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UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WEST AFRICA REGIONAL CAPITAL DEVELOPMENT OFFICE

UNITED STATES POSTAL ADDRESS  
ABIDJAN (WARCDO)  
DEPARTMENT OF STATE  
WASHINGTON, D.C. 20521

688-H. 003

INTERNATIONAL POSTAL ADDRESS  
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ABIDJAN, IVORY COAST

February 25, 1972

Mr. A. P. Disdier  
Director, AFR/CDF  
Agency for International Development  
Washington, D.C. 20523

Dear Al:

Enclosed is the original of the Central Veterinary  
Laboratory CAP. Copies have been sent to David  
McAdams and Ambassador Blake

It is our position that this needs Dr. Adams'  
approval but will not need to be submitted to  
the Development Finance Review Committee nor  
to the Development Loan Committee.

Sincerely yours,

*John F. Moller*  
John F. Moller  
Director

Enclosure

UNCLASSIFIED

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D.C. 20523

CAPITAL ASSISTANCE PAPER

MALI: CENTRAL VETERINARY LABORATORY

Amended Project Definition

UNCLASSIFIED

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and Industrial Development)

## SUMMARY AND RECOMMENDATIONS

Borrower: The Government of the Republic of Mali.

Amount of Loan: It is proposed to utilize \$255,000 of the loan balance from an A.I.D. loan of \$1,955,000.

Purpose of the Activity: To provide certain additional goods and services (eligible items) essential to the successful operation of the Central Veterinary Laboratory in Mali.

Description of the Activity: The Activity will comprise five additional eligible items, being: (1) security fencing around the laboratory complex; (2) an intercom system and telephone link; (3) a supplemental water system; (4) on site housing for key personnel; and (5) training services for operation and maintenance of the complex equipment at the laboratory.

Background: A loan of \$1.1 million was authorized in 1963, but implementation was delayed by modifications in design and insufficiency of funds. The loan was amended and funding increased by \$855,000 in 1968. Construction began in late 1968, with a provisional certificate of completion being issued in July 1971. Minor elements of work still remain to be completed. The laboratory is about to begin full operation and a proposal is currently under review for A.I.D. grant assistance for support of operating costs and technical assistance. The additional eligible items either should have been included in the original project (security fence, housing and intercom system) or have shown themselves to be essential to effective employment of the facilities (supplemental water system and maintenance training services contract).

Alternate Financing: The Government of Mali does not have resources available to accomplish the Activity on a timely basis. Other donor financing is being sought for operation of the Central Veterinary Laboratory. As such, the remaining loan funds are the only practical source available for the eligible items.

Issues: None

Statutory Criteria: The original loan met all statutory criteria, and all current statutory criteria are also complied with.

A.I.D. and Country Team View: The Regional Development Officer for the OERS region (includes Mali) and the U.S. Ambassador to Mali support the Activity. See Annex 1.

Recommendation: Approve amendment of A.I.D. Loan 688-H-003, Central Veterinary Laboratory in Mali, to permit use of remaining loan funds to finance the Activity, indicated in this capital

assistance paper in accordance with the terms and conditions set forth in the proposed amendment to the loan agreement shown in Section IV.A.; and

Approve waiver of comparable proposals in selection of the American ORT Federation for a maintenance training services contract included in the Activity in accordance with the Action Memorandum in Section IV.B.

CAPITAL ASSISTANCE COMMITTEE MEMBERS:

Loan Officer and Chairman.....Howard B. Helman, WARCDO  
Engineer.....John B. Saccheri, WARCDO  
Legal Advisor.....John W. Roxborough, WARCDO

## I. THE ACTIVITY

### A. Elements of the Activity

It is proposed to amend the loan agreement for the Central Veterinary Laboratory in Mali to permit accomplishment of certain additional work with funds remaining from the loan. The additional elements are essential to successful operation of the facility. The justification for their financing with A.I.D. funds is in Section I.D.

