150,000.

**4. Use of small businesses, minority-owned firms and women’s business enterprises for procurements.**

(a) It is AURA’s policy to comply with 2 CFR §200.321(a) which governs utilization of small businesses, minority owned firms and women’s business enterprises for procurement opportunities.

(b) To this end, AURA does the following:

1. AURA sends bid documents for commercial contract work to organizations such as the Tucson Chapter of the National Association of Women Business Owners (NAWBO), the Tucson Hispanic Chamber of Commerce and the Tucson Black Chamber of Commerce, which are encouraged to share the bid documents with members who have the expertise and the interest to bid on the work.

2. For commercial contract work to be performed at the Kitt Peak National Observatory, AURA sends bid documents for commercial contract work to the Tohono O’odham Nation Tribal Employment Rights Office, and also solicits and sends bid documents to qualified Indian preference certified firms for commercial work in accordance with Title 13, Ordinance 01-85 of the Tohono O’odham Nation.

3. Relative to this obligation under 2 CFR §200.321(a) AURA includes the following language in its bid instructions:

*ARTICLE. CONTRACTING WITH SMALL BUSINESSES, MINORITY-OWNED FIRMS AND WOMEN'S BUSINESS ENTERPRISES*

*AURA encourages small businesses, minority owned firms and women's business enterprises to bid on AURA jobs that they are qualified to bid on. Bidders seeking to bid on the "\_\_\_\_\_ " project are encouraged to utilize, as much as possible, small businesses, minority owned firms and women's business enterprises as subcontractors.*

*ARTICLE. SMALL AND SMALL DISADVANTAGED SUBCONTRACTING*

*It is AURA Policy that small business concerns and small socially and economically disadvantaged business concerns be given the maximum practicable opportunity to compete for Subcontracts in order to assure maximum small business participation consistent with fulfilling AURA's contractual obligations in an efficient and economical manner.*

(c) AURA will continue to seek out opportunities for making procurement opportunities known to small businesses, minority owned firms and women owned business enterprises, utilizing professional relationships with small business organizations, minority owned firms and women owned business enterprises as well as with local and regional organizations that cater to business development for such organizations.

**5. Evaluation of prospective vendors.**

As required by 2 CFR§200.318, contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. See sections VI.D.4.b & c of the AURA Procurement Policies for guidelines on evaluating potential vendors.

**6. Compliance with debarment and suspension requirements.**

No procurement contracts or purchase orders with a value over \$25,000, or any non-procurement contracts of any value, shall be placed with parties listed on the US Government's Excluded Parties List System. Procurement staff shall verify and document that a vendor is not listed as excluded or debarred using an approved third-party screen service or sam.gov before entering into a contractual relationship with that vendor.

## **7. Cost and price analysis.**

(a) As required by 2 CFR §200.323, some form of price or cost analysis shall be performed and documented in the procurement files for every procurement action except for micro-purchases.

(b) In the case where there is adequate competition (at least two quotes, and ideally three or more quotes, for procurements under \$150,000), documentation of the different proposed prices received and the basis for vendor selection shall be deemed to be an adequate price analysis.

(c) For procurements not covered by (b), immediately above, Procurement staff should follow AURA Procurement Policies section VI.D.6 regarding the appropriate methods of price and cost analysis for different types of procurements.

## **8. Procurement records.**

(a) General. Procurement files shall contain documentation adequate to document compliance with all applicable grant and cooperative agreement requirements regarding procurements, including, those found at 2 CFR §200.318.

(b) Minimum requirements for procurement records. As per 2 CFR §200.318(i), procurement records and files for purchases in excess of \$150,000 shall include the following at a minimum:

1. Basis for contractor selection;
2. Justification for lack of competition when competitive bids or offers are not obtained; and
3. Basis for award cost or price.

## **9. Lease versus purchase.**

(a) General. As required by 2 CFR §200.318(d), an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(b) Equipment. It is AURA policy to avoid leasing equipment unless specific requirements of the acquisition make such an option most cost effective.

1. Factors to consider when evaluating lease versus purchase include:

- i. Estimated length of the period the equipment is to be used and the extent of use within that period;
- ii. Financial and operating advantages of alternative types and makes of equipment;
- iii. Cumulative rental payments for the estimated period of use;
- iv. Net purchase price;

- v. Transportation and installation costs;
- vi. Maintenance and other service costs; and
- vii. Potential obsolescence of the equipment because of imminent technological improvements.

2. The following additional factors should be considered, as appropriate, depending on the type, cost, complexity, and estimated period of use of the equipment:

- i. Availability of purchase options;
- ii. Potential for use of the equipment by other agencies after its use by the acquiring agency is ended;
- iii. Trade-in or salvage value;
- iv. Imputed interest; and
- v. Availability of a servicing capability, especially for highly complex equipment; e.g., can the equipment be serviced by AURA or other sources if it is purchased?

### 3. Purchase Option

A. Generally, the purchase option is appropriate if the equipment will be used beyond the point in time when cumulative leasing costs exceed the purchase costs.

B. Buyers should not rule out the purchase option of equipment acquisition in favor of leasing merely because of the possibility that future technological advances might make the selected equipment less desirable.

### 4. Lease Option

A. The lease option is appropriate if it is to the AURA's advantage under the circumstances.

B. The lease method may also serve as an interim measure when the circumstances:

- 1. Require immediate use of equipment to meet program or system goals; but
- 2. Do not currently support acquisition by purchase.

C. If a lease is justified, a lease with option to purchase is preferable.

D. Generally, a long-term lease should be avoided, but may be appropriate if an option to purchase or other favorable terms are included.

E. If a lease with option to purchase is used, the contract shall state the purchase price or provide a formula which shows how the purchase price will be established at the time of purchase.

5. In determining if a lease option is most optimal, the potential cancellation of or failure by the National Science Foundation to renew the AURA Cooperative Agreement must be considered and taken into account to ensure that:

A. AURA is not left with an unwanted expense after the cancellation of the cooperative agreement, and

B. That the US government does not accumulate unwarranted expense in closing out the lease.

6. Any lease/purchase agreement must be justified in writing and approved by the AURA Procurement Manager, the on-site Purchasing Supervisors or their designate. This justification is to include a detailed price analysis comparing the lease and purchase option over the expected life of the equipment.

7. In most cases, leased equipment cannot be exported or taken out of the state from which the lease was signed.

8. In many cases, a vendor's GSA schedule includes a lease option. Lease options for equipment that is not on a GSA schedule are problematic and not preferred.

(c) Real Estate.

1. To satisfy the requirements and objectives of Federal program legislation, it may become necessary to make use of real property. The mode of acquiring the use of real property may be: 1) gratis (i.e. no charge); 2) leasing for set term, or 3) outright purchase and ownership. Prior to the acquisition of real property, there shall be an analysis of the options to determine which mode presents the best value with the lowest risk to AURA.

2. Factors to be considered in the evaluation of an acquisition method should include, but not be limited to:

- Budget
- Projected use period of the real property
- Purpose of the real property
- Condition of the real property with respect to its intended use
- Location with respect to intended use
- Terms and conditions of acquisition
- Future divestment potential
- Recommendations and counsel of local real property experts

## **10. Classification of subrecipients and vendors.**

**10.1. Note on terminology.** Subrecipient and contractor determinations are addresses at 2 CFR 330. A subaward can be issued to either a subrecipient or a contractor. For clarity, CAS uses the terms subrecipient award or subrecipient subaward, and vendor contract.

**10.2. Buyers and Contract Officers shall make vendor versus subrecipient determination for all requisitions.** Federal policies require different monitoring and flow-down provisions for agreements with "subrecipients" than are required for agreements with "vendors." For this reason, Contract Officers and Buyers shall make a determination as to whether the other party is a "vendor" or a "subrecipient" under Federal principles (see below) before entering into agreements or purchase orders that involve payments to others.

**10.3. Buyers shall transfer subrecipient agreements to a Contract Officer.** Because the standard AURA purchase order form does not contain provisions appropriate for subrecipient agreements, if a Buyer determines that a requisition calls for a subrecipient award, the requisition must be transferred to a Contract Officer.

**10.4. Contract Officers shall document vendor versus subrecipient classification.** For each agreement that involves payments to other parties, the Contract Officer shall record in Carina the justification for determination of contractor versus subrecipient.

**11. Requirement to obtain DUNS number.** Contracts and Grants Officers must obtain a DUNS number for any subrecipient or contractor prior to issuance of a contract or subaward, and include it in the Carina record for the procurement activity.

## SECTION 3

### BLANKET PURCHASE ORDERS

1) **USE OF BLANKET PURCHASE ORDERS:** Blanket Purchase Orders (BPOs) are those Purchase Orders that are issued in response to ongoing purchases made during a specific period of time to a single vendor. Items such as food services, household goods storage, equipment maintenance or leases, printing services, construction supplies, and the like can all be accomplished through the use of a Blanket Purchase Order. Without the use of a Blanket Purchase Order, those ongoing goods and services would require the issuance of a Purchase Order for each and every invoice received.

A) Like any Purchase Order, a Blanket Purchase Order is a commitment by AURA to purchase, utilize certain services, or in some cases, establish an account with a vendor in anticipation of future purchases over a specific period of time. Likewise, the acceptance of such an order by the vendor is a commitment on his part to perform such services in a specific manner and at specific prices.

B) Blanket Purchase Orders should be issued whenever:

a) Purchases of the goods and services indicated on the order may occur several times during the coming year.

b) Purchases occur only once each year but are purchased every year. Items such as prepaid maintenance contracts, use permits, software licenses, etc. fall into this category.

c) Subscriptions for periodic publications that are out of the ordinary and which the requester may want to be reminded to re-purchase at a specific date in the future. Normal subscription to Time, Newsweek, etc. would not require a Blanket Purchase Order.

d) Purchases for goods or services that may or may not be required but that, when required, are required on very short notice or in an emergency and for which the issuance of a requisition and ultimate Purchase Order may be too time consuming or result in an unacceptable delay.

e) Any purchase for which the Buyer feels that the requester may want to be advised that the good or service needs to be re-purchased again at a specific date in the future.

2) **PROCEDURES FOR PROCESSING BLANKET PURCHASE ORDERS:**

A) All Blanket Purchase Orders should identify themselves as a "Blanket Purchase Order."

B) All Blanket Purchase Orders will be initiated by a properly approved requisition (See Sect's 1 and 2). The signature authority for such requisition is determined by the total value of the requisition, not the cost of periodic payments.

C) All NSF-AURA contractual commitments concerning foreign purchases, advance notifications and approval are applicable to Blanket Purchase Orders.

D) Blanket Purchase Orders must always have a beginning and ending date. That date need not be on an annual basis (i.e. Oct. 1, 2011 through Sep. 30, 2012) but could be of such a length as to conform to the actual use of the service, allow for periodic review of both the service and vendor, and keep the value of the order to a reasonable amount. The recommended period is six (6) months.

E) Blanket Purchase Orders should always have the AURA Terms and Conditions. However, in certain cases the vendors will issue special terms and conditions which they feel are more appropriate to the order and which must be signed by AURA before the Blanket Order will take effect. In those cases, the

Contracts Officer or their designate should review the vendor terms and conditions.

Once the terms and conditions are approved the Blanket Purchase Order and the Vendor's Agreement, including the vendor's Terms and Conditions, will be passed to and signed by the Procurement Manager, the on-site Purchasing Supervisors, or their designate

F) In certain instances, Blanket Purchase Orders may have to be canceled prior to the expiration date indicated on the order. In such cases, the notice to the vendor will be in writing, with a copy of the amendment canceling the Blanket Purchase Orders and issued to the vendor 30 days prior to the revised termination date unless the vendor requires such notification at an earlier date. However, in order to insure that the order may be canceled at any time prior to the ending date stated on the order itself, all Blanket Purchase Orders should have a statement to the effect:

"This Blanket Order can be canceled by AURA at any time prior to MMM DD, 20YY with a full refund of any unused, prepaid amounts.

G) Blanket Purchase Orders should always have a specific dollar amount against which usage can be judged and warnings issued to the Account Managers when actual usage approaches or exceeds budgeted usage. In addition, Blanket Purchase Orders can be issued for:

- a) Dollar amounts based on periodic payments (monthly maintenance costs for example).
- b) Estimated dollar amounts based on projected usage over the period of the contract (blueprint services or film editing services for example).
- c) Foreign or US currency.

H) When possible, and when pricing schedules are appropriate, such pricing schedules should be attached to the Blanket Purchase Order. When specific percentage discounts are appropriate, those percentages should be noted in the body of the Blanket Purchase Order.

I) Since some Blanket Purchase Orders can be used by vendors as an indication of a company's worth even though the amount on the face of the order is simply a rough estimate of the amount that may be spent by AURA with that specific vendor during the period of the contract. In these cases, the following disclaimer should accompany an order when the order is for anything other than a Blanket Purchase Orders requiring periodic payments of a specific amount (maintenance agreements, household goods storage, leases, etc.):

"Dollar amounts indicated on the face of this order are for AURA, Inc. budgetary purposes only and are not a guaranteed amount of usage. Actual total value of orders placed against this Blanket Order may vary significantly."

J) Certain GSA Maintenance Contracts require up to 90 days written advance notification of termination otherwise the contract is automatically "rolled over". The issuance of a Blanket Order to a vendor is considered the advance notification of cancellation as long as the order is sent to the company. However, business ethics suggest it proper to write a letter confirming that cancellation. That letter should refer to the original BPO, reference the fact that the order indicated a specific termination date and that the letter currently being written is a confirmation of that termination. Nevertheless, the following wording is appropriate in these cases:

"Unless cancelling in accordance with the terms of this order, this Blanket Order remains in effect until MMM DD, 20YY. This clause is considered the advance notification of the contracts cancellation on the above date. If AURA wishes to extend

the contract for additional periods, a new contract will be issued.”

K) All Blanket Purchase Orders issued to replace a terminated BPO should state: "This order replaces Purchase Order PNNNNNA."

L) Certain Blanket Purchase Orders, usually those issued for the purchase of unspecified goods and services, should indicate who is authorized to place orders against the BPO. It is strongly suggested that an individual be assigned by the requester or Account Manager as having the authority to place such orders. Generally this individual is the requester; however, there should be more than one individual in case the requester is unavailable to place a needed order. In some cases, there may be several individuals authorized. Such authorization is very important

when dealing with Blanket Purchase Orders issued for automobile parts and other unspecified goods and services that may be useful for personal purposes. In such cases, a statement granting such authorization is essential. Such statements should read either:

a) "The following individuals are the only personnel authorized to place orders against this Blanket Purchase

Order." or

b) "X. XXXXXX is the only individual authorized to place orders against this Blanket Purchase Order."

M) Generally, AURA Accounting will send invoices to the requester for approval. In some cases there may be several individuals authorized to approve invoices. In those cases, a statement should be made on the Accounting copy of the Blanket Purchase Orders indicating who, in addition to the requester, is authorized to approve invoices.

N) All Blanket Purchase Orders should state:

"Please reference Purchase Order ANNNNN on all invoices"

O) Blanket Purchase Orders which are for household goods storage or other services on behalf of specific individuals, and which reference the individual by name should have the following statement included:

"Invoices should not be sent to xxxxxxxxxxx (individual's name) but to AURA, Accounts Payable at the above address."

P) Blanket Purchase Orders should have the first day of the month prior to the orders termination as the Delivery Date unless written permission for cancellation is required sooner. In such cases, the date required for the prior notification should be inserted as the Delivery Date. (Again, the Blanket Purchase Order will normally be sufficient as advance notice of cancellation; however, when possible a letter should be written to confirm this.) For example, a Blanket Purchase Order scheduled to terminate on 31 December 2010 should have as its Delivery Date "01 November, 2011". In this manner, the Procurement Expediting Report will act as a "Tickler File" advising the Buyer that a Blanket Purchase Order is coming up for renewal or termination in sufficient time to allow for renewal without the BPO lapsing.

### 3) BLANKET PURCHASE ORDERS GUIDELINES:

A) In response to requests by participating departments, the following procedures are established for the issuance of Blanket Purchase Orders. These orders have been initiated by properly signed requisitions and have a set lifetime and maximum dollar limit. If either the lifetime of the order expires or the maximum dollar amount is exceeded, the order must be amended by Procurement before it can be used further. These orders indicate:

a) The period of time during which the blanket purchase order is valid.

b) The maximum total dollar limit of all purchases made against the order.

c) The AURA employees authorized to place individual orders against the blanket purchase order. d) The individual or offices to which the received items are to be delivered by AURA Shipping & Receiving personnel.

**B) RESTRICTIONS ON PLACING INDIVIDUAL ORDERS:** Individuals listed on the Blanket Purchase Orders can initiate a purchase against an established Blanket Purchase Order with the following restrictions:

a) Individual purchases are limited to \$500 per purchase excluding tax and freight. When tax and freight are taken into effect, the total value of the order may exceed the \$500 limit. However, the item(s) purchased cannot have a total order purchase price exceeding \$500.

b) The total of all purchases made against a Blanket Purchase Order during the lifetime of that order cannot exceed the maximum amount indicated on that Blanket Purchase Order. In this case, tax and freight are included in the total spent against a Blanket Purchase Order.

c) Those using the Blanket Purchase Orders can only initiate orders.

d) All vendor or manufacturer originated purchase agreements, software disclosure agreements, or other documents which must be signed by AURA before the purchase is completed and will be signed by AURA Procurement personnel and not by the individual making the purchase.

e) Construction related Blanket Purchase Orders

Construction is a dynamic and fluid environment and as such may adapt the above

restrictions as follows: I. The total value of the purchase may not exceed \$2500.

II. Adhere to the following usage:

- If need known 3 days or more in advance, an approved requisition must be issued and a purchase order generated for the goods or service.
- If need known less than 3 days in advance, the Blanket Purchase Order system may be used.

III. AURA will issue Request for Quotes to vendors for anticipated materials and their quantities

(primary goods, normal and customary accessories, consumables, etc...)

IV. The Program Manager or Construction Site Supervisor are the only personnel authorized to place an order under the Blanket Purchase Order with the vendor and indicating which AURA staff will be responsible for accepting the goods from the vendor.

V. Selected Vendor shall be issued a BPO containing the list of anticipated materials, all applicable language, terms and conditions as required by this Section, which AURA staff will be responsible for accepting the goods from the vendor and instructions that any goods or quantities not listed the specific order must be authorized by the Project Manager or Construction Site Supervisor prior to purchase.

NOTE: Construction is defined as an activity or project phase:

a) that is performed at the project's site and;

- b) wage rates can be determined for the site's locality and;
- c) the wage rates apply only to construction work that is performed by laborers and mechanics at the site and;
- d) requires:
  - (i) workers, utilized by a contractor or subcontractor at any tier, whose duties are manual or physical in nature (including those workers who use tools or who are performing the work of a trade), as distinguished from mental or managerial; or
  - (ii) Apprentices, trainees, helpers; or
  - (iii) Every person performing the duties of a laborer or mechanic, regardless of any contractual relationship alleged to exist between the ID and those individuals, that activity or phase's surety shall be a Performance Bond in the full amount of that activity or project phase.

Note: Does not include workers whose duties are primarily executive, supervisory (except as provided in paragraph (1) (iii) of this definition), administrative, or clerical, rather than manual. Persons employed in a bona fide executive, administrative, or professional capacity are not deemed to be laborers or mechanics.

C) **HAZARDOUS MATERIALS:** If a material is ordered which is considered Hazardous, the individual placing the order must insure that the vendor sends a Material Safety Data Sheet along with the item. Copies of the Material Safety Data Sheet should be sent to the AURA Materials Transfer Supervisor. Hazardous materials can be paints, compressed gasses, aerosols, chemicals, or any other liquid or gaseous material.

D) **FREIGHT:** UPS Ground freight is sufficient for most orders. In general, an item shipped UPS Ground will take 3-5 days to be received, depending on where it is being shipped. If a quicker delivery is required, overnight or second day air can be ordered. However, if an item is shipped on a Friday via next day airfreight, it will still be delivered on Monday, as there is no one at AURA to receive the item on Saturday. In this case, Second Day Air should have been used as it would also have arrived on Monday and AURA would not be charged for overnight delivery.

E) **DELIVERY AND RECEIPT OF ORDERED MATERIALS:** All materials ordered under this system will have a designated delivery location or “pick up” site.

a) Neither the individual placing the order nor other departmental employees will be authorized to pick up an order that has been placed under this Blanket Purchase Ordering System.

b) In those cases where an emergency exists, the individual placing the order will notify the AURA Buyer indicated on the Blanket Purchase Order and advise them that a purchase is urgently needed and must be picked up by a departmental employee. The AURA Buyer will then:

(1) Advise the vendor that an AURA employee will pick up

the materials, (2) Tell the vendor the name of the employee

picking up the materials, and

(3) Will request that the identity of the employee be verified when the vendor hands over the items to him/her.

c) In the case of CFO orders where lumber and other materials are consistently to be picked up by CFO employees, the above procedures will still apply even though no emergency exists.

d) In the case of Instrument Shop purchases of welding supplies and other materials that are urgently needed and require pick up by Instrument Shop employees, the above procedures will still apply even though no emergency exists.

F) **RECEIPT OF INCOMING ORDERS BY SHIPPING & RECEIVING:** Those materials ordered under the Small Purchase Blanket Purchase Order system and shipped or delivered to AURA will be received in accordance with Section 6 of this Manual.

G) **GRATUITIES:** Because of the small magnitude of the purchases made by each Department, it is highly unlikely that the individual placing the order will be offered gifts or gratuities other than advertising materials. Nevertheless, it is the policy of AURA that

gratuities and other gifts from vendors are politely refused.

a) Advertising materials, calendars, and other item designed to display the company's name can be accepted as long as the value of such items is limited and the items are, technically, of no commercial value.

b) In general, any gift, gratuity or other item received from a vendor that is of significant value or which the employee feels could compromise his/her objectivity should be refused.

c) If the employee feels that the gift is obviously designed as a bribe, it also should be refused. The incident should be immediately reported to the Procurement Manager.

## SECTION 4

### AMENDMENTS

- 1) **USE OF AMENDMENTS:** Amendments are required whenever the material cost of a Purchase Order exceeds 10% of the value of the order or \$100 whichever is less. In certain instances, changes that do-not materially affect the order will need to be formally written as an Amendment.

A) Any alteration to the value of the original Purchase Order by less than \$100, whether or not a material change is made, must be completed with an Amendment if that change requires the documentation be distributed to:

- a) The Vendor
- b) Logistics
- c) AURA Freight Forwarders
- d) CTIO or NSO Purchasing Departments
- e) Any AURA department other than Procurement or Accounting.
- f) Distribution to the above individuals is required if:
- g) The change materially affects the receipt of an item (i.e. part number changes, quantity changes, nomenclature changes, etc.).
- h) The order is canceled.
- i) The FOB Terms are changed
- j) Account Numbers are added, changed or deleted.
- k) The Buyer or requester requests the distribution.
- l) The distribution is in accordance with standing policy between Procurement and that Department.
- m) The distribution is determined by Procurement personnel as necessary in order to:
  - (1) Advise the parties concerned that a change has been made, and/or
  - (2) To document that change.

B) In the following situations, an Amendment is required:

- a) A change in the FOB, or Tax Status.
- b) A price change to an individual line item which changes the overall value of the Purchase Order by \$100.00 or 10% of the total value of the order, whichever is less.
- c) Any quantity changes or cancellations.
- d) In the above cases, the following procedures must be followed:
  - (1) The Buyer may sign the vendor invoice approving the change.
  - (2) The Accounting copy of the Purchase Order is to be noted with the change and initialed by the Buyer.

(3) The Procurement copy of the Purchase Order must be noted reflecting the change.

2) **GENERAL AMENDMENT PROCEDURES:** The following procedures should be used when issuing any Amendment:

- A) Buyers must get the approval of the requester and/or account manager whenever the change increases the total cost of the order by more than \$100 but less than \$500.
- B) When the change increases the order by more than \$500, the Buyer is to receive approval from the Account Manager.

**NOTE:** Certainly these are not "Hard & Fast" rules but are to be understood as points at which some action needs to be taken. The Buyer should then use his/her discretion concerning whether or not approval is necessary for changes which fall below those guidelines.

- C) All Amendments applicable to a specific Purchase Order are to be numbered consecutively (i.e. Amendment #1, #2, etc.).
- D) Buyers should sign the Amendment Forms in the areas designated "Buyer" as an indication that the change has been processed by a qualified individual.

3) **AMENDMENTS TO GSA ORDERS (DOMESTIC ORDERS ONLY):** GSA orders require special consideration concerning amendments since GSA pricing can vary without notice even after the order has been let. In addition GSA Regulations require that invoices be paid whether or not the items have been received. Procedures have been established allowing the buyer to file discrepancy reports on undelivered items and receive refunds for invoices paid on items that have not been received.

- A) Since the quantity can vary without notice, an Amendment is only required whenever the invoices price varies by more than \$100 per order.
- B) GSA invoices for a complete Purchase Order and not by separate line items. However, if GSA invoices by a single line item on a multiple line item purchase order, an Amendment is required whenever the invoice varies by more than \$50 per line item.

## SECTION 5

### **PETTY CASH and CHECK REQUEST; CHECK ENCLOSED; PURCHASING CREDIT CARDS and REBATE PROCEDURES**

- 1) **PETTY CASH and CHECK REQUEST PROCEDURES:** - The Petty Cash fund and the Check Request Procedures are designed to allow Buyers quick access to funds to pay requesters who have purchase small items and are seeking reimbursement; to allow Logistics personnel to pick up and pay for small purchases; or to allow Logistics to pay for COD shipments. However, there are some basic guidelines to follow when using this method:
  - A) The use of Petty Cash or Check Request payments should be minimized as much as possible. Such payments are outside the normal Purchasing, Receiving, and Accounting system, which means that their authorization, receipt, and payment are not fully documented. Future follow-up, as a result, can be very difficult.
  - B) Petty Cash requisitions are in response to an employee purchasing something on his/her own and seeking reimbursement with a signed requisition.
  - C) Check Requests request in the issuance of an AURA check issued to a specific individual or vendor. The determination of whether or not a designated "Petty Cash" payment is made from the Petty Cash Fund or with an Impress Fund check will be determined by Accounting personnel.
  - D) Payment that accompanies a mailed purchase order will be handled with Check Enclosed Procedures (paragraph 2 below) and not with an Impress Fund check.
  - E) The proper account authorities must *authorize* all Petty Cash or Check Requests.
  - F) All Petty Cash or Check Request requisitions are to be taken to the individual assigned by Accounting as having responsibility for these transactions.
  - G) In general, Petty Cash requisitions are to be kept to under \$100.
  - H) Petty Cash is not to be used for Logistics pick-ups, COD or freight collect shipments, or other situations in which proof of payment may be required. In such cases, a Check Request or a Check Enclosed Purchase Order is to be used.
  - I) The specific procedures to follow when processing a Petty Cash or Check Request requisition are:
    - a) Indicate on the requisition in the area designated for the Purchase Order "Petty Cash" or "Check Request" if the Impress Fund is to be utilized.
    - b) The requisition will then be forwarded to the authorized personnel for disbursement.
  - J) The requisition will be forwarded to Accounting with instructions that he/she should advise the requester that the reimbursement is ready for pickup.
- 2) **CHECK ENCLOSED PROCEDURES:** - A Check Enclosed Purchase Order should be used in lieu of the use of Petty Cash or Check Request whenever possible so that the full authorization-payment documentation can be maintained. Whether or not an Impress Fund check issued in response to a Check Enclosed Purchase Order is a decision to be made by AURA Accounting.

- A) If the purchase needs to be effected immediately every effort should be made to have the purchase done with an AURA credit card.
  - B) If a check is necessary the requisition and printed purchase order will be distributed as stated in previous sections. When distributed:
    - a) A "Return Check To:" label will be attached to the pink accounting purchase order copy.
    - b) The name of the individual to whom the purchase order and check are to be returned to is added to the label.
  - C) If the order is to be mailed to the vendor by Accounting, the Pink purchase order copy with the annotated label attached along with the original purchase order and any other attachments will be forwarded to Accounting for processing and mailing.
  - D) If the order is to be mailed out by the individual indicated on the "Return Check To: " label, the pink purchase order copy will be forwarded to Accounting and the original purchase order copy and any other attachments to be returned to requesting individual.
  - E) Accounting will issue the check and:
    - a) Send the check and purchase order to the vendor, or
    - b) Forward the check to the individual indicated on the "Return Check To:" label, and
- 3) **PURCHASING CREDIT CARD PURCHASES:** - Use of the AURA Master Card, Buyer Credit Card or American Express Corporate Card is authorized as deemed necessary by the Buyer. Except for travel usage, use of the credit cards for normal purchases can only be made when backed up with an official requisition.
- A) Use of the credit cards should be considered in the following cases:
    - a) Orders placed with mail order houses.
    - b) In place of Check Enclosed Purchase Orders.
    - c) When the delivery may be delayed by the issuance of a Check Enclosed Purchase Order and the item is urgently required.
    - d) In lieu of a normal purchase order whenever the vendor will accept a credit card.
    - e) At all other times when the use of a credit card is appropriate, i.e. purchases under \$100.
  - B) The Buyer must:
    - a) Check the appropriate credit card box on the requisition.
    - b) Include as a separate line item the Shipping & Handling charges so that the total value of the order accurately reflects the amount AURA will be charged.
    - c) Insure that the Shipping Address includes the PO Number whenever possible so that the address reads:
 

AURA  
215 E. Second St.  
Tucson, AZ 85719
    - d) Copies of credit card purchases will be forwarded to Accounting for invoice reconciliation.
  - C) The AURA Master Card or Buyer Credit card is to be utilized for standard purchases of supplies and materials.
  - D) The AURA American Express Card is to be utilized for the purchase of travel and lodging.

- 4) **EMPLOYEE AUTHORIZED CREDIT CARDS:** Section 16 to this Manual covers the policy and procedures governing the issuance, use and invoice reconciliation of the credit card.
- 5) **REBATE PROCEDURES:** For purchases offering rebates:
  - A) Make 2 copies of rebate form
  - B) Fill in one rebate form with required information attaching additional information required by rebate center and keep in your files. In area asking for a name be sure to add AURA either before or after your name.
    - A) Send one copy of rebate form with PO# written on it and highlight information required from package, i.e. bar code, serial number, etc. (to be returned to you) to Logistics.
  - C) Once required information is received from S/R, affix the appropriate UPC codes to original mail-in rebate form. Prior to mailing;
    - A) Send a copy of the filled in rebate form marking purchase order # on front and send to Accounting.
  - D) Send the original rebate form with attachments to the address on the form.

## SECTION 6

### **MATERIALS RECEIPT**

In order to legally protect AURA's interests, it is essential that all the procedures found in this section be strictly adhered to. If goods are improperly received or inspected, AURA may be forced to pay for materials that it does not want or that do not conform to the specifications under which they were purchased. The following procedures apply to the receipt of materials and equipment for all AURA organizations, partners and tenant facilities. However, since, at this time, AURA issue purchase orders against which materials are received, the procedures are directed at all centers.

**Location:**

Logistics is located on First Street.

**Hours of Operation:**

Monday through Friday 7:00 a.m. – 12:00 noon and 1:00 p.m. until 4:00 p.m.

**Contacts:**

Materials Transfer Supervisor (520) 318-8126 (x8126)

**Deliveries**

Federal Express; between 10:00 a.m. and 12:00 noon

UPS; between 10:00 a.m. and 12:00 noon

Federal Express Ground & FedEx Home: Before noon

Mail: 11:00 a.m. post office

**Pickups**

Federal Express; 3: p.m. (all outbound must be in S/R no later than 2:50 p.m.)

UPS: between 10:00 a.m. and 12:00 noon

Federal Express Ground & FedEx Home: at time of deliveries

Mail: 7 a.m. post office

3 p.m. S/R

**1) RECEIPT OF INCOMING SHIPMENTS:** All incoming shipments will be received according to the following procedures. A Receiving Report will be produced for each receipt and distributed as required by the document.

In the vast majority of cases, either Logistics personnel or an AURA Subcontracted Freight Forwarder will accomplish the receipt of the goods.

In certain rare cases, such as library materials, individual subscriptions, or items that are shipped directly to the requester, the individual receiving the incoming shipment may be someone other than Logistics staff.

At remote locations, such as Sacramento Peak or AURA-South, which both purchase and receive items, the receipt of materials will be accomplished by that remote site's receiving department in accordance with their own, in-house procedures that must be in general conformance with the procedures found in this section.

- Upon receiving an incoming shipment, the receiving facility or individual will receive the item(s) and verify:
  - a) That the quantity received per line item is the same quantity ordered on the purchase order.
    - (i) If the quantity received is less than that ordered or there remains a portion of that specific line item which has not been received, the packing list should indicate that there remaining quantities are on "back order". If there is no indication that a back order has occurred, the AURA Buyer who produced the purchase order should be notified immediately.
    - (ii) If the quantity received is greater than the quantity ordered, a notation to that effect should be indicated next to the line item description on the Receiving Report stating, "xx received as overage".

In such cases:

- The total quantity received will, along with the Receiving Report, be taken to the requester for acceptance.

If accepted:

- (a) A notation stating "Overage Accepted" will be made on the Receiving Report.
- (b) The Receiving Report will be signed by the requester, and
- (c) The statement initialed by the requester.
- (d) The Buyer listed on the purchase order should be advised that an overage was received and accepted by the requester. .

If not accepted:

- (a) A notation stating "Overage Not Accepted" will be made on the Receiving Report and signed by the requester and that statement initialed by the requester.
- (b) The Buyer listed on the Purchase Order should be advised immediately so that arrangements can be made to return the overage as soon as possible.

- Insure that the goods received are not damaged. This inspection is a visual one and will only determine if the shipment has been poorly handled and that Overt Damage to the shipment has occurred. If damaged, all documentation and the shipping container should be saved pending the submission of a damage claim to the shipper.

Reason to believe that a shipment is damaged can be made in any number of ways, i.e. hearing a disturbing rattle in the box, seeing the outside container (box) broken or torn. If receiving personnel detects Overt Damage to the container or has ample reason to believe that the shipment has suffered damage, the shipment should not be accepted until it has been determined that the contents have or have not sustained damage.

- (a) If the contents have sustained damage, the purchase order should be looked at to determine what the ship point is so that appropriate action should be taken
  - (a) "FOB Ship Point" (or equal) then a claim is to be filed with the carrier immediately and the known damage is to be indicated on the shippers receiving slip.

**NOTE:** Make sure that damage notations are included both on AURA's copy and the delivery ticket/carrier's copy.
- (b) "FOB Destination" (or equal) or if delivered by the vendor's carrier for local purchases, the shipment should be immediately refused.

In either of the above cases, the vendor must be notified immediately so that corrective measures can be taken.

If no visible damage has occurred to the contents the delivery receipts, receiving report and purchase order golden rod should be signed and annotated with a full description of the damage to the container.

The requester should be notified as soon as possible so that a careful look at the contents can be quickly made to confirm whether or not Covert damage has occurred to the shipment.

Until the extent of the damage has been determined, the container must be carefully handled and saved pending an inspection if a claim is filed.

If Covert Damage has occurred, the Buyer must be notified immediately to determine the proper procedures that should be taken:

- (a) "FOB Ship Point" (or equal) Shipping & Receiving personnel or the Buyer will file a claim with the carrier as soon as the damage is known.
  - (i) The carrier will have the materials inspected.
  - (ii) The carrier will reimburse AURA for any damage if the claim is accepted.

**NOTE:** In these cases, the equipment belongs to AURA until the Carrier accepts the claim. At that time the Carrier gains ownership of the damaged goods. If the equipment is needed by AURA, a new purchase requisition must be completed and a replacement must be purchased by AURA.

(b) "FOB Destination" (or equal) or if delivered by the vendor's carrier for local purchases, the vendor should be immediately notified so that the vendor can file a claim with the carrier and immediately send a replacement.

(c) Receipt of items ordered by Kitt Peak Mountain Facility personnel will follow the above procedures except that the Receiving Report will be completed by Logistics staff and signed on the bottom right hand section as acknowledging receipt only.

i) The Pink Copy will be forwarded to the mountain distribution warehouse for distribution to the requester.

ii) All Receiving Report copies will be annotated with the following statement. This statement will advise the receiver that they have 10 days to inspect the items received and to notify Procurement of any discrepancies.

iii) The Accounting Receiver (WHITE), Procurement Receiver (YELLOW) copies, shipping documents and packing list arriving with the items will be kept together and all copies forward to Procurement.

## **2) RECEIPT OF INCOMING SHIPMENTS WITHOUT A PURCHASE ORDER:**

In certain cases, involving primarily Logistics an item may be received before the "Goldenrod" copy of the authorized purchase order has been distributed. In such cases:

a) The item will be accepted from the shipper as long as a valid purchase order is referenced on the shipping documents. If no purchase order is indicated on the shipping container or shipping documents, Procurement should be contacted immediately to try and ascertain if an order has been placed and to insure that a copy of that order is sent to the receiving facility as soon as possible. If, after contacting Procurement, it is determined that a valid order has not been issued for the item, the shipment will be refused.

b) As soon as possible after receipt, the receiving department will obtain a copy of the processed requisition or the "Goldenrod" from the purchasing department.

c) The receiving individual issues a Receiving Report.

If the Buyer has any concern that a shipment may arrive before the purchase order is distributed, the Buyer will issue one of the following:

(1) If the item is to be shipped to Logistics , a copy of the purchase requisition will be made and sent to Logistics.

(2) If no purchase order is indicated on the shipment but an individual's name is shown as the consignee, the receiving facility will verify that the item being received is for either an AURA employee or visitor.

**NOTE:** If there is a question concerning the name, AURA Human Resources, KPNO Administrative Assistant or AURA-South Director's Office should be contacted to insure that the named individual is neither a new employee nor a visitor to one of the facilities. If the individual cannot be identified, the shipment should be refused.

In some cases, the materials received are for sister organization or for individual employees for which no purchase document has been issued. In these cases, the following procedures apply:

a) If the materials are to be distributed locally, a copy of the packing list is made and signed by the receiving individual/organization.

If the materials are to be sent to the observatory or other remote site a copy of the packing list is made, and a notation is made on the document noting the time and date the item is sent to the remote site.

1) In cases where AURA-South incoming freight shipment is received, the following procedures apply. Note that this procedure is also addressed in Section 10, Para 2:

a) The copy of the Commercial Invoice and Packing List (CIPL) is made with the names of the individuals to whom the items are to be distributed is created.

b) If the materials are to be distributed locally, the CIPL is signed by the receiving individual/organization next to their name and the items they are receiving.

c) If the materials are to be sent to the observatory or other remote site, a notation is made on the CIPL noting the time and date the item is sent to the remote site.

d) The CIPL is kept on file with the standard shipping documents.

### **3) ISSUING A RECEIVING REPORT:**

Except as indicated below, all items received by an AURA office, facility, or individual and for which a valid purchase order has been issued will have Receiving Report submitted verifying receipt.

As verification that the incoming items have been properly received (including those for AURA personnel/visitors) an AURA Receiving Report will be generated containing the following required information.

(a) Date received

(b) Purchase Order Number

(C) Vendor.

(d) Requisition Number

(e) Requester

(f) Line Item received.

(g) Quantity received.

(h) An indication whether or not this receipt completes closes out the Purchase Order (Complete) or if additional items on that order are yet to be received (Partial).

- (i) Item
- (j) Quantity received
- (k) Description of line item received.

If an order is received in several boxes with each box containing a separate and unique packing list, each box (or each packing list) will be received on separate receivers. If a single order is shipped in multiple boxes with each box having the same packing list, only one receiver need be produced.

No received item will be left in an empty room. Items will be returned to Logistics and the requester contacted by either email or telephone and a time arranged for delivery.

- 1) All Receiving Reports contain a statement that advises the receiver that they have 10 days to inspect the items received and to notify Procurement of any discrepancies.
  - (a) The Accounting Receiver (white), Procurement Receiver (yellow) with shipping documents and packing list arriving with the items will be kept together and forwarded to Procurement
- 2) All WHITE copies will be placed in a 10-Day tickler file.
- 3) After 10 days, the Procurement Supervisor will sign the Receiving Report which will be forwarded, with Golden Rod, to Accounting for payment.
  - a) If the Logistics department is understaffed, Individuals receiving boxes will be called and advised that their order has arrived and they can come and pick it up in if they need it immediately. Otherwise the package will be delivered when time permits.
  - b) In general, Receiving Reports are not required for "Check Enclosed" or "Petty Cash" Purchase Orders. However, unless the purchase falls under one of the following categories, the purchase order should be considered open until a Receiving Report is received.
    - i) Subscriptions for publications received more than once per year.
    - ii) Small dollar (less than \$100.00) items mailed directly to the requester.
    - iii) Items purchased by the requester who has submitted the requisition seeking reimbursement.
  - c) A Receiving Report will be issued for all items received with the following exceptions:
    - i) Personal items received by Logistics for individuals based at AURA SOUTH.
    - ii) Incoming mail packages (except those relating to Purchase Orders) received by the mailroom.
    - iii) Magazine subscriptions except those received by the library for scientific-related publications.
    - iv) Credit Card purchases.

**4) APPROVAL OF RECEIVING REPORTS:** Receiving personnel and the requester will sign all Receiving Reports; the approved and signed Receiving Report will authorize AURA Accounting to pay any invoice submitted for the item received as long as the following criteria are adhered to:

- a) Receiving Reports are certification that the incoming shipment was received and inspected according to AURA procedures or the appropriate subcontract for items ordered by Gemini or AURA-South.
- b) Receiving reports for Gemini purchases will be consolidated during the week and copies forwarded to Gemini on the last working day of each week.
- c) The requester will sign all Receiving Reports issued in Tucson for items ordered by AURA-Tucson personnel.
- d) Items ordered by and destined for Kitt Peak Mountain Facility will be received by AURA Logistics who will sign on report as a certification that the items have been received.
- e) The approved Receiving Report indicates that the materials received by the requester conform to the specifications of the items ordered on the Purchase Order and are in satisfactory condition (free of "Covert damage").
  - i) According to the UCC, the buyer (requester in AURA's case) is entitled to inspection (within a reasonable period of time) of the materials prior to authorizing payment.
  - ii) Legal acceptance of the items received can also take place if the Buyer "fails to make an effective rejection, but such acceptance does not take place until the buyer has had a reasonable opportunity to inspect them..."
  - iii) As a result, if the requester refuses to sign the Receiving Report to authorize payment, S&R personnel will request the individual to sign the Receiving Report acknowledging receipt only.

### **Chile Shipments**

As required by the Chilean government, all items shipped to Chile must have a corresponding commercial invoice.

Shipments to Chile are scheduled for each Friday of the month. All items for Friday shipments must be in the Shipping & Receiving department no later than Thursday 12:00 noon.

- All items not on purchase orders require the following information:
  - i) A description of the item(s) including a part number and, if applicable, make and model number
  - ii) Quantity
  - iii) Value per item
  - iv) A valid account number to bill freight charges to
  - v) Recipient(s) name in Chile

No personal items are allowed in the weekly Chile shipments.

- All personal items to Chile employees and/or family member(s) must be sent separately; the employee is liable for freight charges.

Approximate transit time from Tucson is 5 to 7 days. If individuals traveling to Chile are willing to hand carry personal items for Chilean employees, they can stop by the shipping & receiving department before their departure.