The additional elements are:

1. erection of a security fence around the laboratory;
2. installation of internal telephone communications equipment, an intercom system and external connection to public telephone service;
3. installation of an auxiliary water supply system;
4. erection of on site housing for key staff; and
5. training of local employees in the operation and maintenance of laboratory equipment.

### B. Need to Which the Activity is Directed

The security fencing was included in the original plans for the laboratory, but eliminated during the contract negotiations in an attempt to reduce construction contract costs to within limits which could be met from available loan funds. The double fence is to exclude persons not associated with the laboratory and to prevent contamination of livestock at the laboratory through contact with animals in the surrounding area.

Conduits for the telephone system were installed during construction, but wiring, interrupters, telephones, an intercom system and connection to external service are lacking. The nature of the building complex makes effective communication and supervision of personnel impossible without an intercom system. It was originally envisaged that the interconnection to an external line would be provided by the Government of Mali. Since the internal telephone system is a necessary element of the project we consider connection of the external telephone line a reasonable incident to the electric service contract for installation of the telephone system.

The Government of Mali provided water and electric service to the laboratory. A main waterline from the city of Bamako was built out to the laboratory. However, with the delays in realization of the project and the extensive development of the surrounding area, this water system is becoming increasingly overloaded. Heavy new industrial use is scheduled within the

next two years. With reduced pressure during the dry season, service is inadequate and is expected to get worse. While FED is currently considering a project to improve the water distribution system in Bamako, this project cannot now be counted on to meet the critical needs of the laboratory. Installation of a supplemental water system will protect against loss of vaccines and damage to equipment which might result when water supply is cut off. If public service is improved at a future date, the system would serve as an emergency standby. A similar installation is being made under A.I.D. financing for the Regional Poultry Project in the same area.

On site housing has always been considered essential, since the nature of the laboratory operation and the sophisticated equipment on hand make advisable that a top research person and maintenance personnel be on hand at all times to protect against emergencies, damage to equipment or loss of valuable vaccine inventory.

To assure that the expensive, sophisticated and easily damaged equipment at the laboratory be properly and continually maintained, trained personnel must be at the facility at all times. There are not currently available within the Government of Mali technicians adequately trained in the maintenance of the sophisticated equipment at the laboratory. There is not available in the private sector technicians familiar with the American equipment installed at the laboratory, for which there is no parallel in Mali, and the cost of local contract maintenance is excessive. It is proposed, therefore, to contract for the required maintenance training services. The contractor will provide on the job and third country training, while assuring proper maintenance and operation of the equipment during the contract period. ADO/Dakar has recommended and WARCCO concurs, that this training can most effectively be provided by the Organization for Rehabilitation Through Training (The American ORT Federation (ORT)). A request for waiver of comparable proposals to permit direct negotiation with ORT is in Section IV.B. of this paper.

### C. Cost Summary

<u>Item Description</u>	<u>Cost Estimate</u>
1. Two Year Engineering Training Contract	\$ 80,000
2. Installation of Double Security Fencing Surrounding CVL Complex's Perimeter	40,000
3. Expansion of Water Supply Capacity to Include a 20,000 gal. Storage Tank, Pump, Piping and a Drilled Well.	35,000

4. Install Internal Telephone System with 50 Point Capacity Switchboard and Extension out to the City Line	\$ 6,000
5. Construction of Housing Units	
1 - 3 Bedroom Unit	28,000
3 - 2 Bedroom Units	50,000
Site Development, Roads, Utilities including 7% Contingencies	<u>16,000</u>
	\$255,000

D. Background and Justification for the Activity

An A.I.D. loan of \$1.1 million for the construction of the Central Veterinary Laboratory was authorized in late 1963. When designs were completed and bids were taken from U.S. firms it was found that bid prices greatly exceeded expectations. The loan agreement was amended in 1968 to increase the loan amount by \$855,000 and a construction contract was then let with the Brezina Construction Co. Engineering supervision was provided by the architects for the project, The Architects Collaborative (TAC). There was considerable delay in construction due in part to late and delayed procurement, delayed shipment of imported commodities, damage in shipment and inability to orderly relate equipment arrivals to the scheduling of construction. Basic construction is finally completed and a provisional certificate of acceptance was issued in July 1971. There were numerous items that were not satisfactorily completed when the provisional certificate was issued, among which several still remain unsatisfied. However, the laboratory had been taken over by the Ministry of Production and its operation is expected to begin shortly.