## SECTION 7

### AURA SALES TAX STATUS

- 1) **SALES TAX INFORMATION:** In order to properly invoice AURA for goods and services sold, each vendor must be aware of AURA's Arizona Tax Status and exactly what amount of tax AURA must pay.

Attached to this section are:

- A) ARIZONA TAX EXEMPTION CERTIFICATE
- B) State Tax Commission of Arizona letter dated December 16, 1959 granting AURA exemption from "use tax."
- C) State Tax Commission of Arizona letter dated September 28, 1960 granting AURA status as "federal instrumentality."
- D) State Tax Commission of Arizona letter dated October 25, 1960 expanding on AURA's status as an "instrumentality of the Federal Government."
- E) City of Tucson acknowledging AURA's status as an "instrumentality of the Federal Government."

The Buyer places the following tax exemption codes on each Purchase Order. Only one tax code may be used and the listing of one exemption does not relieve AURA from the payment of other applicable taxes for which it is not exempted (i.e. City of Phoenix Sales Tax, etc.).

- A) **TAX CODE 1** - Exemption from one half (50%) of Arizona State Retail Sales Tax under the Arizona Revised Statutes Section 42, Paragraph. 5061, Part L.
  - a) This exemption is applicable to all purchases of tangible personal property made to vendors within the State of Arizona when purchased from within Arizona (i.e. from AURA Procurement). Applying this tax code does not affect AURA's status concerning other applicable taxes, such as city taxes.
  - b) This code should be used on all purchases made from vendors located within the State of Arizona without regard to the final destination of the purchased goods.
  
- B) **TAX CODE 2** - Exempt from 50% of the AZ Retail Sales Tax and City of Tucson Sales Tax in accordance with ARS Section 42, Para. 5061, Part L and the Tucson City Code, Ch. 19-465.14.b.
  - a) If an order is placed from a Tucson location (as are all orders placed by AURA Procurement) to a vendor located in Tucson for tangible personal property, then such orders are subject to City of Tucson Sales Taxes. This tax code does not affect AURA's responsibility for the payment of other taxes such as State Sales Tax.
  - b) This code should be used on all purchases made from vendors located within the Tucson City limits without regard to the final destination of the purchased goods.
  
- C) **TAX CODE 3** - Exempt from AZ Use Tax on purchases of property from Manufacturers, Modifiers, Assemblers or Repairers in accordance with ARS Section 42, Para 5159 Part A Para 39 and on purchases of machinery or equipment used in Research and Development activities under ARS Section 42, Para 5159, Part B.14.
  - a) The Arizona Use Tax is a tax imposed on the buyer for purchases of tangible personal property from an out-of-state vendor and applies to the use, storage or consumption of the items purchased. As per a Ruling dated December 16, 1959, AURA, Inc. is exempt from the Arizona Use Tax. The Arizona Sales Tax and Arizona Use Tax are complementary taxes, only one of which can be applied to a transaction.

- (1) EXAMPLE 1: AURA orders widgets from a company in California for shipment to Tucson. This transaction is subject to the Arizona Use Tax for which AURA is completely exempt.
  - (2) EXAMPLE 2: AURA orders widgets from a vendor in Arizona who carries no inventory but orders the part shipped in from its manufacturer in California for delivery to Tucson. This transaction is subject to the Arizona Sales Tax for which AURA holds a 50% exemption.
- b) This code should be used on all purchases made from vendors located outside the state of Arizona with out regard to the final destination of the purchased goods.
- D) **TAX CODE 4** - Exempt from all of the AZ Sales Tax on purchases of property from AZ Manufacturers, Modifiers, Assemblers or Repairers under ARS Section 42, Para. 5061, Part K.1 and K.3.
  - a) This exemption is applicable to all purchases of tangible personal property made from manufacturers, modifiers, assemblers, or repairers located in the State of Arizona when purchased from within Arizona (i.e. from AURA Procurement). Applying this tax code does not affect AURA's status concerning other applicable taxes, such as city taxes.
- E) **TAX CODE 5** - Exempt from all of the City of Tucson Sales Tax on purchases of property from Tucson Manufacturers, Modifiers, Assemblers or Repairers in accordance with the Tucson City Code, Ch. 19-465.14.a. and exempt from all of the AZ Sales Tax on purchases of property from AZ Manufacturers, Modifiers, Assemblers or Repairers under ARS Section 42, Para. 5061, Part K.1 and K.3.
  - a) This coding should be used whenever "Machinery or Equipment used in Research and Development" is purchased. This deduction does not include the purchase of the following:
    - (1) Janitorial Supplies
    - (2) Expendable Materials
    - (3) Office Equipment, furniture and supplies
    - (4) Tangible personal property used in selling and distributing activities.
    - (5) Motor Vehicles required to be licensed by this state.
    - (6) Motors and pumps used in drip irrigations systems.
  - b) This coding should be used whenever a purchase is made for exempt goods and services (see "I" below) or whenever the order is received from an Arizona vendor from an out-of state buyer for delivery out of state.
  - c) This is especially appropriate whenever goods are ordered from Sac Peak for delivery to Sac Peak. However, if the goods are shipped to Tucson by mistake, the law is clear that they are now subject to Arizona Sales Taxes and any other Local Sales Taxes as may be appropriate.
- F) **TAX CODE 6** - Exempt from all of the AZ Retail Sales Tax on purchases of machinery or equipment used in Research and Development activities under ARS Section 42, Para. 5061, Part B.14.
  - a) In order to reduce AURA's New Mexico Gross Receipts Tax liability, this code should appear on all orders destined for Sunspot, New Mexico.
- G) **TAX CODE 7** - Exempt from New Mexico Gross Receipt Taxes for tangible personal property pursuant to Section 72-13-29, NMSA 1953. New Mexico ID No. 01-829635-00-4.
  - a) To reduce AURA's tax liability in New Mexico, AURA has applied for and received a tax exemption from that state.
- H) **TAX CODE 8** - Exempt from California and Louisiana Sales Tax in accordance with State regulations. Purchases are delivered to a licensed freight forwarder for shipment out of the United States. CA Tax Code Article 6396; LA Tax Code RS 47:305.10.B.

- a) In order to reduce the California and Louisiana Sales Tax liability, this code should appear on all orders placed with vendors in those states and destined for an AURA freight forwarder or consolidator located in those states in California for transshipment overseas.
- b) This notation need not be placed in an order that is to be shipped to Tucson or otherwise out of the State of California or State of Louisiana.

I) **TAX CODE 9** - NO TAX EXEMPTION CLAIMED

2) **NON-TAXABLE CONDITIONS:**

A) Certain services and goods are not taxable either for the State or Local Sales Taxes. Below is a listing of a few of those services more frequently used by AURA:

- a) Typesetting.
- b) Labor charges for repair or maintenance as long as the labor charges are shown separately on the invoice. If the various charges are not separated on the invoice, the total amount is taxable.
- c) Professional Services.
- d) Work performed under manufacturer's warranty.
- e) Freight if shipped FOB "Ship Point" and if made after the sale. Freight charges made prior to the sale or to the exchange of title (i.e. "FOB Dest") are taxable.
- f) Materials and equipment used in Research and Development.

3) **TAX EXAMPLES (non-inclusive):** Below are specific examples of purchases and what the applicable Tax Coding to be applied are listed below:

A) Purchases by AURA Procurement from Arizona vendors delivered to New Mexico: Such purchases are subject to Arizona Sales Taxes and what ever Local Sales Taxes are appropriate depending on the location of the vendor. However, in order to avoid paying New Mexico Gross Receipts Tax, a note should be made of that exemption.

- a) Use TAX CODE 6 or 1/4 or 2/5 (if ordered from a Tucson vendor).

B) Orders From AURA Procurement, delivered to Tucson from vendors in California: Such purchases are not subject to California Sales Taxes if shipped directly out of the state. However, they are subject to Arizona Use Tax for which AURA has an exemption.

- a) Use TAX CODE 3.

C) Orders From AURA Procurement purchased from a Louisiana vendor and delivered to a Louisiana freight forwarder: Such purchases are not subject to the Louisiana Sales Tax if shipped to a licensed freight forwarder for shipment out overseas. However, they are subject to Arizona Use Tax for which AURA has an exemption.

- a) Use TAX CODE 3, 8.

D) Orders from AURA Procurement delivered to anywhere (except New Mexico) from vendors in Phoenix: Such purchases are subject to whatever exemptions AURA has from the Arizona State Sales Tax and to the full Phoenix City Sales Tax.

- a) Use TAX CODE 6 or 1/4.

E) Orders from AURA Procurement, delivered to Tucson (or any other location) from out-of-state vendors: Such purchases are subject to Arizona Use Tax for which AURA has an exemption.

- a) Use TAX CODE 3.

- F) Orders from Sac Peak Purchasing to Arizona Vendors for delivery to Sac Peak: Such orders are not subject to Arizona Taxes but are subject to New Mexico Gross Receipts Taxes.
- a) Use TAX CODE 6.
- G) Same example as "E" above but which are mistakenly shipped to Tucson and forwarded to Sac Peak by Shipping and receiving: This sale now becomes fully subject to all appropriate Arizona State and Local Taxes.
- a) TAX CODE changes to 6 or 1/4 or 2/5 (if ordered from a Tucson vendor).
- H) Order for a CCD Camera from an Arizona Distributor. This can be considered a Research and Development item and can be exempt from taxation.
- a) Use TAX CODE 6.

*This section is scheduled for review in 2016*

**SECTION 8**  
**EXPORTING PROCEDURES**

**EXPORT CONTROL PROGRAM**  
for  
**AURA NSF-RELATED ACTIVITIES**

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# PART 1

## EXPORT REGULATION OVERVIEW

All commodities, materials, technical data, services and information transferred to destinations outside the United States are considered exported from the U.S. and are subject to specific regulations established by various departments of the United States government. In addition, transferring information (hereafter referred to as “technical data”) to foreign nationals either within the boundaries of United States or during visits to foreign institutions is also considered an export and, depending on the type of data, may also be restricted by those same departments of the United States government.

Illegal circumvention of these export regulations can result in stiff fines, penalties, and/or restriction of future export privileges. Illegal circumvention includes the knowledge that an illegal exportation is occurring and failing to advise the exporter of the potential restrictions or failing to notify the appropriate authority of the illegal activity. In the case of The Association of Universities for Research in Astronomy (AURA) employees, the “appropriate authority” is considered to be either the AURA Import/Export Control Officer or the On-Site Certified Export Control Officers.

In the majority of cases, export licenses for AURA shipments must be obtained from either the Department of State’s Directorate of Defense Trade Controls (DDTC), the Department of Commerce’s Bureau of Industry and Security (BIS) or the Department of Treasury’s Office of Foreign Assets Control (OFAC). The reporting of the export shipments must be made to those licensing authorities. Certain other shipments or items may be restricted by other departments within the United States government including:

- *The Drug Enforcement Administration:* Drugs, Chemicals and Precursors; Controlled Substances;
- *The Food and Drug Administration:* Drugs and Biologics; Medical Devices;
- *The Department of the Interior:* Fish and Wildlife Controls/Endangered Species; and
- *The Department of Energy:* Nuclear Technology, Technical Data for Nuclear Weapons, Special Nuclear Materials.

Careful control must be maintained over all items shipped by AURA, its partners or its freight forwarders on behalf of AURA to insure that those exports comply with all appropriate regulations. The failure of an individual, business or organization to comply with the regulations does not relieve AURA of the responsibility for the infraction if that individual, business or organization was working on behalf of or under the direction of an AURA employee

This EXPORT CONTROL PROGRAM FOR NSF RELATED ACTIVITIES is designed to familiarize AURA employees with the export controls that they may encounter within the organization and assist them in knowing what must be done should they encounter a situation that relates to export controls.



## PART 2

# AURA NSF-RELATED OBSERVATORIES, AND INTERNATIONAL PROJECTS

1) Within the NSF-related organizations there are three major projects which are directly involved in the export of materials and equipment:

A) **CERRO TOLOLO INTER-AMERICAN OBSERVATORY (CTIO):** Within the housing and administrative compound, located in La Serena, a coastal town approximately 300 miles north of Santiago, is a data reduction facility and scientific library that is second to none in the Southern Hemisphere. The observatory is located on Cerro Tololo that is approximately 50 miles East of La Serena. On this mountain are housed six astronomical telescopes ranging from a large 4-meter class instrument to a 0.6-meter telescope. The Cerro Tololo Inter-American Observatory is used predominantly by U.S. astronomers and is the only major U.S. National Optical Astronomical Research Center in the Southern Hemisphere. Established in the 1960's, this facility is of vital importance both to the U.S. astronomical community and to the United States position in basic research. CTIO is a part of the National Optical Astronomy Observatories and is formally referred to as AURA-South.

a) The Ultimate Consignee listed on export documents for CTIO is:

AURA, Inc.  
Cerro Tololo Inter-American Observatory  
Casilla 603  
La Serena, Chile

b) The Intermediate Consignee listed on export documents for CTIO is:

AURA  
Santiago Operations  
Av. President Riesco 5335  
Oficina 507  
Los Condes  
Santiago  
Chile

Attn: Edilia Cerda  
Phone: 562-370-1085/1086

B) **GEMINI-SOUTH 8-METER TELESCOPE PROJECT:** The Southern Hemisphere telescope is located on Cerro Pachon, a mountaintop adjoining Cerro Tololo in Chile. Cerro Pachon is on the same AURA property as Cerro Tololo. For all intents and purposes, this telescope is an extension of the existing AURA/Cerro Tololo logistical organization.

Because of its organizational structure, international partners and unique identification from other AURA telescope facilities, the Gemini 8-meter telescope on Cerro Pachon is listed as a separate project even though the mechanisms for exporting to the facility, international transportation between the United States and the Cerro Pachon site, and importation and receiving procedures at the Chilean port of entry will be handled by AURA South administrative services.

a) Virtually all of the instrumentation, equipment, vehicles, materials and supplies required to operate these major research facilities originate in and are exported from the United States although some will be built by and shipped from consortium partners.

- b) Until further notice, the Ultimate Consignee listed on export documents for the Southern Gemini telescope is:

AURA, Inc. GEMINI-South  
Observatory Casilla 603  
La Serena, Chile

- c) The Intermediate Consignee listed on export documents for CTIO is:

AURA  
Santiago Opertations  
Av. President Riesco 5335  
Oficina 507  
Los Condes  
Santiago  
Chile

- C) **GLOBAL OSCILLATION NETWORK GROUP PROJECT:** The third major United States astronomical project with international partners is the Global Oscillation Network Group Project (GONG). Sponsored by the National Science Foundation through grants to the National Optical Astronomy Observatories, the GONG Project is managed by the National Solar Observatory division within the AURA organization. The goal of this astronomical project is to observe the internal oscillations of the Sun 24 hours each day. To accomplish this, self-contained, remote-site solar observatories have been shipped to sites around the world. These instruments, known as helioseismographs, were delivered to the sites in 1995 and have been in operation since January 1996. The network of helioseismographs is expected to be operational for 7-10 years before the project is completed.

- a) While the instruments contain virtually no restricted items, the project instrumentation is continuously undergoing replacement equipment to ensure that the systems function properly.
- b) Astronomers and technicians from the observatory at which the instrument is located maintain the instruments. Periodically, maintenance crews are dispatched from Tucson to service the instruments. Should an instrument failure be caused by a part which does not have an on-site replacement, the repair will be affected by either express shipping the replacement part to the foreign observatory and having the repair accomplished by the local observatory technicians; or by sending AURA employees who will hand carry the replacement part to the site and complete the repairs themselves.
- c) Information taken from each instrument is forwarded to and evaluated at the AURA facilities in Tucson. The data received are then published in journals and GONG newsletters for general dissemination to the astronomical community.
- d) The sites that house the remote-site, self-contained instruments are the following:
- (1) **AUSTRALIA:** The Australian site is at the Learmonth Solar Observatory in Western Australia. This observatory is operated jointly by an Australian government agency, called IPS Radio and Space Services, and the U.S. Air Force. The GONG host is the Australian IPS, under a memorandum of understanding with their federal Department of Administrative Services. IPS scientific and technical staff, and a contractor, provides on-site support including receiving and shipping material. The principal point of contact is Dr. Alan Brockman. The Consignee listed on export documents for the Australian GONG site is:

Learmonth Solar Observatory  
1 Observatory Road  
Learmonth, Western Australia 6707  
Australia

- (2) **INDIA:** The Indian station is located at the Udaipur Solar Observatory (USO) in Udaipur. This observatory is a part of the Physical Research Laboratory (PRL) in Ahmadabad. The PRL is under the Indian Space Research Organization (ISRO). Some departments of the ISRO are listed in the Department of Commerce's Entity List and exports to those departments are restricted. At one time the PRL was listed but no longer is. The Udaipur program is supported in part by PL 480 grants from the U.S. government through the National Science Foundation. The USO scientific and engineering staff provides on-site technical support and PRL provides administrative support. The GONG facility is located at:

Udaipur Solar Observatory  
11 Vidya Marg  
Udaipur 313 001  
India

All shipments are to be approved by and sent to:

PHYSICAL RESEARCH LABORATORY  
Navrangpura  
Ahmedabad 380 009  
India

- (3) **SPAIN - CANARY ISLANDS:** The Canary station is on the island of Tenerife at the Observatorio del Teide. Observatorio del Teide is a part of the Instituto de Astrofisica de Canarias (IAC), based in La Laguna, Tenerife. The IAC scientific and engineering staff provides on-site support. The Consignee listed on the export documents for the Spanish GONG Site is:

INSTITUTO de ASTROFISICAS de CANARIAS  
Via Lactea  
E-38200 La Laguna  
Tenerife, Canary Islands  
Spain

- (4) **CHILE:** The Chilean station is at the Cerro Tololo Inter-American Observatory (CTIO) based in La Serena. CTIO is operated by AURA as noted above. The AURA-South scientific and engineering staff provides on-site support. The principal point of contact is the AURA-South engineering technician assigned to support GONG. The shipping addresses are the same as those to CTIO.

## **PART 4**

# **CORPORATE POLICY COMMITMENT**

The AURA Washington Office on September 17, 1996 issued a statement concerning Corporate Policy on Export Control. This policy is also included in the AURA/Gemini employees' handbook that is issued to all AURA and Gemini employees. Attachment A to this Part is a copy of the Corporate Export Commitment statement. This statement will be updated as required.

ASSOCIATION OF UNIVERSITIES FOR RESEARCH IN ASTRONOMY, INC.



SUITE 450  
1212 New York Avenue NW  
Washington, DC 20005  
TEL: 202-483-2101  
FPII: 202-483-2106

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TO: Center Directors  
FROM: Dr. William Smith, President  
DATE: July 2010  
SUBJECT: Statement of AURA Export Control Commitment

In order to comply with revised requirements of the Bureau of Export Administration, U.S. Department of Commerce, the following is promulgated as AURA's Export Control Commitment, effective immediately.

It is AURA Policy that all employees, visitors, grantees, or other individuals utilizing AURA facilities comply with United States export policies and regulations. Under no circumstances will exports be made contrary to U.S. export regulations by any individuals operating on behalf of AURA. In addition, no exports will be made on behalf of AURA to activities covered under the Enhanced Proliferation Control Initiative (such as Nuclear nonproliferation controls, Missile Technology nonproliferation controls and Chemical & Biological Weapons foreign policy nonproliferation controls.)

Violations of the Export Administration Act or any regulation, order or license issued there under, including conspiracies to violate, are subject to severe criminal and civil penalties. Knowing violations may be punished by fines of up to five times the value of the export involved or \$50,000 (whichever is greater), or imprisonment for up to five years or both. Willful violations are punishable by fines of up to \$1,000,000 (\$250,000 in the case of an individual) or imprisonment of up to five years or both. Civil penalties may be imposed of up to \$10,000 for each violation (\$100,000 for national security control violations). See Part 787 of Title 15, Code of Federal Regulations. In addition, violations of this policy will result in appropriate disciplinary action with respect to the employment of the individual(s) involved.

Questions concerning export regulations should be directed to the Export Control Officer at (520) 318-8126, who is designated as the AURA Export Control Administrator (ECA). Should any AURA employee become aware of violations of U.S. export regulations on the part of or at any AURA facility, they should report such violations to the AURA Export Control Officer, the AURA President, or the Department of Commerce's Bureau of Export Administration.

Please provide this statement to all employees involved in export-related activities for AURA.

Thank you.

# PART 5

## AURA EXPORT CONTROL ORGANIZATION

### 1) EXPORT ORGANIZATION FOR NSF-RELATED ACTIVITIES

**AURA Export Control Officer FOR NSF-RELATED ACTIVITIES (hereafter identified as the ECO-NSF):** The individual listed below is designated as the AURA Export Control Officer for those AURA-related activities funded by the National Science Foundation, and is responsible for maintaining control of all exports for those NSF-related activities. This individual will also be available to the NASA-related sites for consultations on and assistance with any export-related problem or question concerning those activities relating to non-Department of State export regulations.

AURA Export Control Officer

P. O. Box 26732  
950 N. Cherry Ave.  
Tucson, AZ 85726

The ECO-NSF is responsible for all export-related activities for AURA and GEMINI facilities, both domestic and international. This includes the overall responsibility for ensuring that these facilities comply with all appropriate export regulations concerning both the export of goods and services and for the transfer of controlled technology.

The ECO-NSF's activities will be to report to the AURA Procurement Manager the export activities for which he/she is responsible.

The ECO-NSF will advise the local sites concerning specific export activities relating to that specific site. The activities located overseas will not have an on-site Certified Export Control Officer but the ECO-NSF will work with the directors at those sites concerning export and technology transfer activities at those sites.

- a) **ECO-NSF Responsibilities:** The responsibilities of the ECO-NSF include:
- (1) **AURA EXPORT CONTROL POLICY:** Responsible for working with the AURA Washington Office in determining the AURA Export Policy as detailed in the AURA Policy Manual.
  - (2) **INTERACT WITH SITE CONTRACTUAL ACTIVITIES:** Responsible for working with site contracting personnel to ensure that specific contracts and MOUs comply with U.S. government export control policies and protect AURA from overzealous contractors violating U.S. government export regulations.
  - (3) **EXPORT LICENSE APPLICATIONS:** Responsible for applying to the various U.S. government agencies for approval to export products and technologies.
  - (4) **DDTC TECHNICAL ASSISTANCE AGREEMENTS:** Responsible for obtaining Technical Assistance Agreements for the release of DDTC-controlled technology to foreign national visitors and employees.
  - (5) **COMMODITY and JURISDICTION CLASSIFICATIONS:** Responsible for applying to the various U.S. government agencies for both commodity classifications requests and commodity jurisdiction requests.
  - (6) **ON-SITE CERTIFIED EXPORT CONTROL OFFICER TRAINING:** Responsible for training the CECOs in both export controls and international shipping activities.

- (7) **ON-SITE EMPLOYEE TRAINING:** Responsible for training on-site employees in both export controls and technology transfer issues. This training will include both periodic lectures and newsletter articles. Training will take place at US and Chilean sites.
- (8) **INTERNATIONAL MATERIALS SHIPPING CONTROL:** Responsible for ensuring that AURA international shipments comply with the various shipping regulations.
  - (A) **INTERNATIONAL HAZARDOUS MATERIALS SHIPPING CONTROL:** As delegated by the AURA Safety Officer, responsible for ensuring that international shipments comply with IATA Hazardous Materials Regulations.
  - (B) **INTERNATIONAL PACKAGING COMPLIANCE CONTROL:** Responsible for ensuring that all sites comply with international packing regulations
- (9) **AURA IMPORT MANAGEMENT:** Responsible for advising sites concerning the importation of goods and materials.
- (10) **PERSONNEL MONITORING:** Responsible for advising all sites of individuals within the organization that do not have TSR Certifications in their files to prevent unauthorized access to controlled data.

B) **ON-SITE CERTIFIED EXPORT CONTROL OFFICER (hereafter referred to as the CECO):** The ECO-NSF is supported by the CECO at the primary contract sites.

The ECO-NSF will delegate the day-to-day export functions for the AURA and Gemini domestic sites to an individual who is certified as an export control officer by the International Export-Import Institute. This certification insures that the on-site individual will be sufficiently trained in export control activities to make sure that the policies and regulations established by the controlling U.S. government export agencies and the MTS-NSF are properly implemented.

The CECO will be responsible for (1) implementing the specific procedures initiated by the ECO-NSF concerning the export activities for which he/she is responsible; (2) advising the ECO-NSF concerning site-unique and site-specific export activities; and (3) advising the site's top management concerning site-related export control activities.

a) **CECO Responsibilities:** The responsibilities of the CECOs include:

(1) **PURCHASING & CONTRACTING ACTIVITIES:**

- Coordinate with local Purchasing Managers the on-site Purchasing Supervisors or their designate
- (A) to determine if the materials purchased would require either an export license or some export controls within the organization;
- (B) Work with local contracting activities regarding the inclusion of clauses in contracts relating to export controls;
- (C) Advise the ECO-NSF of any materials and/or technical data controlled for export by the Directorate of Defense Trade Controls (DDTC).

(2) **INTERNATIONAL SHIPMENTS:**

- (A) Interact with local supervisors concerning the activities of site Logistics facilities and contracted freight forwarders;
- (B) Ensure that international shipments comply with export regulations;
- (C) Electronically file the export declaration via the AES system;
- (D) Ensure that international shipments are properly documented and comply with:
  - (a) IATA Hazardous Materials Regulations
  - (b) ISPM-15 *Guidelines for Regulating Wood packaging material in International Trade*;

(E) Ensure that international shipments are not consigned to any individual or entity listed on one of the prohibited lists or embargoed countries:

(a) DDTC Debarment List:

<http://www.pmddtc.state.gov/debar059intro.htm>

(b) BIS Denied Parties Listing - individuals who have violated the law and had their export privileges denied:

<http://207.96.48.13/dpl/thedeniallist.asp>

(c) BIS Entity List - sites that are prohibited from receiving certain exports:

<http://www.access.gpo.gov/bis/ear/pdf/744spir.pdf>

(d) OFAC Embargo Listing – countries and organizations for which specific embargos and sanctions are in place:

<http://www.treas.gov/offices/enforcement/ofac/programs/index.shtml>

(e) OFAC Specially Designated Nationals List – a list of individuals and organization that have been determined to be either terrorist, terrorist supporting or otherwise a threat to the US Security:

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

(F) Reviews information or technical data transferred to foreign institutions and/or foreign individuals to ensure that they are not released to any individual named on one of the prohibited lists as detailed above.

**(3) INTERNATIONAL TRAVEL:**

(A) Issue travel advisories to employees traveling overseas.

(B) Advise international travelers of export and import control regulations.

**(4) EMPLOYEE TRAINING AND AWARENESS:**

(A) Conduct training seminars as requested by local individuals and departments;

(B) Draft and issue employee export awareness memos;

**(5) PROPERTY DISPOSAL:**

(A) Coordinate with local Property Officers to ensure that materials and equipment loaned to foreign institutions or individuals comply with U.S. government export controls;

(B) Coordinate with local Property Officers to ensure that the disposal of excess property complies with U.S. government export controls.

**(6) MAIL:**

(A) Ensure that international mail is properly monitored to ensure that controlled materials are not distributed to any individual or entity listed on one of the prohibited lists or within embargoed countries.

(7) **GRANTS:**

- (A) Coordinate with local Grants Officers to ensure that grants are not issued to individuals listed on any of the prohibited lists as detailed in 1Cb4(A) through (E), above.
- (B) Ensure that grants entered into by AURA employees do not have investigators listed on any of the prohibited lists as detailed in 1Cb4(A) through (E), above.

(8) **VISITORS, NON-OBSERVING:**

- (A) Interact with the appropriate departments to ensure that visitors are monitored and that they do not receive unauthorized access to controlled technical data or equipment.

(9) **CLOSED WORKSHOPS, MEETINGS and PROJECT REVIEWS:**

- (A) Review the proposed agenda to determine if a controlled technology will be released.
- (B) Work with the individual meeting coordinators to determine if any foreign nationals will be attending.
- (C) Ensure that the proper certifications are obtained or export licenses issued.

(10) **EMPLOYEES:**

- (A) Consult with various departments concerning whether or not new hires will require an export license to work in the position for which they will be hired.
- (B) Work with Human Resources to ensure that current, foreign national employees are either licensed for their intended work or have a TSR certification in their file.
- (C) Work with supervisors to ensure that those foreign national employees who do not have a TSR Certification in their files do not gain access to controlled technology.
- (D) Advise the AURA Export Control Officer for NSF-Related of any employee who does not have a TSR Certification completed.

(11) **IMPORTS:**

- (A) Certain technical items under control of the Office of Defense Trade Controls require an Import License prior to their import into the United States. As such, all items imported to AURA facilities of a technical nature are to be approved by the CECO prior to their shipment to the AURA facility.

2) **EXPORT ORGANIZATION FOR NASA-RELATED ACTIVITIES**

- A) **AURA Export Control Officer FOR NASA-RELATED ACTIVITIES (hereafter referred to as the ECO-NASA):** The individual listed below is designated the AURA Import/Export Control Officer for those sites and grants funded by the National Aeronautics and Space Administration and is responsible for maintaining control of all exports for the NASA-related sites. This individual will also be available to the NSF-related sites for consultations on and assistance with any export-related problem or question concerning those activities relating to Department of State export regulations.

The ECO-NASA is responsible for all export-related activities for Space Telescope Science Institute operations. This includes the overall responsibility for ensuring that these facilities comply with all appropriate export regulations concerning both the export of goods and services and for the transfer of controlled technology.

AURA Import/Export Control Officer  
3700 San Martin Drive  
Baltimore, MD 21218

## PART 6

# FUNDAMENTAL RESEARCH

- 1) **INTRODUCTION**: As a scientific research organization, the vast majority of the work produced by AURA personnel under the prime NASA Contract and NSF Grants are considered “Fundamental Research” by the U.S. government agencies controlling exports.

The primary regulations governing the release of technology are BIS, DDTC and OFAC. The following is taken from the Export Administration Regulations (15 CFR 734) but the International Traffic in Arms Regulations governing the release of defense technology is similar.

NOTE: It should be noted that fundamental research may be exempt from some export provisions but the equipment and technical data used to conduct that research may not be exempt from the regulations.

- 2) **FUNDAMENTAL RESEARCH**: In accordance with 15 CFR 734.8, “Fundamental Research” is basic and applied research in science and engineering where the resulting information is ordinarily published and shared broadly within the scientific community. It is distinguished from proprietary research and from industrial development, design, production, and product utilizations, the results of which ordinarily are restricted for proprietary and/or specific national security reasons. Normally, the results of “fundamental research” are published in scientific literature, thus making it publicly available. Research which is intended for publication, whether it is ever accepted by scientific journals or not, is considered to be “Fundamental Research.” A large segment of academic research is considered “Fundamental Research.” Because any information, technological or otherwise, that is publicly available is not subject to the Export Administration Regulations (EAR) (except for encryption object code and source code in electronic form or media) and thus does not require a license, “Fundamental Research” is not subject to the EAR and does not require a license.

“Fundamental Research” can be distinguished from proprietary research and from industrial development, design, production, and product utilization, the results of which ordinarily are restricted for proprietary reasons or specific national security reasons.

- A) **University Based Research**: Research conducted by scientists, engineers, or students at a university normally will be considered fundamental research. “University” means any accredited institution of higher education located in the United States.
- a) Prepublication review by a sponsor of university research, solely to insure that the publication would not inadvertently divulge proprietary information that the sponsor has furnished to the researchers, does not change the status of the research as fundamental research.
  - b) The release of information from a corporate sponsor to university researchers where the research results are subject to prepublication review is subject to the export controls.
  - c) Prepublication review by a sponsor of university research solely to ensure that publication would not compromise patent rights does not change the status of fundamental research, so long as the review causes no more than a temporary delay in publication of the research results.
  - d) The initial transfer of information from an industry sponsor to university researchers is subject to export controls where the parties have agreed that the sponsor may withhold from publication some or all of the information so provided.
  - e) University based research is not considered “Fundamental Research” if the university or its researchers accept other restrictions on publication of scientific and technical information resulting from the project or activity.
  - f) Scientific and technical information resulting from the research will nonetheless qualify as “Fundamental Research” once all such restrictions have expired or have been removed.
  - g) University based research is not considered “Fundamental Research” if a university or its researchers accept specific national security controls on a research project or activity sponsored by the U.S. Government.

- B) **Federally Funded Research and Development Corporations (FFRDCs)**: Research based at Federal agencies or FFRDCs research conducted by scientists or engineers working for a Federal agency or a Federally Funded Research and Development Center (FFRDC) may be designated as "Fundamental Research" within any appropriate system devised by the agency or the FFRDC to control the release of information by such scientists and engineers.
  - C) **Corporate Research**: Corporate research conducted by scientists or engineers working for a business entity will be considered "Fundamental Research" at such time and to the extent that the researchers are free to make scientific and technical information resulting from the research publicly available without restriction or delay based on proprietary concerns or specific national security controls.
    - a) Prepublication review by the company solely to ensure that the publication would compromise no proprietary information provided by the company to the researchers is not considered to be a proprietary restriction.
    - b) The release of information to university researchers where the research results are subject to prepublication review is subject to export controls.
    - c) Prepublication review by the company solely to ensure that publication would compromise no patent rights will not be considered a proprietary restriction for this purpose, so long as the review causes no more than a temporary delay in publication of the research results.
    - d) However, the initial transfer of information from a business entity to researchers is not authorized under the "fundamental research" provision where the parties have agreed that the business entity may withhold from publication some or all of the information so provided.
  - D) **Other Research**: Research based elsewhere conducted by scientists or engineers who are not working for any of the institutions described above will be treated as corporate research.
- 3) **PUBLISHED INFORMATION AND SOFTWARE**: Information is "published" when it becomes generally accessible to the interested public in any form, including:
- A) Publication in periodicals, books, print, electronic, or any other media available for general distribution to any member of the public or to a community of persons interested in the subject matter, such as those in a scientific or engineering discipline, either free or at a price that does not exceed the cost of reproduction and distribution;
  - B) Ready availability at libraries open to the public or at university libraries;
  - C) Patents and open (published) patent applications available at any patent office; and
  - D) Release at an open conference, meeting, seminar, trade show, or other open gathering.
    - a) A conference or gathering is "open" if all technically qualified members of the public are eligible to attend and attendees are permitted to take notes or otherwise make a personal record (not necessarily a recording) of the proceedings and presentations.
    - b) All technically qualified members of the public may be considered eligible to attend a conference or other gathering notwithstanding a registration fee reasonably related to cost and reflecting an intention that all interested and technically qualified persons be able to attend, or a limitation on actual attendance, as long as attendees either are the first who have applied or are selected on the basis of relevant scientific or technical competence, experience, or responsibility.
  - E) "Publication" includes submission of papers to domestic or foreign editors or reviewers of journals, or to organizers of open conferences or other open gatherings, with the understanding that the papers will be made publicly available if favorably received.
  - F) Software and information is published when it is available for general distribution either for free or at a price that does not exceed the cost of reproduction and distribution.

4) **RELEASE OF TECHNOLOGY OR SOFTWARE:**

A) Technology or software is “released” for export through:

- a) Visual inspection by foreign nationals of U.S.-origin equipment and facilities;
- b) Oral exchanges of information in the United States or abroad; or
- c) The application to situations abroad of personal knowledge or technical experience acquired in the United States.

B) Any release of technology or source code subject to export controls to a foreign national of another country is deemed a re-export to the home country or countries of the foreign national. However, this deemed re-export definition does not apply to persons lawfully admitted for permanent residence. Note that the release of any item to any party with knowledge or reason to know a violation is about to occur is prohibited.

5) **FOREIGN NATIONALS:** A foreign national is considered to be any individual holding citizenship in a foreign country who (1) has not been granted permanent residence, as demonstrated by the issuance of a permanent resident visa (i.e., "Green Card"); or (2) has not been granted U.S. citizenship; or (3) who has not been granted status as a "protected person" under 8 U.S.C. 1324b(a)(3).

## **PART 7**

# **INDIVIDUAL ACTIVITY CONTROL PROCEDURES**

### **1) INTERNATIONAL TRAVEL:**

- 1) Export control of the international traveler within the AURA environment begins with the submission of a document that authorizes the travel that will hereafter be referred to as a Travel Request. This Travel Request is the authorization for the traveler to go on a specific trip and ensures that he/she is covered by AURA insurance.

All export rules and procedures stated in this document apply to materials hand carried out of the US by AURA employees or foreign visitors. However, some special precautions must be followed since visitors and some international travelers may not be aware of current export regulations.

- A) The Accounting employee receiving the Travel Request will notify the CECO when an employee is traveling overseas by forwarding a copy of the Travel Request (TR) to the CECO.
- B) The Hand Carried Notification Memo (Attachment A to this section) will be forwarded to the employee. This memo includes both export control information and safety information supplied by the Safety Officer.
- C) If the traveler travels overseas several times each year, this memo will only be forwarded to him or her once every six months, rather than each time he/she travels.
- D) Travelers will be told to register any foreign made items with U.S. Customs prior to departure so that they are not assessed duties on the foreign made items when they return to the U.S and pass through Customs.
- E) Travelers who are hand carrying materials (laptop computers, cameras, etc.) overseas with the intention of bringing the items back with them will be given the appropriate CIPL and if necessary the AES ITN number, and documentation to assist the traveler in clearing customs in the country of destination. The CECO will file the necessary export information with AES and provide copies of that filing to the employee.
- F) Travelers carrying items to be left in the country of destination will be given all the export and import documentation necessary to exit the U.S. and enter the country of destination. Hand carrying items overseas that are to be left in the foreign country is strongly discouraged.

### **2) AURA-PRODUCED TECHNICAL DATA:**

- A) The astronomical community is a large family, and employees from various domestic and international observatories visit each other and communicate via electronic mail, facsimile, telephone and mail on a regular basis. According to the AURA Policy Manual (Article XVI - Classified Research), nothing produced by AURA is classified or restricted for publication or general dissemination. The classifications of technical data held by AURA sites are:

- a) **FUNDAMENTAL RESEARCH:** The majority of scientific and engineering research data generated by AURA is freely available to the public and is considered "Fundamental Research". "Fundamental Research" is not controlled for export. See Part 6 of this document for a complete description of FUNDAMENTAL RESEARCH.
- b) **ENGINEERING DATA:** In the promotion of astronomy, much of the technical data created by AURA sites in the support of instrumentation, telescope production and equipment support are also freely available to the interested public.

Occasionally, however, proprietary information or manufacturers' specification sheets are obtained which have some export restrictions applicable to them. When that occurs, the on-site Certified Export Control Officer will take all appropriate action to ensure that the data holder and department are aware of potential export restrictions and that the materials must be prevented from being transmitted overseas or relayed (electronically, verbal, or otherwise) to foreign locations or foreign nationals without proper export documentation.

In addition, some of the technical data may be controlled by one of the controlling U.S. government agencies; password-protected servers and firewalls keep the data separate from the general public.

- c) Twice each year, or as otherwise warrants, the MTS-NSF will distribute to the CECO and the directors of the various programs in Chile, a list of employees or visitors who are not to be granted access to the secure technical data.
- d) The CECO will ensure that this list is disseminated to his or her director and all personnel and departments holding controlled data.

3) **INTERNATIONAL TRANSPORTATION:**

- A) Nothing is to be sent overseas without the CECO's knowledge and approval.
  - a) Before being sent overseas, all non-document shipments require the clearance of CECO.
  - b) The CECO will review and approve packing lists, certificates of origin and other shipping documents prior to the actual shipment.
  - c) Items requiring export licenses will not be shipped until the license is received.

4) **PROPERTY CONTROL:**

- A) The AURA sites are not involved with the selling of products. However, property is frequently donated, loaned, scrapped or otherwise disposed of. AURA Facilities are prohibited from disposing of government and AURA property unless specifically approved by the National Science Foundation through the government property control procedures.
- B) To ensure that AURA's disposal of any property does not violate any export regulation, no property will be disposed of in any manner without the approval of the CECO. Only after the following checks have taken place and approval received by the CECO, will the property be cleared for transfer.
  - a) All consignees, either domestic or international, will be checked against the Denied Party Lists, Embargoed lists, Entity List, DDTC Debarment List and Specially Designated National List.
  - b) All property transferred internationally will be checked against the Commodity Control List and the Munitions Control List.

5) **MAIL:**

- A) An individual will be assigned at each site to check all outgoing international mail:
  - a) To ensure that nothing is sent to individuals listed on the Denied Party Lists, DDTC Debarment List and Specially Designated National List.
  - b) To ensure that nothing is sent to organizations on the Entity List or prohibited countries on the OFAC Embargoed List.
  - c) To determine the contents of oversize envelopes or packages.
- B) If any mail is found to meet one of the above criteria, the CECO will be notified and will determine if the mail can be sent.
- C) If the mail cannot be sent, the CECO will return the mail to the sender and talk to him or her about the restrictions prohibiting the mail from being sent.

6) **GRANTS:**

- A) In order to conduct the scientific research, AURA scientists and engineers frequently apply for grants to various granting organizations. In addition, to some respect, AURA sites issue grants to interested scientists and engineers. Finally, AURA sites grant observing time to deserving astronomers based on merit of submitted time request proposals.
- B) A Principle Investigator (PI) who may be supported by any number of Co-Investigators (CO-I) normally manages grants. The vast majority of these grants concern fundamental research.

- C) All grants issued by AURA or applied for by AURA personnel will be reviewed by the CECO to insure that the PI or CO-Is are not on any denied party list or subject to OFAC embargoes.

7) **PURCHASING:**

- A) Export Control in the AURA/AURA environment begins with the submission of a Purchase Requisition to the appropriate Procurement Office. All requisitions for the purchase of materials, software or technical data either actually destined for overseas locations; incorporated in instruments which will be sent overseas in the future; or which may be sent overseas in the future will be reviewed by the CECO. Copies of purchase orders that will require an export license, Commodity Classification Request or Commodity Jurisdiction Request will be forwarded to the ECO-NSF for processing.
- B) **REQUISITION EXPORT REVIEW FLOWCHART:** Attachment B is the flow chart to be used by the site buyers in the review of each purchase requisition to determine whether or not it requires an export license.

8) **PERSONNEL:**

A) **New Hires, Temporary Hires and Summer Students:**

- a) The CECO will work with individual departments to ensure that any foreign nationals that are hired comply with all appropriate regulations.
- b) Eligible New Hires will be given the TSR Written Assurances Certifications (Attachment C) to sign.
  - (1) One copy will be kept in the CECO Files.
  - (2) One copy will be forwarded to the MTS-NSF.
  - (3) The original will be kept in the Human Resources personnel files.
- c) Employees not eligible to sign the TSR Written Assurances Certifications will have their activities reviewed by the CECO and, when their activities do not include controlled technology, the employee's supervisor will sign the Deemed Export Exemption Certification - Employee (Attachment D).
  - (1) One copy will be kept in the CECO Files.
  - (2) One copy will be forwarded to the ECO-NSF.
  - (3) The original will be kept in the Human Resources personnel files.
  - (4) The CECO will enter the information into a spreadsheet and reissue the Deemed Export Exemption Certification every year to the supervisor to ensure that the employee's position has not changed.
  - (5) Upon receipt of the Deemed Export Exemption Certification, the MTS-NSF will issue a warning to all AURA and Gemini Directors, including Engineering, Data Processing and other technical departments, advising them that the individual is employed and is not to be given access to controlled data or web sites.
  - (6) Supervisors are expected to monitor the employee's activities to ensure that no controlled technology is released to the employee.
  - (7) If any changes are made to the employee's activities that may include the release of controlled technology, the supervisor will notify the CECO, who will contact the MTS-NSF and determine if an export license is required.
- d) Employees not eligible to sign either the TSR Written Assurances Certifications or the Deemed Export Exemption Certification will have their activities reviewed by the CECO and MTS-NSF, and an export license application will be submitted.
  - (1) These employees cannot begin the activities for which they were hired until the export license is approved.
  - (2) Human Resources and the individual departments will assist in gathering the necessary documentation for the completion of the export license.

**B) Visitors:**

- a) The CECO will work with individual departments to ensure that any foreign visitors that are hired comply with all appropriate regulations.
- b) If the visitors are to be given access to controlled technologies:
  - (1) Eligible visitors will be given the TSR Written Assurances Certification - Visitor (Attachment E) to sign.
  - (2) One copy will be kept in the CECO Files.
  - (3) One copy will be forwarded to the MTS-NSF.
  - (4) The original will be kept in the visiting department's files.
  - (5) Visitors not eligible to sign the TSR Written Assurances Certifications will have their activities reviewed by the CECO and MTS-NSF, and an export license application will be submitted.
    - (A) These visitors cannot begin the activities for which they were visiting until the export license is approved.
    - (B) The individual departments will assist in gathering the necessary documentation for the completion of the export license.
- c) If the visitors are not to be given access to controlled technologies, their activities will be reviewed by the CECO and, when their activities do not include controlled technology, the visitor's host will sign the Deemed Export Exemption Certification (Attachment D).
  - (1) The original will be kept in the CECO Files.
  - (2) One copy will be forwarded to the MTS-NSF.
  - (3) If any changes are made to the employee's activities that may include the release of controlled technology, the supervisor will notify the CECO, who will contact the MTS-NSF and determine if an export license is required.

**9) CLOSED WORKSHOPS, MEETINGS and PROJECT REVIEWS:**

- A) Meetings or workshops in which attendance is limited to an invited few, even though designed to discuss fundamental research, do not enjoy the same export control exemptions as do open meetings such as the AAS meetings.
- B) The CECO will work with individual departments holding closed workshops or meetings to ensure that any foreign nationals that are in attendance comply with all appropriate regulations and are not given controlled technologies. If they are to have access to controlled technologies, the procedures for Visitors (paragraph 8.B), above will be followed.
- C) The departments holding the workshops or meetings will notify the CECO as soon as possible to advise him/her of the workshop and if foreign nationals will be invited.
- D) When the attendee list for the meeting is completed, the list of foreign nationals and their country of nationality will be submitted to the CECO for review.
- E) The meeting host will be given the Deemed Export Exemption Certification - Visitor (Attachment E) to complete. A list of the foreign attendees and their nationalities will be attached.
  - a) One copy will be kept in the CECO Files.
  - b) One copy will be forwarded to the MTS-NSF.
  - c) The original will be kept in the workshop/meeting files.

# AURA EXPORT MEMORANDUM

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DT:

TO: AURA Traveler  
FM: AURA Export Control Officer,

RE: Carrying Equipment, Software & Technical Data to or from Foreign Destinations

I have been advised that you intend to travel to a foreign destination in the near future. To ensure that your travel to and from that destination goes smoothly, you should be aware of certain export and import restrictions as well as some safety issues that you may encounter on your travels.

1. **EXPORTATION OF EQUIPMENT, SOFTWARE, OR TECHNICAL DATA:** To protect both you and AURA from fines and penalties caused by illegally exporting restricted equipment, software, and/or technical data, you should be aware that certain items are prohibited for export by the US Departments of State and/or Commerce. The regulations are continually changing, so what you have taken with you on previous trips may now be restricted. Simply because you experienced no problem exiting the US in the past with similar items is no guarantee that you will not have problems in the future.

In the vast majority of cases, the restrictions are passive and will result in no inconvenience to you. However, in some cases, the restrictions are complicated and may interfere with your schedule if you delay in obtaining the proper export clearances. Violation of the regulations can result in severe fines, penalties and/or export restrictions for AURA. For example, certain high-speed computers (High-end Suns or PCs with multiple processors) and some off-the-shelf, retail software programs that include encryption (i.e. Microsoft Outlook, Office and certain Windows programs) may require an export license from the Department of Commerce. In addition, some technical data, manufacturers' specification sheets, and technical publications may be restricted by several different government agencies for your destination.

All non-personal items either valued in excess of \$2,500 or restricted for export (such as encrypted software) require the submission of an Export Declaration to U.S. Customs. I will complete that declaration and submit it electronically to Customs. This process may take up to a day so contact me in advance of your departure with a list of the items you intend to take with you.

Laptops are not regulated but the software may be. Normally, encrypted software (i.e. Microsoft Office, Netscape, Outlook, etc.) requires an export declaration because of the encryption contained in the programs. However, because you are hand carrying the computer and because the software meets the following Foreign Trade Statistics Regulations (FTSR) requirements, no export documentation is required. If these requirements do not apply, let me know and I will complete the necessary documentation:

1. Are owned by the individual exporter or exporting company;
2. Accompany the individual exporter, employee or representative of the exporting company;
3. Are necessary and appropriate and intended for the personal use and/or business use of the individual exporter, employee or representative of the exporting company or business;
4. Are not intended for sale; and
5. Are returned to the United States no later than one year from the date of export.

If questioned by a Customs Officer in the US, simply let them know that your system meets the requirements of FTSR paragraph 30.56(b).

Because some export approvals can take weeks or months to obtain, it is important that you contact me as soon as possible to determine whether the items you intend to take are restricted.

2. **HAND CARRYING ITEMS OVERSEAS:** At times you may be asked by a foreign compatriot to bring a specific item with you because the item is urgently needed and it is felt that hand carrying the items will get it there faster than shipping it. This is a misconception.

You will be required at the foreign destination to declare anything that you have with you that will not leave the country with you when you depart. Failure to declare the hand carried item is a violation of that country's law. All it takes to get caught is a zealous customs inspector to find the undeclared item.

If you do declare it, the item will be taken from you and set aside until the proper customs paperwork is completed. Because the item will not be properly identified or placed in a secure location, the chance that it will become lost or stolen is vastly increased. In addition, matching up the customs paperwork with the item may be difficult and time consuming.

Remember, Federal Express takes only a matter of a few days to reach the majority of overseas destinations.

3. **TRANSFER OF TECHNOLOGY:** Discussing restricted technology with foreign nationals whether within the US or in a foreign country is considered the export of that restricted technology to the foreign nationals' country. Such transfers may require an export license from the US government.

Discussing scientific research programs, talking about science-related issues, or conversing about anything available in print, in libraries or on the web is not considered a transfer of technology and is not restricted. A general discussion on the use of equipment, technology or detectors is also not of concern.

However, if you intend to get into detailed descriptions of IR detectors, large format CCD detectors, deformable mirrors, micro-mirror technology, IR/CCD Cameras or similar topics, then you need to be concerned about the Technology Transfer issue. For example, talking about the construction of an infrared camera may not be controlled. Discussing the criteria and engineering technology that went into the actual design of the instrument may be controlled. Discussing a detector may not be a problem but discussing the detector's construction or its internal operations may be restricted. Care must be taken as the discussions gets deeper and deeper into a specific issue, project or instrument.

Companies have gotten into serious trouble with the US government when their personnel were approached during an innocent visit and asked for assistance on how to correct a specific problem with a specific instrument.

If you have any concerns about Technology Transfer, contact me prior to your trip. While an export license may be required in some cases, in others it is simply a matter of having the foreign national sign a letter promising not to transfer the technology to restricted countries or citizens of those countries.

4. **IMPORTATION OF FOREIGN MADE EQUIPMENT:** All foreign made items (cameras, computers, tape recorders, etc.) imported into the US are subject to Customs Duties if the traveler cannot prove that the item was in the US prior to being taken overseas. Unfortunately, the item's age or condition is not sufficient proof.

If you intend to take a foreign made item (either personal or AURA property) with you when traveling overseas and you do not have the original Bill of Sale, it is important that this item be registered with US Customs. The process is simple and only takes a few minutes. The only certain method of proving that an item was in the US prior to the overseas trip is a Certificate of Registration (Customs Form 4455). This certificate remains with the item and is valid for the life of the registered item.

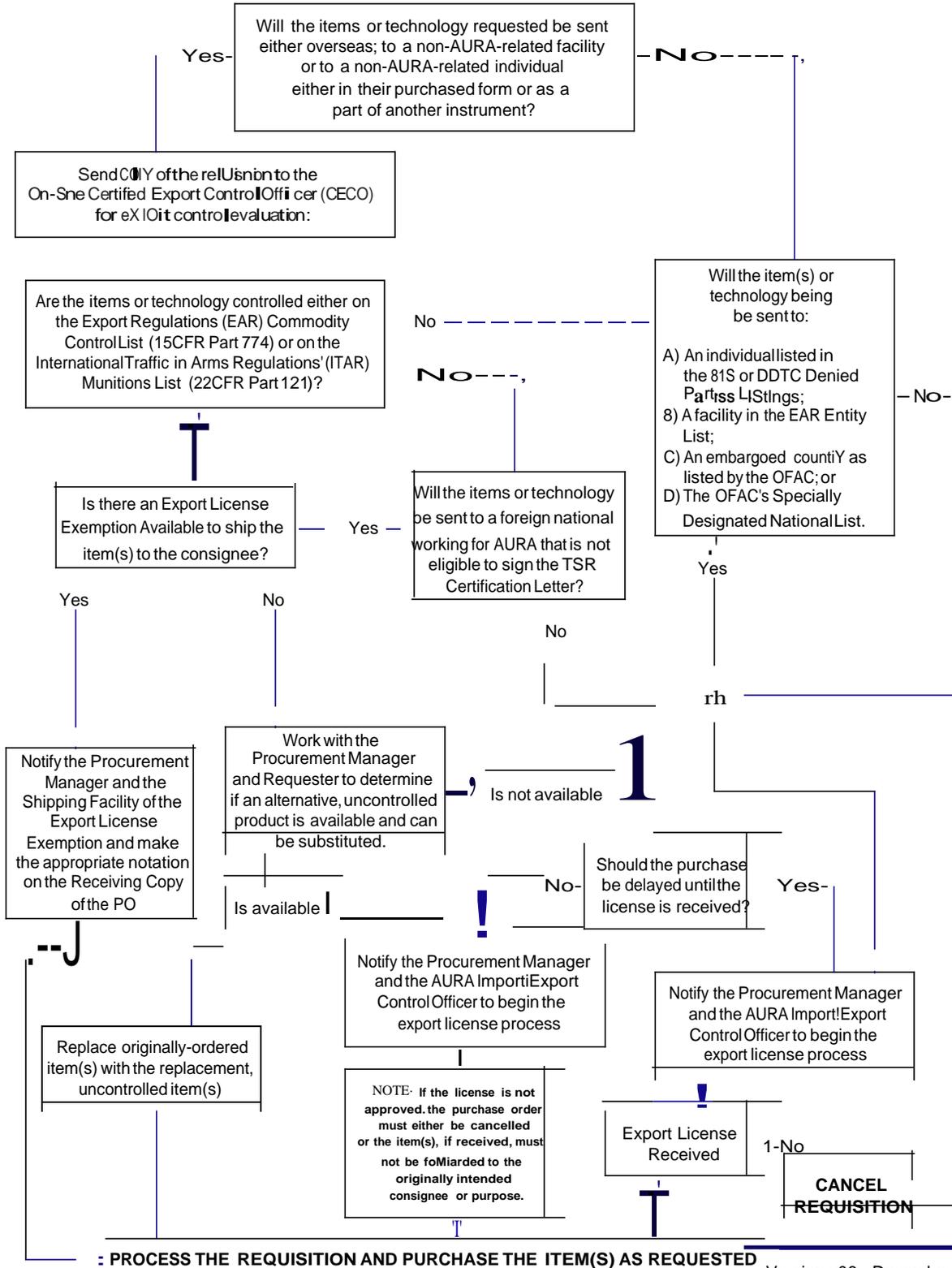
Because you didn't have to pay duties on your Sony Camera the last time you traveled is no guarantee that you won't have to pay on your next trip.

5. **IMPORTATION OF EQUIPMENT OBTAINED OVERSEAS:** Certain items are restricted from importation by the US Department of State and Department of the Treasury (ATF - Alcohol, Tobacco & Firearms). While it is highly doubtful that you will bring back such items, it is important that you notify me if you intend to pickup, purchase, or otherwise obtain a technical or scientific item while overseas and bring it back to the US.

Normal tourist items and retail purchases do not fall in this category and are governed by standard US government importation regulations. However, astronomical filters, lenses, observing equipment, detectors, software, etc., may either be restricted or subject to import duties and/or customs delays which could interfere with your travel schedule.

If, while overseas, you are asked to take something back to AURA for a collaborator; contact me via E-Mail and let's discuss the best method of transportation. If you have any doubts and are unable to contact me, have the person air freight the item to AURA. The apparent convenience of hand carrying an item may be an illusion.

# PURCHASE REQUISITION EXPORT DECISION TREE



**AURA EXPORT CONTROL**  
**MEMORANDUM**

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DT: \_\_\_\_\_

TO: AURA Human Resources Manager

CC: AURA Export Control Officer

FM: \_\_\_\_\_

RE: Written Assurances per Paragraph 740.6 of the U.S. Export Administration Regulations

In accordance with the requirements set forth in paragraph 740.6 of the U.S. Export Administration Regulations – export license exception TSR for *Technology and Software Under Restriction* – I agree to the following restrictions on the transfer of the technology listed on Attachment 1 to this document which is subject to national security controls as defined in the Commerce Control List (supplement number 1 to the Export Administration Regulations).

Specifically, I will not:

- A. Re-export or release the technology, software or the source code for the software to a national of a country listed in Country Group D:1 (Attachment 2 to this document and Supplement Number 1 to Part 740 of the Export Administration Regulations, pages 4 and 5) or E:2 (Attachment 2 to this document and Supplement Number 1 to Part 740 of the Export Administration Regulations, page 6); or
- B. Export to Country Group D:1 or E:2 the direct product of the technology, software or the source code for the software, if such foreign produced product is subject to national security controls as defined on the CCL (Attachment 1 to this document and Supplement Number 1 to the Export Administration Regulations); or
- C. If the direct product of the technology is a complete plant or any major component of a plant, export to Country Groups D:1 or E:2 the direct product of the plant or major component thereof, if such foreign produced direct product is subject to the U.S. national security controls as defined on the CCL or is subject to State Department controls under the U.S. Munitions List (22 CFR part 121).

Questions concerning this written assurance can be directed to AURA Export Control Officer,

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Country of Citizenship: \_\_\_\_\_

Position: \_\_\_\_\_

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

# Attachment 1

## **RESTRICTED ARTICLES.**

(Effective 01 May 2007)

In accordance with the Export Administration Regulations, any release of technology, including electronic mail and verbal discussions, concerning the **development** or **production** for the following items are restricted to any national of a country listed in Country Group D:1 or E:2.

**DEVELOPMENT** is defined as “related to all stages prior to serial production, such as; design, design research, design analysis, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts.”

**PRODUCTION** is defined as “all production stages, such as; product engineering, manufacture, integration, assembly (mounting), inspection, testing, quality assurance.”

### **6A002 Optical sensors.**

a. Optical detectors, as follows:

*Note: 6A002.a does not control germanium or silicon photodevices.*

*N.B.: Silicon and other material based ‘microbolometer’ non “space-qualified” “focal plane arrays” are only specified under 6A002.a.3.f.*

a.1. “Space-qualified” solid-state detectors, as follows:

a.1.a. “Space-qualified” solid-state detectors, having all of the following:

a.1.a.1. A peak response in the wavelength range exceeding 10 nm but not exceeding 300 nm; *and*

a.1.a.2. A response of less than 0.1% relative to the peak response at a wavelength exceeding 400 nm;

a.1.b. “Space-qualified” solid-state detectors, having all of the following:

a.1.b.1. A peak response in the wavelength range exceeding 900 nm but not exceeding 1,200 nm; *and*

a.1.b.2. A response “time constant” of 95 ns or less;

a.1.c. “Space-qualified” solid-state detectors having a peak response in the wavelength range exceeding 1,200 nm but not exceeding 30,000 nm;

a.2. Image intensifier tubes and specially designed components therefor, as follows:

a.2.a. Image intensifier tubes having all of the following:

a.2.a.1. A peak response in the wavelength range exceeding 400 nm but not exceeding 1,050 nm;

a.2.a.2. A microchannel plate for electron image amplification with a hole pitch (center-to-center spacing) of 12  $\mu\text{m}$  or less; *and*

a.2.a.3. Any of the following photocathodes:

a.2.a.3.a. S-20, S-25 or multialkali photocathodes with a luminous sensitivity exceeding 350  $\mu\text{A}/\text{lm}$ ;

a.2.a.3.b. GaAs or GaInAs photocathodes; *or*

a.2.a.3.c. Other III-V compound semiconductor photocathodes;

*Note: 6A002.a.2.a.3.c does not apply to compound semiconductor photocathodes with a maximum radiant sensitivity of 10 mA/W or less.*

a.2.b. Specially designed components, as follows:

a.2.b.1. Microchannel plates having a hole pitch (center-to-center spacing) of 12  $\mu\text{m}$  or less;

- a.2.b.2. GaAs or GaInAs photocathodes;
- a.2.b.3. Other III-V compound semiconductor photocathodes;

**Note:** 6A002.a.2.b.3 does not control compound semiconductor photocathodes with a maximum radiant sensitivity of 10 mA/W or less.

a.3. Non-“space-qualified” “focal plane arrays”, as follows:

**N.B.:** Silicon and other material based ‘microbolometer’ non”space-qualified” “focal plane arrays” are only specified in 6A002.a.3.f.

**Technical Notes:**

- 1 Linear or two-dimensional multi-element detector arrays are referred to as “focal plane arrays”.
- 2 For the purposes of 6A002.a.3. ‘cross scan direction’ is defined as the axis parallel to the linear array of detector elements and the ‘scan direction’ is defined as the axis perpendicular to the linear array of detector elements.

**Note 1:** 6A002.a.3 includes photoconductive arrays and photovoltaic arrays.

**Note 2:** 6A002.a.3 does not control:

- a. Multi-element (not to exceed 16 elements) encapsulated photoconductive cells using either lead sulphide or lead selenide;
- b. Pyroelectric detectors using any of the following:

- b.1. Triglycine sulphate and variants;
- b.2. Lead-lanthanum-zirconium titanate and variants;
- b.3. Lithium tantalate;
- b.4. Polyvinylidene fluoride and variants; or
- b.5. Strontium barium niobate and variants.

a.3.a. Non-“space-qualified” “focal plane arrays”, having all of the following:

- a.3.a.1. Individual elements with a peak response within the wavelength range exceeding 900 nm but not exceeding 1,050 nm; and
- a.3.a.2. A response “time constant” of less than 0.5 ns;

a.3.b. Non-“space-qualified” “focal plane arrays”, having all of the following:

- a.3.b.1. Individual elements with a peak response in the wavelength range exceeding 1,050 nm but not exceeding 1,200 nm; and
- a.3.b.2. A response “time constant” of 95 ns or less;

a.3.c. Non-“space-qualified” non-linear (2-dimensional) “focal plane arrays”, having individual elements with a peak response in the wavelength range exceeding 1,200 nm but not exceeding 30,000 nm;

**N.B.:** Silicon and other material based ‘microbolometer’ non”space-qualified” “focal plane arrays” are only specified in 6A002.a.3.f.

a.3.d. Non-“space-qualified” linear (1-dimensional) “focal plane arrays”, having all of the following:

- a.3.d.1. Individual elements with a peak response in the wavelength range exceeding 1,200 nm but not exceeding 2,500 nm; and
- a.3.d.2. Any of the following :

- a.3.d.2.a. A ratio of scan direction dimension of the detector element to the cross-scan direction dimension of the detector element of less than 3.8; *or*
- a.3.d.2.b. Signal processing in the element (SPRITE);
- a.3.e. Non-“space-qualified” linear (1-dimensional) “focal plane arrays”, having individual elements with a peak response in the wavelength range exceeding 2,500 nm but not exceeding 30,000 nm.
- a.3.f. Non-“space-qualified” non-linear (2-dimensional) infrared “focal plane arrays” based on ‘microbolometer’ material having individual elements with an unfiltered response in the wavelength range equal to or exceeding 8,000 nm but not exceeding 14,000 nm.

**Technical Notes:**

- 1 *For the purposes of 6A002.a.3.f. ‘microbolometer’ is defined as a thermal imaging detector that, as a result of a temperature change in the detector caused by the absorption of infrared radiation, is used to generate any usable signal.*
  - 2 *Non- imaging thermal detectors are not controlled by 6A002.a.3. Imaging thermal detectors are a multi-element array of thermal detectors with the capacity to form a visual, electronic or other representation of an object with sufficient fidelity to enable understanding of its shape or other spatial characteristics, such as height, width, or area. A multi-element array of thermal detectors without the capacity to form spatial representation of an object is non-imaging.*
  - 3 *6A002.a.3.f captures all non- “space-qualified” non-linear (2-dimensional) infrared “focal plane arrays” based on microbolometer material having individual elements with any unfiltered response between 8,000 nm and 14,000 nm.*
- b. “Monospectral imaging sensors” and “multispectral imaging sensors” designed for remote sensing applications, having any of the following:
- b.1. An Instantaneous-Field-Of-View (IFOV) of less than 200 μrad (microradians); *or*
  - b.2. Being specified for operation in the wavelength range exceeding 400 nm but not exceeding 30,000 nm and having all the following:
    - b.2.a. Providing output imaging data in digital format; *and*
    - b.2.b. Being any of the following:
      - b.2.b.1. “Space-qualified”; *or*
      - b.2.b.2. Designed for airborne operation, using other than silicon detectors, and having an IFOV of less than 2.5 mrad (milliradians).
- c. Direct view imaging equipment operating in the visible or infrared spectrum, incorporating any of the following:
- c.1. Image intensifier tubes having the characteristics listed in 6A002.a.2.a; *or*
  - c.2. “Focal plane arrays” having the characteristics listed in 6A002.a.3.

**Technical Note:** *“Direct view” refers to imaging equipment, operating in the visible or infrared spectrum, that presents a visual image to a human observer without converting the image into an electronic signal for television display, and that cannot record or store the image photographically, electronically or by any other means.*

**Note:** *6A002.c does not control the following equipment incorporating other than GaAs or GaInAs photocathodes:*

- a. *Industrial or civilian intrusion alarm, traffic or industrial movement control or counting systems;*
- b. *Medical equipment;*
- c. *Industrial equipment used for inspection, sorting or analysis of the properties of materials;*
- d. *Flame detectors for industrial furnaces;*
- e. *Equipment specially designed for laboratory use.*
- d. *Special support components for optical sensors, as follows:*

- d.1. “Space-qualified” cryocoolers;
  - d.2. Non-“space-qualified” cryocoolers, having a cooling source temperature below 218 K (-55° C), as follows:
    - d.2.a. Closed cycle type with a specified Mean-Time-To-Failure (MTTF), or Mean-Time-Between-Failures (MTBF), exceeding 2,500 hours;
    - d.2.b. Joule-Thomson (JT) self-regulating minicoolers having bore (outside) diameters of less than 8 mm;
  - d.3. Optical sensing fibers specially fabricated either compositionally or structurally, or modified by coating, to be acoustically, thermally, inertially, electromagnetically or nuclear radiation sensitive.
- e. “Space qualified” “focal plane arrays” having more than 2,048 elements per array and having a peak response in the wavelength range exceeding 300 nm but not exceeding 900 nm.

### **6A003 Cameras.**

- a. Instrumentation cameras and specially designed components therefor, as follows:

*Note: Instrumentation cameras, controlled by 6A003.a.3 to 6A003.a.5, with modular structures should be evaluated by their maximum capability, using plug-ins available according to the camera manufacturer’s specifications.*

- a.1. High-speed cinema recording cameras using any film format from 8 mm to 16 mm inclusive, in which the film is continuously advanced throughout the recording period, and that are capable of recording at framing rates exceeding 13,150 frames/s;

*Note: 6A003.a.1 does not control cinema recording cameras designed for civil purposes.*

- a.2. Mechanical high speed cameras, in which the film does not move, capable of recording at rates exceeding 1,000,000 frames/s for the full framing height of 35 mm film, or at proportionately higher rates for lesser frame heights, or at proportionately lower rates for greater frame heights;
- a.3. Mechanical or electronic streak cameras having writing speeds exceeding 10 mm/μs;
- a.4. Electronic framing cameras having a speed exceeding 1,000,000 frames/s;
- a.5. Electronic cameras, having all of the following:
  - a.5.a. An electronic shutter speed (gating capability) of less than 1 μs per full frame; *and*
  - a.5.b. A read out time allowing a framing rate of more than 125 full frames per second.
- a.6. Plug-ins, having all of the following characteristics:
  - a.6.a. Specially designed for instrumentation cameras which have modular structures and that are controlled by 6A003.a; *and*
  - a.6.b. Enabling these cameras to meet the characteristics specified in 6A003.a.3, 6A003.a.4 or 6A003.a.5, according to the manufacturer’s specifications.

- b. Imaging cameras, as follows:

*Note: 6A003.b does not control television or video cameras specially designed for television broadcasting.*

- b.1. Video cameras incorporating solid state sensors, having a peak response in the wavelength range exceeding 10 nm, but not exceeding 30,000 nm and having all of the following:
  - b.1.a. Having any of the following:
    - b.1.a.1. More than  $4 \times 10^6$  “active pixels” per solid state array for monochrome (black and white) cameras;
    - b.1.a.2. More than  $4 \times 10^6$  “active pixels” per solid state array for color cameras incorporating three solid state arrays; *or*

- b.1.a.3. More than  $12 \times 10^6$  “active pixels” for solid state array color cameras incorporating one solid state array; *and*
- b.1.b. Having any of the following:
  - b.1.b.1. Optical mirrors controlled by 6A004.a.;
  - b.1.b.2. Optical control equipment controlled by 6A004.d.; *or*
  - b.1.b.3. The capability for annotating internally generated camera tracking data.

**Technical Notes:**

1. For the purposes of this entry, digital video cameras should be evaluated by the maximum number of “active pixels” used for capturing moving images.
  2. *For the purpose of this entry, camera tracking data is the information necessary to define camera line of sight orientation with respect to the earth. This includes: 1) the horizontal angle the camera line of sight makes with respect to the earth’s magnetic field direction and; 2) the vertical angle between the camera line of sight and the earth’s horizon.*
- b.2. Scanning cameras and scanning camera systems, having all of the following:
    - b.2.a. A peak response in the wavelength range exceeding 10 nm, but not exceeding 30,000 nm;
    - b.2.b. Linear detector arrays with more than 8,192 elements per array; *and*
    - b.2.c. Mechanical scanning in one direction;
  - b.3. Imaging cameras incorporating image intensifier tubes having the characteristics listed in 6A002.a.2.a;
  - b.4. Imaging cameras incorporating “focal plane arrays” having any of the following:
    - b.4.a. Incorporating “focal plane arrays” controlled by 6A002.a.3.a. to 6A002.a.3.e.; *or*
    - b.4.b. Incorporating “focal plane arrays” controlled by 6A002.a.3.f.

**Note 1:** *‘Imaging cameras’ described in 6A003.b.4 include “focal plane arrays” combined with sufficient signal processing electronics, beyond the read out integrated circuit, to enable as a minimum the output of an analog or digital signal once power is supplied.*

**Note 2:** *6A003.b.4.a does not control imaging cameras incorporating linear “focal plane arrays” with twelve elements or fewer, not employing time-delay-and-integration within the element, designed for any of the following:*

- a. *Industrial or civilian intrusion alarm, traffic or industrial movement control or counting systems;*
- b. *Industrial equipment used for inspection or monitoring of heat flows in buildings, equipment or industrial processes;*
- c. *Industrial equipment used for inspection, sorting or analysis of the properties of materials;*
- d. *Equipment specially designed for laboratory use; or*

e. *Medical equipment.*

**Note 3:** *6A003.b.4.b. does not control imaging cameras having any of the following characteristics:*

- a. *A maximum frame rate equal to or less than 9 Hz;*
- b. *Having all of the following:*
  - 1 *Having a minimum horizontal or vertical Instantaneous-Field -of-View (IFOV) of at least 10 mrad/pixel (milliradians/pixel);*
  - 2 *Incorporating a fixed focal-length lens that is not designed to be removed;*
  - 3 *Not incorporating a direct view display, and*

**Technical Note:** *‘Direct view’ refers to an imaging camera operating in the infrared spectrum that presents a visual image to a human observer using a near-to-eye micro display incorporating any light-security mechanism.*

4. Having any of the following:
  - a. No facility to obtain a viewable image of the detected field-of-view, or
  - b. The camera is designed for a single kind of application and designed not to be user modified,
 or

**Technical Note:**

*Instantaneous Field of View (IFOV) specified in Note 3.b is the lesser figure of the Horizontal FOV or the Vertical FOV.*

*Horizontal IFOV = horizontal Field of View (FOV)/number of horizontal detector elements*

*Vertical IFOV= vertical Field of View (FOV)/number of vertical detector elements.*

- c. Where the camera is specially designed for installation into a civilian passenger land vehicle of less than three tons (gross vehicle weight) and having all of the following:
  1. Is operable only when installed in any of the following:
    - a. The civilian passenger land vehicle for which it was intended; or
    - b. A specially designed, authorized maintenance test facility; and
  2. Incorporates an active mechanism that forces the camera not to function when it is removed from the vehicle for which it was intended.

**Note:** When necessary, details of the items will be provided, upon request, to the Bureau of Industry and Security in order to ascertain compliance with the conditions described in Note 3.b.4. and Note 3.c. in this Note to 6A003.b.4.b.

**6A004 Optics**

- a. Optical mirrors (reflectors), as follows:
  - a.1. “Deformable mirrors” having either continuous or multi-element surfaces, and specially designed components therefor, capable of dynamically repositioning portions of the surface of the mirror at rates exceeding 100 Hz;
  - a.2. Lightweight monolithic mirrors having an average “equivalent density” of less than 30 kg/m<sup>2</sup> and a total mass exceeding 10 kg;
  - a.3. Lightweight “composite” or foam mirror structures having an average “equivalent density” of less than 30 kg/m<sup>2</sup> and a total mass exceeding 2 kg;
  - a.4. Beam steering mirrors more than 100 mm in diameter or length of major axis, that maintain a flatness of lambda/2 or better (lambda is equal to 633 nm) having a control bandwidth exceeding 100 Hz.
- b. Optical components made from zinc selenide (ZnSe) or zinc sulphide (ZnS) with transmission in the wavelength range exceeding 3,000 nm but not exceeding 25,000 nm and having any of the following:
  - b.1. Exceeding 100 cm<sup>3</sup> in volume; or
  - b.2. Exceeding 80 mm in diameter or length of major axis and 20 mm in thickness (depth).
- c. “Space-qualified” components for optical systems, as follows:
  - c.1. Lightweighted to less than 20% “equivalent density” compared with a solid blank of the same aperture and thickness;
  - c.2. Substrates, substrates having surface coatings (single-layer or multi-layer, metallic or dielectric, conducting, semiconducting or insulating) or having protective films;
  - c.3. Segments or assemblies of mirrors designed to be assembled in space into an optical system with a collecting aperture equivalent to or larger than a single optic 1 m in diameter;

c.4. Manufactured from “composite” materials having a coefficient of linear thermal expansion equal to or less than  $5 \times 10^{-6}$  in any coordinate direction.

d. Optical control equipment, as follows:

d.1. Specially designed to maintain the surface figure or orientation of the “space-qualified” components controlled by 6A004.c.1 or 6A004.c.3;

d.2. Having steering, tracking, stabilization or resonator alignment bandwidths equal to or more than 100 Hz and an accuracy of 10 :rad (microradians) or less;

d.3. Gimbals having all of the following:

d.3.a. A maximum slew exceeding  $5^\circ$ ;

d.3.b. A bandwidth of 100 Hz or more;

d.3.c. Angular pointing errors of 200 :rad (microradians) or less; *and*

d.3.d. Having any of the following:

d.3.d.1. Exceeding 0.15 m but not exceeding 1 m in diameter or major axis length and capable of angular accelerations exceeding  $2 \text{ rad (radians)/s}^2$ ; *or*

d.3.d.2. Exceeding 1 m in diameter or major axis length and capable of angular accelerations exceeding  $0.5 \text{ rad (radians)/s}^2$ ;

d.4. Specially designed to maintain the alignment of phased array or phased segment mirror systems consisting of mirrors with a segment diameter or major axis length of 1 m or more.

e. Aspheric optical elements having all of the following characteristics:

e.1. The largest dimension of the optical-aperture is greater than 400 mm;

e.2. The surface roughness is less than 1 nm (rms) for sampling lengths equal to or greater than 1 mm; *and*

e.3. The coefficient of linear thermal expansion’s absolute magnitude is less than  $3 \times 10^{-6} /K$  at  $25^\circ C$ ;

**Technical Notes:**

1 An ‘aspheric optical element’ is any element used in an optical system whose imaging surface or surfaces are designed to depart from the shape of an ideal sphere.

2 Manufacturers are not required to measure the surface roughness listed in 6A004.e.2 unless the optical element was designed or manufactured with the intent to meet, or exceed, the control parameter.

**Note:** 6A004.e does not control aspheric optical elements having any of the following:

1. a. A largest optical-aperture dimension less than 1 m and a focal length to aperture ratio equal to or greater than 4.5:1;

2. b. A largest optical-aperture dimension equal to or greater than 1 m and a focal length to aperture ratio equal to or greater than 7:1;

3. c. Being designed as Fresnel, flyeye, stripe, prism or diffractive optical elements;

4. d. Being fabricated from borosilicate glass having a coefficient of linear thermal expansion greater than  $2.5 \times 10^{-6} /K$  at  $25^\circ C$ ; *or*

5. e. Being an x-ray optical element having inner mirror capabilities (e.g., tube-type mirrors).

**N.B.:** For aspheric optical elements specially designed for lithographic equipment, see 3B001.

**6A005 “Lasers”**

*Related Definitions:*

1.) Pulsed “lasers” include those that run in a continuous wave (CW) mode with pulses superimposed.

2.) Pulse-excited “lasers” include those that run in a continuously excited mode with pulse excitation superimposed.

3.) The control status of Raman “lasers” is determined by the parameters of the pumping source “lasers”. The pumping source “lasers” can be any of the “lasers” described as follows: *Items*:

a. Gas “lasers”, as follows:

a.1. Excimer “lasers”, having any of the following:

a.1.a. An output wavelength not exceeding 150 nm and having any of the following:

a.1.a.1. An output energy exceeding 50 mJ per pulse; *or*

a.1.a.2. An average output power exceeding 1 W;

a.1.b. An output wavelength exceeding 150 nm but not exceeding 190 nm and having any of the following:

a.1.b.1. An output energy exceeding 1.5 J per pulse; *or*

a.1.b.2. An average output power exceeding 120 W;

a.1.c. An output wavelength exceeding 190 nm but not exceeding 360 nm and having any of the following:

a.1.c.1. An output energy exceeding 10 J per pulse; *or*

a.1.c.2. An average output power exceeding 500 W; *or*

a.1.d. An output wavelength exceeding 360 nm and having any of the following:

a.1.d.1. An output energy exceeding 1.5 J per pulse; *or*

a.1.d.2. An average output power exceeding 30 W;

***N.B.*** For excimer “lasers” specially designed for lithography equipment, see 3B001.

a.2. Metal vapor “lasers”, as follows:

a.2.a. Copper (Cu) “lasers” having an average output power exceeding 20 W;

a.2.b. Gold (Au) “lasers” having an average output power exceeding 5 W;

a.2.c. Sodium (Na) “lasers” having an output power exceeding 5 W;

a.2.d. Barium (Ba) “lasers” having an average output power exceeding 2 W;

a.3. Carbon monoxide (CO) “lasers” having any of the following:

a.3.a. An output energy exceeding 2 J per pulse and a pulsed “peak power” exceeding 5 kW; *or*

a.3.b. An average or CW output power exceeding 5 kW;

a.4. Carbon dioxide (CO<sub>2</sub>) “lasers” having any of the following:

a.4.a. A CW output power exceeding 15 kW;

a.4.b. A pulsed output having a “pulse duration” exceeding 10 :s and having any of the following:

a.4.b.1. An average output power exceeding 10 kW; *or*

a.4.b.2. A pulsed “peak power” exceeding 100 kW; *or*

a.4.c. A pulsed output having a “pulse duration” equal to or less than 10 :s; and having any of the following:

a.4.c.1. A pulse energy exceeding 5 J per pulse; *or*

a.4.c.2. An average output power exceeding 2.5 kW;

a.5. “Chemical lasers”, as follows:

a.5.a. Hydrogen Fluoride (HF) “lasers”;

a.5.b. Deuterium Fluoride (DF) “lasers”;

a.5.c. “Transfer lasers”, as follows:

a.5.c.1. Oxygen Iodine (O<sub>2</sub>-I) “lasers”;

a.5.c.2. Deuterium Fluoride-Carbon dioxide (DF-CO<sub>2</sub>) “lasers”;

a.6. Krypton ion or argon ion “lasers” having any of the following:

a.6.a. An output energy exceeding 1.5 J per pulse and a pulsed “peak power” exceeding 50 W; *or*

a.6.b. An average or CW output power exceeding 50 W;

a.7. Other gas “lasers”, having any of the following:

***Note:*** 6A005.a.7 does not control nitrogen “lasers”.

- a.7.a. An output wavelength not exceeding 150 nm and having any of the following:
  - a.7.a.1. An output energy exceeding 50 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
  - a.7.a.2. An average or CW output power exceeding 1 W;
- a.7.b. An output wavelength exceeding 150 nm but not exceeding 800 nm and having any of the following:
  - a.7.b.1. An output energy exceeding 1.5 J per pulse and a pulsed “peak power” exceeding 30 W; *or*
  - a.7.b.2. An average or CW output power exceeding 30 W;
- a.7.c. An output wavelength exceeding 800 nm but not exceeding 1,400 nm and having any of the following:
  - a.7.c.1. An output energy exceeding 0.25 J per pulse and a pulsed “peak power” exceeding 10 W; *or*
  - a.7.c.2. An average or CW output power exceeding 10 W; *or*
- a.7.d. An output wavelength exceeding 1,400 nm and an average or CW output power exceeding 1 W.

b. Semiconductor “lasers”, as follows:

*Note 1: 6A005.b. includes semiconductor “lasers” having optical output connectors (e.g., fiber optic pigtails).*

*Note 2: The control status of semiconductor “lasers” specially designed for other equipment is determined by the control status of the other equipment.*

- b.1. Individual single-transverse mode semiconductor “lasers” having any of the following:
  - b.1.a. A wavelength equal to or less than 1510 nm, and having an average or CW output power exceeding 1.5 W; *or*
  - b.1.b. A wavelength greater than 1510 nm, and having an average or CW output power exceeding 500 mW;
- b.2. Individual, multiple-transverse mode semiconductor “lasers”, having any of the following:
  - b.2.a. A wavelength of less than 1400 nm, and having an average or CW output power exceeding 10W;
  - b.2.b. A wavelength equal to or greater than 1400 nm and less than 1900 nm, and having an average or CW output power exceeding 2.5 W;*or*
  - b.2.c. A wavelength equal to or greater than 1900 nm and having an average or CW output power exceeding 1 W.
- b.3. Individual semiconductor “laser”arrays, having any of the following:
  - b.3.a. A wavelength of less than 1400 nm and having an average or CW output power exceeding 80 W; *or*
  - b.3.b. A wavelength equal to or greater than 1400 nm and less than 1900 nm, and having an average or CW output power exceeding 25 W; *or*
  - b.3.c. A wavelength equal to or greater than 1900 nm, and having an average or CW output power exceeding 10 W.
- b.4. Array stacks of semiconductor “lasers” containing at least one array that is controlled under 6A005.b.3.

**Technical Notes:**

- 1 Semiconductor “lasers” are commonly called “laser” diodes.
- 2 An ‘array’ consists of multiple semiconductor “laser” emitters fabricated as a single chip so that the centers of the emitted light beams are on parallel paths.
- 3 An ‘array stack’ is fabricated by stacking, or otherwise assembling, ‘arrays’ so that the centers of the emitted light beams are on parallel paths.

c. Solid state “lasers”, as follows:

- c.1. “Tunable” “lasers” having any of the following:

*Note: 6A005.c.1 includes titanium - sapphire (Ti: Al<sub>2</sub>O<sub>3</sub>), thulium - YAG (Tm: YAG), thulium YSGG (Tm: YSGG), alexandrite (Cr: BeAl<sub>2</sub>O<sub>4</sub>) and color center “lasers”.*

- c.1.a. An output wavelength less than 600 nm and having any of the following:
  - c.1.a.1. An output energy exceeding 50 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
  - c.1.a.2. An average or CW output power exceeding 1 W;

- c.1.b. An output wavelength of 600 nm or more but not exceeding 1,400 nm and having any of the following:
  - c.1.b.1. An output energy exceeding 1 J per pulse and a pulsed “peak power” exceeding 20 W; *or*
  - c.1.b.2. An average or CW output power exceeding 20 W; *or*
- c.1.c. An output wavelength exceeding 1,400 nm and having any of the following:
  - c.1.c.1. An output energy exceeding 50 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
  - c.1.c.2. An average or CW output power exceeding 1 W;
- c.2. Non-“tunable” “lasers”, as follows:

**Note:** 6A005.c.2 includes atomic transition solid state “lasers”.

- c.2.a. Neodymium glass “lasers”, as follows:
  - c.2.a.1. “Q-switched lasers” having any of the following:
    - c.2.a.1.a. An output energy exceeding 20 J but not exceeding 50 J per pulse and an average output power exceeding 10 W; *or*
    - c.2.a.1.b. An output energy exceeding 50 J per pulse;
  - c.2.a.2. Non-“Q-switched lasers” having any of the following:
    - c.2.a.2.a. An output energy exceeding 50 J but not exceeding 100 J per pulse and an average output power exceeding 20 W; *or*
    - c.2.a.2.b. An output energy exceeding 100 J per pulse;
- c.2.b. Neodymium-doped (other than glass) “lasers”, having an output wavelength exceeding 1,000 nm but not exceeding 1,100 nm, as follows:

**N.B.:** For neodymium-doped (other than glass) “lasers” having an output wavelength not exceeding 1,000 nm or exceeding 1,100 nm, see 6A005.c.2.c.