Two critical problems appeared at the outset, being (1) that the sophisticated and costly equipment in the laboratory required technical expertise for continued operation and maintenance which was not available, and (2) that the operating costs for running the laboratory far exceeded the Government of Mali budget capability.

Basic services for the facility, i.e. supply of electricity and water, were to be provided by the GOM. Electric power system has been provided and a water main from the city of Bamako was installed. However, during the period since installation of the water main, service along the line has become sufficiently heavy and will grow at such a rate in the near future that it appears that the water supply will not be adequate particularly during critical periods of the dry season.

The Government of Mali is not in a position to install new waterlines except as part of an overall scheme for the Bamako area financed by external assistance. Such approach is not likely to provide the facilities in the near future. The GOM will not be able in the near future to install a pumping system with on site storage out of their limited investment budget resources. However, installation of such source and reservoir is critical to the current operation of the Central Veterinary Laboratory.

In agreeing to finance the Central Veterinary Laboratory, A.I.D. recognized that Mali is perhaps one of the most important countries for livestock production in West Africa, particularly with regard to potential export to deficit areas. It is the former French colonial research center for livestock and still remains the most favorable place in West Africa to conduct livestock research applicable to conditions throughout the Sahalian zone. In this context ADO/Dakar has recently prepared a PROP recommending grant assistance to help the initial operation of the CVL. If the PROP is approved, it will permit financing of full scale operation of the laboratory. The realization of such operation over the long term on a continuing basis will be greatly enhanced by the additional facilities and services included in the Activity.

The livestock sector is the most important sector in Mali from the standpoint of increasing income in the rural areas, increasing exports, and increasing gross domestic product. In terms of regional cooperation throughout West Africa, improved cooperation in marketing of livestock is one of A.I.D.'s priority goals. A primary obstacle to effective improvement in commercialization is the need for a new approach to investments in livestock production and commercialization tantamount to a new technology, for which animal disease control is an important element. The CVL offers an excellent opportunity to conduct broadly applicable disease research, to produce needed vaccine, and at the same time introduce applied research programs in animal nutrition, range management, planting and other areas.

The Activity accords with U.S. strategy for assistance in Africa in that it will increase the efficiency of the CVL and enhance its contribution to regional cooperation in the livestock sector. Such approach is consistent with A.I.D.'s foreign policy objectives in West Africa which are primarily to increase regional cooperation so that the African states can better serve their own interests.

## II. LOAN ADMINISTRATION

### A. Parties to the Activity

The Borrower is the Government of the Republic of Mali.

The loan proceeds will be used for additional eligible items for the Central Veterinary Laboratory which has been turned over by the GOM to the Ministry of Production.

**B. Framework for the Activity**

Funds remaining undisbursed under A.I.D. loan 688-H-003 will be used to finance the additional eligible items. The loan agreement provisions remain unchanged. Before proceeding with the additional expenditures, the GOM will make arrangements satisfactory to A.I.D. for the performance of engineering supervision, where considered necessary, and will provide satisfactory plans and specifications and bid documents, consistent with A.I.D. Capital Project Guidelines.