- c.2.b.1. Pulse-excited, mode-locked, “Q-switched lasers” having a “pulse duration” of less than 1 ns and having any of the following:
  - c.2.b.1.a. A “peak power” exceeding 5 GW;
  - c.2.b.1.b. An average output power exceeding 10 W; *or*
  - c.2.b.1.c. A pulsed energy exceeding 0.1 J;
- c.2.b.2. Pulse-excited, “Q-switched lasers” having a pulse duration equal to or more than 1 ns, and having any of the following:
  - c.2.b.2.a. A single-transverse mode output having: c.2.b.2.a.1. A “peak power” exceeding 100 MW; c.2.b.2.a.2. An average output power exceeding 20 W; *or* c.2.b.2.a.3. A pulsed energy exceeding 2 J; *or*
  - c.2.b.2.b. A multiple-transverse mode output having:
    - c.2.b.2.b.1. A “peak power” exceeding 400 MW;
    - c.2.b.2.b.2. An average output power exceeding 2 kW; *or*
    - c.2.b.2.b.3. A pulsed energy exceeding 2 J;
- c.2.b.3. Pulse-excited, non-“Q-switched lasers”, having:
  - c.2.b.3.a. A single-transverse mode output having: c.2.b.3.a.1. A “peak power” exceeding 500 kW; *or* c.2.b.3.a.2. An average output power exceeding 150 W; *or*
  - c.2.b.3.b. A multiple-transverse mode output having:
    - c.2.b.3.b.1. A “peak power” exceeding 1 MW; *or*
    - c.2.b.3.b.2. An average power exceeding 2 kW;
- c.2.b.4. Continuously excited “lasers” having:
  - c.2.b.4.a. A single-transverse mode output having:
    - c.2.b.4.a.1. A “peak power” exceeding 500 kW; *or*

- c.2.b.4.a.2. An average or CW output power exceeding 150 W; *or*
      - c.2.b.4.b. A multiple-transverse mode output having:
        - c.2.b.4.b.1. A “peak power” exceeding 1 MW; *or*
        - c.2.b.4.b.2. An average or CW output power exceeding 2 kW;
    - c.2.c. Other non-“tunable” “lasers”, having any of the following:
      - c.2.c.1. A wavelength less than 150 nm and having any of the following:
        - c.2.c.1.a. An output energy exceeding 50 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
        - c.2.c.1.b. An average or CW output power exceeding 1 W;
      - c.2.c.2. A wavelength of 150 nm or more but not exceeding 800 nm and having any of the following:
        - c.2.c.2.a. An output energy exceeding 1.5 J per pulse and a pulsed “peak power” exceeding 30 W; *or*
        - c.2.c.2.b. An average or CW output power exceeding 30 W;
      - c.2.c.3. A wavelength exceeding 800 nm but not exceeding 1,400 nm, as follows:
        - c.2.c.3.a. “Q-switched lasers” having:
          - c.2.c.3.a.1. An output energy exceeding 0.5 J per pulse and a pulsed “peak power” exceeding 50 W; *or*
          - c.2.c.3.a.2. An average output power exceeding:
            - c.2.c.3.a.2.a. 10 W for single-mode “lasers”;
            - c.2.c.3.a.2.b. 30 W for multimode “lasers”;
        - c.2.c.3.b. Non-“Q-switched lasers” having:
          - c.2.c.3.b.1. An output energy exceeding 2 J per pulse and a pulsed “peak power” exceeding 50 W; *or*
          - c.2.c.3.b.2. An average or CW output power exceeding 50 W; *or*
      - c.2.c.4. A wavelength exceeding 1,400 nm *and* having any of the following:
        - c.2.c.4.a. An output energy exceeding 100 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
        - c.2.c.4.b. An average or CW output power exceeding 1 W;
  - d. Dye and other liquid “lasers”, having any of the following:
    - d.1. A wavelength less than 150 nm and:
      - d.1.a. An output energy exceeding 50 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
      - d.1.b. An average or CW output power exceeding 1 W;
    - d.2. A wavelength of 150 nm or more but not exceeding 800 nm and having any of the following:
      - d.2.a. An output energy exceeding 1.5 J per pulse and a pulsed “peak power” exceeding 20 W;
      - d.2.b. An average or CW output power exceeding 20 W; *or*
      - d.2.c. A pulsed single longitudinal mode oscillator having an average output power exceeding 1 W and a repetition rate exceeding 1 kHz if the “pulse duration” is less than 100 ns;
    - d.3. A wavelength exceeding 800 nm but not exceeding 1,400 nm and having any of the following:
      - d.3.a. An output energy exceeding 0.5 J per pulse and a pulsed “peak power” exceeding 10 W; *or*
      - d.3.b. An average or CW output power exceeding 10 W; *or*
    - d.4. A wavelength exceeding 1,400 nm and having any of the following:
      - d.4.a. An output energy exceeding 100 mJ per pulse and a pulsed “peak power” exceeding 1 W; *or*
      - d.4.b. An average or CW output power exceeding 1 W;
- e. Components, as follows:
  - e.1. Mirrors cooled either by active cooling or by heat pipe cooling;

**Technical Note:** *Active cooling is a cooling technique for optical components using flowing fluids within the sub-surface (nominally less than 1 mm below the optical surface) of the optical component to remove heat from the optic.*

- e.2. Optical mirrors or transmissive or partially transmissive optical or electro-optical components specially designed for use with controlled “lasers”;

f. Optical equipment, as follows:

*N.B.: For shared aperture optical elements, capable of operating in “Super-High Power Laser” (“SHPL”) applications, see the U.S. Munitions List (22 CFR part 121).*

- f.1. Dynamic wavefront (phase) measuring equipment capable of mapping at least 50 positions on a beam wavefront having any the following:
  - f.1.a. Frame rates equal to or more than 100 Hz and phase discrimination of at least 5% of the beam’s wavelength; *or*
  - f.1.b. Frame rates equal to or more than 1,000 Hz and phase discrimination of at least 20% of the beam’s wavelength;
- f.2. “Laser” diagnostic equipment capable of measuring “SHPL” system angular beam steering errors of equal to or less than 10 :rad;
- f.3. Optical equipment and components specially designed for a phased-array “SHPL” system for coherent beam combination to an accuracy of  $\lambda/10$  at the designed wavelength, or 0.1 :m, whichever is the smaller;
- f.4. Projection telescopes specially designed for use with “SHPL” systems.

#### **6C002 Optical sensor materials, as follows**

- a. Elemental tellurium (Te) of purity levels of 99.9995% or more;
- b. Single crystals (including epitaxial wafers) of any of the following:
  - b.1. Cadmium zinc telluride (CdZnTe), with zinc content less than 6% by mole fraction;
  - b.2. Cadmium telluride (CdTe) of any purity level; *or*
  - b.3. Mercury cadmium telluride (HgCdTe) of any purity level.

*Technical Note: Mole fraction is defined as the ratio of moles of ZnTe to the sum of the moles of CdTe and ZnTe present in the crystal.*

#### **6C004 Optical materials, as follows**

- a. Zinc selenide (ZnSe) and zinc sulphide (ZnS) “substrate blanks” produced by the chemical vapor deposition process, having any of the following:
  - a.1. A volume greater than 100 cm<sup>3</sup>; *or*
  - a.2. A diameter greater than 80 mm having a thickness of 20 mm or more;
- b. Boules of the following electro-optic materials:
  - b.1. Potassium titanyl arsenate (KTA);
  - b.2. Silver gallium selenide (AgGaSe<sub>2</sub>);
  - b.3. Thallium arsenic selenide (Tl<sub>3</sub>AsSe<sub>3</sub>, also known as TAS);
- c. Non-linear optical materials, having all of the following:
  - c.1. Third order susceptibility ( $\chi_3$ ) of  $10^{-6} \text{ m}^2/\text{V}^2$  or more; *and*
  - c.2. A response time of less than 1 ms;
- d. “Substrate blanks” of silicon carbide or beryllium beryllium (Be/Be) deposited materials exceeding 300 mm in diameter or major axis length;
- e. Glass, including fused silica, phosphate glass, fluorophosphate glass, zirconium fluoride (ZrF<sub>4</sub>) and hafnium fluoride (HfF<sub>4</sub>), having all of the following:
  - e.1. A hydroxyl ion (OH-) concentration of less than 5 ppm;
  - e.2. Integrated metallic purity levels of less than 1 ppm; *and*

- e.3. High homogeneity (index of refraction variance) less than  $5 \times 10^{-6}$  ;
- f. Synthetically produced diamond material with an absorption of less than  $10^{-5} \text{ cm}^{-1}$  for wavelengths exceeding 200 nm but not exceeding 14,000 nm.

**6E003 Other “technology”, as follows**

d. Optics, “technology”, as follows:

- d.1. Optical surface coating and treatment “technology” “required” to achieve uniformity of 99.5% or better for optical coatings 500 mm or more in diameter or major axis length and with a total loss (absorption and scatter) of less than  $5 \times 10^{-3}$  ;
  - d.2. Optical fabrication “technology” using single point diamond turning techniques to produce surface finish accuracies of better than  $10 \text{ nm rms}$  on non-planar surfaces exceeding  $0.5 \text{ m}^2$  ;
- e. Lasers. “Technology” “required” for the “development”, “production” or “use” of specially designed diagnostic instruments or targets in test facilities for “SHPL” testing or testing or evaluation of materials irradiated by “SHPL” beams;

**Attachment 2**

**RESTRICTED COUNTRIES**

(Effective 01 July 2010)

**COUNTRY GROUP D:1**

Armenia	Azerbaijan	Belarus	
Cambodia	China (PRC)	Georgia	Iraq
Kazakhstan	Korea (North)	Kyrgyzstan	Laos
<b>*Libya</b>	Macau	Moldova	Mongolia
Russia	Tajikstan	Turkmenistan	Ukraine
Uzbekistan	Vietnam		

**COUNTRY GROUP E:2**

Cuba

**EMBARGOED COUNTRIES per Dept of the Treasury:**

A comprehensive embargo is in effect against Cuba, Iran and Sudan

# DEEMED EXPORT EXEMPTION CERTIFICATION - EMPLOYEE

FROM:

TO: AURA Human Resources  
CC: AURA Export Control Officer,

RE: CERTIFICATION OF NON-ACCESS TO RESTRICTED TECHNOLOGIES

The new AURA employee name:
Country of Origin is:
Will be employed with this department in the position of:

As the employee's supervisor, I will insure that the employee will not have access internal AURA project design or production information or AURA-initiated or held technical data concerning any of the following technologies. If I determine that this employee will require access to these technologies in the course of his/her assignments, I will immediately contact the AURA Export Control Officer and insure that an Export License is received before the employee is given access to the technology.

1. Image intensifiers,
2. Encryption source codes,
3. Micro-mirror technology,
4. High bandwidth optics (> 1GHZ),
5. High bandwidth electronics (> 2GHZ). The restriction specifically does not apply to desktop computers, standard laboratory oscilloscopes, or consumer electronics. However, Use of computers with a CTP above the current civilian Tier 3 limit (119,000 MTOPS) (high-end, multi-processor systems) must be controlled and monitored to ensure that only job related work is performed.
6. Low light detectors or low-light level detection systems with wavelengths between 0.8 microns and 30 microns, inclusive.
7. Optical communications or laser communications technology.
8. MEMS technology,
9. High-power (>15KW) laser adaptive processing technology,
10. Infrared arrays, cameras or spectrographs including high-speed, low-noise, high-quantum-efficiency focal plane arrays, or focal plane array technology, in the visible or infrared regions. Restriction in the infrared region includes prohibition against access to focal plane arrays, or focal plane array technology, with frame rates exceeding 4 frames-per-second, or with read noise less than 200 electrons, or with quantum efficiencies exceeding 70%,
11. Large format CCD detectors and other optical detectors in the visible region including access to focal plane arrays with frame rates exceeding 4 frames-per-second, or with read noise less than five electrons, or with quantum efficiencies exceeding 85%,
12. Adaptive Optics including deformable mirrors, or deformable mirror technology, with greater than 400 actuators, or with actuator spacing less than 5mm, or with update rates greater than 1.25KHz. or with processing latencies less than 500 microseconds,
13. High powered lasers and dynamic wave front measuring equipment.
14. ITAR (Defense/Military) controlled defense articles, defense services, and technical data is not authorized. ITAR controlled software source code and/or source code documentation is not releasable.
15. Spread spectrum technology.

Signed _____
Supervisor Name: _____ Date: _____

# DEEMED EXPORT EXEMPTION CERTIFICATION -VISITOR

FROM:

TO: AURA Human Resources  
CC: AURA Export Control Officer  
RE: CERTIFICATION OF NON-ACCESS TO RESTRICTED TECHNOLOGIES

The AURA visitor name: (Attach Attendee list)
Country of Origin is:
Will be working with this department in the following areas:

As the visitor's host, I will insure that the visitor will not have access internal AURA project design or production information or AURA-initiated or held technical data concerning any of the following technologies. If I determine that this visitor will require access to these technologies in the course of his/her assignments, I will immediately contact the AURA Export Control Officer for NSF Activities and insure that an Export License is received before the visitor is given access to the technology.

1. Image intensifiers,
2. Encryption source codes,
3. Micro-mirror technology,
4. High bandwidth optics (> 1GHZ),
5. High bandwidth electronics (> 2GHZ). The restriction specifically does not apply to desktop computers, standard laboratory oscilloscopes, or consumer electronics. However, Use of computers with a CTP above the current civilian Tier 3 limit (119,000 MTOPS) (high-end, multi-processor systems) must be controlled and monitored to ensure that only job related work is performed.
6. Low light detectors or low-light level detection systems with wavelengths between 0.8 microns and 30 microns, inclusive.
7. Optical communications or laser communications technology.
8. MEMS technology,
9. High-power (>15KW) laser adaptive processing technology,
10. Infrared arrays, cameras or spectrographs including high-speed, low-noise, high-quantum-efficiency focal plane arrays, or focal plane array technology, in the visible or infrared regions. Restriction in the infrared region includes prohibition against access to focal plane arrays, or focal plane array technology, with frame rates exceeding 4 frames-per-second, or with read noise less than 200 electrons, or with quantum efficiencies exceeding 70%,
11. Large format CCD detectors and other optical detectors in the visible region including access to focal plane arrays with frame rates exceeding 4 frames-per-second, or with read noise less than five electrons, or with quantum efficiencies exceeding 85%,
12. Adaptive Optics including deformable mirrors, or deformable mirror technology, with greater than 400 actuators, or with actuator spacing less than 5mm, or with update rates greater than 1.25KHz. or with processing latencies less than 500 microseconds,
13. High powered lasers and dynamic wave front measuring equipment.
14. ITAR (Defense/Military) controlled defense articles, defense services, and technical data is not authorized. ITAR controlled software source code and/or source code documentation is not releasable.
15. Spread spectrum technology.

Signed _____
Host Name: _____ Date: _____

## PART 8

# EXPORT LICENSING

1) **OVERVIEW**: Not all materials and supplies exported from the United States are restricted for export by U.S. government agencies. It is important that a determination be made for each item to be exported to see if it is, in fact, controlled by one of the controlling agencies. The type of license used for the export will vary according to the materials being shipped, the location to which the items are being sent, and the regulating authority.

2) **CONTROLLING AGENCIES**:

A) **Department of State, Directorate of Defense Trade Controls (DDTC) - 22CFR 120-130**: The DDTC controls those items that may have military or space applications. Items that we deal with in these areas are some IR arrays, some Adaptive Optics, Telescopes and space qualified electronics. DDTC would like to control everything, even commercial products. DDTC also maintains a list of those individuals who have had their export privileges denied. That list is:

a) DDTC Debarment List: <http://www.pmdtdc.state.gov/debar059intro.htm>

B) **Department of Commerce, Bureau of Industry and Security (BIS)- 15CFR 730-774**: The BIS controls all items that have commercial uses. In addition, they handle the export licenses for the OFAC (below). AURA deals with this organization most of the time as we have very few items that are defense-related. All licenses submitted to BIS are reviewed by DDTC.

There are several lists that need to be checked when transferring technical data or equipment:

a) Denied Parties Listing - individuals who have had their export privileges denied:

<http://207.96.48.13/dpl/thedeniallist.asp>

b) Entity List - sites that are prohibited from receiving certain exports:

<http://www.access.gpo.gov/bis/ear/pdf/744spir.pdf> -

C) **Department of the Treasury's Office of Foreign Assets Control (OFAC) - 31CFR Parts 500-598**: The OFAC controls, through BIS, assets related to those countries for which some embargo is in place or who are determined to be a threat to the U.S. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. OFAC acts under Presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. Many of the sanctions are based on United Nations and other international mandates, are multilateral in scope, and involve close cooperation with allied governments. The specific sites are:

a) Embargo Listing – countries or organizations for which specific embargos and sanctions are in place:

<http://www.treas.gov/offices/enforcement/ofac/programs/index.shtml>

b) Specially Designated Nationals List – a list of individuals and organizations that have been determined to be either terrorist, terrorist supporting or otherwise a threat to U.S. Security:

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

3) **DETERMINING THE CONTROLLING AGENCY**: Everything is controlled for export to some extent based on:

A) **Use**: The ultimate use of the item being sent – commercial, military, space, nuclear, etc. – will dictate in many cases who actually controls the commodity or technical data.

- a) In general, the Office of Defense Trade Controls has jurisdiction over all those items that have military uses including, but not limited to, IR detectors and image tubes.
  - b) The Bureau of Industry and Security has control of all items classified as commercial articles, which includes the vast majority of controlled materials and technical data held by AURA sites.
  - c) The Nuclear Regulation Commissions controls those items destined for nuclear sites or end uses. BIS controls the export of these commodities.
- B) **Commodity:** The commodity being shipped or technology being released also determines who will control the items. The specific items under control are detailed in BIS's Export Administration Regulations (EAR) and DDTC's International Traffic in Arms Regulations (ITAR).
- a) The EAR is very specific as to descriptions that reflect the importance of the items or technology being exported.
  - b) The ITAR is very vague in the commodity descriptions, which reflect DDTC's emphasis more on military applications and less on actual commodities.
  - c) OFAC does not refer to commodities at all.

- C) **Destination:** The country or organization to which the materials are being sent or technology released will determine if export controls are to be enforced. The BIS's Entity List, the OFAC's Embargo List and Specially Designated Nationals List identify those countries or organizations for which export licenses must be obtained.

**NOTE:** Remember that technical data released to a foreign national are controlled in the same manner as though the data were being sent to that national's country.

- D) **End User:** The ultimate end user of the commodity or technical data will also determine if export controls must be followed. The BIS's Denied Party List, the DDTC's Debarment List and the OFAC's Specially Designated Nationals List all identify those individuals for whom export licenses must be received prior to shipment.

**NOTE:** Remember, there are export controls for end users located within the U.S.

#### 4) **DETERMINING COMMODITY CLASSIFICATIONS:**

- A) In order to determine if a specific item is restricted for export, the EAR Commodity Control List (CCL - (15CFR774) and ITAR (22CFR121) should be carefully reviewed. To assist in this classification process, one of the following methods should be followed:
- a) For regular purchases, the specific manufacturer should be contacted. In most cases, the manufacturer will be able to provide the appropriate export information (Export Control Classification Number - ECCN - and Schedule "B" Number).
  - b) For instruments made at AURA engineering facilities, copies of the applicable sections of Part 774 of the Export Administration Regulations will be distributed to the project engineer for his or her review, evaluation and determinations.
  - c) Discuss the commodity with the ECO-NSF or ECO-STScI who may have had experience exporting similar items in the past.
  - d) If the correct determination cannot be made by one of the above methods, the ECO-NSF or ECO-STScI will submit either a Commodity Classification Request (BIS) or Commodity Jurisdiction request (DDTC) to the appropriate agency.

- 5) **EXPORT LICENSE APPLICATIONS:** All export license applications; Commodity Classification Requests or Commodity Jurisdiction Requests will be filed by the ECO-NSF or ECO-STScI, or as otherwise delegated.

- A) **Department of Commerce's Bureau of Industry and Security (BIS):**

- a) If, after following the appropriate classification procedures detailed in the Export Administration Regulations, it is determined that an export license is not required, then the designation “**NLR**” will be so indicated on the Export Declaration.
- b) The Bureau of Industry and Security has established an Export License procedure whereby an exporter can apply for the approval to export any commodity listed on the Commerce Control List and restricted for export to the ultimate consignee’s country. These licenses must be applied for and their export approved by BIS, which carefully reviews each application, the end user, the end use, the exporter, the country of destination, and other factors that are deemed important to the administration. These procedures are detailed in 15CFR738 and the application process is covered in 15CFR748.
- c) Several Export License Exceptions are available and are detailed in 15CFR740. The descriptions below are generalized and it is strongly suggested that the appropriate section within the EAR be consulted for more in-depth information on the specific license. A few of the Export Licenses Exemptions used by AURA are listed below.
  - (1) **LVS** (*15CFR740.3(a)*) – Shipments of Limited Value - This exemption is an authorization to export in a single shipment any commodity on the Commerce Control List valued below a specified amount as listed under the specific Export Control Classification Number.
  - (2) **GBS** (*15CFR740.4*) – Shipments to Country Group B Countries - This exemption concerns shipments of any value to countries listed under Country Group B (Chile is included in this list) if the specific Commerce Control List allows such shipments. The Export Control Classification Number (ECCN) of the item shipped under this exemption must be listed on the Export Declaration.
  - (3) **CIV** (*15CFR740.5*) – Civil End Users - This exemption is applicable to shipments destined for civilian end users in Country Group D1 of accompanied, or unaccompanied personal goods, tools of trade, or other items, whether or not they appear on the Commerce Control List. The ECCN of the item shipped under this exemption must be listed on the Export Declaration.
  - (4) **TSR** (*15CFR740.6*) – Technology and Software Under Restriction - This exemption is established to permit the export of technology and software as allowed by the specific Commerce Control List.
  - (5) **CTP** (*15CFR740.7*) – Computers - This exemption authorizes the export of computers to specific destinations depending on the computers’ capabilities. The ECCN of the item shipped under this exemption must be listed on the Export Declaration.
  - (6) **TMP** (*15CFR740.9*) – Temporary Imports, Exports and Re-Exports - License Exemptions based on the Commerce Control List. The code “TMP” must appear on the shipping documentation for export clearance purposes. This exemption is established to allow the temporary export of certain commodities that would otherwise require an Export License.
  - (7) **RPL** (*15CFR740.10*) – Servicing and Replacement of Parts and Equipment - This exemption is established to cover the shipment of repair parts on a one-for-one basis under specific prohibitions. Since there are no sub-categories for RPL, if the RPL exception is used, enter “RPL” in the appropriate area on the Export Declaration.
  - (8) **TSU** (*15CFR740.13*) – Technology and Software, Unrestricted - This license authorizes exports and re-exports of operation technology and software; such sales technology and software; software updates (bug fixes); and "mass market" software subject to the General Software Note.
  - (9) **BAG** (*15CFR740.14*) – Baggage - This exemption covers the export of materials and equipment of certain personal items for international travelers departing the United States. Since there are no sub-categories for BAG, if the BAG exception is used, enter “BAG” In the appropriate area on the Export Declaration.
  - (10) **APR** (*15CFR740.16*) – Additional Permissive Re-Exports - This exemption covers the export of materials and equipment from certain countries as long as the rules for the exemption are followed.
  - (11) **ENC** (*15CFR740.17*) – Encryption Commodities and Software - This exemption covers the export of commodities and software that are controlled for encryption purposes. There are reporting requirements that require semi-annual reports to the BIS.
  - (12) Other exemptions are available. However, these concern categories that are not appropriate to AURA shipments. Check 15CFR740 of the Export Administration Regulations for all export license exemptions.

**B) Department of State's Directorate of Defense Trade Controls (DDTC):**

- a) Manufacturers and exporters of military related items must be registered with the DDTC. While AURA does not manufacturer military-related items, it does export those items and, as such, AURA has registered with the Department of State. AURA's registration number is ***M14580***.
  - (1) Applications for registration renewals and payment of the renewal fee will be the responsibility of the AURA Washington Office.
  - (2) Copies of DDTC registration letters will be distributed to the AURA Import/Export Officer for its NSF-related activities and the AURA Import/Export Officer for its NASA-related activities.
- b) Certain articles and commodities are subject to the export and import regulations issued by the DDTC. The licensing procedure is somewhat similar to the BIS's but the process may take considerably longer.
- c) License applications may take up to 8 weeks (or longer) to process since all departments of the military must review them.
- d) Once issued, the license is valid for 4 years.
- e) All licenses must be turned in to the U.S. Customs Service at the Port of Export and, unlike the Bureau of Industry and Security procedures, it is the Customs Agent who verifies the validity of the license and returns the license to the Department of State when completed.
- f) Temporary export licenses are available from the Office of Defense Trade Controls and cover the export and import (return) of the licensed item to AURA. Such temporary exports and entries can take place over a number of months. AURA Procurement will hold the licenses in Tucson and the exportation and importation will take place in Tucson.
- g) Licenses are available for classified materials, although AURA has no need for such licenses since all of AURA's exports are Unclassified.
- h) DDTC prohibits any re-import for servicing or for whatever reason unless specifically licensed by them. Unauthorized imports may result in confiscation of the articles and stiff fines.

**6) SHIPPER'S EXPORT DECLARATIONS:**

- A) All items exported from the United States require notification by the shipper to the U.S. government via the U.S. Customs Service located at the port of export. Such notification is done with a completed Shipper's Export Declaration that accompanies the shipping documentation. Shipper's Export Declarations are to be completed in accordance with the United States Department of Commerce's Bureau of the Census' U.S. Foreign Trade Statistics Regulations (FTSR) (*15CFR 0-299*).
- a) In accordance with those regulations, certain shipments are exempted from this notification procedure (*15CFR 30.55*):
  - (1) Shipments where the value of commodities classified under each individual Schedule "B" number is \$2500.00 or less, and for which an Export License is not required, and when shipped to countries not prohibited by the Export Administration Regulations (*15CFR 30.55(h)*).
  - (2) Diplomatic pouches and their contents (*15CFR 30.55(a)*).
  - (3) Shipments of interplant correspondence (*15CFR 30.55(i)*).
  - (4) Shipments from one point in the United States to another point in the United States by routes passing through Mexico (*15CFR 30.55(c)*), and shipments from one point in Mexico to another point in those countries by routes passing through the United States (*15CFR 30.55(d)*).
  - (5) Laptop computers when accompanying an AURA traveler overseas and which will be brought back to the U.S. by the traveler when he/she returns to the U.S. (*15CFR 30.56(b)*).
- B) All Export Declarations will be submitted by the CECO, the ECO-NSF, or the ECO-NASA.
- C) Export Declarations shall be submitted via the U.S. Bureau of Census' Automated Export System (AES). The AES system is an electronic system allowing the shipper to enter the export declaration information and receive approval from the U.S. government prior to the actual export of the item. Contact the AURA Export Control Administrator for further information on the AES system and on AURA's username and password. When ap-

proval is received, the "AES ITN:" number must be included on the Commercial Invoice and Packing List and on the Air Waybill.

- a) AURA's Export Identification Number (EIN) is the Corporation's tax identification number -- 860138043.

## **PART 9**

### **Training Activities**

- 1) AURA and its departments are consumers and rarely get involved with the selling of items. The majority of items purchased to conduct the management and operations of the various facilities are used at or consumed by those facilities. As such, there is no sales staff to educate concerning export restrictions, denial lists, or diversion warning signs.
- 2) AURA occasionally enters into agreements to build instruments or parts of instruments for other facilities. The local CECO is to be notified of such sales and advise the ECO-NSF of the project. All such sales to overseas facilities are to be cleared by the ECO-NSF.
- 3) Export awareness on the part of AURA employees is maintained via the many export memos passed out to travelers, visitors and others who are involved in purchasing materials. Export training is achieved by the holding of periodic seminars by the CECO.

In addition, it is important that the CECO remain visible to those sending materials overseas. This is a difficult area to maintain control over, but it is safe to say that, with the centralization of shipping activities under Logistics facilities and the CECO's proactive stance on export control, all employees know who to contact concerning export questions and are aware that export control is an issue that they must deal with when working with international partners or foreign visitors.

Responsibility for insuring that the appropriate memos and letters are maintained up-to-date rests with the CECO and the ECOs:

## **PART 10**

### **Record Keeping**

- 1) In accordance with Part 762.6 of the Export Administration Regulations, records must be maintained for at least five (5) years. The record keeping provisions apply to the following transactions:
  - A) Part 736, General Prohibitions;
  - B) Part 732.6, Steps for other requirements;
  - C) Part 740.1, Introduction (to License Exceptions);
  - D) Part 740.10(c), Servicing and replacement of parts and equipment (RPL);
  - E) Part 740.13(f), Technology and software unrestricted (TSU);
  - F) Part 743.2, High Performance Computers;
  - G) Supplement No. 3 to part 742 High Performance Computers; Safeguards and related Information;
  - H) Part 742.15, Key Escrow Encryption Items;
  - I) Part 740.7, Humanitarian donations (NEED);
  - J) Part 746.3, Iraq;
  - K) Part 747, Special Iraq Reconstruction License;
  - L) Part 748.4(a), Disclosure and substantiation of facts on license applications;
  - M) Part 748.6, General instructions for license applications;
  - N) Part 748.9, Support documents for license applications;
  - O) Part 748.10, Import and End-user Certificates;
  - P) Part 748.11, Statement by Ultimate Consignee and Purchaser;
  - Q) Part 748.13, Delivery Verification (DV);
  - R) Part 748.2(c), Obtaining forms; mailing addresses;
  - S) Part 750.7, Issuance of license and acknowledgment of conditions;
  - T) Part 750.8, Revocation or suspension of license;
  - U) Part 750.9, Duplicate licenses;
  - V) Part 750.10, Transfer of licenses for export;
  - W) Part 752.7, Direct shipment to customers;
  - X) Part 752.9, Action on SCL applications;
  - Y) Part 752.10, Changes to the SCL;
  - Z) Part 752.11, Internal Control Programs;
  - AA) Part 752.12, Record keeping requirements;
  - BB) Part 752.13, Inspection of records;
  - CC) Part 752.14, System reviews;
  - DD) Part 752.15, Export clearance;
  - EE) Part 754.2(j)(3), Record keeping requirements for deep water ballast exchange;
  - FF) Part 754.4, Unprocessed western red cedar;
  - GG) Part 758.1(h), Record and proof of agent's authority;
  - HH) Part 758.1 and 758.2, Shipper's Export Declaration or Automated Export System record;
  - II) Part 758.6, Destination control statements;
  - JJ) Part 760.6, Restrictive Trade Practices and Boycotts;
  - KK) Part 762.2, Records to be retained;
  - LL) Part 764.2, Violations;
  - MM) Part 764.5, Voluntary self-disclosure;
  - NN) Part 766.10, Subpoenas;
  - OO) Part 743.1, Wassenaar reports;
  - PP) Part 748.14, Exports of firearms;
  - QQ) Part 745.1, Annual reports;
  - RR) Part 745.2, End-use certificates; and
  - SS) Part 758.2(c), Assumption writing.

- 2) In accordance with Part 122.5 of the International Traffic in Arms Regulations, all records pertaining to any transaction subject to those requirements must be kept for a period of not less than five (5) years.
- 3) Since the CECO is the point of contact for all exports, they will maintain the primary files for all export activities at their site.
- 4) The AURA Facilities in Chile will maintain files of all export shipments and activities processed directly by that organization.
- 5) Whatever the case, it is AURA's policy to comply with the Export Administration Regulations' record keeping requirements as detailed in the appropriate regulations and the AURA-NSF record keeping requirement, whichever is longer.

# PART 11

## Notification of Non-Compliance

- 1) **NON-COMPLIANCE**: As per the AURA Corporate Policy Statement, violations of the export regulations are to be reported to the ECO-NSF, ECO-STScI, the AURA President or the appropriate U.S. government agency. Violations may include:
  - A) Engaging in prohibited activities;
  - B) Causing, aiding, or abetting a violation;
  - C) Solicitation and attempt;
  - D) Conspiracy;
  - E) Acting with knowledge of a violation;
  - F) Possession with intent to export illegally;
  - G) Misrepresentation and concealment of facts;
  - H) Evasion;
  - I) License alteration; or
  - J) Acting contrary to the terms of a denial order.
  
- 2) **REPORTING PROCEDURES**: Should any AURA employee become aware of violations of U.S. export regulations at any AURA facility, they should report such violations to the appropriate, AURA Export Control Officer the AURA President, the AURA Whistle Blower Ombudsman or the appropriate controlling agency, as listed below.

- A) Violations can be reported to the Bureau of Industry and Security at the following addresses:

Bureau of Industry and Security  
Department of Commerce  
14<sup>th</sup> Street and Constitution Avenue, N. W.  
Room H-4520  
Washington, D. C. 20230

(202) 482-1208 (202)  
482-0964 (fax) or

Office of Anti-boycott Compliance  
Bureau of Export Administration  
Department of Commerce  
14<sup>th</sup> Street and Constitution Avenue, N. W.  
Room H-6099C  
Washington, D. C. 20230

(202) 482-2381 (202)  
482-0913 (fax)

- B) Violations can be reported to the Directorate of Defense Trade Controls at the following addresses:

U.S. Department of State Directorate  
of Defense Trade Controls Compliance  
& Registration Division  
2401 E Street NW, SA-1, Room H1200  
Washington, DC 20522-0112

(202) 736-9230

C) Violations can be reported to the Office of Foreign Asset Controls at the following addresses:

Office of Foreign Assets Control  
U.S. Department of the Treasury  
Treasury Annex  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

1-800-540-6322

## PART 12

### Compliance Review Program

- 1) **ANNUAL REVIEW:** Periodically the AURA Export Control Officer for NSF-related activities will travel to AURA and Gemini sites, including those in Chile, to review the export control activities at those sites.

Following the export review process, a report detailing the findings of the review will occur to ensure that the necessary information and training of AURA and Gemini staff is taking place. This internal evaluation process will ensure that current AURA Export Policies are meeting Bureau of Industry and Security, Defense Trade Control and Office of Foreign Asset Control Standards. Periodically, the AURA Import/Export Control Officer for NSF-related activities will inspect or review the individual AURA Facilities in Chile and GEMINI sites in the following manner:

- A) Annual Review: A checklist will be used in this annual review for all applicable AURA export control activities. This checklist is included as Attachment A to this element and may be modified as deemed necessary by the AURA Import/Export Control Officer for NSF-related activities.
- B) Copies of communications with the various points of contact within AURA concerning export policies and procedures and all completed checklists will be maintained in the Administrator's files.
- C) When deficiencies are found during these periodic reviews, they will be noted with suggested courses of action. The deficient department will make the necessary corrections and respond in writing of the specific corrections made.

# Annual Export Control Compliance Review Checklist

1) Date of Review: \_\_\_\_\_

2) Individual Conducting Review: \_\_\_\_\_

A) Phone number: \_\_\_\_\_

B) E-mail address: \_\_\_\_\_

## 3) ACTIVITIES:

A) **PURCHASING ACTIVITIES:** Review is accomplished via random selection of no less than twelve (12) purchase documents for goods and materials ordered by or for overseas sites.

a) Were purchases routed to the On-Site Certified Export Control Officer (CECO) or AURA Export Control Officer for NSF-related activities (ECO-NSF) for review?

Yes  No (if not, please explain on a separate sheet)

b) Were export control requirements noted on the documents?

Yes  No (if not, please explain on a separate sheet)

c) Were these notations relayed to the exporting site?

Yes  No (if not, please explain on a separate sheet)

d) If an export license was required:

(1) Was the ECO-NSF notified in a timely manner?

Yes  No (if not, please explain on a separate sheet)

(2) Were the supporting documents relayed to the ECO-NSF?

Yes  No (if not, please explain on a separate sheet)

(3) Was the license received prior to the purchase?

Yes  No (if not, please explain on a separate sheet)

(4) Did the CECO keep copies of the license on file?

Yes  No (if not, please explain on a separate sheet)

## B) CONTRACTING ACTIVITIES:

a) Do issued contracts contain an acceptable export control clause?

Yes  No (if not, please explain on a separate sheet)

b) Does the contracting officer coordinate with the CECO or ECO-NSF concerning contractual issues that concern the export of materials or technology?

Yes  No (if not, please explain on a separate sheet)

C) **INTERNATIONAL SHIPMENTS:** Review no less than twelve (12) international shipments including at least five shipments to international sites other than Chile;

a) Did the international shipments comply with export regulations?

Yes  No (if not, please explain on a separate sheet)

b) Was the documentation clear, concise, and properly described the materials being shipped? [

Yes  No (if not, please explain on a separate sheet)

- c) Were the proper export declarations electronically filed via the AES system?  
 Yes  No (if not, please explain on a separate sheet)
- d) Were international shipments properly documented and in compliance with:
  - (1) IATA Hazardous Materials Regulations?  
 Yes  No (if not, please explain on a separate sheet)
  - (2) ISMP-15 Wood-Crating regulations?  
 Yes  No (if not, please explain on a separate sheet)
- e) Were the international shipment consignees reviewed against the various exclusions and embargo lists? [  
 Yes  No (if not, please explain on a separate sheet)
- f) Did the CECO or his/her designate sign the AWB and CIPL?  
 Yes  No (if not, please explain on a separate sheet)
- g) Are there records accompanying the shipping documents to show that the international shipment was received and not di-  
 verted?  
 Yes  No (if not, please explain on a separate sheet)

**D) INTERNATIONAL TRAVEL:**

- a) Were Travel Requests or other notices of impending international travel forwarded to the CECO? [  
 Yes  No (if not, please explain on a separate sheet)
- b) Were those notices received well in advance of the travel?  
 Yes  No (if not, please explain on a separate sheet))
- c) Were export control memos issued to international travelers?  
 Yes  No (if not, please explain on a separate sheet))
- d) Were export control memos up to date?  
 Yes  No (if not, please explain on a separate sheet))
- e) Were records kept regarding the issuance of the memos, dates issued and travelers receiving the memos? [  
 Yes  No (if not, please explain on a separate sheet)

**E) EMPLOYEE TRAINING AND AWARENESS:**

- a) Were training seminars conducted?  
 Yes  No (if not, please explain on a separate sheet))
- b) On what date(s) were the seminars conducted?  
 Dates: \_\_\_\_\_
- c) How many people attended all of the seminars?  
 Total Number: \_\_\_\_\_
- d) What topics were covered?  
 Topics: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**F) PROPERTY DISPOSAL:**

- a) Were loan agreements forwarded to the CECO for review?  
 Yes  No (if not, please explain on a separate sheet)
- b) Were those agreements signed by or otherwise approved by the CECO or the ECO-NSF?  
 Yes  No (if not, please explain on a separate sheet)
- c) Were Chilean excess property disposal requests routed to the CECO for review? [  
 Yes  No (if not, please explain on a separate sheet)
- d) Was the excess property disposal requests signed by or otherwise approved by the CECO or ECO-NSF? [  
 Yes  No (if not, please explain on a separate sheet)

**G) MAIL:**

- a) Is the outgoing mail being monitored?  
 Yes  No (if not, please explain on a separate sheet)
- b) By who?  
Site 1: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
  
Site 2: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_
- c) Is that person familiar with embargos or other restrictions?  
Site 1:  
 Yes  No (if not, please explain on a separate sheet)  
  
Site 2:  
 Yes  No (if not, please explain on a separate sheet)
- d) If not, does that person notify and receive approval from the CECO for all international mail?  
Site 1:  
 N/A  Yes  No (if not, please explain on a separate sheet)  
  
Site 2:  
 N/A  Yes  No (if not, please explain on a separate sheet)

**H) GRANTS:**

- a) Are the grants, obtained by local staff, monitored for PIs or CO-PIs from embargoed countries or exclusion lists? [  
 Yes  No (if not, please explain on a separate sheet)
- (1) By who?  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_
- (2) Is that person familiar with embargos or other restrictions?  
 Yes  No (if not, please explain on a separate sheet)

(3) If not, does that person notify and receive approval from the CECO?  
 Yes  No (if not, please explain on a separate sheet)

(4) Do the Grant Files contain either an indication that the file was reviewed or, if necessary, a copy of the export licenses?  
 Yes  No (if not, please explain on a separate sheet)

b) Are grants issued by sites monitored for PIs or CO-PIs from embargoed countries or exclusion lists?  
 Yes  No (if not, please explain on a separate sheet)

(1) By who?

Site 1: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

(2) Is that person familiar with embargos or other restrictions?  
 Yes  No (if not, please explain on a separate sheet)

(3) If not, does that person notify and receive approval from the CECO for all international mail?  
 Yes  No (if not, please explain on a separate sheet)

(4) Do the Grant Files contain either an indication that the file was reviewed or, if necessary, a copy of the export licenses?  
 Yes  No (if not, please explain on a separate sheet)

**1) EMPLOYEES:**

a) Does Human Resources advise the CECO of all incoming employees that are considered foreign nationals?  
 Yes  No (if not, please explain on a separate sheet)

b) Does the CECO send a TSR Certification, TSR Exemption Certification to all newly hired employees that are considered foreign nationals?  
 Yes  No (if not, please explain on a separate sheet)

c) Does the CECO maintain copies of all certifications and exemptions issued and signed?  
 Yes  No (if not, please explain on a separate sheet)

d) Is a tickler file kept on all TSR Exemption Certifications?  
 Yes  No (if not, please explain on a separate sheet)

(1) Are TSR Exemption Certifications updated at least once each year?  
 Yes  No (if not, please explain on a separate sheet)

(2) Is the ECO-NSF notified whenever a TSR Exemption Certification is issued in lieu of a TSR Certification?  
 Yes  No (if not, please explain on a separate sheet)

e) Do Human Resources advise the CECO of all potential hires that are considered foreign nationals?  
 Yes  No (if not, please explain on a separate sheet)

(1) Does the CECO interact with departments concerning the hiring of foreign nationals?  
 Yes  No (if not, please explain on a separate sheet)

(2) Before or after the hire?  
 Before  After (if after, please explain on a separate sheet)

- f) Do all foreign national employees have a TSR Certification, TSR Exemption Certification or Export License copy in their files?  
 Yes  No (if not, please explain on a separate sheet)

**J) VISITORS, NON-OBSERVING:**

- a) Is the CECO notified of or have access to all visitors, summer students and other short-tem users of the facilities?  
 Yes  No (if not, please explain on a separate sheet)
- b) Does the CECO advise the host employee or department of export restrictions concerning the visitor if that visitor is a foreign national?  
 Yes  No (if not, please explain on a separate sheet)
- c) Does the CECO issue TSR Certifications or TSR Exemption Certifications to the foreign national? [  
 Yes  No (if not, please explain on a separate sheet)
- d) Are the other departments advised when a foreign national is issued a TSR Exemption Certification in lieu of a TSR Certification?  
 Yes  No (if not, please explain on a separate sheet)

**K) CLOSED WORKSHOPS, MEETINGS and PROJECT REVIEWS:**

- a) Is the CECO notified of or have access to all closed workshops, meetings or Project Reviews? [  
 Yes  No (if not, please explain on a separate sheet)
- b) Does the CECO advise the meeting host or department of export restrictions concerning any attendees that are foreign nationals?  
 Yes  No (if not, please explain on a separate sheet)
- c) Does the CECO issue TSR Certifications or TSR Exemption Certifications to host or department, to have signed by the foreign national or meeting sponsor?  
 Yes  No (if not, please explain on a separate sheet)

**L) IMPORTS:**

- a) Review import records to ensure technical items under control of the Office of Defense Trade Controls have obtained the appropriate import clearance.