**C. Timetable for Implementation of the Activity**

The following implementation schedule is considered reasonable, but depends upon GOM's ability to schedule work expeditiously:

Submission of Mini-Cap	February 1972
Loan Agreement Amended	March 1972
Final Plans and Specifications Completed	May 1972
WARCO Approval of Plans and Arrangements	May 1972
Invitations for Bid Issued	June 1972
Contracts Awarded	July 1972
Construction Begins	August 1972
Construction Completed	February 1973
Terminal Disbursement Date	June 1973

**D. Execution Plan**

Following A.I.D./W approval, GOM will be assisted in expediting implementation of the additional elements in the following manner:

1. Engage the services of a firm, ORT being recommended, knowledgeable in the French language, experienced in conducting training programs for the operation, maintenance and repair of sophisticated equipment. A two year contract to train a minimum of five Malian technicians and supervise their activities is considered a satisfactory period to develop a cadre capable of operating CVL's equipment and machinery.

2. Contract with a Code 941 or a local firm, in accordance with A.I.D. competitive bid procedures, to undertake the following construction:

a. The erection of double security fencing

surrounding the perimeter of CVL's premises.

b. Expand the existing water storage capability, extend water distribution to the added housing units and provide a new source of water from a drilled well to satisfy the complex's daily water demand. The contract shall include the furnishing of a water well pump, a storage tank, and the required conduit piping.

c. Build a 3 bedroom house and three 2 bedroom houses on the CVL site, including necessary site development.

3. The telephone company in Bamako or a local electrical contractor will be engaged to install an internal telephone system to include a 50 point capacity switchboard and a connecting extension to the existing city line.

All imported equipment is to come from the U.S. or other Code 941 countries. However, for some minor items, such as the telephone units, pipe fittings etc. where U.S. equipment is incompatible or impractical to maintain, waivers may be sought. The amount involved will not be large. The waiver request will follow the standard used for certain equipment in construction of the Science Annex to the Ecole Normale Supérieure de Bamako (Zona 000-H-000). The waiver request and justification will be provided separately.

### III. EVALUATION

#### A. Availability of Loan Funds

##### 1. Financial Background

On December 4, 1963, A.I.D. loan agreement 688-H-003 was executed for a loan of \$1.1 million for the Central Veterinary Laboratory. It provided for payment of U.S. and local currency expenses for CVL. On July 24, 1968, the loan agreement was amended to increase the loan amount by \$855,000. On November 10, 1971, a second amendment was made to the loan agreement to permit financing of Code 941 country and local source and origin eligible items.

While the loan permits financing of local currency expenses, priority in meeting such expenses has been given to (1) 104(g) loan generations of U.S. owned Malian francs, and then (2) GOM owned Malian francs in a Trust Fund Account. It has been possible to meet all local currency and CFA franc

expenses for CVL from these two sources.\*

On May 28, 1968 Project Agreement 688-68-1-LC was executed between the GOM and A.I.D. providing for use of 92,936,789 Malian francs from loan 688-G-004 and 154,513,211 Malian francs from Trust Fund Account 72FT800 to finance Malian franc and CFA equivalent costs of \$505,000. It is estimated that \$511,913 will be needed for all local currency and CFA equivalent costs for CVL, exclusive of this Activity. Therefore, a second Project Agreement, No. 688-72-1-LC was executed on November 9, 1971 allocating an additional 36,149,794 Malian francs to this purpose. With this last commitment, all 104(g) generations and all but a negligible quantity of Trust Funds have been committed.

## 2. Drawdown of Financing and Availability of Loan Funds

Total letter of credit commitments to date for architect and supervisory engineering services and for construction total \$285,620 and \$1,006,500 respectively exclusive of banking charges.

Thus from the total loan amount of \$1,955,000, there remains an undisbursed balance of in excess of \$650,000, and an uncommitted balance, if one considers the \$190,000 under the SLC to be a possible commitment of funds under the loan in excess of \$475,000. Therefore, it is concluded that sufficient financing is available under the loan for accomplishment of the Activity.

Local currency expenditures for the Activity will be financed under the loan, with the Malian francs being provided from the GOM deposits to the SLC.