## PART 13

# ACRONYMS

- 1) **ATST** stands for **A**dvanced **T**echnology **S**olar **T**elescope and is a collaborative effort within the solar community to design and produce the next generation solar telescope. See <http://atst.nso.edu/> for more detailed information on the telescope.
- 2) **AURA** stands for the **A**ssociation of **U**niversities for **R**esearch in **A**stronomy, Inc. and is the corporation that oversees the NSF contracts under which AURA functions. AURA is an Arizona corporation and is the legal entity under which AURA operates. For further information, see <http://www.aura-astronomy.org/>.
- 3) **BIS** stands for the Department of Commerce's **B**ureau of **I**ndustry and **S**ecurity. This is the organization responsible for the control of commercially related exports. For more information, see <http://207.96.48.13/about/index.htm>.
- 4) **CECO** stands for the On-Site **C**ertified **E**xport **C**ontrol **O**fficer. This individual is responsible for export activities at the individual AURA and Gemini sites and functions under the direction of the ECO-NSF.
- 5) **CTIO** stands for the **C**erro **T**ololo **I**nter-American **O**bservatory, an AURA facility located near La Serena, Chile. It is currently known as AURA-South. For more information on this observatory, see <http://www.ctio.AURA.edu/>.
- 6) **DDTC** stands for the State Department's **D**irectorate of **D**efense **T**rade **C**ontrols. This organization is responsible for military-related export controls. For further information, see <http://www.pmdtdtc.state.gov/>.
- 7) **FTSR** stands for the Department of Commerce's Bureau of the Census' U.S. **F**oreign **T**rade **S**tatistics **R**egulations (FTSR) and is officially identified as 15CFR 0-299.
- 8) **GEMINI** is short for the International Gemini Observatory, an international project managed by AURA, with 8-meter telescopes located on Mauna Kea near Hilo, HI and on Cerro Pachon near La Serena, Chile. For more information on the Gemini telescopes, see <http://www.gemini.edu>.
- 9) **GONG** stands for the **G**lobal **O**scillation **N**etwork **G**roup. Managed by the National Solar Observatory, GONG facilities are located at the following sites. For more information on the GONG network, see <http://gong.nso.edu/>.
  - A) Tucson, Arizona
  - B) The Big Bear Observatory, California
  - C) The High Altitude Observatory at Mauna Loa, Hawaii
  - D) The Cerro Tololo Inter-American Observatory, Chile
  - E) The Learmonth Solar Observatory, Australia
  - F) The Udaipur Solar Observatory, India
  - G) The Instituto de Astrofísica de Canarias, the Canary Islands, Spain
- 10) **GSMT** stands for **G**iant **S**egmented **M**irror **T**elescope. For more information on the GSMT, see <http://www.aura-nio.AURA.edu/book/index.html>.
- 11) **ITAR** stands for the State Department's **I**nternational **T**raffic in **A**rms **R**egulations and are the rules governing the export of military-related materials, technology and services. It is officially identified as 22CFR121.
- 12) **LSST** stands for **L**arge **S**ynoptic **S**urvey **T**elescope, and is a proposed ground-based 8.4-meter, 10 square-degree-field telescope that will provide digital imaging of faint astronomical objects across the entire sky. The effort to build the LSST is overseen by the LSST Corporation, founded by Research Corporation, the University of Arizona, the University of Washington, and the National Optical Astronomy Observatory. For more information on the LSST project, see [http://www.lsst.org/lsst\\_home.shtml](http://www.lsst.org/lsst_home.shtml).
- 13) **MTS-NASA** stands for the AURA **M**aterial **T**ransfer **S**upervisor for **NASA**-Related Activities. This individual controls the export activities for STScI.
- 14) **MTS-NSF** stands for the AURA **M**aterial **T**ransfer **S**upervisor for **NSF**-Related Activities. This individual controls the export activities for AURA and GEMINI.
- 15) **AURA** stands for the **N**ational **O**ptical **A**stronomy **O**bservatory, a division of AURA, located in Tucson, Arizona. AURA consists of the Kitt Peak National Observatory in Tucson and the Cerro Tololo Inter-American Observatory near La Serena, Chile. For more information on AURA, see <http://www.AURA.edu/>.

- 16) **NSO** stands for the **N**ational **S**olar **O**bservatory, a division of AURA. NSO currently operates under the same AURA-NSF cooperative agreement as AURA, and is located at the Sacramento Peak Observatory in Sunspot, NM and on the Kitt Peak National Observatory in Tucson, AZ. For more information on NSO, see <http://www.nso.edu/>.
- 17) **OFAC** stands for the Department of the Treasury's **O**ffice of **F**oreign **A**ssets **C**ontrol. This organization administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. For more information, see <http://www.treas.gov/offices/enforcement/ofac/>.
- 18) **PROMPT** stands for **P**anchromatic **R**obotic **O**ptical **M**onitoring and **P**olarimetry **T**elescopes, and consists of six special purpose telescopes located on Cerro Tololo that have been specifically designed to identify and study the most distant objects in the universe. The University of North Carolina administers the PROMPT program.
- 19) **SMARTS** stands for **S**mall and **M**oderate **A**perature **R**esearch **T**elescope **S**ystem and consists of the four smaller telescopes on Cerro Tololo that are now being operated by the SMARTS Consortium, a group of several universities and other organizations that operate the 1.5-meter telescope, the 1.0-meter telescope, the 1.3-meter telescope and the 0.9-meter telescope.
- 20) **SOAR** stands for the **S**outhern **A**strophysical **R**esearch Telescope located on Cerro Pachon near La Serena, Chile. The country of Brazil, the University of North Carolina, the University of Michigan, and AURA sponsor the project. For more information on the SOAR telescope, see <http://www.soartelescope.org>.
- 21) **STScI** stands for the **S**pace **T**elescope **S**cience **I**nstitute, a division of AURA and funded by NASA, located in Baltimore, MD. For more information on the Institute, see <http://www.stsci.edu/institute/>.
- 22) **TMT** stands for the **T**hirty **M**eter **T**elescope Project, a collaboration of Caltech, University of California (UC), the Association of Universities for Research in Astronomy (AURA), and the Association of Canadian Universities for Research in Astronomy (ACURA). The TMT design and development activity is currently funded by a grant to Caltech and UC from the Gordon and Betty Moore Foundation. The TMT project office is in Pasadena, California. For further information on the TMT Project, see <http://www.astro.caltech.edu/observatories/tmt/>.

## SECTION 9

# SHIPPING PROCEDURES

### 1) SHIPPING RESPONSIBILITIES:

- A) The AURA Logistics Supervisor and Export Control Officer is responsible for the export documentation, and packaging of all AURA shipments, either domestic or international.
- B) All domestic or foreign shipments, unless otherwise approved by the AURA Export Control Officer or sent through an AURA-contracted freight forwarder, will originate in the AURA Logistics facility in Tucson.
- C) The AURA Export Control Officer is responsible for the importation of all shipments with AURA-Tucson listed as the consignee.
- D) The AURA Export Control Officer has been designated by the AURA Export Control Administrator and is responsible for export from all AURA facilities according to the following:
  - a) GEMINI export will be coordinated with the Gemini Purchasing Manager and On-Site Certified Export Control Officer.
    - (1) Materials purchased for Gemini-South operations and intended to be air freighted will be drop-shipped to the AURA Tucson facility and sent overseas from that point.
    - (2) Materials purchased for Gemini-South operations and intended to be ocean freighted will be drop-shipped to the AURA Tucson Logistics facility. Arrangements for the ocean freight will be coordinated with the AURA Export Control Officer.
  - b) Space Telescope Science Institute's administrative department and procedures will handle their shipments.

### 2) FREIGHT FORWARDING/CONSOLIDATING:

**NOTE:** As of September 2009, AURA does not employ a single freight forwarder to handle either air or ocean shipments. This paragraph remains in the Procurement Manual in case such a forwarder is employed in the future.

AURA-contracted freight forwarder and consolidators supply professional services connected with the forwarding and transportation to the named destination of all materials, equipment, and supplies purchased in the United States as directed by AURA. Contracts will be issued through the AURA Contracts Office and renewed as directed by the AURA Export Control Officer. These contracted services will include, but are not limited to, the following:

- A) The preparation of all shipping documents, i.e., ocean bills of lading; combined packing lists, and commercial invoices; Hazardous Materials Certificates; etc.
- B) The securing of all customs clearances, licenses, permits, and/or other export documents required by all Federal, State, and local laws and ordinances.
- C) The payment of all inland freight, ocean freight, air freight and terminal expenses incurred in AURA's behalf.

- D) The consignment and subsequent shipment of all materials, by the most economical and expeditious means, to the designated destination taking advantage of all discounts and/or project freight rates available to AURA.
- E) The freight forwarder, on behalf of AURA, will continue to obtain the best pricing available for Ocean Freight Services.

### 3) PACKING:

A) **PACKING CONTAINER CONSTRUCTION AND TYPE:** - All AURA materials shipped between the United States and foreign countries will conform to the following packing requirements:

- a) Nailed Wooden Boxes - All boxes shall be good commercial type. Good crating type lumber will be used. The boxes will be cleated and nailed with commercial type, good nails, reinforced with adequate tension metal straps, lined with heavy waterproof tape or adhesive, skids, top peaks and/or gables, whatever circumstances may require. The boxes should be equipped with corrugated fasteners and/or pilfer-proof clips where contents are substantially valuable and/or susceptible to pilferage.
- b) Plywood Boxes - Cleated plywood boxes made of CD grade Douglas Fir Exterior plywood (5/16" minimum thickness) reinforced with acceptable standard grade of 1"x 4" pine, cleated, strapped and waterproofed may be used in lieu of the nailed wood construction if, in the packer's opinion, the container can be manufactured as efficiently and economically as the nailed wood type. In any event, second hand, reject, split, or otherwise defective materials are never to be used.
- c) Export Crates, Open - Export crates are to be used only with special written instructions from the AURA Export Control Officer
- d) Pallets - Export pallets are to be used only with special written instructions from the AURA Export Control Officer.
- e) Bundling - Bundles shall be of good crating lumber, ends to be protected, metal strapped, and completely closed. Bundling is to be used only by special written instructions from the AURA Export Control Officer
- f) Domestic Cartons - Domestic corrugated cartons should not be used as an outer container for surface export shipments under any circumstances. Small and light items packed in cartons can be grouped together and shipped in a waterproof container or they can be placed in individual polyethylene or other waterproof material bags and then grouped together and packed in a container that is not waterproof. Care must be exercised when shipping unprotected domestic cartons in non-waterproof containers because of the danger of leakage. Electrical equipment having indicating instruments or other very fragile components should have the components removed if feasible and have the necessary protection applied and then placed in the main container without increasing its dimensions. Fragile items, such as meters and other indicating instruments, packed in cartons, shall be cushioned with a good cushioning material that requires a minimum of space for appropriate cushioning. Excelsior shall not be used for cushioning material.
- g) Steel Bands - In order to discourage pilferage and also give strength to the package, all sea shipments shall have steel bands around the girth of the package, using reasonable care to prevent damage to the package contents by the bands. The number of bands should be determined as follows:
  - (1) Based on the use of .020" x .75" steel bands, all packages not exceeding 24" in length or 50# in weight should have one band in the middle.
  - (2) Packages exceeding 24" but less than 48" should have two bands.
  - (3) Two or more bands may be used when the box is less than 48" in length if the weight exceeds 250 pounds.
  - (4) For every 24" over 48" of box length, an extra band should be used. When two or more bands are used around the girth of a box, the ends of the box and the spacing of additional bands between the two ends should be equal.
- h) Crates - Heavy and bulky products, too large for nailed wooden boxes, that require mechanical and moisture protection shall be packed in fully sheathed and ventilated brace type crates that are waterproof to the extent that no rain, moisture from snow or water spray can come in contact with the packaged product. It is also important that consideration be given to the proper ventilation to prevent excessive condensation. Fully sheathed crates should be lined with reinforced waterproof paper, but should have no water proofing in the floor. The floor boards of the skid should be spaced between 1/4" and 3/8" apart to prevent a pool effect, and give good ventila-

- tion. Steel plate louvers or clusters of ten 1/2" diameter holes should be used on the top and the sides to give good circulation of air between the skid and the top of the container. The hold in the sides should be backed up with a splash board in the inside of the crate to prevent a driving rain or sea spray from coming in contact with the product being protected. A shroud of waterproof material should cover the top of the product and it should extend down the sides and ends a sufficient distance to protect it from moisture damage in event of roof leakage; but the shroud must not interfere with the circulation of air.
- i) Mechanical Damage Protection - Equipment not subject to moisture but which requires protection against mechanical damage shall be packed in open brace type crates having a good skid for handling. If the equipment has interior parts subject to damage by condensation moisture, the parts shall be protected against such moisture or removed and packaged for protection and then placed in the main equipment container. If requested, AURA will supply technically qualified personnel should a question arise as to the best method of packing that should be used for any particular item.
  - j) Moisture Protection - Large equipment items that have no means for circulation of air must have a desiccant protection or a non-corrosive gas protection to prevent damage to the interior parts. If a desiccant, such as silica gel, is used, the equipment should be plainly marked that a desiccant is enclosed and the number of bags must also be shown in the marking. Non-corrosive gas should be used only through the direction and supervision of the engineers of the product. If requested, AURA will supply technically qualified personnel should a question arise as to the best method of packing that should be used for any particular item.
  - k) IATA "E" Containers - tri-wall construction as designated for airfreight with sufficient banding so as to reduce pilferage and damage. Materials packed within the container should be sufficiently braced and or the vacant spaces reduced to the point where the internal boxes do not shift or move about during transit.
  - l) Unit Load Devices (ULDs) - ULDs are permissible upon notification of AURA, via the CTIO Liaison Office, Tucson. They should be packed according to industry standards and sufficiently secured so as to prevent pilferage. Materials packed within the ULDs should be sufficiently braced so as to prevent movement during transit causing possible damage to the ULDs contents.
  - m) Hazardous Materials Packing - All packing requirements for hazardous materials as outlined in 49CFR parts 105-180, the IMDG Code, the IATA Specifications or other appropriate regulations shall be conformed to. Advance notification that an incoming purchase order shipment may require special packing should be made to the designated freight forwarder. However, the various forwarders should be made aware that such advance warning might not be forthcoming from the supplier. Therefore, the freight forwarders should be alert to the materials received and that the materials placed in shipping containers may require special packing in accordance with hazardous materials regulations and that it is their responsibility, under the subcontract employing them, to insure that the materials are properly packed. Should assistance be required in determining what classification of hazardous a specific item conforms to, the forwarder should contact the Procurement Manager, the on-site Purchasing Supervisors or their designate

**NOTE:** All wooden packing materials used for export packing or used by foreign shippers and destined for an AURA site in the US will comply with ISPM-15 (Attachment A). Failure to comply with these regulations may result in the shipment being declined by US Customs at the port of entry or forced to undergo fumigation which may result in additional costs and/or damage to the shipment's contents.

**NOTE:** The current AURA shipper – D.B. Schenker – requires that all large items, crates and containers, including the standard “E” containers be palletized.

4) **CONTAINER MARKINGS:** - Materials sent overseas should have the following markings indicated on the outside packing:

- A) Ocean Freight Markings - All boxes, crates, pallets, sea containers and/or bundles shall be marked in accordance with standard practices, i.e., with waterproof paint, wire, waterproof labels, etc. Markings shall be on top and two sides of containers, and shall read as follows:

AURA, INC. DESTINATION  
LOCATION DISCHARGE  
PORT

PIECE NO. \_\_\_\_\_ OF \_\_\_\_\_  
GR. WEIGHT \_\_\_\_\_ KG NET WEIGHT \_\_\_\_\_ KG CUBE \_\_\_\_\_ M3</v>  
MADE IN U. S. A.

- B) Air Freight Markings - All boxes, crates, pallets, containers, or bundles for air freight shall be marked in accordance with standard practices, i.e., with waterproof paint, waterproof labels, etc. Markings shall be on top and two sides, and shall read as follows:

AURA  
DESTINATION  
ADDRESS  
CITY & COUNTRY

AWB # \_\_\_\_\_

AURA  
950 N. Cherry Avenue  
Tucson, Arizona 85719

Shipment No. \_\_\_\_\_  
Box No. \_\_\_\_\_ of \_\_\_\_\_  
Weight: Lb. \_\_\_\_\_ Kilos \_\_\_\_\_  
Cubic Ft. \_\_\_\_\_ M3 \_\_\_\_\_

## 5) SHIPPING DOCUMENTS:

- A) **ENDORSEMENT OF SHIPPING DOCUMENTS:** - All shipping documents will be endorsed, in the appropriate area of the document, with the following:

- a) All shipping documents for materials destined for AURA in Chile will be endorsed with the statements:
- (1) "Diplomatic Guarantee, International Organization"
  - (2) "Official Letter 1899 of the 31st of January, 1963, of the Honorable Chamber of Deputies, Republic of Chile."
  - (3) "ALL WOOD PRODUCTS INCLUDED WITH THE ABOVE SHIPMENT EITHER CONFORM WITH ISPM NO. 15 OR ARE PROCESSED WOOD AND EXEMPT FROM THOSE REGULATIONS."
- b) All shipping documents will bear one of the following destination control statements:
- (1) "These commodities licensed by the United State for ultimate destination \_\_\_\_\_. Diversion contrary to United States Law is prohibited."
  - (2) "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited"

## B) OCEAN FREIGHT DOCUMENTATION:

- a) The Ocean Bill of Lading for those shipments destined for AURA in Chile shall be written so that the consignee will be:

AURA Santiago  
Operations

Av. Presidente Riesco 5335  
Oficina No. 507  
Santiago-34, Chile

- b) The Ocean Bill of Lading for those shipments destined for all other locations shall conform to the requirements placed on the shipment by the specific destination.
- c) All documents for shipping purposes will be so written that the shipper will be:

AURA  
National Optical Astronomy Observatory  
950 N. Cherry Avenue  
Tucson, AZ 85719

- d) The supplier's and/or vendor's names will not appear on any shipping document except for the Vendor's Commercial Invoices.
- e) Copies of shipping documents will be provided by air mail to the following:

- (1) For shipments to AURA in Chile, the documents should be sent to:

- (A) The Consignee:

AURA  
Santiago Operations  
Av. Presidente Riesco 5335  
Oficina No. 507  
Santiago-34, Chile

- (a) 1 original and 1 copy, Ocean Bill of Lading
- (b) 1 original and 1 copy, Combined Commercial Invoice and Packing List
- (c) 1 Notification of Shipment and Transmittal of Documents

- (B) AURA Administrative Offices:

AURA  
Administrative Department AURA  
Observatory Support Services Casilla  
603  
La Serena, Chile

- (a) 1 original and 1 copy, Ocean Bill of Lading
- (b) 1 original and 1 copy, Combined Commercial Invoice and Packing List
- (c) 1 Notification of Shipment and Transmittal of Documents

- (2) For shipments to other than AURA-Chile locations:

- (A) The Consignee:

- (a) 1 original and 1 copy, Ocean Bill of Lading
- (b) 1 original and 1 copy, Combined Commercial Invoice and Packing List
- (c) 1 Notification of Shipment and Transmittal of Documents

- (B) The Consignee's Customs Broker or as otherwise requested.

- (a) 1 original and 1 copy, Ocean Bill of Lading

- (b) 1 original and 1 copy, Combined Commercial Invoice and Packing List
- (c) 1 Notification of Shipment and Transmittal of Documents

(3) For all shipments, documents should be sent to:

AURA  
AURA Materials Transfer Supervisor  
950 N. Cherry Avenue  
Tucson, AZ 85719

- (A) 1 original and 1 copy, Ocean Bill of Lading
- (B) 1 original and 1 copy, Combined Commercial Invoice and Packing List.
- (C) 1 copy of the Vendor's Commercial Invoice for each item in the shipment.
- (D) 1 copy, Shipper's Export Declaration or AES ITN filing release number
- (E) 1 copy, Notification of Shipment and transmittal of Documents, showing ETA.

**C) AIR FREIGHT DOCUMENTATION:** - All air freight documents shall conform to the following requirements:

- a) For shipments to AURA in Chile, the air waybill shall be written so that the consignee will be:

AURA, Inc.  
Santiago Operations  
Av. Presidente Riesco 5335  
Oficina No. 507  
Santiago-34, Chile

- b) For shipments to other locations, the Consignee shall be indicated as requested.
- c) The shipper's name and address shall be:

AURA  
National Optical Astronomy Observatories or  
National Solar Observatory  
950 N. Cherry Avenue  
Tucson, AZ 85719

- d) Except when otherwise directed the nature and quantity of goods column shall indicate the contents of the shipment. For those shipments destined for AURA in Chile and which comprise various different materials, the following phrase should be used:

"Astronomical Observatory apparatus, supplies, and instruments."

- e) All shipments to AURA in Chile should contain the following notation on the AWB and Packing List:

"Diplomatic Guarantee - International Organization."

- f) Supplier's and vendor's names will not appear on any shipping documents.
- g) Copies of shipping documents will be provided by air mail to:

(1) The Consignee:

- (A) 1 copy of air waybill
- (B) 1 copy of Commercial Invoice and Packing List
- (C) 1 copy of the Certificate of origin if required

(2) The Shipper:

- (A) 2 copies of air waybill
- (B) 2 copies of Commercial Invoice and Packing List
- (C) 2 copies of each different Shipper's Export Declaration or AES ITN filing release number

**D) EXPORT DECLARATION:** - AURA currently submits all export declarations electronically via the Automated Export System (AES) operated by the Department of Commerce's Bureau of Census. Contact the AURA Export Control Officer for details on how the system operates. The AES ITN number received from the AES system when a shipment's export is approved will be notated on the AWB and the CIPL. If the shipment does not require export release in accordance with the Foreign Trade Statistics Regulations (<http://Logistics.census.gov/foreign-trade/regulations/regs062004.pdf> or 15CFR part 30) the documents re to be notated with "No SED Required FTSR 30.55(X) where "X" is the appropriate subsection of paragraph 30.55.

**E) HAZARDOUS MATERIALS FORMS:** - In accordance with the International Air Transportation Association (IATA) regulations as detailed in the Dangerous Goods Regulations and in accordance with the International Maritime Organization's International Maritime Dangerous Goods Code (IMDGC) and in accordance with 49CFR parts 105-180 AURA will submit the required documentation to support a dangerous goods shipment.

The AURA Export Control Officer is responsible for compliance with these regulations concerning ground (49CFR), air (IATA), and ocean (IMDGC) shipments.

**6) DELIVERY TO THE TERMINAL:**

- A) The designated freight forwarder will deliver the packed shipments to the ocean terminal or air freight terminal and will obtain evidence of the delivery to the receiving ocean or air terminal in the form of a dock receipt.
- B) Air freight shipments originating in Tucson will be picked up by the carrier or their representative.

**7) US FLAG CARRIERS:**

**USE OF U.S. AIR CARRIERS:** In accordance with the provisions of the AURA/NSF Cooperative Agreement AST-0809409

- A) any or all AURA equipment, materials, or commodities shipped via air freight are to be transported on privately owned, U.S. Flag Carriers in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) (Fly America Act).
- B) **USE OF U.S. OCEAN CARRIERS:** - In accordance with the AURA-NSF Cooperative Agreement AST-0809409, AURA is no longer required to use U.S. Ocean Carriers in the shipment of all ocean freight. However, it is AURA's policy to utilize US Carriers whenever possible.

**8) INSURANCE:**

- A) Under National Science Foundation regulations and the Cooperative Agreement, AST-0809409, between AURA and the NSF, the insuring of freight shipments paid for by AURA is not considered an allowable cost. As such, it will not be done. Purchases that are FOB Destination with that destination being Santiago or another foreign port should be made C&F or arranged through AURA freight forwarders.
- B) If insurance is essential approval must be obtained from the National Science Foundation.
- C) Insurance on non-AURA shipments is feasible as long as the cost of the insurance is passed directly to the owner of the materials (astronomers visiting Chile, for example).

## **SECTION 10**

### **MISCELLANEOUS SHIPPING PROCEDURES**

- 1) SUPPLY SHIPMENTS:** Shipments destined for AURA's Chilean facilities and destined for an AURA organization or a tenant facility at the Chilean site and which originates from Tucson should conform to the following guidelines:
- A)** Each shipment must contain only official AURA goods. Official AURA goods include personal mail that is not included in the Mailbags, catalogs, Library materials, items purchased on AURA purchase orders (including Gemini purchase order), other items used for official AURA business even though such packages may be addressed to individual employees and materials destined for other organizations located at the Chilean facility.
- NOTE:** Due to recent Chilean import restrictions, only materials that have direct applications to astronomy or astronomical support can be entered duty free. Materials such as food stuffs, certain paper products and other such items may not be allowed duty free entry. If they are included in a freight shipment all the items in the freight shipment will be denied duty free entry. As a result, the shippers must send a copy of the CIPL to the Santiago office to confirm that there are no included items that any cause problems with the duty free entry of the shipment. Any items identified as problematic will be shipped separately from the standard freight shipments.
- B)** Shipments are to be packed in Series "E" containers or other suitable, double-sided boxes or crates in accordance with the requirements set forth in Section 9.
- C)** Shipping and Receiving Personnel will carefully pack the individual boxes in the containers in accordance with Section 9 and create a Rough Packing List (Attachment A).
- D)** In accordance with current Chilean import regulations, all materials imported into Chile by AURA must have a Commercial Invoice accompany the paperwork. In accordance with this regulation, either Procurement or Accounting will forward the vendor's Commercial Invoice for all materials purchased. Non-AURA materials or materials belonging to and transferred to Chile will have a Commercial Invoice created by the shipper or produced in accordance with local procedures.
- E)** While packing the containers, Logistics personnel will:
- a) Staple the pink copy of the Receiving Report to a copy of the applicable purchase order for each item placed in the container,
  - b) Attach the receiving report stapled to the purchase order along with the Vendor's Commercial Invoice to the Rough Packing List.
  - c) Mark on the box:
    - (1) the purchase order number,
    - (2) the name of the individual to whom the materials are being sent.
  - d) And, note the following information on the Rough Packing List:
    - (1) The Receiving Report Number of each individual box received against a Purchase order.
    - (2) The Purchase Order against which the item was ordered.
    - (3) The weight of each individual box
    - (4) The number of boxes contained on the receiving report.
  - e) For materials such as library materials & publications, mail and other non-purchase order items, notations about the items description and weight need only be made on the Rough Packing List.

**NOTE:** Because of an increase in the freight costs charged to the AURA South Library in Chile, the AURA Library will hold all books destined for the AURA South Library until a sufficiently large number of books are assembled so as to reduce the shipping costs charged to the library.

- f) For materials received against a requisition, the same procedures in paragraphs 1.E.a. through d. apply except copies of the requisition are to be made and the requisition number is to be noted on the Rough Packing List instead of the Purchase Order Number.

**F)** As each container is loaded, the Rough Packing List, with the purchase orders, pink Receiving Reports and Vendor's Commercial Invoices, will be kept with the individual box.

- a) When an item is added to the container, the information stated in paragraph 1.E.d. above is noted on the Rough Packing List and the documents noted in paragraph 1.E.c are attached to the back of the Rough Packing List.
- b) When a container is filled, the weight of the box (in pounds) and the boxes dimensions (in inches) are taken and noted on the Rough Packing List.
- c) The Rough Packing List with the attached documents will be forwarded to the AURA Logistics Supervisor and Export Control Officer or his designate who will complete the necessary shipping documentation for the shipment

**G)** A Commercial Invoice and Packing List (CIPL) will be produced from the Rough Packing List(s) for each outbound shipment.

**H)** Purchase Orders are to be listed by the Purchase Order number in ascending numerical order.

- a) Miscellaneous mail is to be listed under the Purchase Order designation "CMAILS":

- (1) The Description will be "MISC MAIL AND INTEROFFICE CORRESPONDENCE, XX LBS".
- (2) The quantity shipped is to be "1 lot".
- (3) The value of the mail is to be "\$50.00".
- (4) Mail is charged to the appropriate mail account

- b) Library materials are to be listed under the Purchase Order designation "CTEPUB":

- (1) The Description will be "Miscellaneous Scientific, Technical and Reference Publications, XX lbs".
- (2) The quantity shipped is to be listed as "1 lot".
- (3) Unless otherwise known, it can be assumed that each book weighs 1 lb.
- (4) Unless otherwise known, the value of the publications is to be equal to \$10.00 per book.

- c) Other items that are not related to a Purchase Order and cannot be considered Mail, or Library Materials should be listed in a separate section of the CIPL. Instead of a purchase order, each item will be listed under the invoice number with each item listed separately (i.e. Item #1, #2, etc.). A description of the item(s), the correct quantity, and the value are to be listed.

- d) The following notations should be made at the end of each Commercial Invoice and Packing List:

- (1) "These Commodities Licensed by the United States for Ultimate Destination Chile. Diversion Contrary to United States Law is Prohibited" or "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited".
- (2) "Diplomatic Guarantee - International Organization".
- (3) "Official Letter 1899 of the 31st of January, 1963, of the Honorable Chamber of Deputies, Republic of Chile".

(4) "NOTE: ALL WOOD PRODUCTS INCLUDED WITH THE ABOVE SHIPMENT EITHER CONFORM WITH ISPM NO. 15 OR ARE PROCESSED WOOD AND EXEMPT FROM THOSE REGULATIONS."

(5) "Certified True and Accurate by: \_\_\_\_\_"

**I)** AURA currently submits all export declarations electronically via the Automated Export System (AES) operated by the Department of Commerce's Bureau of Census. Contact the AURA Logistics Supervisor and Export Control Officer for details on how the system operates. The AES ITN number received from the AES system when a shipment's export is approved will be notated on the AWB and the CIPL.

a) If the shipment does not require export release in accordance with the Foreign Trade Statistics Regulations (<http://www.census.gov/foreign-trade/regulations/regs062004.pdf> or 15CFR part 30) the documents re to be notated with "No SED Required FTSR 30.55(X) where "X" is the appropriate subsection of paragraph 30.55. (See Section 8, Exporting Procedures)

**J)** Appropriate Air Waybills are to be prepared in accordance with current instructions, using current freight rates as negotiated with each carrier. For further information on the completion of AWBs, see the office edition of the "Air Cargo Tariff (TACT) Rules".

**K)** All original documents are to be signed in non-black ink so that the originals can be determined after the photocopying process in complete.

**L)** Copying Instructions:

a) The following documents are to be attached to each container in envelope labeled "Packing List Enclosed":

- (1) 1 AWB, copy
- (2) 1 Commercial Invoice and Packing List (CIPL), copy
- (3) 1 copy of a Certificate of Origin (CO), if required
- (4) 1 copy of a Commercial Invoice for each item in the shipment.
- (5) Copies of any NAFTA Documents, if required
- (6) 1 copy of the MSDS form and Hazardous Declaration

b) For Logistics Files:

- (1) 1 CIPL, copy
- (2) 1 AWB, copy
- (3) 1 Certificate of Origin (CO), copy
- (4) Any NAFTA Documents, if required, copy

c) Sent via email to Logistics staff :

- (1) 1 CIPL, original
- (2) 1 AWB, copy
- (3) 1 Hazardous Certification (if required)
- (4) Commercial Invoices for the goods in the shipment.

d) For Procurement, Tucson shipping files

- (1) 2 CIPL, original
- (2) 2 AWB, original
- (3) 2 Certificate of Origin (CO), original (if produced)
- (4) Any NAFTA Documents, original (if produced)

- (5) 2 Hazardous Certification (if required), original
- (6) 1 each of the materials safety data sheet for each hazardous item sent (if required)
- (7) 2 copies of each Export Declaration from the AES system.
- (8) 1 copy of each of the response messages from AES
- (9) 1 copy of the rate quote
- (10) 1 Original Rough Packing List
- (11) Copies of the Purchase Orders and Receiving Reports
- (12) 1 copy of the Shipment Control Statement
- (13) Copies of the Commercial Invoices.

e) For Logistics Supervisor and Export Control Officer

- (1) For those shipments that are made under and export license, the following documents are to be kept in the file for each of the export license used in the shipment:
  - (A) 1 CIPL, copy
  - (B) 1 AWB, copy
  - (C) 1 Certificate of Origin (CO), copy (if produced)
  - (D) Any NAFTA Documents, copy (if produced)
  - (E) 1 Hazardous Certification (if required), copy
  - (F) 1 copies of each Export Declaration from the AES system.
  - (G) 1 copy of the Shipment Control Statement

f) For Carrier:

- (1) 4 CIPL, original
- (2) 4 AWB, original
- (3) 4 Certificate of Origin (CO), original (if produced)
- (4) Any NAFTA Documents, original (if produced)
- (5) 4 Hazardous Certification (if required), original
- (6) 1 each of the materials safety data sheet for each hazardous item sent (if required)

**M) Invoice Payment.**

- a) Upon receipt of the Carrier's Invoice, the rates and other associated costs are to be verified, and the remainder of the Shipment Control Statement will be completed and submitted to the AURA Logistics Supervisor and Export Control Officer for signature.
- b) Purchase Orders with a -800 Object Code (i.e. XXXX-XXX-800 account number) will have the freight charges assigned to that account number.
- c) All other freight is to be charged to the account for which the freight was sent (i.e. SOAR, GEMINI, etc.).
- d) AURA-South freight is to be charged to the appropriate account.
- e) Signature will be in RED or BLUE INK. The original will be forwarded to AURA Accounting and a copy is to remain with the AURA Logistics Supervisor and Export Control Officer in the appropriate shipping files.
- f) If further charges are issued against the shipment, the Shipment Control Statement copy will be completed and signed by the Manager again in RED INK. Again the signed copy will be forwarded to Accounting and a copy kept in the appropriate shipping files with the AURA Logistics Supervisor and Export Control Officer.

- 2) SHIPMENT RECEIPT NOTIFICATIONS:** Upon receipt of the shipment in Chile, the La Serena Bodega will complete a receiving report and advise the AURA Logistics Supervisor and Export Control Officer of any discrepancies in the receipt of the materials. The AURA Logistics Supervisor and Export Control Officer will then compare the purchase orders, Receiving Reports, and shipping documents to resolve the discrepancies. Copies of the Chilean Receiving Report will be kept with the shipping documents. Any discrepancy will be investigated and the appropriate purchasing office is notified if necessary. Also see Section 6 Paragraph 2C for specific receiving processes.
- 3) MAIL SHIPMENTS:** Mail shipments originating in Tucson should conform to the following guidelines:
- A)** In accordance with Chilean Law, the Interoffice Mail Shipments must contain only printed materials or pictures but can include Magnetic Tapes, and interoffice data or scientific CDs. Medicines, clothing, DVDs, music CDs and other non-printed materials are not to be shipped in the Interoffice Mail Shipments but are to be included in the Chile Freight Shipments or Personal Goods Shipments.
- a) Care must be taken not to include items that require technical data export handling (See Section 8, "Exporting Procedures").
- b) No licensable materials are to be included in the Interoffice Mail Shipments.
- c) Items that can be included in the Interoffice Mail Shipments but are packed in boxes should either be repacked or sent in a Freight or Personal Shipment container.
- B)** Interoffice Mail Shipments are to be packed by the designated individual who will note those items of interest going into the pouch so that Chile is advised of the important material(s) in a specific shipment.
- C)** A Commercial Invoice and Packing List will be produced for each Interoffice Mail Shipments.
- a) The Description will be "MISC MAIL AND INTEROFFICE CORRESPONDENCE".
- b) Quantity shipped is to be "1 lot".
- c) Value of the mail is to be "\$0.00.
- D)** The following notations should be made at the end of each Commercial Invoice and Packing List:
- a) "These Commodities Licensed by the United States for Ultimate Destination Chile. Diversion Contrary to United States Law is Prohibited" or "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited".
- b) "Diplomatic Guarantee - International Organization".
- c) "Official Letter 1899 of the 31st of January, 1963, of the Honorable Chamber of Deputies, Republic of Chile".
- d) "Certified True and Accurate by: \_\_\_\_\_"
- E)** Export Declarations need not be produced for the Interoffice Mail Shipments contents.
- F)** Appropriate Air Waybills are to be prepared in accordance with current instructions, using current freight rates as negotiated with the carrier. For further information on the completion of AWBs, see the "Air Cargo Tariff (TACT) Rules".
- G)** As previously stated all documents are to be signed in non-black ink.
- H)** Copying Instructions:
- a) To be attached to each mailbag in an envelope labeled "Packing List Enclosed":
- (1) 1 CIPL, copy
- (2) 1 AWB, copy

b) For Procurement, Tucson shipping files

- (1) 2 CIPL, original
- (2) 2 AWB, original
- (3) 1 Copy of the Export Information worksheet
- (4) 1 copy of the Shipment Control Statement

c) For Carrier:

- (1) 4 CIPL, original
- (2) 4 AWB, original

d) Sent via email to Logistics staff.

- (1) 1 CIPL, copy
- (2) 1 AWB, copy

e) At the bottom of each Advance Notification Message will be included a listing of all important documents contained in the shipment. This does not include general mail.

- (1) The Employee to whom the item is shipped
- (2) The contents, shipper, person, or company sending the item.

**I) Invoice Payment.**

- a) Upon receipt of the Carrier's Invoice, the rates and other associated costs are to be verified, and the remainder of the Shipment Control Statement will be completed and submitted to the AURA Logistics Supervisor and Export Control Officer for signature.
- b) The freight charges will be charged to the designated account.
- c) Signature will be in RED INK and the original forwarded to AURA Accounting. The copy is to remain with the AURA Logistics Supervisor and Export Control Officer in the appropriate shipping file.
- d) If further charges are issued against the shipment, the Shipment Control Statement copy will be completed and signed by the Manager again in RED INK. The signed copy will then be forwarded to Accounting. Again a copy will remain with the Logistics Supervisor and Export Control Officer.

**4) PERSONAL SHIPMENTS:** Items shipped to employees residing at Chile and which cannot be classified as official AURA goods must be separated from official goods and shipped according to the following instructions:

**A)** To avoid confusion, the following definitions will apply:

- a) **PERSONAL GOODS SHIPMENT** - a shipment destined for Chile that includes personal goods for employees stationed, either permanently or temporarily, in Chile.
- b) **BOX** - a container that is packed in a Personal Goods Shipment (or is a Personal Goods Shipment) which may or may not contain more than one package.
- c) **PACKAGE** - an item received at an AURA facility for transshipment to a Chile employee.

- B)** The following procedures applicable to all Personal Goods Shipments and for the receipt of individual packages:
- a) Each shipment may contain more than one box per Chile Employee.
  - b) AURA employees working at Chile are eligible for inclusion in these Personal Shipments.
  - c) All personal goods will be shipped by Air Freight from Tucson. No Ocean Freight services are available unless specifically authorized by the AURA Logistics / Export Control Officer.
- C)** When the individual personal packages arrive at AURA Logistics, they will be inspected by the AURA Logistics Supervisor / Export Control Officer or his designate and stored in a designated location in Logistics for future shipment.
- D)** If the package contains an invoice the invoice is copied.
- E)** The shipment of Personal Goods Shipments will be made according to the following procedures.
- a) A Personal Goods Shipment will contain packages for only one employee.
  - b) Several packages for a single employee may be repacked into a single box and loaded in the Personal Goods Shipment container for shipment to Chile. However, this is not necessary and one employee may have any number of packages in the container.
  - c) The AURA Materials Transfer Supervisor / Export Control Officer will send a message to each Chile Employee with packages in the shipment asking them if they want the items sent or stored for a later shipment.
- F)** A Commercial Invoice and Packing List will be produced from the packing list copies from each included box or from a description and estimated value of the contents of the box.
- a) The Shipper and Consignee for the shipment will be AURA as is done on all official shipments.
  - b) Each package belonging to the employee is to be noted on the CIPL with:
    - (1) The content's description,
    - (2) The vendor or shipper of the box,
    - (3) The value of each box.
  - c) The following notations should be made at the end of each CIPL:
    - (1) "These Commodities Licensed by the United States for Ultimate Destination Chile. Diversion Contrary to United States Law is Prohibited" or "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law prohibited".
    - (2) "Diplomatic Guarantee - International Organization".
    - (3) "Official Letter 1899 of the 31st of January, 1963, of the Honorable Chamber of Deputies, Republic of Chile".
    - (4) "Certified True and Accurate by: \_\_\_\_\_"
  - d) Export Declarations are generally not required due to the individual package values. However, when they are required, General License BAG is generally appropriate. Whatever the case, any necessary Export Declaration is to be produced in accordance with current regulations. (See Section 8, "Exporting Procedures")
  - e) Appropriate Air Waybills are to be prepared in accordance with current instructions, using current freight rates as negotiated with each carrier. For further information on the completion of AWBs, see the "Air Cargo Tariff (TACT) Rules".
  - f) Copying Instructions:

(1) To be attached to each container in envelope labeled "Packing List Enclosed":

- (A) 1 CIPL, copy
- (B) 1 AWB, copy
- (C) 1 copy of each of the individual package invoices.

(2) For Logistics Files:

- (A) 1 CIPL, copy
- (B) 1 AWB, copy

(3) Sent via email to [the](#) Logistics staff and the employee

- (A) 1 CIPL, copy
- (B) 1 AWB, copy
- (C) 1 copy of each of the individual package invoices

(4) For Procurement, Tucson shipping files

- (A) 2 CIPL, original
- (B) 2 AWB, original
- (C) 1 Copy of the Export Information worksheet
- (D) 1 copy of the Shipment Control Statement
- (E) 1 original of each Export Declaration.
- (F) Copies of the individual package invoices.

(5) For Carrier:

- (A) 4 CIPL, original
- (B) 4 AWB, original
- (C) 1 copy of each of the individual package invoices.

g) Invoice Payment.

- (1) Upon receipt of the Carrier's Invoice the rates and other associated costs are to be verified, and the remainder of the Shipment Control Statement will be completed and submitted to the AURA Logistics Supervisor/Export Control Officer for signature.
- (2) All freight is to be charged to the individual's personal account.

(A) **NOTE:** Specific charges to individual employees will be made in Chile.

- (3) The AURA Logistics and Export Control Officer will sign the Shipment Control Statement in RED or BLUE INK
- (4) The signed original will be forwarded to AURA Accounting and a copy is to remain with the Procurement Office in the appropriate file.
- (5) If further charges are issued against the shipment, the Shipment Control Statement copy will be completed and signed by the AURA Logistics Supervisor and Export Control Officer again in RED INK. The signed copy is then forwarded to Accounting and a copy will be filed in the appropriate file by the AURA Logistics Supervisor and Export Control Officer.

h) Upon receipt of the shipment on Chile, the La Serena Bodega will create a receiving report for the shipment detailing any discrepancies.

**5) HAZARDOUS MATERIALS DOMESTIC AND INTERNATIONAL SHIPMENTS:** Shipments destined for any site that requires transportation by air or ground and that contain hazardous materials should conform to the following guidelines. This included transportation to remote sites at each facility such as Kitt Peak for the AURA-Tucson facility and Cerro Tololo for the La Serena facility.

**A)** The shipment of any hazardous material must comply with one of the following governing regulations:

- a) 49CFR Parts 100-185 – Hazardous Materials Regulations
- b) IATA Dangerous Goods Regulations
- c) International Maritime Organizations IMDG Codes
- d) Chilean hazardous materials transportation regulations

**B)** The Materials Safety Data Sheets for all dangerous goods shipped by AURA must be registered with CHEMTREC who is considered AURA's first responder and has the records for all hazardous materials shipped by AURA.

- a) The contract with CHEMTREC is on a yearly basis and will be renewed by the Shipping and Receiving Supervisor.
- b) Because there is a time delay between when an MSDS is sent to CHEMTREC and when the data is entered into CHEMTREC's database, the actual shipment cannot take place until 3 days after the data is transmitted to CHEMTREC.

**C)** Copies of the MSDS created by the Buyer or the Logistics personnel will be initially stored as a .pdf document on the MSDS Sheets directory located in the HAZMAT director on the CAS network. The name for the initial entry is a generic name for the hazardous material.

**D)** Data from the MSDS will be entered into the MSDS Report in the MSDS data Base located in that same HAZMAT directory. A part of this entry process is to assign a Hazardous code and an AURA Code.

- a) The Hazardous Code identifies the type of hazard and is assigned the lasted record under that code (i.e. FL045 or NFG103).
- b) The AURA Code is the data base-assigned code identifying the record in the data base.

**E)** All hazardous materials transported between the Tucson receiving facility and the Kitt Peak National Observatory will comply with the following procedures:

- a) For shipments over 1,001 pounds transportation will only be in an AURA vehicle driven by a hazmat certified driver. AURA personnel cannot transport hazardous materials in personal vehicles.
- b) Non-AURA personnel will not be passengers in vehicles transporting hazardous materials except for ORM-D items.
- c) All hazardous materials will be listed on the 3-part manifest/Bill of Lading (Attachment B) and will include a Material Safety Data Sheet for the item.

**6) KITT PEAK MOUNTAIN DELIVERIES:** Unless special arrangements are made in advance, equipment and materials destined for the Kitt Peak National Observatory will normally be delivered to the Tucson Shipping and Receiving Facility for consolidation and transport to the observatory. The following procedures are applicable to the transport between Tucson and the mountain facility.

**A)** All hazardous materials regulations as detailed in part 5 of this section, will be complied with.

**B)** All materials will be listed on a 3-part manifest/Bill of Lading (Attachment B).

**C)** Arrangements for the transport of materials will be handled by Shipping and Receiving personnel.

**D)** Loading and packing of the materials transported to the mountain facility will be done by Logistics personnel.

- E)** AURA-employees are permitted to take non-hazardous materials to the mountain facility in personal or AURA vehicles.
  - F)** Hazardous materials are not authorized in vehicles occupied by non-AURA personnel even if the vehicle is driven by an authorized, hazmat certified, AURA driver.
- 7) RETURN OF MATERIALS FROM CHILE TO TUCSON:** The return of any items from Chile is coordinated with either the individual AURA Buyer who purchased the item(s) or with the Logistics Supervisor and Export Control Officer. Materials sent to sites other than Tucson do not follow these procedures.
- A)** All items that are to be sent to Tucson for processing are to be issued a Return Materials Authorization (RMA) number issued by the appropriate individual listed above. This RMA number is different and separate from the RMA numbers issued by Vendors for the return of goods to their facility.
  - B)** The return of the equipment is to be tracked in a Returns Authorizations database overseen by the Logistics Supervisor and Export Control Officer. This database contains the following columns associated with each issued RMA number:
    - a) RMA Number
    - b) Issuer
    - c) Date Issued
    - d) Requested By
    - e) Ship Date
    - f) Description
    - g) Value
    - h) AURA Number
    - i) Chile Packing List Number
    - j) Account Number
    - k) Date Received
    - l) Disposition
    - m) Ship Date (to vendor)
    - n) Forwarding AWB
    - o) Vendor RMA Number
    - p) Consignee
  - C)** When the RMA is issued in Tucson, as many of the columns are completed as the information is known. As the shipment is processed through the Chile services and notifications are received, the database is updated.
  - D)** When received in Tucson, Logistics references the RMA number on the shipping documents with the database and notifies the individual issuing the RMA of the shipments arrival.
  - E)** As the forwarding information to the vendor is completed by the individual issuing the RMA, the appropriate columns are completed in the database.
  - F)** Copies of the shipping documents are forwarded to the Logistics Supervisor and Export Control Officer and kept in an “Inbound” file. Importation data and forms are affixed to the documents as that information is received.
  - G)** Copies of the inbound shipping documents are also forwarded to the Buyer, if the buyer issued the RMA, for inclusion with the purchase order authorizing the repair/replacement.

**8) PROPERTY TRANSPORTATION INSURANCE:** According to AURA's Cooperative Agreement with the National Science Foundation (NSF) the NSF prohibits AURA Centers from purchasing insurance on or for any equipment or property Purchased with government funds and is in the care and custody of an AURA Center.

Items funded through support from the cooperative agreement or other government funds require prior approval from the NSF for property insurance

Property insurance on these items is an unallowable cost to the cooperative agreement without written pre-approval from the NSF.

**A)** To apply for authorization to purchase property insurance to cover transport of equipment or other items, the procurement manager or, assigned designee, will inform the Contracts Officer, or assigned designee, of the upcoming shipment and request for insurance coverage.

**B)** The Contracts Officer must submit an application to the NSF requesting approval for insurance coverage. Submitting an application does not guarantee that the NSF will grant the request; receiving a decision from the NSF can take up to 30 days.

**C)** When submitting the request to the procurement supervisor or the contracts manager the following information is required:

- 1) Description of the item
- 2) What the item will be used for
- 3) Actual cost of the item
- 4) Reason for transportation of the item
- 5) Will the item be returned to place of origin
- 6) Who will be responsible for item at destination

**D)** The Contracts Officer, or assigned designee, will submit the request to NSF and document the receipt of the written approval prior to finalizing the insurance request. Prior to transport of the item, copies of the approvals will be provided to the requestor, AURA Logistics and the Purchasing Supervisor, who will finalize coverage with the insurance company.



## SECTION 11

### CHILE IMPORT-EXPORT PROCEDURES

AURA Shipping provides daily service for domestic and foreign shipments, advises on U.S. and Chilean Customs documentation and regulations for import and export, and processes hazardous shipments. Please contact AURA Logistics staff before initiating shipments to ensure the legal compliance.

AURA has been charged with the responsibility of overseeing the policies and procedures originated on the duty-free regime accorded to AURA, by the Chilean Government. These special import privileges represent a valuable asset, which we should all collaborate to preserve. AURA has repeatedly insisted that every conceivable effort be made in order to faithfully observe the spirit and language of this agreement insofar as shipping activities are concerned; as a part of the ruling principle concerning the observance of a disciplined and proper attitude which must be exercised in the performance of private and public business activities at all times by members of the Organization in Chile.

AURA must also ensure compliance with US Government classified technology export regulations, hazmat shipment requirements, scrutiny of denied party listings, as well as a score of new and stringent homeland security laws, etc.

1. **SHIPPING OVERVIEW:** Before you ship a package, review the information below to find out about general shipping guidelines and recommendations. More detailed information about current policies and regulations can be obtained in the Policy and Procedures Manual, Section E-IX.

- A. **Importing Goods To Chile:** The following guidelines have been prepared primarily with the purpose of offering comprehensive assistance to AURA-South users. Our main concern is set on the import shipping requirements of operations originating at foreign locations other than the AURA or Gemini operation centers. For shipments originating in Tucson or Hilo, please see the Procedures Manual, Shipping Section (Section E-IX.)

Whether you initiate the shipping order from Chile (by means of a Purchase Order, fabrication contract, technology transfer agreement, or otherwise), or from another overseas procurement source, you need to instruct your supplier on the following:

All international shipping consignments must be made, consigned and executed to the order of:

AURA  
Santiago Operations  
Av. President Riesco 5335  
Oficina No. 507  
Santiago, CHILE

Shipping expenses must be prepaid FOB entirely, excluding Customs handling options at destination.

Customs and importation handling must be relinquished to the care of AURA, for proper compliance with existing duty free arrangements. Otherwise the shipment may become liable to the payment of duties and taxes.

Copy of the shipping documentation must be forwarded to the AURA address in Santiago, by courier, as much in advance as possible.

Bear in mind that the legal title of ownership of imported goods is transferred to AURA upon the juridical act of their clearance upon arrival in Chile. Therefore it is recommended that a loan agreement be signed, prior to shipping the equipment or property, by institutions that expect to retain property ownership rights over their assets, and as a means to disclaim risks or other tenant responsibilities.

Provide proper Description of Contents on a Packing List, including the following information:

- Detailed description of the goods shipped
- Make, model, serial number, or inventory number
- Customs value of item(s)
- Country of manufacture (United States, Japan, etc.)
- Purpose of shipment
- If shipment will be returned to the United States, or to another country, list the approximate return date and final destination address
- Departure date, estimated time of arrival in Chile and needed destination date
- Type of service requested (e.g., air, ocean)

All imports into Chile must be accompanied by a Commercial Invoice. This is a document issued by a vendor and describing the materials either purchased by AURA or given to AURA and the value of the goods. Without such a document, duty-free import may be disallowed.

**B. Insurance Provisions:** If the shipment has been insured please inform the following to AURA in advance of the arrival of the shipment:

- Number of Insurance Policy, type of coverage, name of the Insurance agent and/or local representative, and
- Name of surveyor in the event of damages and claims processing requirements; or authorization to contract claims adjustment service.

**C. Oversize and Overweight Cargo:** In Chile it is legally compelling to transport especially heavy or oversize cargo under a set of carefully planned and special arrangements, ranging from police escort services to special traffic permits issued by the transportation bureau of the ministry of Public Roads and Transportation. In order to avoid a waste of time and the addition of receiving costs, these services must be arranged for prior to the reception of the shipment in Chile. AURA will coordinate the legal and operational requirements, provided the correct information is received well in advance of the arrival of the cargo in Chile.

**D. Packing:** Diligent care must be exercised in order to ensure that wooden crating is of optimum (premium-export grade classification) quality. This means that the wood must be completely free of bugs or other types of infestation. Failure to comply with this rule may result in the confiscation and possible riddance by incineration of the entire shipment, apart from other heavy financial penalties for not observing the law on agricultural and livestock plague control in Chile.

2. **HAND CARRIED IMPORTS:** In concept, all movable property is deemed taxable upon entering Chile, except Chilean produce or nationalized products returning to Chile, or that which is under specific duty waivers accorded by the mandate of specific Laws or trade agreements.

Therefore, hand carried equipment may be subject to exactly the same form of import procedures as those previously outlined on the imports section of this document.

3. **SHIPPING OBSERVING EQUIPMENT TO CHILE:** The need to share instrumentation at various observing sites has become a growing practice. Under this scenario, the quality and accuracy of the logistics channels might prove of key importance to the success of an observing run. This trend is likely to continue to grow as the next generation of telescopes and instruments is being commissioned into operation.

Special consideration must be paid to the exceptionally large dollar value of this type of equipment –most of which is irreplaceable- and the lack of affordable or permissible insurance options, which further represent an added complexity to typical overseas transport needs.

Therefore, if the observing program at CTIO, Gemini or SOAR is materially dependent on the timely availability of the specific instrumentation that must be hand-carried between different countries, the following recommendations must be taken into consideration:

In the US: Procurement staff in AURA/Tucson will assist observers with expert guidance and support on legal matters and other red tape requirements of the US export regulations. They will handle US Customs export procedures, contracting with overseas shippers, buying insurance, arranging for return formalities and payment of freight bills.

In Chile: AURA provides similar specialized help to secure the prompt and safe passage of equipment through Customs, and sees to it that instruments are promptly and securely forwarded to their designated final destination at AURA.

Following is a description of the most relevant aspects involved in an overseas shipping operation:

In the first place, it must be understood that international freight moves essentially on documents. The importance of accurate and timely documentation is of paramount importance to the success of any overseas shipping operation.

- Common documentation for an export-import operation are:
- The Bill of Lading or Air Way Bill (depending on the mode of transportation used), issued by the carrier;
- The insurance policy, where insurance coverage may have been purchased;
- Invoice Pro-Forma or Packing List (which you provide), listing the exact amount and description of the equipment and the commercial value for Customs declaration purposes.

Care must also be exercised in providing appropriate packaging material to protect these valuable assets from the rigors of international freight handling. Use new, plain, heavy duty cartons clearly labeled and marked with the destination address. Customs is alert for taxable items, so re-using marked carton may save a few dollars but originate substantial delay and cause the opening/handling of the equipment. In the case of fragile and expensive instruments, it is particularly desirable that correctly labeled and marked heavy crates are used where possible. It is usually recognized as a sound practice to stick a copy of the Packing List on every shipping box.

Customs clearance formalities in Chile are handled by AURA staff in Santiago, under the provisions of the AURA, duty-free regime. However if the shipping documentation is incomplete or inaccurate, or if there are unwanted security mishaps or partial receipts, this procedure may take several days to complete.

It would be convenient to use e-mail to inform about schedules, advance shipping information, as well as any detail that may ultimately contribute to the success of the importation procedure.

It is also important to provide information regarding return schedule requirements in advance, in order to plan for the proper return logistics and legal permits.

**5. EXPORTING GOODS FROM CHILE (hazardous and non-hazardous shipments):** The following are general principles and procedures that must be observed by Programs and Projects for the exportation from Chile of materials, supplies, instruments and technology, including hazardous materials.

Pursuant to the language of the Agreement between AURA and the Chilean Government, export shipments must obtain a validated export license from Ministry of Foreign Affairs prior to their dispatch. On average, the completion of this procedure takes from three to five working days. Export solicitors should be made aware of this time constraint when planning their operations.

Please carefully observe the following procedures when planning exportation from Chile:

- Fill out a “shipping memo request form” (If you need a form, obtain it from AURA Warehouse.)
  - On the Shipping Memo, under Description of Contents, you must include:
    - Description of goods to be shipped
    - Value of item(s)
    - Country of manufacture (United States, Japan, etc.)
    - If available, provide original P.O. information
    - Purpose of shipment
    - Country/ countries it is being shipped to
    - If shipment will be returned to the United States, list the approximate date of return
    - Departure date and needed destination date
    - Type of service requested (e.g., air, ocean)
    - Account to charge the expenses

**Note:** If your shipment consists of multiple packages you must mark each package with running-total numbers such as "1 of 3"

- AURA will check to insure that the package is being sent to an approved destination, and will include the mandatory US anti-diversion statement
- AURA will obtain a “Return Materials Authorization” from AURA Procurement in all cases where the goods are being returned through the Tucson Office, and on special occasions when this procedure might be deemed convenient or appropriate.
- Request pick-up of your package(s)

**Note:** All requests for pick-up (except emergencies) require 24-hours notice.

- From the mountain, and especially for heavy, oversized loads, you can contact Logistics, and request pick-up and local transportation services.
- In La Serena, packages must be delivered to the Warehouse.
- Prepare your packages
- If your shipment consists of multiple packages, be sure to follow the instructions for each separate package
- Put the Shipping Request Form (except for the second copy, which you retain for your records) in an envelope marked "**Logistics**" and tape it to the package.

## 6. SPECIAL NOTES ON THE PREPARATION OF THE INVOICE PRO FORMA – PACKING LIST:

- A. In the notes on the CIPL (Commercial Invoice Packing List), give the reason for returning the item (i.e. return of US goods for Repair; return of US goods to owner after temporary use (by consignee) in Chile). Make sure that the goods are indeed of US manufacture; otherwise identify the correct source of fabrication.
- B. Make sure that the description is clear to Customs Officers, Transportation agents, and to other average people, who are not knowledgeable of the technology used at AURA, take care not to use acronyms. For example it is preferable to state that an item is a “Visible light detector, Charged Coupling Device....” than to name it a “CCD”.
- C. If possible, make sure that the EIN (Export identification number) of the consignee is visible on the document (the AURA EIN is 860138043);
- D. Make sure that there is a full address (P.O. Boxes are not acceptable for shipping purposes), proper consignee names and a phone number for the contact.
- E. Sign the document and put your name and title under the signature.

7. **GENERAL PROCEDURES:** Unless otherwise specified, packages weighing less than 30 pounds **provided they do not contain hazardous materials**, are shipped via Courier or Express service.

Unless otherwise specified, packages weighing above 30 pounds, **including hazardous material shipments**, are shipped via General Air Express Cargo service.

Household goods are shipped per the requirement of the incumbent expatriate being hired in Chile or repatriated back to his/her country of origin or to a new overseas post.

AURA will check that the package is being shipped to a legal destination, and if pertinent will include the legally mandated U.S. anti-diversion statement on the Packing List & Invoice Pro-forma:

*"These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited."*

8. **INSURANCE COVERAGE:** Please beware that AURA, as most US Government Agencies in general, do not purchase freight insurance. Therefore it is the owner's decision and at his/her expense to obtain such coverage deemed necessary. The owner of the shipment can ask AURA to obtain insurance coverage on his/her behalf.

If you want to insure your freight, you need to:

- Inform AURA if you want to purchase your insurance coverage yourself or if you expect AURA to conduct this activity on your behalf.
- Provide as much detail as reasonably possible about the terms and conditions that you would want to secure for your insurance coverage.

9. **HAZARDOUS MATERIALS:** AURA conforms to strict government regulations when transporting hazardous materials. Please inform us about the following general conditions to allow us to determine if your shipment contains hazardous materials:

- Chemicals
- Compressed gases and cylinders
- Batteries
- Wooden materials and/or packaging

10. **SPECIAL CONSIDERATIONS:**

- A. **Denied Party Rules:** AURA rigorously checks the destination of US technology that might be susceptible to export regulations' bans and/or denials, in accordance to the Denied Party Listing regulations of the Bureau of Industry and Security of the US government. When in doubt we have instructed our staff to promptly contact the pertinent source for legal-operational advice and clarification.
- B. **Preventing Bioterrorism:** The Public Health Security and Bioterrorism and Preparedness and Response Act of 2002 (the Bioterrorism Act) directs the Secretary of Health and Human Services to take steps to protect the U.S. public from threats or actual terrorist attacks on the U.S. food supply. Therefore, effective December 12, 2003, there are strict import restrictions and requirements for all food and beverage products entering the United States.

Under the Bioterrorism Act, any person or organization importing food items into the United States must give the USFDA Prior Notice. Previously, it was only necessary to inform the Bureau of Customs and Border Protection (CBP). This notice must be submitted electronically using the Bureau of Customs and Border Protection's (CBP) Automated Broker Interface of the Automated Commercial System (ABI/ACS) or the FDA's Prior Notice (PN) System Interface, both of which will be available 24 hours a day, seven days a week.

According to the new regulation, items subject to Prior Notice Reporting include: "articles used for food or drink for man or other animals; chewing gum; articles used for components of any such article." These include: dietary supplements, infant formula, beverages (including alcoholic beverages and bottled water), fruits and vegetables, dairy products, canned and frozen foods, bakery goods, snack foods, candy, live food animals, animal feeds and more.

Prior Notice must be received and confirmed by the FDA no more than five days prior to the shipment's arrival. Additionally, depending on the mode of transportation, Notice must be received no less than: two hours prior by land; four hours prior by air or by rail; eight hours prior by sea. The FDA must also receive notice before food is sent by international mail. In order to properly comply with the act, any incoming transferee with food items in his/her shipment will need to furnish the following:

- Complete FDA product code
- Common or usual name or market name
- Estimated quantity and breakdown of containers and sizes
- Lot or code numbers if required
- For food no longer in its natural state -- manufacturer and registration number
- For food in its natural state -- grower, if known
- FDA country of production
- Shipper and registration number (if registration is required)
- Country from which article was shipped
- Anticipated arrival information – port, date and time of arrival
- Name and address of importer
- Name and address of owner (if different from importer)
- Name and address of ultimate consignee
- Mode of transportation
- Carrier
- HTS (Harmonized Tariff Schedule) code
- Planned shipment information -- airway bill number, bill of lading number, voyage or flight number, rail car number, (road) and trip number.

For a complete list of affected items, please see the FDA's official website concerning the Bioterrorism Act at [www.fda.gov/oc/bioterrorism/bioact.html](http://www.fda.gov/oc/bioterrorism/bioact.html). Excluded from the requirement are: food that is carried by an individual into the country for personal use, food that is exported without leaving the port of arrival until export, meat products that have passed USDA inspection and food that was made by an individual in his/her home and sent as a personal gift to a person in the United States.

## SECTION 12

### **TRAVEL PROCEDURES**

1) **AURA STAFF TRAVEL POLICY:** The following revised procedures are designed to supplement the AURA Travel Policy as published on August 10, 1998. These instructions govern the booking of business travel by AURA employees and the AURA-subcontracted travel agency. AURA Accounting will monitor the AURA travel activities. Questions concerning these procedures are to be directed to AURA Accounting.

A) AURA employees are authorized to book their travel over the Web, using whatever method or Web-based site they deem reasonable. The following procedures will apply:

- a) Prior to actually booking the trip, the employee must have received an approved travel request (TR) for the trip being booked.
- b) Payment for the trip will be made by the traveler.
- c) Reimbursement for travel expenses:
  - (1) The traveler may receive a travel advance to cover the payment for the purchased ticket. To receive the advance, the traveler should attach a copy of the Internet booking notification to an expense report form and submit it to Accounting. Note that no reimbursement will take place unless a TR has been issued.
  - (2) Upon completion of the trip, the employee will have 10 days to complete a travel expense report and submit that report to the accounting offices.
- d) Travelers must make any changes or cancellations to the trip themselves. Administrative assistants or other support staff are not to be used to cancel, correct, modify, or change tickets purchased on the Web by AURA employees.
- e) All official, AURA-paid travel is required to comply with U.S. government travel regulations. Specifically, all U.S. government-paid travel must comply with the terms of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 1517) (Fly America Act) -- see Attachment A. Failure to comply with the Act can result in the traveler being forced to find non-government sources of funding to pay for the flight.

B) If the traveler chooses to use a travel agency, it must be with the AURA contract agency. When using the designated agency, the following procedures apply:

- a) Actual ticket booking will only be done after the traveler receives an approved travel request.
- b) The traveler must provide a travel request number to the agency representative. The traveler can provide this number either in writing or verbally to the agent. The travel representative can provide a wide range of travel assistance without a TR number, but the actual ticket booking will have to wait until a TR number is provided.
- c) AURA and AURA Committee members, prospective employees, subcontracted consultants and other visitors whose travel will be reimbursed by AURA do not require Travel Requests prior to booking their travel. Travel for such individuals will be handled in one of the following ways:
  - (1) The AURA employee coordinating the arrangements will provide the travel agent with the name(s) and phone numbers of the traveler(s). The agent will then be directed to call the traveler, make the necessary arrangements, and invoice AURA for the travel.
  - (2) The AURA employee coordinating the arrangements will provide the travel agent with the name(s) of the traveler(s). The coordinator will then identify the agent whom the traveler will use. The individual travelers will then call that agent and

- identify themselves as AURA-reimbursed travelers. They will then be able to make the necessary travel arrangements. AURA will be invoiced for the travel.
- (3) If the AURA coordinator will be making the arrangements for the travelers, the Coordinator simply needs to advise the travel agent that the traveler is a committee member (visitor, prospective employee, etc.) and will not have a TR number assigned. The agency will book the travel as required and invoice AURA accordingly.
  - (4) The travel agents will notify the Accounting after tickets are booked when any of the following occur:
    - (A) Tickets are booked late and the traveler is unable to take advantage of any advance purchase rates. Ticketing may be booked, but it is important that the Accounting is notified of the delayed reservations so that they can correct the problem, if a problem exists, on future trips.
    - (B) Traveler declines to purchase nonrefundable tickets.
  - (5) The designated travel agents will obtain approval from Accounting prior to purchasing tickets when any of the following occur:
    - (A) The traveler refuses to split airlines.
    - (B) The traveler declines the least expensive option and requests a more expensive option.
  - (6) The least expensive options will be the first proposed to all travelers. Additional cost cutting options may be suggested. However, the traveler is not required to agree to the additional cost-cutting options but he/she needs to be aware of the potential savings in order to make a decision. The initially proposed, least expensive option will not:
    - (A) Increase the most direct route travel time by either 50% or 2 hours, whichever is less.
    - (B) Cause the traveler to take off or land at an airport other than the point of origin and/or destination requested.
    - (C) Cause the traveler to spend additional time at the destination, i.e., stay over a Saturday night versus returning Saturday morning. However, if there is a savings to be gained, spending an extra night during travel will be suggested and the amount of savings noted.
    - (D) Utilize obscure and/or disreputable carriers.
  - (7) The following options will be used whenever possible, depending on the traveler's requirements:
    - (A) Non-refundable tickets
    - (B) Ticketless travel (However, if the traveler requests tickets, they will be issued and delivered as stated)
    - (C) Ticket brokers when feasible, especially for international travel
  - (8) All fares are to be coach, no Business or First Class accommodations are allowed unless the Accounting provides an "upgrade."
  - (9) Seating upgrades, fare reductions, and other bonuses will be used upon approval of Accounting. Fare upgrades/rate reductions will go to the most frequent of AURA travelers and not necessarily the individual whose travel qualifies AURA for the bonus.
  - (10) All travel handled by the travel agency will be paid with procurement's American Express credit card. Business travelers will not be allowed to charge travel to their individual credit cards, unless it is the AURA-issued American Express credit card.

(11) Personal travel for employees is allowed under this contract so that the AURA employee can take advantage of designated travel agency's cost-cutting measures. However:

- (A) The traveler must identify the travel as "personal."
- (B) Personal travel will not be paid with the Procurement American Express credit card. Responsibility for payment will be the traveler's. Conflicts concerning non-business related arrangements will be between the traveler and the travel agency and are not to include AURA.
- (C) AURA-reimbursed travelers who are accompanied by a friend or relative whose travel will not be paid by AURA must pay for the non-reimbursed ticket separately. The AURA-reimbursed ticket will be paid according to these AURA business travel instructions.
- (D) If the travel is to be paid by the traveler and will not be reimbursed by AURA, the AURA business travel instructions will not apply.
- (E) Personal travel is not required to conform to U.S. government travel regulations.
- (F) AURA employees may access the designated travel agency's travel agents directly and need not go through their departmental secretaries/administrators. However, individual departmental policies take precedence and the employee is directed to follow established policies.

- 2) **FLY AMERICAN ACT:** The Fly American Act is actually the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 1517) and is detailed in Attachment A.
- 3) **VISITING ASTRONOMER TRAVEL TO CHILE:** Astronomers or other visitors traveling to the AURA facilities in Chile should review the AURA-South websites "*INFORMATION FOR AURA-O VISITING INVESTIGATORS*" [[http://www.ctio.AURA.edu/diroff/obser\\_trav.htm](http://www.ctio.AURA.edu/diroff/obser_trav.htm)] and "*OBSERVERS AND OTHER OFFICIAL VISITORS TO CERRO TOLOLO*" [[http://www.ctio.AURA.edu/misc/observer\\_info.html](http://www.ctio.AURA.edu/misc/observer_info.html)] for information concerning their visit to Chile.
- 4) **CHILE STAFF TRAVEL:** Chile employees planning for trips away from Chile (to the U.S. or other destinations) for business or personal travel will make their arrangements through the designated travel office/agency in Chile. That office will make flight, auto and hotel reservations for the traveler.

If the traveler needs assistance from Tucson for local or US reservations, they should contact Accounting who will respond to the request. If the traveler wants their mail held or wants to obtain building and/or parking passes, they should also contact the Accounting who will forward their request to the proper Logistics personnel for action.

- A) If the Chile employees are attending a conference, meeting or function hosted by an AURA department, that department will make all the necessary reservations for the visitor. The following arrangements be made by the administrators coordinating the meeting or the visit:
  - a) Hotel arrangements.
  - b) Car Rental arrangements. AURA has local direct-billing arrangements with Enterprise, Dollar and national arrangements with Avis. Those direct-bill numbers are available from the AURA Procurement. The billing invoices will come to Accounting who will charge the visitors Personal Account unless advised to charge a different account.
- B) The Tucson individual who is coordinating the visitor's travel will ask the visiting staff member if they want their mail held for them. If they do, the coordinator should contact AURA Logistics and advise them of the visitor's name and dates they will be in Tucson. A mailbox will be set up for them in the Logistics mail facilities.

C) The Tucson individual who is coordinating the visitor's travel will get the building and parking passes for the visitors. If desired, the building and parking passes can be placed in the visitor's mailbox.

4) REIMBURSEMENT FOR TRAVEL EXPENSES: See AURA Policies regarding reimbursement of travel expenses

<http://www.aura-astronomy.org>

About AURA

AURA Policies

Section B: Personnel Policies and Procedures

XXI. Reimbursement of Travel Expenses

# Attachment A AURA

## AIR TRAVEL

Any international air travel paid for with U.S. government, contract funds must conform to the Fly American Act. This act is detailed below directly from the Federal Acquisition Regulations and applied not only to AURA employees flying internationally but to all contractors, consultants, visitors and members of committees whose travel is either being directly paid by AURA or whose travel is being reimbursed by AURA. When a foreign carrier is booked for travel (verses booking with a U.S. Carrier who seats the traveler on foreign carrier) the individual seeking reimbursement must complete the certification listed below.

A good explanation of the Fly American Act can be found at [http://en.wikipedia.org/wiki/Fly\\_American\\_Act](http://en.wikipedia.org/wiki/Fly_American_Act)

Recently, GSA has implemented an open skies policy which has created some confusion with travelers flying to and within Europe. The Open Skies Agreement can be found at [http://www.gsa.gov/Portal/gsa/ep/contentView.do?programId=15319&channelId=-24564&oid=14161&contentId=24833&pageTypeId=17113&contentType=GSA\\_BASIC&programPage=%2Fep%2Fprogram%2FgsaBasic.jsp&P=MTT](http://www.gsa.gov/Portal/gsa/ep/contentView.do?programId=15319&channelId=-24564&oid=14161&contentId=24833&pageTypeId=17113&contentType=GSA_BASIC&programPage=%2Fep%2Fprogram%2FgsaBasic.jsp&P=MTT)

Travelers should note that at the bottom of the Open Skies Agreement is the following statement:

*“The fact that contractors and grantees are not eligible to use GSA's City-Pair Program is irrelevant under the open skies or air transportation agreements listed here. If transportation is between points for which there is a city-pair contract fare in effect, contractors and grantees traveling on US Government funds are still required to use U.S. flag air carrier service unless one of the other exceptions to the use of such service, as set out in the Federal Travel Regulation, applies. These other exceptions can be found in Chapters §301-10.136, -10.137, and -10.138 of the Federal Travel Regulation.”*

To determine if a specific leg of the trip is part of the City-Pair Contract, The traveler should go to the GSA website <http://apps.fas.gsa.gov/citypairs/search/> and enter the two points of a specific leg of the trip for which they wish to use a foreign carrier under the Open Skies Agreement (EU countries, Australia, and Switzerland). If there is a City-Pair Contract, that contract will appear and an American carrier is required to be used unless one of the exceptions to the Fly American Act applies. If there is no contract, that will also be stated and the traveler can book on the foreign carrier.

# **FEDERAL ACQUISITION REGULATIONS**

## **SUBPART 47.4 – TRANSPORTATION BY US FLAG CARRIERS (FLY AMERICAN ACT)**

### **47.401 Definitions.**

As used in this subpart-

"Air freight forwarder" means an indirect air carrier that is responsible for the transportation of property from the point of receipt to the point of destination, and utilizes for the whole or any part of such transportation the services of a direct air carrier or its agent, or of another air freight forwarder.

"Gateway airport abroad" means the airport from which the traveler last embarks en route to the United States or at which the traveler first debarks incident to travel from the United States.

"Gateway airport in the United States" means the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives.

"International air transportation" means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.

"United States" means the 50 States, the District of Columbia, and outlying areas of the United States.

"U.S.-flag air carrier" means an air carrier holding a certificate under section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 41102).

### **47.402 Policy.**

Federal employees and their dependents, consultants, contractors, grantees, and others must use U.S.-flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, if available (Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118) (Fly America Act)).

### **47.403 Guidelines for implementation of the Fly America Act.**

This section 47.403 is based on the Guidelines for Implementation of the Fly America Act (case number B-138942), issued by the Comptroller General of the United States on March 31, 1981.

## **47.403-1 Availability and unavailability of U.S.-flag air carrier service.**

(a) If a U.S.-flag air carrier cannot provide the international air transportation needed or if the use of U.S.-flag air carrier service would not accomplish an agency's mission, foreign-flag air carrier service may be deemed necessary.

(b) U.S.-flag air carrier service is considered available even though-

- (1) Comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;
- (2) Foreign-flag air carrier service is preferred by, or is more convenient for, the agency or traveler; or
- (3) Service by a foreign-flag air carrier can be paid for in excess foreign currency (unless U.S.-flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies).

(c) Except as provided in paragraph 47.403-1(a), U.S.-flag air carrier service shall be used for U.S. Government-financed commercial foreign air travel if service provided by U.S.-flag air carriers is available. In determining availability of a U.S.-flag air carrier, the following scheduling principles shall be followed unless their application would result in the last or first leg of travel to or from the United States being performed by a foreign-flag air carrier:

- (1) U.S.-flag air carrier service available at point of origin shall be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route.
- (2) When an origin or interchange point is not served by a U.S.-flag air carrier, foreign-flag air carrier service shall be used only to the nearest interchange point on a usually traveled route to connect with U.S.-flag air carrier service.
- (3) When a U.S.-flag air carrier involuntarily reroutes the traveler via a foreign-flag air carrier, the foreign-flag air carrier may be used notwithstanding the availability of alternative U.S.-flag air carrier service.

(d) For travel between a gateway airport in the United States and a gateway airport abroad, passenger service by U.S.-flag air carrier shall not be considered available if-

- (1) The gateway airport abroad is the traveler's origin or destination airport and the use of U.S.-flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by a foreign-flag air carrier; or
- (2) The gateway airport abroad is an interchange point and the use of U.S.-flag air carrier service would require the traveler to wait 6 hours or more to make connections at that point, or if delayed departure from, or accelerated arrival at, the gateway airport in the United States would extend time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier.

(e) For travel between two points outside the United States, the rules in paragraphs 47.403-1(a), (b), and (c) shall be applicable, but passenger service by a U.S.-flag air carrier shall not be considered to be reasonably available if-

- (1) Travel by a foreign-flag air carrier would eliminate two or more aircraft changes en route;

- (2) One of the two points abroad is the gateway airport en route to or from the United States and the use of a U.S.-flag air carrier would extend the time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier, including accelerated arrival at the over seas destination or delayed departure from the overseas origin, as well as delay at the gateway airport or other interchange point abroad; or
- (3) The travel is not part of the trip to or from the United States and the use of a U.S.-flag air carrier would extend the time in a travel status by at least 6 hours more than travel by a foreign-flag air carrier including delay at origin, delay en route, and accelerated arrival at destination.

(f) For all short-distance travel under either paragraph (d) or paragraph (e) of 47.403-1, U.S. air carrier service shall not be considered available when the elapsed travel time on a scheduled flight from origin to destination airport by foreign-flag air carrier is 3 hours or less and service by a U.S.-flag air carrier would involve twice such travel time.

**AURA NOTE:**

When travel is completed using non-US carriers the following certification must accompany the travel invoice submitted for payment or reimbursement:

**CERTIFICATION OF UNAVAILABILITY OF U. S. FLAG AIR CARRIERS**

I hereby certify that international air transportation of the personal and their personal effects by U.S. Flag Air Carriers was either not available or it was necessary to use foreign flag air carrier service for the following reasons (state the FAR paragraph listed above as the reasons for the unavailability of U.S. Flag carriers): \_\_\_\_\_

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

**REIMBURSEMENT FOR TRAVEL EXPENSES**

**See AURA Policies regarding reimbursement of travel expenses**

<http://www.aura-astronomy.org>

**About AURA**  
**AURA Policies**  
**Section B: Personnel Policies and Procedures**  
**XXII. Reimbursement of Travel Expenses**

**SECTION 13**

**RESERVED**

**SECTION 14**

**RESERVED**

## SECTION 15

### NEW EMPLOYEE'S GUIDE - MOVING TO CHILE

#### **MOVING TO CHILE: "IT'S YOUR MOVE"**

As a new employee traveling to Chile for the first time, you must carefully consider all aspects of the upcoming move. The success or failure of the move, that is, the safe arrival of your household goods and professional materials, depends directly on the amount of preparations made in the months preceding the move. Careful planning will ensure not only the safe arrival of your personal belongings but also the continual functioning of your personal affairs. An unplanned move can result in lost, damaged and/or uninsured belongings and personal affairs that are in such a state of disarray that considerable long distance telephone, Fax, or telex communications will be necessary to straighten them out. If there is ever a time when "Murphy's Law" applies, it is with an international move.

This publication is not meant to be an all-inclusive guide in arranging your move to Chile. Rather, it is intended to point out some of the potential pitfalls and to make you think about important aspects of the move. Checklists are provided which will assist you in planning a successful international move.

AURA will assign a moving company to pack and transport your belongings to Chile. If there are any questions concerning the move contact the individuals listed in Section 2 of this guide or the assigned mover. Each can be of considerable assistance during the moving process. Feel free to contact any of them at any time.

It is AURA's desire that you have a safe and successful move. Considerable amounts of money will be spent to achieve that objective. Remember, however, that AURA only assigns the moving company. You are the one responsible for ensuring that sufficient pre-move preparations are made, that the packing proceeds properly, and that the movers pick-up and store your household goods according to your wishes. The actual success or failure of the move rests with you. Proceed carefully and try to anticipate all possible problems. Having done that, the foundation for a successful move to Chile will be well laid.

## SECTION 3

### **PREPARING FOR THE RELOCATION:**

As an employee relocating to Chile, you must make careful preparations prior to departing the US for your relocation to a "remote" area such as La Serena. La Serena is a major city in Chile and is 300km away from the nearest international port of entry. Lines of communications to and from La Serena are state of the art but it is still 4-5 working days for a Federal Express package to reach La Serena from the United States.

You will want to ensure that your personal affairs remain functioning, and that all personal information required in emergency, or even non-emergency, situations is readily available. Once relocation takes place, problems with your personal affairs can require a significant amount of time, effort and money to correct due to the long lines of communication and time zone differences. You should attend to the following matters before departing the US:

- 1) **VACCINATIONS:** You are responsible for obtaining an International Certificate of Vaccination for all inoculations recommended for Chile by either your home state health services or the US Public Health Service. The Center for Disease Control recommends the following vaccines (as appropriate for age):
  - A) **Hepatitis A or immune globulin (IG)** (see <http://www.cdc.gov/travel/diseases/hav.htm> ).
  - B) **Rabies** (see <http://www.cdc.gov/travel/diseases/rabies.htm> ), if you might be exposed to wild or domestic animals through your work or recreation.
  - C) **Typhoid** (<http://www.cdc.gov/travel/diseases/typhoid.htm> ), particularly if you are visiting developing countries in this region.
  - D) **Yellow fever** (see <http://www.cdc.gov/travel/diseases/yellowfever.htm> )vaccination is recommended only if you are traveling outside urban areas in Argentina.
  - E) As needed, booster doses for **tetanus-diphtheria** ( see <http://www.cdc.gov/travel/diseases/dtp.htm> )and **measles** (see <http://www.cdc.gov/travel/diseases/measles.htm> ). **Hepatitis B** ( see <http://www.cdc.gov/travel/diseases/hbv.htm> ) vaccine is now recommended for all infants and for children ages 11–12 years who did not complete the series as infants.

See your doctor at least 4–6 weeks before your trip to allow time for immunizations to take effect. All immunizations should be recorded on the International Certificate of Vaccination form available through passport offices and most city, county and state health departments. This form is the only acceptable immunization document for international travel and must be validated either by the health department or other proper authorities.

- 2) **MEDICAL SERVICES:** A good variety of medical specialists' practice in La Serena and Coquimbo. Modern hospital facilities are available in Santiago. However, elective surgical treatments should be undergone well in advance of your move to Chile. Emergency services are adequate in La Serena and Coquimbo, but serious medical problems may have to be referred to hospitals in Santiago or the US (AURA provides Medical Emergency Travel in such cases). Should you or your dependent(s) have a chronic medical problem (Diabetes, Scoliosis, etc.) which requires specialized treatment, precise medical records should be obtained from your physician detailing all aspects of the illness and the treatment required as well as treatments given.
- 3) **MEDICATIONS:** Should continuing medication be required, it is recommended that a long-term prescription be obtained from the physician and sent to AURA in Tucson (see Section 2). That office will open an account in your name with a local pharmacy to supply the medication upon your request. This can save either time in obtaining the medication should it not be available in Chile or money should the cost of the medicine in Chile be prohibitive. Medications cannot go in the twice-weekly mailbags but must be hand carried or sent in a normal freight shipment which, again, will delay the arrival of the medication.
- 4) **MEDICAL RECORDS:** You should have in your possession in Chile a detailed medical record and history showing such basic information as blood type, allergies, etc. These records will become invaluable and save considerable time and money should medical attention be required. The more detailed the records, the easier it will be for Chilean physicians to diagnose and treat your medical problem.
- 5) **PASSPORTS:** You must obtain a US passport for yourself and for each of your dependents traveling to Chile. Applications can be obtained from the nearest passport agency, any state or federal court of records accepting appli-

cations, or at any post office which has been designated to accept applications in your area. Any of these offices will mail passport applications to you. However, the completed application must be signed in person before the Passport Agent, Clerk of the Court, or your Postal Official. While special arrangements can be made to process passport applications faster, as a general rule you should allow four to six weeks for the process. The following items must accompany the application(s):

- A) Proof of citizenship (Birth Certificate).
- B) Two identical passport photos. These photos must be 2" by 2". It is recommended that extra copies of these photos be made, as they may be needed for other documents.
- C) Personal identification.
- D) Passport fee in the form of a personal check, money order, or bank draft. Cash is acceptable when an application is submitted to one of the passport agencies.

Australian, British, Japanese and US citizens, coming to Chile under contracts whose duration will be more than six months, may enter the country with nothing more than the tourist card presented to them on the flight to Santiago. Individuals hired in the US who are citizens of certain other countries may be required to obtain visas to enter Chile. The AURA Personnel Office in La Serena (see Section 2) should be requested to check with the Chilean Ministry in such cases.

As soon as you and your dependent(s) arrive in Chile, you must present your passports to the AURA Business Office in La Serena. That office will send them, under the customary format, to the Chilean Ministry of Foreign Relations. The Ministry will register you and your dependent(s) as fully accredited members of an international organization. The Ministry will also enter three year, official multiple-entry visas in your passports. Finally, the Ministry will issue a lack CEDULAS DE IDENTIDAD that should be carried with you the duration of your stay in Chile. Lost cedula must be reported at once to the Ministry via the AURA Business Office in La Serena.

Your passports should not be kept in personal luggage as your carrier could lose the luggage. The loss of a passport can be serious when traveling abroad and should be reported immediately either to either the Passport Office, Department of State, Washington, DC 20524 or to the nearest American Consulate Office, if abroad. Remember that personal identification papers can be more valuable than money to thieves.

If you or your dependent(s) are permanent resident aliens in the US, you are advised to consult with the US Immigration Service about arrangements necessary to preserve your permanent resident status while working in Chile. A separate arrangement must be made to guarantee re-entry into the US. AURA Human Resources Offices (see Section 2) will assist in this matter by attesting to your overseas employment status.

- 6) **CERTIFICATES of REGISTRATION for CERTAIN PERSONAL GOODS:** Articles of foreign manufacture, even though part of your personal or household effects, should be registered with US Customs. Unless you can prove that you possessed the items prior to leaving the US, these articles can be dutiable when you return from overseas employment.

- A) The shipping of firearms to Chile is not recommended because of the work involved and consequent long delays in clearing firearms through both Chilean Customs and the numerous Ministries. In addition, you cannot take more than three firearms out of the US without special arrangements with the US authorities. Weapons to be shipped must be taken to US Customs for inspection and registration. Failure to prove prior ownership upon returning to the US will probably result in the confiscation of the arms. Finally, upon return to the US, you must clear the guns through US Customs and the Bureau of Alcohol, Tobacco and Firearms. If you still wish to ship weapons to Chile, you should contact the AURA Human Resources Office (see Section 2); the AURA Materials Transfer Supervisor and Export Control Officer in Tucson (see Section 2); US Customs; and the Bureau of Alcohol, Tobacco and Firearms for special instructions.
- B) Automobiles must also be registered with US Customs before being taken out of the country. American automobiles need not be registered if the employee has proof of prior registration. Automobile registration certificates will generally suffice. Relocating employees should remember that AURA would not pay for the relocation of vehicles to Chile. If the employee wishes to take their vehicle with them, it is their responsibility. Only new vehicles are allowed in Chile. Vehicles must pass Chilean emission requirements and import policies and U.S. emission requirements upon reentry into the U.S. Personal vehicles can be sent along with the household goods but you will be billed for the costs of moving the vehicle. Of course all costs associated with upgrading the vehicle to meet Chilean and, later, US vehicle safety and pollution requirements will be your responsibility.

- C) Items to be registered for export must be taken to the nearest US Customs Office for verification of their serial numbers. Customs will issue a certificate of registration that must be kept in a safe place since it is proof that the items were in your possession prior to departing the US. This certificate will expedite free entry upon returning from Chile.
- 7) **DRIVING LICENSES:** You will need an International Driver's License to operate a vehicle in Chile, until such time as you obtain a Chilean license. These licenses can be obtained from any American Automobile Association (AAA) Office or through various other local agencies. In addition to a fee for the license, you will need two passport size photographs and a valid state driver's license.
- 8) **PETS:** You are responsible for shipping your pets to Chile, and for conforming to Chilean regulations, both of which can be very expensive and time consuming. Significant thought should be given to possible alternatives to transporting pets, such as finding homes for them with friends, relatives, or other pet lovers. While the airlines are as careful as possible with animals, long periods of confinement, unheated baggage compartments, long layovers in freight terminals and other aspects of international travel can be very traumatic to the animal, even to the point of causing death.
- According to the Chilean Customs, individual(s) bringing a cat to Chile should present to the Custom Officer a health certificate legalized by the Chilean Consulate at the employee's origin. In addition, a certified rabies inoculation certificate stating that the pet has already been inoculated against hydrophobia and panleukopenia within the past 6 months should be presented. Dogs should also have a certification that they have been vaccinated against distemper, hepatitis, influenza, barberpyrosis and lepperpyrosis (a single, standard vaccination). There is no quarantine and the animals are exempt from duties and taxes.
- 9) **FINANCIAL MATTERS:**
- A) **Bank Accounts:** At your request AURA will direct-deposit your paychecks into the US bank of your choice. Discuss your move with your bank and insure that they understand the "remoteness" of the location. They can make valuable recommendations on types of accounts and credit-card procedures most convenient for overseas personnel.
- Also, ensure that the bank has the AURA Human Resource Office phone number and advise them that emergency matters can be transmitted to you through that office. Conversely, provide those offices with the name and phone number of a contact person at the bank who will be familiar with your account(s) and to whom, we can pass your messages.
- If you are not a U. S. Citizen and prefer not to use a bank in the U. S., arrangements can be made to pay you in La Serena.
- B) **Credit Cards:** The principal credit cards (VISA, MASTER-CHARGE, and AMERICAN EXPRESS) are valid in Chile although not so extensively as in the US. You should arrange for charges to such accounts to be automatically deducted from your checking account. This will save you much worry about the receipt and timely payment of monthly statements.
- C) **Finance Companies:** You should discuss the move with any lending institution to which you are indebted. In many cases a lender's permission is required to remove financed belongings from the US While many of your household goods will remain in storage, the lender should be aware of your new address and the one to three weeks required to receive bills and transmit payment by air mail. Remember that finance companies are willing to work with a customer to resolve any difficulties before problems occur.
- D) **Brokerage Firms:** You and your account manager should make arrangements to handle future dividend/interest payments. As with the bank, ensure that your broker knows how to get in touch with you in an emergency. Arrangements should be made to handle transactions as rapidly as possible over long distances. Exchange e-mail addresses, phone numbers or Fax numbers with your broker for rapid contacts. Of course, you will be charged for personal use of the AURA fax machine. Be aware that it is very difficult to keep abreast of, and take action on, US market conditions from a post such as La Serena. The Internet is accessible in La Serena and e-mail is a primary method for communicating with outside parties. These services may make communicating with your brokerage firm a little easier.
- 10) **LEGAL AFFAIRS:** Depending on your particular circumstances, you should do the following before traveling to Chile:
- A) Arrange for a Power of Attorney for your domestic affairs during your absence. There are a number of different types of Power of Attorney covering a variety of situations. If necessary, seek legal council.
- B) Be sure that all wills are up to date.

- C) Appoint a legal guardian for all children in case circumstances deprive them of your care.
- D) Reserve a Safe Deposit Box at a bank or with your lawyer as a depository for important documents and other valuables that should not be taken to Chile or stored with the household furniture.
- E) Check the contents of any Safe Deposit Boxes. Arrange to leave a key with a responsible person such as a relative, lawyer, executor of your estate, or other person to whom you have given Power of Attorney.
- F) In the case of documents, which your attorney or executor may need in the US, and in Chile by you or your dependents, make, certified copies for one or the other location. Examples are birth certificate, marriage certificate, letters of credit, bank drafts, W-2 forms and income tax records, children's school records, medical records, and so on.
- G) Keep a record of all insurance policies - life, accident, medical, homeowners, fire, theft, auto, transportation, etc. with your accompanying documents.

- 11) **TAXES:** Check with city and county tax assessors to be sure that you do not owe any back taxes. Whether or not you are expecting an income tax refund, notify State and Federal Departments of Revenue of your new address. In this regard, and to establish your overseas residency for tax deduction ("income exclusion") purposes, it is best to use the following address:

Name (as on current tax records)  
 AURA  
 Casilla 603  
 La Serena, Chile, S.A.

If some tax service functionary sees a Tucson address on any of your documents, he/she is liable to take issue with your claim to overseas residency. Do tell the tax people that they should use International Airmail; they may ignore you at first, but it is worth a try.

Since you may be changing employers, be sure to obtain copies of your W-2 forms from your previous employer for your tax records. Also, keep all receipts for expenses incurred during your move, as you may be eligible to deduct those expenses from your Federal Tax returns. If you register your foreign address with your bank or broker, you should also make a declaration of US Citizenship to the firm at the same time in order to avoid a withholding of the non-citizens tax on dividends and/or interest paid.

Finally, understand the tax situation as it applies to AURA employees. The AURA Human Resources Office (see Section 2), the IRS, and AURA-South administration personnel (see Section 2) will assist in answering your questions.

- 12) **INSURANCE:** Find out from your insurance agent whether your homeowner's household effects policy will be valid on the items you take with you to Chile as well as those you keep in storage. Most automobile policies are not valid during the vehicle's shipment overseas nor while the vehicle is in a foreign country. New policies may have to be taken out prior to shipment and after the vehicle's arrival in Chile. A careful review of your insurance needs and coverage is in order as is a discussion with your agent on the insurance coverage problems arising from a move to Chile.
- 13) **SCHOOLS:** It is suggested that you consult with local school authorities concerning the recommended curriculum your children should have when attending school in Chile. To insure that your children obtain the proper education, obtain recommended correspondence school addresses so that, if need be, your children can supplement the Chilean education with an appropriate correspondence course. Also, obtain official school transcripts covering your children's education up to this point.
- 14) **CHANGE OF ADDRESS:** Notify all friends, relatives and others, who may be corresponding with you for any reason, of your move. The observatory's address in La Serena is:

AURA  
 Casilla 603  
 La Serena  
 Chile, S.A.

In addition you can have packages sent directly to the Santiago Office for forwarding to you in La Serena. In many cases this is quicker than sending directly to La Serena. The Santiago Operations office address is:

AURA Santiago  
Operations Edificio  
Parque Araucano  
Av. Presidente Riesco 5335  
Los Condes, Santiago, Chile

Of course, you may have your packages and mail sent to the AURA Offices in Tucson. That address is:

Your Name  
AURA/Chile  
950 N. Cherry Ave.  
Tucson, AZ 85719

Make arrangements to have your mail forwarded to the AURA Logistics Supervisor (see Section 2) for transmittal in the twice-weekly Diplomatic Pouch. Mail can be sent to the P. O. Box or street address. Diplomatic pouches are sent by Federal Express from Tucson on Monday and Wednesday mornings and arrive in La Serena within a few days. However, the Diplomatic Pouch can only carry printed materials, pictures, or magnetic tapes (including CDs, DVDs, VCR Tapes, and Computer games on CDs). Oversized printed materials including junk mail, will be sent as freight mail in the weekly freight shipment. Items not falling into that category (medications, clothing, etc.) must be sent as personal freight. International mail sent directly to La Serena can take several weeks. Special delivery letters sent to Chile can take a week to ten days.

For magazines that you wish to continue to receive, notify the publisher of the change of address. Personal magazines forwarded by the Postal Service with postage due will be refused. Normally publishers require eight weeks to effect any change of address. Start early.

You should also note that certain publications and materials are prohibited from entry into Chile. Should you have any questions in this regard, contact the AURA Materials Transfer Supervisor and Export Control Officer in Tucson.

There is no shipping or handling charges to the employee for materials classified as mail.

Personal packages and purchased materials or gifts that do not qualify as "mail" must be sent to the street address, which also has a loading dock and facilities to handle large boxes. Chilean customs requires that all personal packages have some form of invoice or shipping documents indicating the cost of the goods enclosed. Make sure to tell relatives that when they send gifts and other packages to put a Packing List Envelope on, or in, the box. In that Packing List Envelope should be a list of the packages contents and values. Special arrangements can be discussed with the AURA Logistics Supervisor (see Section 2) for special order items, other abnormal deliveries or oversize shipments. Be advised that the AURA Export Control Officer (see Section 2) opens all packages to verify contents and to insure that no hazardous, illegal, or prohibited items are enclosed.

Personal packages that do not qualify as "mail" will be consolidated and, when approved by the employee, shipped to Chile at the employee's expense. The employee may see charges for airfreight from the Tucson office and charges for Chilean Customs, storage, duties and shipping costs from Santiago to La Serena.

- 15) **CHILDREN ACCOMPANYING PARENTS WHEN TRAVELING TO CHILE**: In principle there are no restrictions for accredited officials to enter or leave the country with their underage children. However when exiting the country the international police officer might apply the Chilean law, which does not allow one of the parents to leave the country with underage children on his/her own without the authorization of the other parent. Hence, and to avoid last minute inconveniencies and delays at this stage of the trip, it is advisable that people traveling under these circumstances go along with the following procedure:

**Chilean regulation for parents who plan leaving Chile with their child/children while the other spouse remains in the country.**

If one of the parents is to travel abroad with his/her underage children, he/she may be required, at the International Police exit point, to produce a notarized letter of authorization

issued by the parent who remains in the country, whereby he/she authorizes the other parent to depart with their child/children.

If the child is traveling with one of his/her parents, the permission letter authorizing travel must be signed and dated by the other parent. If the child is traveling with a third party (without either parent), the consent letter authorizing travel must be signed and dated by both parents.

Parents may request ready-made forms that are specifically designed for this purpose at Notaries.

When traveling abroad, it is also convenient to carry the child's birth certificate as well as all the compelling identity and travel documents (passport, tickets, etc.), and the legal consent instruments noted above. You will also need to be informed of restrictions or special requisites that may apply at the country of your destination.

## **SECTION 4**

### **TRAVEL TO CHILE**

AURA will either purchase or reimburse you for economy airfares from your current residence, called your Point-of-Origin (PO), to La Serena. If there is no regularly scheduled commercial air service from your Point-of-Origin, AURA will pay for regularly scheduled ground transportation from the PO to the nearest terminal offering economy air service.

If you take more than \$5,000 cash with you, you will have to report the transaction to US Customs at the time you depart the country. We recommend that you not carry large amounts of cash. You will be able to cash personal checks when you arrive in La Serena. Many Chilean banks have Teller Machines that will accept your bankcard.

You will need to exchange about one hundred dollars for Chilean Pesos either in the US or upon arrival in Chile. The exchange rate fluctuates daily, and AURA's rate in Chile is almost always better than that of official moneychangers. It would be wise to limit pre-arrival exchanges to what is normally needed for incidental travel expenses. Again, one trick is to use the Teller machines at the airport that will give your withdrawal in Chilean Pesos without charging an exchange rate.

Someone from the Santiago Operations Office will assist you with Customs upon arriving in Santiago. Be sure which line you enter as US citizens are directed to specific lines where you will be charged an entry fee which is good for multiple entries for the life of the passport). Carry your passport with you at all times - don't leave it in your luggage.

In order to insure good connections with your flights, you should contact the AURA Human Resources in Tucson (see Section 2) at least 30 days prior to your departure date. When scheduling your travel, it would be wise to allow a few days after the anticipated moving date in case the movers/packers cannot come on the date you desire.

Expatriates are normally covered by AURA's blanket travel insurance policy from the date they report to work in La Serena, until the date they are detached from AURA in that city. Hence, you are not covered by this policy while enroute to Chile unless AURA established an earlier date of hire and assigned you pre-departure duties in the US. In no case does this blanket travel policy cover your dependents. Therefore, you may want to obtain additional insurance through private sources for your trip to Chile.

## SECTION 5

### **WHAT CAN AND CANNOT BE MOVED, AND WHAT SHOULD BE STORED**

AURA's housing in Chile can be furnished and carpeted if the employee requires it. AURA will pay only for the packing, transportation and export handling of household accessories, personal effects, and professional materials shipped to Chile during the first year of employment. In addition, AURA will pay all costs incurred in the storage of those goods not taken to Chile for the first year of employment. AURA will make every attempt to comply with individual family needs as to number and size of beds required if items are not brought to Chile.

- 1) **HOUSEHOLD GOODS and ACCESSORIES**: This category includes items such as dinnerware, kitchen utensils and table-top appliances; bed, bath and table linens; radios, televisions, and stereo equipment; household decorative items; cleaning equipment and apparatus; and hand and garden tools. (These items may be available in Chile but, most likely, are either scarce, of poor quality, and/or very expensive). You should exercise extreme care in anticipating your needs in this area. In addition, this category included all furniture normally available in a home.
- 2) **PERSONAL EFFECTS**: This category includes such items as clothing, hobby needs, games, records, books, musical instruments (small) and personal papers.
- 3) **PROFESSIONAL MATERIALS**: Included in this category are scientific, and professional and technical books and materials (tools of the trade) of the employee.
- 4) **UNACCEPTABLE HOUSEHOLD GOODS**: AURA will not pay to move certain items to Chile. Items such as automobiles, trucks, motorcycles and other motorized vehicles are not authorized. Heavy shop equipment and machine tools and considered unacceptable. Spas, whirlpool baths and other such items are considered outside normal household goods even if authorized by a doctor. Certain boats, trailers, jet skis and other water vehicles are not considered normal household items.

Vehicles are especially problematic as Chilean Customs only allows new vehicles to be imported. Used vehicles, including motorcycles, are not allowed entry.

When moving arrangements are being made, you will be asked if you have anything out of the ordinary. At this you will be told whether or not the item is unacceptable for shipment. If you disagree, our would like to get permission to have AURA pay to move the item, you have the option of contacting your Director to obtain permission to shipment the item as a part of the AURA-paid move. In lieu of any official approval, these items may be included in the shipment but you will be responsible for their portion of the costs.

**WARNING:** Due to increased security for shipments entering the US, moving companies have been advised not to accept any items packed by the person being moved. All items being moved **MUST** be packed by the moving company.

## **PART 6**

### **SHIPMENT INFORMATION**

- 1) **INSURANCE ON SHIPPED ITEMS:** Depending on whom you work for, the payment for private insurance on your shipment may or may not be reimbursable. The insurance liability of the packer and shipper is very limited and, therefore, it is recommended that you make certain that your goods are covered by insurance for the move.

The normal insurance cost is \$2.50 per \$100 of valuation. The same reimbursement policy applies for the goods you place in AURA-supported storage. Insurance cost for this storage is approximately \$1.80 per \$100 of valuation per year.

When applying for insurance, make certain what type of deductible you have, what is covered (damaged goods or only lost items), and how long the coverage is for (some policies only cover from port to port not residence to residence).

GEMINI has a blanket contract with a single moving company. A part of that contract is a fixed amount of insurance coverage. If you choose not to increase the coverage, you will not be required to pay for the insurance. If you choose to increase the coverage, you will be responsible for paying the cost of the increased coverage.

AURA does not pay for insurance. Any fixed amount of insurance coverage provided by the carrier (above that required by Federal law) will be the responsibility of the AURA employee.

- 2) **SHIPPING WEIGHT LIMITATIONS:** Employees can take up to the following maximum weight limits upon relocating to Chile. Anything not taken to Chile will be stored at AURA's expense (see paragraph C, below.)

Freight Mode	Max. Weight Single	Max. Weight Family
Ocean	7,000 lbs.	11,000 lbs.
Air	250 lbs.	500 lbs.

In the event that individuals from the same household are hired by AURA the following weight limits apply:

Freight Mode	Max weight
Ocean	14,000 lbs.
Air mode	600 lbs.

Each traveler is allowed two pieces of checked luggage, not to exceed 50 lbs each. Depending on the airline there may be a charge for each piece of checked baggage or the airline may allow each traveler one piece of checked baggage at no charge. AURA will pay for either or both piece(s) of baggage not covered by the airline(s).

The air shipment is designed to insure that the employee has a reasonable amount of personal goods until the surface shipment arrives. The air shipment normally takes two-three weeks from the move date while the ocean shipment can take six to eight weeks from the move date. The excess baggage is designed to provide a reasonable supply of clothing and other basics until the air shipment arrives. AURA cannot remove your air freight shipment from Chilean Customs until the employee arrives and is given the proper Chilean Visa. As a result, the ocean freight shipment may actually arrive just about the time the employee receives the air freight shipment. This especially true if the employee delays his/her departure until well after the goods have been packed and moved.

If the employee has a baby on formula it might be wise for them to take along an extra supply of formula until a local source can be found or until supplies are received from Santiago. Obviously any special diets must be provided for until local sources can be found.

It is recommended that you carry all their important personal papers with you on the airplane and not place them in the baggage. Baggage could be misplaced by the airlines. Remember "Murphy's Law".

- 3) **STORAGE OF UNSHIPED ITEMS:** During the term of employee's initial appointment AURA will pay the cost of storing the household goods the employee will be responsible for storage fees after initial appointment. Storage will be at the employees Point of Origin. Again, as with flight insurance, and depending on who the employer is, the employee may or may not be responsible for providing his/her own storage insurance. An arrangement for storage will be made at the time the contract is let to move the employee.

## **SECTION 7**

### **PREPARATIONS FOR THE MOVE**

- 1) Insure that the documents you wish to carry are removed from your safe deposit box and placed in a safe location away from those items you want stored. Be sure that you can access those documents so that you can take them with you. There is nothing more frustrating than to find that the documents you want to carry are in a safety deposit box in a bank that has closed for a weekend or that the movers packed your documents with the household goods.
- 2) Tour your residence and carefully inspect each item so that you are fully aware of just what you have. This will help you to decide what you want to take with you, store or sell. If you have changed residences before, you know how much "junk" one can accumulate over the years. Besides helping to eliminate junk, you will certainly want detailed inventories of what you are shipping and storing.
- 3) List everything you plan to take with you. Use one list to detail those items to be taken and the second to detail those items to be stored. Be sure to include the original cost and present value as well as serial numbers and brand names.
- 4) Consider having a garage sale to get rid of those items you have always planned to sell. Such sales can be fun and are a good way of generating some extra money while reducing your inventory of "junk".
- 5) Before the movers arrive to take the pre-move inventory and estimate, have segregated (as much as possible) what is to be moved from what is to be stored. Be sure to point out which items will travel in your air shipment and which in your ocean shipment. These estimates are usually very accurate (+/- 10%) and will be a good guideline for you to follow in determining if you are over or under in your air or ocean shipment weight allowance, excessive in your storage allotment, and/or how big a garage sale you should have. If you make any adjustments in what you have told the movers, notify them immediately so that they can readjust their estimates if necessary.
- 6) Guard your household goods from damage caused by fire, leakage, corrosion, or explosion. Dispose of all flammable materials such as fireworks, cleaning fluids, matches, butane lighters, acids, chemistry sets, and pressurized cans. Packers are famous for packing everything. If, for example, you tell the packers that everything in a specific storage area is to be packed (you mean the shovels and rakes, etc.), the packers are, most likely, going to pack everything in that area including paint cans, full trash cans, lawn mower gasoline cans, etc. Packers question nothing!!! Discard partly used cans of oil, paint, syrup or any liquid that might leak. As a general rule, foodstuffs should not be taken (although if left to their own, packers will certainly pack them). Drain the oil and gasoline from your lawnmower, model planes and other such items. **Take no Chances!!!** Remember "Murphy's Law". I can not emphasize too much what packers can do if you assume that they will use their heads when packing. I once had a friend who found, as he was unpacking, that the packers had packed a full cat-litter box!
- 7) Check the contents of each drawer and remove spillable items, make-up, fragile items, and valuables. Since new employees have a limited, though large, amount that can be moved, some furniture items may need to be placed in storage at the point of origin. Be careful what you tell the packers to pack for shipment and for storage. If you tell them that a given chest of drawers is to be moved to storage, be sure to remove your clothing from the drawers, or those items will go into storage with the chest. Valuables placed in drawers are subject to pilferage and, certainly, will be packed or placed in storage depending on what directions are given to the packing crew.
- 8) Empty, clean, and dry the refrigerator, home freezer, washer, dryer, dish washer, and range at least 24 hours before they are to be serviced for the move or storage. Remember that an unclean refrigerator left in storage for even a short period of time could render the appliance permanently unusable due to the smell of rotting food.
- 9) Unless they are new or in excellent condition, it is not advisable to take small appliances to Chile. Better invest in new ones which will survive your tour abroad. (AURA houses in Chile have 110 volt electric lines but operate on 50 cycle power.)
- 10) Separate those items to be stored, those to be sent via air freight, those to be sent via ocean freight, and those to be taken as personal baggage. There is nothing more confusing on moving day than to have all the shipments mixed together and nothing worse than to get to Chile and find that items you wanted shipped as household goods are now sitting in storage at your Point of Origin.
- 11) Before the move, use, and add to, the attached "Take Along Check List", to ensure that what you most need has been safely set aside to go with you.

## **SECTION 8**

### **THE MOVING DAY**

- 1) Before the packing begins, tour the house with the head packer so that he can inspect each article and tag it with an identifying number. Be sure that the condition of each item is properly recorded. Any insurance claim will be significantly altered by an incorrect appraisal of an item's condition.
- 2) Be sure that you identify each "high value" item (\$1,000 or more in value, or one that is difficult to replace). Many private insurance companies require this before they will reimburse the value of the item, should it be lost or damaged.
- 3) Insure that the packers know what is to be stored, moved, or taken as personal baggage. The clearer you are, or the more the items are separated, the less chance for confusion.
- 4) Be on hand while the packers are working to answer questions that might arise. Carefully watch them pack. Remember, the items that they are packing are yours and deserve the best care. AURA is paying a significant amount of money to insure that your move is successful, but it is your responsibility to see that the movers handle your goods properly. Insurance claims can be collected, but some items are irreplaceable. If you must leave for any reason, appoint a friend or relative you know to supervise activities. Make your complaints, if there are any, to the packing supervisor. If you get no satisfaction from that person, contact the moving company immediately and advise them of the problem.
- 5) Have all dishes washed and dried, and leave them in the cabinets; they are easier to pack in that fashion.
- 6) **Do not pack anything yourself.** If you do, the moving company will take no responsibility for the condition of the items and claims for damage cannot be made. This does not mean that you cannot question a packer about a seemingly slipshod job in packing a given item.
- 7) Leave mirrors and pictures on the wall. The packers will remove them and place them in protective cartons. Packers are not allowed to remove anything permanently attached to the structure such as drapery hardware, towel racks, and wall-to-wall carpeting. You must remove these things yourself if they are to be taken or stored. If you are selling your house, consult your real estate agent regarding what is, and is not, considered part of the sale. Generally, any item attached to the structure is part of the sale unless otherwise stated in the sales contract. Be careful in this regard.
- 8) Leave beds assembled, sheets removed.
- 9) Before the packers leave, make a final check of all storage spaces and cabinets to insure that nothing is left behind.
- 10) Keep a running inventory of the items being moved including their value. After completing the packing, review the list and forward a copy to the Chile Liaison Office. Be sure the moving company also gets a copy of this inventory. Insurance claims can be made from this inventory, since the mover's inventory is often too vague to identify what is packed in specific boxes or the items' value. It is important that the moving company receive this list as soon as possible.
- 11) Once the move is complete, insure that the following are done:
  - A) Water shut off.
  - B) Furnace shut off.
  - C) Electricity shut off.
  - D) Telephone disconnected.
  - E) Windows shut and locked.
  - F) Doors locked.
  - G) Keys left in prearranged place.
  - H) Utilities notified of change of address to send close-out bills.

## **SECTION 9**

### **FINAL NOTES**

Again, this publication is only intended to point out some of the preparations you should make in order to insure the success of your move to Chile. Certainly every move is different, as are everyone's personal affairs. Review your specific situation and individualize your preparations accordingly. If you have any questions contact any of the individuals noted in Section 2 of this guide or your assigned mover. Both will be very willing to answer any questions you may have.

If you have never lived overseas, both you and your family have a treat in store for you. A new culture, new friends, new scenery, and a new perspective of a foreign country are only part of what will surely be both an educational and rewarding experience. Don't let a poorly planned move ruin your first impressions of an enjoyable country.

## **WELCOME TO CHILE!**

Checked	Item	Packed in or Carried With:
_____	Passports	_____
_____	Intl. Certificates of Vaccination	_____
_____	Plane Tickets	_____
_____	Travelers Checks	_____
_____	Credit Cards VISA	_____
	AMERICAN EXPRESS	_____
	MASTER CARD	_____
	OTHERS:	_____
	_____	_____
	_____	_____
	_____	_____
_____	Driver's license and/or International Drivers Permit	_____
_____	Medical and accident insurance identification card	_____
_____	Social Security Card(s)	_____
_____	Extra passport photos	_____
_____	Copy of Marriage Certificate or Divorce Decree	_____
_____	Motor vehicle ownership record(s)	_____
_____	Medical records and prescriptions	_____
_____	Eyeglass prescriptions	_____
_____	Children's school records	_____
_____	Documents pertaining to transportation of household goods and motor vehicles	_____
_____	US Customs Certificates of Registration	_____
_____	Duplicate keys - car, luggage, etc.	_____
_____	Jewelry	_____
_____	Furs	_____
_____	Camera and film	_____
_____	OTHER: _____	_____
_____	_____	_____
_____	_____	_____

You will find the following checklist a valuable aid in organizing your move and making sure no details connected with it are overlooked. Check off each item as it is completed and you will see at a glance what remains to be done.

- \_\_\_\_\_ Determine approximate amounts of expenses for which you will be responsible.
- \_\_\_\_\_ Have passport photos made and apply for your passport.
- \_\_\_\_\_ Organize financial matters.
- \_\_\_\_\_ Make arrangements for disposing of your present home.
- \_\_\_\_\_ Tour your home from attic to basement; include garage and patio. Decide what to take, what to send to storage, what to discard.
- \_\_\_\_\_ List everything you are taking on the two inventory lists. Separate those items to be stored and those items to be moved. Be sure to include original cost and present value, as well as serial numbers and brand names of electrical appliances and musical instruments.
- \_\_\_\_\_ Consider having a garage sale to dispose of discards.
- \_\_\_\_\_ When the moving representative arrives, show everything that is to be moved.
- \_\_\_\_\_ Take care of legal affairs.
- \_\_\_\_\_ Decide how you are going to forward your valuables.
- \_\_\_\_\_ Prepare for children's school transfers.
- \_\_\_\_\_ Check up on taxes.
- \_\_\_\_\_ Consult your insurance agent(s) about overseas insurance coverage.
- \_\_\_\_\_ Take care of medical concerns.
- \_\_\_\_\_ Make family travel plans.
- \_\_\_\_\_ If you are taking your motor vehicle, have it checked to be sure it is in first class condition and that you have any spare parts or tools you might need.
- \_\_\_\_\_ Take care of changes of address.
- \_\_\_\_\_ Notify your moving agent if you add to or subtract any items from your household goods shipment, or if there is any change in the date of the move or the destination.
- \_\_\_\_\_ If you are taking your major electrical appliances, set a date with a reliable person to prepare them for shipment.
- \_\_\_\_\_ Check the contents of drawers. Remove all spillable, breakable, or valuable items.
- \_\_\_\_\_ Guard your household goods from damage that could be caused by fire, explosion or leakage, whether they are being shipped or stored.
- \_\_\_\_\_ Dispose of flammable materials such as fireworks, cleaning fluids, matches, acids, chemistry sets, pressure cans, etc.
- \_\_\_\_\_ Discard partly used cans of oil, paint, syrup and similar liquids and semi-liquids that might leak.
- \_\_\_\_\_ Carefully tape-seal and place in individual waterproof bags any jars or bottles of liquids or semi-liquids you wish to move (although it is better to discard these, too).
- \_\_\_\_\_ Drain oils and fuels from your power mower and other machinery.
- \_\_\_\_\_ Empty, clean, and dry the refrigerator, home freezer, washer, dryer, dishwasher, and range at least 24 hours before they are to be serviced for shipment or storage.
- \_\_\_\_\_ The day before moving day go over the "Take Along Checklist" to be sure nothing essential has been overlooked.

- \_\_\_\_\_ Be on hand when the packing crew arrives. If you must leave, it is essential that you appoint someone to act in your behalf, and notify your moving agent of this authorization.
  
- \_\_\_\_\_ Have dishes washed and dried. Leave them in the cabinets as they are easier to remove and pack when left in normal storage places.
  
- \_\_\_\_\_ Leave mirrors and pictures on the wall. The packers will remove and place them in special cartons. However, packers are not permitted to remove items that have been permanently attached to the premises. You must detach such things as drapery hardware, towel racks, electric fixtures and wall-to-wall carpeting in advance if they are to be moved.
  
- \_\_\_\_\_ Leave beds assembled; bedclothes removed.
  
- \_\_\_\_\_ Have things to be stored separated from things to be shipped, and items to go in your personal luggage away from both so they are not accidentally mixed with either. Have a clear understanding with the packers as to which is which.
  
- \_\_\_\_\_ Before packing begins, accompany the head packer on a tour of the premises so he can inspect article and tag it with an identifying number. Be sure the condition of all items is recorded.
  
- \_\_\_\_\_ Before the packers leave, make a final check of closets, cabinets and storage areas to be sure nothing has been overlooked.
  
- \_\_\_\_\_ Check and sign the mover's inventory.
  
- \_\_\_\_\_ Before leaving with your personal luggage, take another look around to be sure that windows and doors are locked.
  
- \_\_\_\_\_ Leave the keys with a responsible person or in a prearranged location.

## SECTION 16

### CREDIT CARD PROCEDURES

- 1) INTRODUCTION: In order to improve the ability of individual departments to obtain small, low cost materials with a minimum of delay and with a minimum of administrative expense, with the issuance of purchasing credit cards to select employees. This card will function as does any credit card but has built-in purchase limitations to prevent abuse.
  - A) Currently AURA departments can obtain small, off-the-shelf materials without submitting a purchase requisition to AURA Procurement by either:
    - a) Obtaining Petty Cash from either AURA Accounting or a departmental Petty Cash Fund, travelling to the vendor and directly purchasing the desired materials;
    - b) Utilizing a personal check or credit card to purchase materials either directly from a vendor or through a mail order service and then obtaining reimbursement from AURA Accounting; or
    - c) Utilizing a previously issued credit card with an established vendor.
  - B) The Credit Card is designed to widen the vendor base from which the departments can obtain supplies and materials and to give the individual departments' greater flexibility in **obtaining urgently needed materials**. The following procedures are established to insure that the Credit Card is not abused in its use and to insure that purchases which do require the intervention of Procurement personnel are made in the proper manner.
- 2) DEFINITIONS
  - A) **Approving Official:** The Approving Official is the AURA employee with Signature Authority for the account against which the charges will be billed. The Approving Official is responsible for reviewing the cardholder's monthly statement of account to ensure purchases are made in accordance with AURA policies. The Approving Official will be required to notify the Credit Card Program Coordinator when unauthorized purchases are made or when the provisions of these internal procedures are violated by the card holder. In certain instances the Approving Official can be the Cardholder.
  - B) **Cardholder:** The Cardholder is the AURA employee to whom a card is issued. The card bears this individual's name and may be used only by this individual to pay for authorized purchases.
  - C) **Commitment Authority:** Commitment Authority is the delegation of authority by the AURA Director to expend funds from specific accounts in order to purchase materials and services for the organization. In general, this is accomplished by approving a purchase requisition. This Commitment Authority, however, does not authorize those individuals to enter into contractual agreements on behalf of AURA. Commitment Authority and Contractual Authority are non-overlapping functions and the granting of one does not mean the other is granted unless specifically delegated in writing.
  - D) **Contractual Authority:** Contractual Authority is the authority granted to specific individuals within the Procurement Department to commit AURA/AURA into contractual agreements. This authority can only be exercised in response to properly completed purchase requisition, or other purchase authorization, approved by an individual with the proper Signature Authority. Contractual Authority is delegated to the Cardholder on a limited basis and only within the purchasing limits set forth in these regulations.
  - E) **Designated Billing Office Contact:** The AURA Central Administrative Services Accounts Receivable office will receive the official invoice from JP Morgan Chase and will be responsible for payment of the official invoice.

- F) **Disputes Office Contact:** Procurement will coordinate, process and monitor all disputed purchases, credits or billing errors.
- G) **AURA Program Coordinator:** The AURA Program Coordinator (NPC) for the Blanket Order Purchasing Card Program serves as the focal point for coordination of the credit card program applications, issuance and destruction of cards, establishment and review of reports, and administrative training. This individual also:
  - a) Serves as the liaison between AURA, JP Morgan Chase, and the cardholder.
  - b) Oversees the credit card program and establishes guidelines.
  - c) Submits changes to credit card dollar limitations to JP Morgan Chase by the NPC.
  - d) Review each cardholder's monthly statement to ensure that purchases are made in accordance with the FAR.
  - e) Enforces the provisions of these internal procedures and initiate administrative and disciplinary procedures for misuse of the card in accordance with these procedures.

Because the use of the Credit Card requires a limited delegation of purchasing authority and to insure that purchases are made in accordance with the FAR and commonly accepted business practices, the Program Manager will oversee issuance.

- H) **JP Morgan Chase:** JP Morgan Chase is the contractor who will maintain Credit Card accounts, issue cards to cardholders, send monthly statements to cardholders and Approving Officials and provide various reports to AURA Program Coordinator.
  - I) **Sales Tax Exemptions:** AURA is subject to the sales tax exemptions as listed on Attachment A to these regulations.
  - J) **Statement of Account:** The Statement of Account is a monthly listing of all payments authorized for purchases and credits made by the cardholder and billed by the merchant. This is the monthly invoice that will be reconciled by the cardholder.
- 3) **USE OF THE CREDIT CARD:** The Credit Card may be used to pay for small purchases made in accordance these regulations. As such, the Credit Card can be used to pay for supplies and materials acquired through personal shopping, telephone solicitations or mail order shopping services. The purchase of services and use of purchase orders and contracts will continue to be done solely by AURA Procurement. Without exception, the Credit Card may only be used for authorized AURA purchases.
- 4) **SETTING UP THE CREDIT CARD ACCOUNT**
- A) All AURA employees that have passed their initial hiring probationary period are eligible for a credit card.
  - B) JP Morgan Chase will provide the NPC with all the necessary cardholder and Approving Official set-up forms. Upon receipt of a memo from the Approving Official, the NPC will distribute the forms to the appropriate AURA personnel for completion. The completed forms will be returned to the NPC for processing who will submit the completed forms to JP Morgan Chase for processing.
  - C) The Credit Card will be mailed to the cardholder via the NPC after JP Morgan Chase receives the application. Upon receipt of the card, the cardholder must call a 1-800-telephone number to activate the card. The cardholder must know his/her single purchase limit and monthly limit to activate the card.
- 5) **DELEGATION OF AUTHORITY:** The Procurement Manager will delegate, in writing, limited Contractual Authority to the holders of the Credit Card. This delegation allows the Cardholder to make purchases up to the acquisition thresholds assigned to the holder. It must be remembered that the cardholder can only use the Credit Card in response to a specific purchase for which he/she has delegated Commitment Authority. The purchase of items for another individual/contract/account number/etc. will be made in response to a purchase authorization document (such as an approved requisition or memo) which describes the item(s) to be purchased and the account number to be charged. This document must be either signed or issued by the individual with the proper Signature Authority for that account.
- 6) **TRAINING:**

- A) Individuals that have not attended formal training courses on small purchases or basic procurement and/or contracting will receive formal training or on-the-job orientation/training on small purchase procedures. The orientation and/or training may either be provided directly by AURA Procurement personnel or in a written manual issued by the Manager, AURA Procurement. The NPC shall provide information and basic instructions on how to use the card to cardholders and Approving Officials in accordance with AURA policy.
- B) All cardholders and Approving Officials shall read and be familiar with the requirements of these internal procedures. Periodic review of these procedures and other regulations as issued by the NPC is required at least once every year. Prospective cardholders and Approving Officials shall complete the appropriate training and/or orientation sessions. Submission by the NPC of the set-up forms to the JP Morgan Chase will indicate that the cardholder has been certified but AURA Procurement to obtain and use the BOMPA Credit Card.

7) STANDARDS OF CONDUCT

- A) Employees of AURA hold a public trust. As such, their conduct must meet the highest ethical standards. All AURA employees shall use this card only to purchase items within the guidance of these regulations. Cardholders and Approving Officials acknowledge that making false statements on credit card records or the fraudulent use of the credit card may result in disciplinary action or criminal prosecution.
- B) The use and misuse of the BOMPA Credit Card are subject to government policies. The government may punish wrong doers by fine imprisonment, or both as stated in Title 18, Part 1, Chapter 31, and Paragraph 641 of the United States Code.

“Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined or converted— Shall be fined under this title or imprisoned not more than ten years, or both; but if the value of such property does not exceed the sum of \$1,000, he shall be fined under this title or imprisoned not more than one year, or both. The word “value” means face, par, or market value, or cost price, either wholesale or retail, whichever is greater.”

- C) Unauthorized use shall have the meaning as set forth in footnote 22, Section 226.12, title 12 Code of Federal Regulations.

"Unauthorized use means the use of a credit card by [any] person, [including] the cardholder, who does not have actual, implied or apparent authority for such use and from which the [Government] received no benefit."

- D) All employees receiving their cards after June 2005 will be required to sign the statement listed in Attachment 2.

8) PROCUREMENT INTEGRITY

- A) Individuals delegated Contractual Authority are procurement officials, as defined under Section 27 of the office of Federal Procurement Policy Act. A portion of the training and orientation the cardholders will undergo includes ethics training. As Procurement Officials, the cardholders and Approving Officials are subject to administrative actions or remedies as well as civil and criminal penalties for violation of the Procurement Integrity Act.
- B) In accordance with Section 41 of the U.S. Code, Chapter 7, Paragraph 423.b, during the conduct of any Federal agency procurement of property or services, no procurement official of such agency shall knowingly:

- a) 1. Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any officer, employee, representative, agent, or consultant of a competing contractor, except as provided in subsection (c) of this section;

- b) Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any competing contractor for such procurement; or
- c) Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the head of such agency or the contracting officer to receive such information.

9) DOLLAR LIMITS ASSOCIATED WITH THE BOMPA CREDIT CARD

- A) Use of the Credit Card by a cardholder is subject to a Single Purchase Limit and a Billing Cycle Purchase Limit. The purpose of these dollar limits is as follows:
  - a) **Single Purchase Limit.** The single purchase limit is a limitation on the Contractual and Commitment Authority delegated to the cardholder by the NPC and the AO. This dollar limit cannot be exceeded unless the NPC and AO raise the limit by issuing a revised delegation of authority. When using the card, a "single purchase" may include multiple items; however, no single purchase may exceed the authorized single purchase limit established for each cardholder. Single purchase limits may be assigned to cardholders in \$50 increments. For the initial delegation of purchasing authority, each cardholder will be limited to a single purchase limit of \$250 unless revised by the AO and approved by the NPC.
  - b) **Billing Cycle Purchase Limit.** The monthly cardholder limit is a budgetary limit assigned by the AO. The total dollar value of purchases during any 30-day billing cycle will not exceed the monthly purchase limit set by the AO. The AO may direct the NPC to raise the Billing Cycle Purchase Limit. Monthly cardholder limits may be assigned in \$100 increments up to \$5,000. For the initial delegation of purchasing authority, each cardholder will be limited to a Billing Cycle Purchase Limit of \$1,500 unless revised by the AO and approved by the NPC.

10) CARDHOLDER RESPONSIBILITIES

- A) The Credit Card will have the name of the cardholder embossed on it and may be used only by that cardholder. No other person is authorized to use the card. Purchases may be made by the cardholder for other individuals as long as the purchases are properly authorized. However, the cardholder cannot give the card to another individual for that individual's use, even in the conduct of properly authorized purchases.
- B) Unlike the AURA Corporate American Express Credit Card, the Credit Card is NOT a personal credit card. The acquisition of items for personal use is strictly forbidden. Use of the card for personal purposes will subject the cardholder to either disciplinary actions and/or revoking of the card. Purchase made via telephone must never be sent to an individual's home address even though those purchases are for official, AURA use and in response to properly authorized purchase requests.
- C) If the card is used to purchase items for another individual/contract/account number/etc., it is strongly suggested that the cardholder receive a purchase authorizing document which describes the item(s) to be purchased and the account number to be charged. It is important that this document be issued by someone with the proper Signature Authority to authorize expenditures from the account being charged. The documents necessary to authorize the purchase can be as formal as a Purchase Requisition or as informal as an email message. Whatever documents used must be able to stand up to scrutiny if the purchase is questioned. If the documents are insufficient, the purchase will be disallowed and the charge for the purchased item(s) will be credited to the Cardholder's Personal Account for repayment. If the cardholder is purchasing items for another individual/contract/account number/etc., it is strongly suggested that the individual to whom the purchased goods are delivered sign the purchase-authorizing document (or any other receiving form) when the goods are delivered.

11) INADVERTANT CHARGES: While the use of the Credit Card for personal purchases is not authorized, there may be instances where the card is accidentally used for personal purposes. In the situation where the employee inadvertently charges personal purchases to the Credit Card, the following will apply:

- A) If unauthorized charges are made, the employee will attach a personal check to the statement on which the unauthorized charge(s) is (are) reflected.

- B) If, for any reason, the employee cannot make payment at that time, they will notify the Credit Card Administrator and make arrangement to repay the unauthorized charges within 5 working days. If payment is not received within 5 working days, the unauthorized charges will be deducted from the employee's next paycheck.
  - C) If the employee is unable to pay the unauthorized charge in full, they will contact the Credit Card Administrator within 5 working days and set up a schedule for repayment that is acceptable to AURA.
  - D) In any case, if unauthorized charges are not repaid immediately, the credit card will be put on temporary hold until payment is received and the employee's supervisor (Approving Authority) will be notified. Inadvertently charging personal items to the credit card may result in disciplinary action, which may include revocation of charging privileges and other disciplinary measures up to and including termination of employment, as deemed appropriate.
- 12) **VENDOR AUTHORIZATION:** When issuing this card to an employee, authorization codes will be established by the NPC and will be incorporated into the card. Under normal circumstances, merchants are required to obtain authorization from JP Morgan Chase for purchases over \$50. However, many merchants now use electronic authorization methods allowing them to obtain authorization for all purchases, regardless of amount. When the merchant seeks authorization for a purchase, JP Morgan Chase authorization system will check each individual cardholder's single purchase limit and the Billing Cycle Purchase Limit before authorization for that transaction will be granted.
- 13) **CONDITIONS FOR USE:** Use of the card must meet the following conditions:
- A) A single purchase may be comprised of multiple items but the cost of that one transaction cannot exceed the authorized Single Purchase Limit. Purchases will be denied if the authorized single-purchase limit is exceeded. Purchases are not to be split in order to stay within the single purchase limit.
  - B) All items purchased over the counter must be immediately available. No backordering is allowed.
  - C) Mail Order purchases must be delivered within the 30-day billing cycle. The mail order should not be placed without this assurance. It is important that you have receipt of the materials for acceptance purposes. Once the invoice is paid, funds cannot be withheld or disputes made if the materials arrive damaged, or are otherwise unacceptable.
  - D) Except for the replacement of broken or inoperable parts, the Credit Card cannot be used to purchase items which will be added to capitalized property (tagged equipment). Because of inventory accountability, such additions can only be done by AURA Procurement.
  - E) When purchasing items by phone or over the counter, the cardholder should inform the merchant that the purchase is for Official U.S. Government purposes and is subject to 50% of the Arizona State and Tucson City Sales Tax. Purchases by AURA are not subject to the Arizona Use Tax. Use tax is a tax charged to Arizona residents by vendors outside Arizona. .
- 14) **UNAUTHORIZED USE OF THE CREDIT CARD**
- A) The BOMPA Credit Card may **NOT** be used for the following:
    - a) Cash advances (under no circumstances).
    - b) Rental or lease of land or buildings.
    - c) Purchase of entertainment. In this definition, "entertainment" includes but is not limited to theater or concert tickets, movie passes, and tickets to sporting event.
    - d) Purchase of alcoholic beverages.
    - e) Purchase of gift cards, debit cards and or gift certificates.
  - B) The following purchases will be handled **ONLY** by AURA Procurement:
    - a) Purchases of services, installation of purchased equipment, or minor construction;
    - b) Rental or lease of equipment;
    - c) Lease of vehicles or lodging for more than 30 days;
    - d) Purchase of materials or equipment which are not "off the shelf" and which require technical modifications according to drawings provided by the requester; or
    - e) Purchases for which the vendor requires a printed contract or purchase order.

- 15) **ACQUISITION PROCEDURES FOR THE CREDIT CARD:** When making purchases using the Credit Card, all of the applicable acquisition regulations apply. Regardless of whether the open market purchase is made using oral procedures or over the counter, the cardholder must:
- A) Ensure that funds are available to pay for the items being purchased.
  - B) Certify that the quantity and quality of the items furnished are in accordance with the agreement (verbal or written) with the vendor.
  - C) Ensure that the fee paid by merchants is not added to the price of items purchased by cardholders.
- 16) **ORAL PURCHASE PROCEDURES:** "Oral Purchase Procedures," as used in these instructions means a procedure where an order is placed or a purchase is made through an oral agreement which is made in person or by telephone. No written purchase order or contract is issued by AURA. The supplies or services are provided by the vendor and payment is made using Credit Card.
- A) Oral procedures may be used to acquire supplies that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired. The items must be in stock and off-the-shelf. Either the supplier or AURA must not require a purchase order or contract.
  - B) When placing a telephone order to be paid using the Credit Card, the cardholder will:
    - a) Notify the vendor that the purchase is exempt from 50% of the Arizona State sales tax, 50% of the Tucson City Sales Tax, and fully exempt from Arizona Use Tax for out of state purchases. AURA's tax exemptions are included with this document at Attachment 1.
    - b) Confirm that the vendor agrees to charge the credit card when the shipment is made so that receipt of the supplies will be certified on the Monthly Statement of Account. Do not place an order with a vendor who bills when the order is placed rather than shipped. It is important that all items indicated on the Monthly Statement of Account be received before the invoice is paid. However, invoice payment cannot be delayed pending receipt.
    - c) Instruct the vendor to include the following information on the shipping document or packing slip. This information will alert the receiving department who is to get the shipment and that the purchase was made with the Credit Card.
      - (1) Cardholder Name and the cardholder correspondence number (internal purchase reference number, release number, etc. if used).
      - (2) Street Address
      - (3) Cardholder Telephone Number.
      - (4) The term "Credit Card"
  - (5) C) A log should be used to document or record telephone credit card orders. The documentation should be held until the monthly billing statement is received and then attached to the statement when it is submitted for approval.
- 17) **RECEIPT OF MATERIALS:** Unless received directly by the cardholder, all purchased materials will be sent by the vendors to the following address. This address will be the billing address on the card and will be readily accepted by the credit card. Shipping addresses other than the following will not be accepted and the purchase rejected by JP Morgan Chase. The Cardholder must not send purchased materials to his/her home residence.
- A) The proper Shipping and Receiving address is:
    - Cardholder Name
    - c/o AURA/Credit Card
    - 950 N. Cherry Ave.
    - Tucson, AZ 85719
  - B) Logistics personnel will notify the individual listed on the shipping document that a purchase made by them has arrived. It is important that the shipment be addressed to the cardholder and that the shipping documents

contain the information detailed in 14.B.2. (c) (1) above. It is important to understand that considerable confusion can occur in Logistics as a result of improperly addressed shipments.

- C) Some items purchased by AURA Procurement on AURA Purchase Orders may be addressed to the requester. As a result, it is important that the cardholder immediately notify AURA Logistics if materials received and assumed to be purchased with the Credit Card were actually purchased with an AURA Purchase Order. These incorrectly received materials must be returned to AURA Shipping and Receiving as soon as possible so that they can be received properly.

## 18) DOCUMENTATION, RECONCILIATION AND PAYMENT PROCEDURES

- A) **Documentation:** Any time a purchase is made using the card, whether it is done over the counter or by telephone, a document should be retained as proof of purchase. These documents will later be used to verify the purchases shown on the cardholder's monthly statement.
  - a) When a purchase is made over the counter, the cardholder shall obtain the customer copy of the charge slip, which will become an accountable document (make sure all carbons are destroyed).
  - b) When making purchases by phone the cardholder should document the transaction on a log. When the item is received shipping documents associated with the order should be attached to the log.
- B) **Contractor Reports:** JP Morgan Chase will provide and distribute two monthly documents within 5 working days after the end of the 30 day billing cycle.
- C) **Cardholder Statement of Account** - all purchases, credits and other transaction data that the cardholder has made in the 30-day billing cycle.
- D) **Finance Office Official Invoice** - the official invoice provides summary data for each cardholder and Approving Official.
- E) **Reconciliation:** At the end of each monthly billing cycle, the cardholder will reconcile the information on his/her Cardholder Statement of Account by filling in the appropriate account number in the accounting code block and a description for each purchase. The cardholder must then sign the Cardholder Statement of Account, attach all supporting documentation and forward to the Approving Official or designated alternate.
  - a) It is important that the cardholder check each purchase on the statement to verify the accuracy. If an item has been returned and the credit voucher received, the cardholder will verify that the credit is reflected on the statement. If the purchased items and credits are not on the next monthly statement, the transaction documentation will be retained by the cardholder until the purchase credit appears on the statement. If the purchase or credit does not appear on the next monthly Cardholder Statement of Account, the cardholder or Approving Official should notify the NPC to resolve and reconcile the statement.
  - b) The cardholder must sign the Cardholder Statement of Account and forward it to the Approving Official **within 5 working days** of receipt. If the cardholder cannot review the statement at the time it is received, the Approving Official is responsible for reviewing and certifying the cardholder's statement. The Approving official will meet with the cardholder upon his/her return to go over the cardholder's statement.
- F) **Missing Documentation:** If, for some reason, the cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation.
- G) **Approving Official:** The Approving official is responsible for reviewing and signing the Cardholder Statement of Account and forwarding the cardholder's statement of account to the NPC within 10 working days after the end of the billing cycle.
- H) **AURA Program Coordinator:** The NPC will review each Cardholder Statement of Account. The inspection will include a review of the purchases to insure that they conform to the FAR and these regulations. In addition, the NPC will verify that the proper documents accompany the statement. The NPC will forward the Cardholder Statement of Account to AURA Accounting for payment within 1 working day after receiving the statement from the Approving Official.

19) BILLING ERRORS AND DISPUTES

- A) **Statement of Questioned Items:** If a cardholder received a Cardholder Statement of Account that lists a transaction for merchandise that has not been received, or a transaction which includes an unauthorized charge, the cardholder (or Approving Official) must notify the Dispute Office contact and complete the Cardholder Statement of Questioned Item form. JP Morgan Chase will credit the transaction until the dispute is resolved. In addition, a copy of the form must be attached to the Cardholder Statement of Account and sent to the appropriate Designated Billing Office.
- B) **Defective Items:** If items purchased with the card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors.

20) PROCEDURES APPLICABLE TO AURA-SOUTH EMPLOYEES:

- A) **Purchasing Procedures.** Purchases made to US companies by AURA-SOUTH employees for materials that are to be sent to Chile must:
  - a) Be received in Tucson Logistics to verify that the cardholder is receiving what he/she ordered. Without the inclusion of this step, delivery errors would not be discovered until the items arrive in Chile which could be a considerable amount of time after the credit card has been charged and the invoice paid. Errors found at that late date may not be corrected by the vendor and there is no way to dispute the payment. Orders are not to be shipped to Chile directly unless the vendor is located outside the United States.
  - b) Be easily identifiable and differentiated from personal goods purchases.
  - c) Be properly documented in the periodic freight shipments to Chile so that they can be both exported properly from the US and imported properly into Chile.
  - d) Be properly received at the AURA-South Bodega and distributed to the proper individual.
  - e) Be properly accounted for concerning property control.
  - f) As a result of the above, ALL purchase made with the Credit Card will:
    - (1) Originate with a properly completed and approved requisition. The requisition must:
      - (A) Describe the materials purchased to allow AURA Shipping and Receiving to properly identify and receive the materials ordered.
      - (B) Identify the actual cost of the materials purchased including the tax, freight and handling costs.
      - (C) Identify the vendor from which the goods were purchased.
      - (D) Have as an attachment the invoice received from the vendor. This invoice is important as it will allow the item to be shipped to Chile and imported Duty-Free.
      - (E) Note that the requisition was issued in response to a credit card purchase.
    - (2) AURA Procurement will forward a copy of the requisition and attachment to Logistics. This document will be used for receipt and for shipping documentation.
- B) **Materials Receipt:** All materials ordered from vendors within the US on the credit card will be received by AURA Logistics. Errors that are identified upon receipt will be forwarded to the NPC who will notify the cardholder of the problem. The cardholder will be expected to resolve the problem with the vendor and have the goods returned to the vendor. Incorrect items will not be forwarded to Chile until approval is received by the cardholder.
  - a) Orders that have been identified by Logistics as being incorrect will be placed in dispute by the NPC until the problem is either resolved or corrected to the satisfaction of the cardholder.
- C) **Setting Up The Account:** When setting up account with web vendors the cardholder will need to identify purchases made as belonging to the Credit Card Program. The easiest way to do this is to enter the cardhold-

ers name. If personal purchases are to be made to the same vendor, a separate account will need to be established that does not include "Credit Card Program".

- D) **Purchases Within Chile:** Credit Card purchases made to vendors within Chile will be received by the credit card holder.
- E) **Purchases Outside the US, Canada and Chile:** Because of the delay between when the credit card will be charged and the materials received by the credit card holder in Chile, all purchases made to vendors outside the US or Chile are to be handled carefully.
- F) **On-Line Software Purchases:** Credit Card Purchases made on-line where the software is downloaded directly into a computer are allowed.
- G) **Emergency Orders:** Credit Card purchases that are urgently needed in Chile should be so identified on the requisition.
- H) **Statement Reconciliation:** Because of the delays involved in transmitting the monthly invoice to the cardholder in Chile, the NPC in Tucson will reconcile the statements for those in Chile. The NPC will have copies of the approved requisitions that have been forwarded to Tucson when the order is placed.

- a) Notices of all purchases made on the credit card that do not require a requisition such as hotel payments, software downloads, etc. are to be forwarded to the NPC for back-up when the statements are reconciled.

- (1) Notices are to include the complete information concerning the order and the account numbers to be charged.

I) **Purchase Limits:**

- a) Cardholders in Chile will be limited to a single purchase and a month purchase limit as determined by the NPC.
- b) Purchases for items that are to be added to capitalized items (tagged items valued in excess of \$5,000) may only be made by AURA Procurement.
- c) Purchases for equipment in excess of \$1,000 will be reported to the AURA on-site Property Officer. Copies of the requisitions and e-mailed notification will be forwarded to both property officers who will create a property record for the item.

21) CONTACT WITH JP MORGAN CHASE: JP Morgan Chase should be contacted by cardholders only to report a LOST or STOLEN card. All other questions should be directed to the contacts listed in these procedures. JP Morgan Chase telephone numbers are listed below.

22) LOST OR STOLEN CARDS:

A) **Telephone Notification:** If the card is lost or stolen, it is important that the cardholder immediately notify JP Morgan Chase at the following numbers 24 hours/day:

- a) Inside the continental United States - 1-800-316-6056
- b) Outside the US, try the same number, if that does not work; call 847-488-3748.

B) **Written Notification:** The cardholder must also notify the Approving official and the NPC of the lost or stolen card within 1 work day after discovering the card missing. The Approving official should submit a written report to the NPC within 7 working days. The report should include:

- a) The Card Number;
- b) The Cardholders complete name;
- c) The date and location of the loss;
- d) If stolen, the date reported to police;
- e) Date and time JP Morgan Chase was notified;
- f) Any purchases made on the day the card was lost/stolen; and,
- g) Any other pertinent information.

- C) **Card Replacement:** A new card will be mailed within 2 business days of the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen should be cut in half and given to his/her Approving official or the NPC. The NPC will notify JP Morgan Chase that the card has been destroyed.
- D) **Unauthorized Use:** AURA will not be liable for any unauthorized use of the Credit Card. "Unauthorized Use" means the use of a credit card by a person other than the cardholder, who does not have actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit.

23) UNAUTHORIZED PURCHASES:

- A) A cardholder that makes unauthorized purchases or carelessly uses the card may be liable to AURA for the total dollar amount of the unauthorized purchases made in connection with the misuse or negligence. Also, the cardholder may be subject to disciplinary action for such unauthorized or careless use in accordance with these regulations.
- B) AURA will be liable for use if the Credit Card by authorized users (cardholders).

24) **CARD SECURITY:** It is the cardholder's responsibility to safeguard the credit card and account number at all times. The cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

25) **SEPARATION OF THE CARDHOLDER:** Upon separation of employment of a cardholder, the cardholder must surrender the card to the (NPC) in AURA Procurement. The NPC will notify JP Morgan Chase to cancel the account.

26) **TRANSFER OF CARDHOLDER TO ANOTHER APPROVING OFFICIAL:** If a cardholder is transferred to another office within the same department or unit, the cardholder's account may simply be transferred to the Approving Official at the end of the current billing cycle. However, if the cardholder moves to a different department or unit, the new Approving Official will determine if the employee will be a cardholder within his/her office. If it is determined that the card should be kept by the cardholder, a new cardholder account setup will need to be completed and a new card issued under the new Approving official. The old cardholder account should then be cancelled.

# **AURA SALES TAX STATUS**

## **1. SALES TAX EXEMPTIONS:**

- A. In order to properly invoice AURA for goods and services sold, each vendor must be aware of AURA's Arizona Tax Status and exactly what amount of tax AURA must pay. In order to clarify AURA's tax status for those in state and out-of-state vendors the following tax codes are applicable to purchases made by AURA and on behalf of the U.S. government.
- B. Exemption from one half (50%) of Arizona State Retail Sales Tax under the Arizona Revised Statutes Section 42, Paragraph. 1310.01, Part J.
1. This exemption is applicable to all purchases of tangible personal property made to vendors within the State of Arizona when purchased from within Arizona (i.e. from AURA Procurement). Applying this tax code does not affect AURA's status concerning other applicable taxes, such as city taxes.
  2. This exemption should be used on all purchases made from vendors located within the State of Arizona without regard to the final destination of the purchased goods.
- C. Exemption from one half (50%) of City of Tucson Sales Tax in accordance with the Revision of the Tucson City Code, Ch. 19, Art. II, Business Privilege Tax.
1. If an order is placed from a Tucson location (as are all orders placed by AURA Procurement) to a vendor located in Tucson for tangible personal property, then such orders are subject to City of Tucson Sales Taxes. This tax exemption does not affect AURA's responsibility for the payment of other taxes such as State Sales Tax.
  2. This exemption should be used on all purchases made from vendors located within the Tucson City limits without regard to the final destination of the purchased goods.
- D. Exempt from Arizona Use Tax in accordance with the ruling dated Dec. 16, 1959, by the Director of Sales and Use Tax Division of the Arizona State Tax Commission and the Arizona Sales & Use Tax Code Section 15 Paragraph R15-5-2324.
1. The Arizona Use Tax is a tax imposed on the buyer for purchases of tangible personal property from an out-of-state vendor and applies to the use, storage or consumption of the items purchased (R15-5-2302). As per a Ruling dated December 16, 1959, AURA, Inc. is exempt from the Arizona Use Tax. The Arizona Sales Tax and Arizona Use Tax are complementary taxes, only one of which can be applied to a transaction (R15-5-2306).
    - (a) EXAMPLE 1: AURA orders widgets from a company in California for shipment to Tucson. This transaction is subject to the Arizona Use Tax for which AURA is completely exempt.
    - (b) EXAMPLE 2: AURA orders widgets from a vendor in Arizona who carries no inventory but orders the part shipped in from its manufacturer in California for delivery to Tucson. This transaction is subject to the Arizona Sales Tax for which AURA holds a 50% exemption.
  2. This exemption should be used on all purchases made from vendors located outside the state of Arizona with out regard to the final destination of the purchased goods.
- E. Exempt from all Arizona Sales Taxes on purchases of property from Arizona Manufacturers, Modifiers, Assemblers, or Repairers under Section 42 Paragraph 1310.01 Para I.1. of the Arizona Revised Statutes.
1. This exemption is applicable to all purchases of tangible personal property made from manufacturers, modifiers, assemblers, or repairers located in the State of Arizona when purchased from within Arizona (i.e. from AURA Procurement). Applying this tax exemption does not affect AURA's status concerning other applicable taxes, such as city taxes.
- F. Exempt from all applicable State of Arizona Sales Taxes in accordance with Section 42, Paragraph 1310.01, Part B.13. of the Arizona Revised Statutes.
1. This exemption should be used whenever "Machinery or Equipment used in Research and Development" is purchased. This deduction does not include the purchase of the following:

- (a) Janitorial Supplies
- (b) Expendable Materials
- (c) Office Equipment, furniture and supplies
- (d) Tangible personal property used in selling and distributing activities.
- (e) Motor Vehicles required to be licensed by this state.
- (f) Motors and pumps used in drip irrigation systems.

- 2. This exemption should be used whenever a purchase is made for exempt goods and services or whenever the order is received from an Arizona vendor from an out-of state buyer for delivery out of state.

G. Exempt from New Mexico Gross receipt Taxes for Tangible Personal Property pursuant to Section 72-13-29 NMSA 1953. New Mexico Tax ID Number 01-829625-00-4.

- 1. In order to reduce the National Solar Observatories (and AURA's) New Mexico Gross Receipts Tax liability, this exemption is applicable to all orders destined for Sunspot, NM.

H. Exempt from all City of Tucson Sales Tax in accordance with the Revision of the Tucson City Code, Ch.19, Art. II, Business Privilege Tax.

- 1. If an order is placed from a Tucson location (as are all orders placed by AURA Procurement) to a vendor located in Tucson for services listed below, then such orders are not subject to City of Tucson Sales Taxes.
- 2. This tax exemption does not affect AURA's responsibility for the payment of other taxes such as State Sales Tax.

## **2. NON-TAXABLE CONDITIONS:**

A. Certain services and goods are not taxable either for the State or Local Sales Taxes. Below is a listing of a few of those services more frequently used by AURA:

- 1. Typesetting.
- 2. Labor charges for repair or maintenance as long as the labor charges are shown separately on the invoice. If the various charges are not separated on the invoice, the total amount is taxable.
- 3. Professional Services.
- 4. Work performed under manufacturer's warranty.
- 5. Freight if shipped FOB "Ship Point" and if made after the sale. Freight charges made prior to the sale or to the exchange of title (i.e. "FOB Dest.") are taxable.
- 6. Materials and equipment used in Research and Development.

## EMPLOYEE CERTIFICATION

Employees of AURA hold a public trust. As such, their conduct must meet the highest ethical standards. All AURA employees shall use this card only to purchase items within the guidance of these regulations. Cardholders and Approving Officials acknowledge that making false statements on credit card records may result in disciplinary action or criminal prosecution.

The use and misuse of the Credit Card are subject to government policies. The government may punish wrong doers by fine imprisonment, or both as stated in Title 18, Part 1, Chapter 31, and Paragraph 641 of the United States Code.

“Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined or converted— Shall be fined under this title or imprisoned not more than ten years, or both; but if the value of such property does not exceed the sum of \$1,000, he shall be fined under this title or imprisoned not more than one year, or both. The word “value” means face, par, or market value, or cost price, either wholesale or retail, whichever is greater.”

Unauthorized use shall have the meaning as set forth in footnote 22, Section 226.12; title 12 Code of Federal Regulations.

"Unauthorized use means the use of a credit card by [any] person, [including] the cardholder, who does not have actual, implied or apparent authority for such use and from which the [Government] received no benefit."

I have read, understand and will comply with the ***AURA PROCEDURES GOVERNING THE ISSUANCE, USAGE AND INVOICE RECONCILIATION OF THE BLANKET ORDER MERCHANT PURCHASE AUTHORIZATION (BOMPA) CREDIT CARD*** governing the use of the AURA-BOMPA credit card and acknowledge the above statements. Accordingly, I agree to reimburse AURA for any and all unauthorized purchases made by me either inadvertently or purposely.

If unauthorized charges are made:

1. I agree to attach a personal check to the statement on which the unauthorized charge(s) is(are) reflected.
2. If, for any reason, I cannot make payment at that time, I will notify the BOMPA Credit Card Administrator and make arrangement to repay the unauthorized charges within five (5) working days.
  - a. I understand that if payment is not received within five (5) working days and
  - b. If alternative arrangements are not made,
  - c. The unauthorized charges will be deducted from my next paycheck.
3. If I am unable to pay the unauthorized charge in full, I will contact the Credit Card Administrator within five (5) working days and set up a schedule for repayment.
4. I understand that if I do not repay the unauthorized charges immediately, the credit card will be put on temporary hold until payment is received and my supervisor (Approving Authority) will be notified.
5. I also understand that using the credit card for the purchase of personal items may result in disciplinary action, which may include revocation of charging privileges and other disciplinary measures up to and including termination of employment, as deemed appropriate.
6. I also understand that the card will be cancelled upon termination of employment.

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Employee Name

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Date

## SECTION 17

### Purchase Order Terms and Conditions

1. Definitions
2. Documentation
3. Acceptance
4. Title / Risk of Loss
5. Invoices
6. Changes
7. Patent Infringement, Use and Consent
8. Small Business and Small Disadvantaged Business Subcontracting
9. Equal Opportunity
10. Copeland Act
11. Davis Bacon
12. Contract Work Hours and Safety Standards Act
13. Clean Air and Water
14. Warranty
15. Indemnification
16. Representations/Certifications
17. Export Regulations
18. Debarment
19. Byrd Anti-Lobbying Amendment
20. Publication and Press Releases
21. Disputes
22. Audits and Records
23. Termination
24. Assignment
25. Integration
26. Precedence
27. Severability
28. Survival
29. Law
30. General Services Administration (GSA) Sources
31. Sales Tax Exemption Codes

**The following Clauses are Incorporated by Reference with the same force and effect as if they were given in full text.**

Seller shall provide AURA the items described on the face of the Purchase Order, or any attachment thereto, in accordance with the following Terms and Conditions:

**1) DEFINITIONS:** The following definitions apply to this Purchase Order:

1. **AURA** is the Association of Universities for Research in Astronomy, Inc., and Arizona corporation
2. **Procurement Manager** is the person acting on behalf of AURA;
3. **NSF** is the National Science Foundation, and independent agency of the United States Government, with whom AURA has a cooperative agreement.
4. **Purchase Order** is the agreement between the Seller and AURA.
5. **Seller** is the person or organization to whom this Purchase Order is issued.

6. **Work** is comprised of all material, equipment, components, supplies, services, to be provided by the Seller, as specified in this Purchase Order.

**2) DOCUMENTATION:** Include this Purchase Order, Terms and Conditions, and all other documentation and drawings attached hereto or incorporated by reference.

**3) ACCEPTANCE:** Seller's acceptance of this Purchase Order, or delivery of the Work to AURA by the delivery date specified in this Purchase Order, shall constitute Seller's acceptance of the terms and conditions of this Purchase Order. Any confirmation of this Purchase Order by Seller which purports to state terms which are additional to or different from the those stated in this Purchase Order shall be construed as a proposal to add such terms to the Purchase Order, and such different or additional terms shall not become a part of the agreement between Seller and AURA unless AURA expressly agrees to such terms in writing.

**4) TITLE / RISK OF LOSS:** Title to the Work shall remain with the Seller until completion and delivery of such Work to AURA at the address specified in this Purchase Order. Seller shall be responsible for, and shall bear all losses resulting from, any loss of and damage to, including complete destruction of, the Work or any portion thereof from any and all causes occurring prior to acceptance of such Work by AURA.

**5) INVOICES:**

1. Invoices in duplicate shall be mailed to AURA's Accounts Payable Department when items are shipped or as otherwise specified in this purchase order. The time for payment shall not commence before actual or scheduled receipt; whichever is later, of items at their destination or before complete performance by Seller in accordance with the requirements of this order. Without limiting AURA's other remedies, if product data is not furnished when scheduled, AURA may withhold remaining payments (or such portion thereof as AURA may deem equitable) until such data is furnished.
2. All taxes, when applicable, and all freight charges shall be billed as separate items on Seller's invoice. Seller shall apply the appropriate tax exemption as indicated above.
3. Each invoice presented hereunder shall contain the certification:

*"SELLER HEREBY CERTIFIES THAT THESE GOODS WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTION 6,7, AND 12 OF THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND OF REGULATIONS AND ORDERS OF THE U.S. DEPARTMENT OF LABOR ISSUED UNDER SECTION 14 THEREOF.*

**6) CHANGES:**

1. This Purchase Order may only be modified by a written document executed by AURA. All purported verbal modifications to this Purchase Order shall be null and void.
2. If any Change Order causes an increase or decrease in the cost of, or time required for completion of the Work, the Seller shall notify the Procurement Manager, or duly authorized representatives(s), in writing and shall request that an equitable adjustment be made to the time required for completion of the work, the amount payable for the work under this Purchase Order, or both. Such notice shall include a description of the change, the amount of equitable adjustment to be made for completion of the Work - detailed to enable AURA's analysis of all material, labor, equipment, transportation, and supplies required for such change or modification - or revised date for completion of the Work. Any claim for adjustment under this paragraph 6 b must be asserted in writing within thirty (30)

days from the date of receipt by Seller of the Change Order. The Procurement Manager will, upon receipt of such notification, modify the Purchase Order to incorporate the change.

## **7) PATENT INFRINGEMENT, USE AND CONSENT:**

1. Seller warrants that the Work and Seller's performance under this Purchase Order shall not infringe any valid United States or foreign patents, trademarks or copyrights, except where such infringement arises solely from a process or product specified by AURA under this Purchase Order unless Seller or its subcontractors have information that use of such process or product will or may cause an infringement, and fail to promptly notify AURA of such infringement. Seller shall report to the Procurement Manager, or his authorized representative, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Purchase Order of which the seller has knowledge.
2. In the event of any claim or suit against AURA on account of any alleged patent or copyrights infringement arising out of the performance of the Work or out of the use of any supplies furnished or Work performed hereunder. Seller shall furnish to AURA, when requested by the Procurement Manager, all evidence and information in possession of the Seller pertaining to such suit or claim. Seller agrees to defend at its' sole expense any suit against AURA or it's customers based on a claim that any item furnished under this purchase order or the normal use or sale thereof infringes any Patent, trademark, or copyright. Seller agrees to pay costs and damages finally awarded in any such suit, provided that Seller is notified in writing of the suit and given assistance at Seller's expense for the defense of the same. If the use or sale of said item is enjoined as a result of such suit, Seller further agrees, at no expense to AURA, to obtain for AURA and it's customers the right to use and sell said item, or shall substitute an equivalent item acceptable to AURA and extend the patent indemnity thereto.
3. The Government of the United States has given its authorization and consent for all use and manufacture of any invention described in and covered by a patent of the United States in the performance of this Purchase Order or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract).
4. Seller shall pay all royalties and license fee related to this Purchase Order.

## **8) SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS**

**SUBCONTRACTING:** It is AURA Policy that small business concerns and small socially and economically disadvantaged business concerns be given the maximum practicable opportunity to compete for work in order to assure maximum small business participation consistent with fulfilling AURA's contractual obligations in an efficient and economical manner.

## **9) EQUAL OPPORTUNITY:** During performance of this Purchase Order, Seller agrees

1. It shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, or handicap.
2. Seller shall take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their race, color, religion sex, or national origin, or handicap.
3. Seller shall post in conspicuous places available to employees and applicants for employment the notices to be provided by AURA that explain this clause.

4. Seller shall, in all solicitations or advertisements for employees placed by, on behalf of Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
5. The Seller shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor", and the rules, regulations, and orders of the Secretary of Labor.
6. The Seller shall furnish to the **Equal Employment Opportunity Commission yearly Standard Form 100 (EEO-1)** with all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, is the prescribed form to be filed within 30 days following the date of the Purchase Order, unless filed within 12 months proceeding the date of the Purchase Order.
7. The Seller shall permit access to its premises, during normal business hours, to AURA or the Office of Federal Contract Compliance Programs (OFCCP) for the purpose of conducting on-site compliance evaluations and complaint investigations. The Seller shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.
8. If the OFCCP determines that the Seller is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this Purchase Order may be cancelled, terminated, or suspended in whole or in part and the Seller may be declared ineligible for further Government purchase orders, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Seller as provided in Executive Order 11246, as amended, so these terms and conditions will be binding on each Seller or vendor.
9. The Seller shall include the terms and conditions of subparagraphs 1 through 11 of this clause in every purchase order or subcontract that is not exempt by the rules, regulations, or order of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each seller or subcontractor.
10. The Seller shall take such action with respect to any subcontract or purchase order as Procurement Manager may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Seller becomes involved in, or is threatened with, litigation with a subcontractor, as a result of any direction, the Seller may request the United States to enter into the litigation process to protect the interest of the United States.
11. Notwithstanding any other clause in this purchase order, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

**10) Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c) (applicable to all contracts in excess of \$2000 for construction or repair):** Seller shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The Seller shall report all suspected or reported violations to the NSF.

**11) DAVIS-BACON, as amended (40 U.S.C. 276a to a-7) (applicable to contracts for construction exceeding \$2,000.):** All purchase orders for construction shall comply with the provision titled "Davis-Bacon Act (40 U.S.C. 276A to a-7) and as supplemented by the Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, the contract shall be required to pay wages to labor and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, Seller shall be required to pay wages not less than once a week. The Seller shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a subcontract or purchase order shall be conditioned upon the acceptance of the wage determination. The Seller shall report all suspected or reported violations to AURA.

**12) CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. 327-333) (applicable to contracts for construction exceeding \$2,000 and other contracts that involve the employment of mechanics or laborers exceeding \$2,500.):** Seller shall comply with Section 102 and 107 of the Contract Work and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no labor or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

**13) CLEAN AIR AND WATER:** (This clause is only applicable for purchase orders exceeding \$100,000) Seller agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency (NSF) and the Regional Office of the Environmental Protection Agency (EPA).

**14) WARRANTY:**

1. Seller warrants that the Work shall conform to the description given in this Purchase Order or any Attachment included with this order.
2. Seller warrants that the Work shall conform to all written descriptions of the Work given to AURA by the Seller, and shall conform to any statements of fact or promises given to AURA by Seller regarding the Work, whether given before or after the issuance of the Purchase Order.
3. Seller warrants that the Work shall conform to all descriptions, sample or model given to AURA by the Seller - either before or after this Purchase is issued - of the Work published by Seller or the manufacturer of the Work.
4. The warranties given in this section are in addition to any other warranties given by Seller, or provided by the Work's manufacturer.
5. Any purported disclaimers of implied warranty of merchantability or implied warranties of fitness fro a particular purpose contained in documents within the packaging of the Work shall be null and void.

**15) INDEMNIFICATION:** Seller agrees to indemnify, defend, and hold harmless AURA, including its directors, officers, employees, agents and representatives, from and against any and

all damages, costs, liabilities, injuries, expenses, penalties, claims, actions or losses of any nature whatsoever incurred by the Indemnified Parties, including defense costs and attorney's fees through any appeal,

1. arising from or related to sickness disease, and injury to - including death of - any person(s) and damage to or loss of any property caused in whole or in part by any defective Work;
2. any design errors or omissions by seller; and
3. any default in performance by Seller or Seller's subcontractors under this Purchase Order.

**16) REPRESENTATIONS/CERTIFICATIONS:** The Seller certifies that:

1. The Seller and/or any of its Principals are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any United States Federal agency;
2. "Principals" - for the purpose of this certification - means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

**17) EXPORT REGULATIONS:** Hardware, software, and related materials, including technical data, may be subject to U.S. export control laws, including the U.S. Export Administration Act, Arms Export Control Act, and their associated regulations, and may be subject to export or import regulations in other countries.

Upon receipt of ordered materials, AURA will accept responsibility to comply with all applicable export regulations should AURA decide to export the materials to an overseas location.

Seller agrees to:

1. Notify AURA when purchased materials are restricted for export by US government regulations, and
2. Strictly comply with all U.S. Export Control Regulations and acknowledges that, when applicable, it has the responsibility to obtain export licenses, or other export authority as may be required, for hardware, software, and related materials and services, including technical data, related to the performance of this Purchase Order, which are in its possession or under its control.

**18) DEBARMENT.** No part of the Work shall be subcontracted to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." By signing this Vendor Agreement or performing the Work the Vendor certifies that neither it nor any of its principle employees is on this debarred list. Vendor shall require a similar certification from all firms awarded subcontracts over \$25,000.

**19) BYRD ANTI-LOBBYING AMENDMENT.** (This provision is only applicable to purchase orders over \$100,000) By accepting this purchase order Seller certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of AURA, any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining this contract or any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to AURA.

## **20) PUBLICATION AND PRESS RELEASES:**

1. Sellers agrees to acknowledge NSF support in all news releases, publications, World Wide Web pages and other items prepared by the Seller, its employees, or subcontractors which describe AURA, or its respective centers, activities or the results of research using AURA or its respective centers facilities or archival data shall acknowledge the sponsorship of the NSF. This acknowledgment shall include the following:

*"This material is based on work supported by the National Science Foundation under Cooperative Agreement No. AST 0132798.*

2. The Seller shall include in all such press releases, Web pages, publications a disclaimer which states "Any opinions, findings, or recommendations expressed in this report represent the views of the author(s) and do not necessarily reflect the views of NSF or other affiliates of AURA."

## **21) DISPUTES:**

1. The Seller shall, within 5 working days, notify AURA of any actual or potential labor dispute that may threaten to delay the timely performance of this Purchase Order. The Seller shall immediately provide notice, including all relevant information, to the Procurement Manager, or authorized designate.
2. The Seller agrees to insert the substance of this clause in any subcontract to which a labor dispute may delay the timely performance of this Purchase Order; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or AURA, as the case may be, of all relevant information concerning the dispute.

**22) AUDIT AND RECORDS:** (Applicable for Purchase Orders in excess of \$100,000.) The Seller agrees that the Procurement Manager, Director of the NSF, and Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three (3) years after final payment under this Purchase Order, have access to and the right to examine any directly pertinent books, documents, papers, and other records of the Seller for the purpose of performing audits, examination, excerpts, transcriptions, copies of such documents pertinent to the award of this Purchase Order. This right also includes timely and reasonable access to Seller's personnel for the purpose of interview and discussion related to such documents. Seller further agrees to include the substance of this clause in all subcontracts.

## **23) TERMINATION:**

1. AURA, by written notice stating the extent and effective date, terminate this order for convenience in whole or in part at any time. AURA shall pay Seller as full compensation for performance until such termination:
  - o the unit or pro rata order price for the delivered and accepted portion; and
  - o a reasonable amount, not otherwise recoverable from other sources by Seller as approved by AURA, with respect to the undelivered or unacceptable portion of this order, provided compensation hereunder shall in no event exceed the total order price.
2. AURA may, by written notice of the Procurement Manager, terminate the Purchase Order for Seller's default, in whole or in part, at any time, if Seller refuses or fails to comply with

the provisions of this Purchase Order, or so fails to make progress as to endanger performance and does not cure such failure within ten (10) days after receipt of written notice of such failure, or fails to complete the work within the time required by this Purchase Order, or any written extension thereof. In the event of Seller's breach of this Purchase Order, AURA may exercise all legal remedies for breach available to it under the UCC or general contract law. If after receipt of notice of termination it is determined that Seller was not in default, or it AURA ascertains that Seller's failure to perform or make progress was a result of causes beyond the control and without the negligence or willful misconduct of Seller or its subcontractors (including acts of Force Majeure ), termination shall be deemed for convenience of AURA, unless AURA determines that the Work could have been obtained from other sources in the time scheduled for delivery of the Work under this Purchase Order. Seller shall promptly provide AURA with written notice of any such delay, which shall contain all relevant details related to the delay.

3. If any delay in performance of the Work is due to the failure of AURA, and not caused by or contributed to by Seller, the time and price of this Purchase Order will be subject to the provisions of the clause titled "Changes."

**24) ASSIGNMENT:**

1. Neither this purchase order nor any interest herein nor claim hereunder may be assigned by Seller either voluntarily or by operation of law, nor may all or substantially all of this purchase order be further subcontracted by Seller without the prior written consent of AURA, Inc. No consent shall be deemed to relieve Seller of its obligations to comply fully with the requirements hereof.
2. This purchase order is assignable to the United States government or the National Science Foundation. Unless this Purchase Order is assigned to the NSF, it does not bind or purport to bind the NSF or the United States of America. Any assignment of this Purchase Order by Seller without the prior written consent of AURA shall be void.

**25) INTEGRATION:** This Purchase Order is the final, complete, and exclusive statement of the agreement between the AURA and the Seller. Except as expressly provided otherwise in this Purchase Order, no terms, conditions, understandings, usages of the trade, courses of dealing, or agreements purporting to modify, vary explain or supplement this Purchase Order shall be binding unless agreed to by the parties in writing.

**26) PRECEDENCE:** Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence:

1. typed provisions on the face of this order;
2. the printed portion of this order, including these purchase order Terms and Conditions;
3. purchase order attachments; and
4. specifications attached or incorporated by reference.

**27) SEVERABILITY:** The invalidity in whole or in part of any provision of this order shall not affect the validity of other provisions. AURA's failure to enforce a right hereunder promptly shall not be deemed a waiver of such right, and no waiver of a right under a provision shall constitute a waiver of any other right under such provision or any other provision. Time shall be of the essence hereunder, but Seller shall perform work and make deliveries hereunder no earlier than, and only to the minimum extent consistent with, delivery schedule and other requirements.

**28) SURVIVAL:** The terms, conditions, representations, indemnifications and warranties contained in this Purchase Order shall survive the termination of this Purchase Order and acceptance of the Work.

**29) LAW:** The Purchase Order shall be governed by and interpreted in accordance with the laws of the State of Arizona without regard for its rules related to conflicts of law, as if this transaction were entered into by residents of and fully performed within the State of Arizona. Any action to require compliance with any provision of this Purchase Order shall be brought in the State or Federal Courts of the State of Arizona or at any other jurisdiction reasonably selected by, or approved by AURA.

**30) General Services Administration (GSA) Sources:** AURA is authorized to utilize General Services Administration sources of supply in accordance with National Science Foundation letters dated March 24th, 2010 in support of NSF Cooperative Agreements No. AST-809409 and AST-0946422. Copies of the letters are available upon request.

### **31) TAX EXEMPTION CODES APPLICABLE TO AURA PURCHASE ORDERS**

The following are the descriptions of the Tax Codes assigned to and indicated on the face of the Purchase Order:

- 1** - Exempt from 50% of the AZ State Retail Sales Tax under ARS Section 42, Para. 5061, Part L.
- 2** - Exempt from 50% of the AZ Retail Sales Tax and City of Tucson Sales Tax in accordance with ARS Section 42, Para. 5061, Part L and the Tucson City Code, Ch. 19-465.14.b.
- 3** - Exempt from AZ Use Tax on purchases of property from Manufacturers, Modifiers, Assemblers or Repairers in accordance with ARS Section 42, Para 5159 Part A para 39 and on purchases of machinery or equipment used in Research and Development activities under ARS Section 42, Para 5159, Part B.14.
- 4** - Exempt from all of the AZ Sales Tax on purchases of property from AZ Manufacturers, Modifiers, Assemblers or Repairers under ARS Section 42, Para. 5061, Part K.1 and K.3.
- 5** - Exempt from all of the City of Tucson Sales Tax on purchases of property from Tucson Manufacturers, Modifiers, Assemblers or Repairers in accordance with the Tucson City Code, Ch. 19-465.14.a. and exempt from all of the AZ Sales Tax on purchases of property from AZ Manufacturers, Modifiers, Assemblers or Repairers under ARS Section 42, Para. 5061, Part K.1 and K.3.
- 6** - Exempt from all of the AZ Retail Sales Tax on purchases of machinery or equipment used in Research and Development activities under ARS Section 42, Para. 5061, Part B.14
- 7** - Exempt from New Mexico Gross Receipt Taxes for tangible personal property pursuant to Section 72-13-29, NMSA 1953. New Mexico ID No. 01-829635-00-4.
- 8** - Exempt from California and Louisiana Sales Tax in accordance with State regulations. Purchases are delivered to a licensed freight forwarder for shipment out of the United States. CA Tax Code Article 6396; LA Tax Code RS 47:305.10.B.
- 9** - NO TAX EXEMPTION CLAIMED