### B. Technical Analysis

#### 1. Description of the Facilities

The Central Veterinary Laboratory site is located south of the Bamako-Koulikoro Road and north of the Niger River, about 10 kms. east of Bamako near the Sotuba Experimental Farm.

The CVL complex consists of the following buildings:

- A - Production Building
- B - Administration and Research Building
- C - Service Annex and Mechanical Building

\* A confusing additional element in the formula has been a special letter of credit, SLC-688-S-70-01 in the amount of \$190,000 which was opened to generate local currency funds which could be used for CVL and A.I.D. loan 688-H-002 (Science Annex to Ecole Normale Supérieure du Bamako). To date \$149,499.14 of this fund has been drawn down, with GOM Malian franc deposits against this account of \$134,922.75.

The buildings have been constructed of reinforced concrete superstructures with beam, column, ground base slab and ribbed slab roofs. The foundation for all buildings is made up of conventional reinforced concrete footings.

The double security fencing will consist of a five strand wire perimeter fence and an inside six foot chain link fence surrounding the buildings. The housing additions, a 3 bedroom house for the director and three 2 bedroom houses for key technicians, will be standard GOM simple masonry structures. A deep well, pump, 20,000 gallon storage tank and piping conduits will be added to the existing water supply system. The internal telephone system will consist of one 40 point capacity switchboard, telephone connections to key offices within the CVL compound and an extension service line to connect with the existing city line from Bamako.

The maintenance training service contract will provide training to a minimum of 5 mechanically inclined GOM technicians. These technicians, under contractor supervision, will be responsible for the operation and maintenance of all equipment and machinery located at CVL, with the objective of leaving a self-sustaining maintenance cadre at the end of the two year contract.

2. Detailed Cost Estimate

The following table details all costs, labor inclusive, for the additional facilities required:

<u>Item Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Item Cost</u>	<u>Total Cos</u>
A. Double Security Fencing	Lot			\$ 40,000
B. <u>Water Supply</u>				
1. <u>Deep Well</u>				
4"-50GPM well pump w/3HP electric driven motor.	One	-	3,000	
3" Water Well Steel Pipe.	100 meters	20/m	2,000	
6" Steel Casing w/Screen.	100 meters	40/m	4,000	

<u>Item Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Item Cost</u>	<u>Total Cost</u>
One Well Hole	100 meters	\$ 20/m	\$ 2,000	
Concrete Cap and Grouting	10m <sup>2</sup>	50/m <sup>2</sup>	500	
<b>2. <u>Storage &amp; Distribution</u></b>				
Storage Tank, 20,000 gallon w/accessories	One	-	20,000	
4" Conduit Pipe (high pressure)	1,000 meters	3.00/m	3,000	
Pipe Fittings & Accessories	Lot	-	<u>500</u>	
				\$ 35,000
<b>C. <u>Housing</u></b>				
1. One 3_bdrm standard GOM masonry structure	200m <sup>2</sup>	120/m <sup>2</sup>	24,000	
2. Three 2_bdrm standard GOM masonry structures	450m <sup>2</sup>	120/m <sup>2</sup>	<u>54,000</u>	
				78,000
<b>D. <u>Housing Site Development</u></b>				
Driveways	1,000 meters	8/m	8,000	
Utilities	Lot	-	2,000	
Site Clearing & Dressing & Shrub Planting	1500m <sup>2</sup>	3.20/m <sup>2</sup>	4,800	
Contingencies	7%	-	<u>1,200</u>	
				16,000
<b>E. <u>Communication</u></b>				
50 point capacity switchboard	1	-	3,000	

<u>Item Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Item Cost</u>	<u>Total Cost</u>
Intercom Extensions	50 units	\$20/unit	\$1,000	
Wiring & Fittings & Accessories	Lot	-	500	
Telephone Service to Existing City Line	Lump Sum		<u>1,500</u>	
				\$ 6,000
<b>F. <u>Engineering Training</u></b>				
Engineering Training Services (one man)	2 man years	30,000 man year	60,000	
Supplemental TDY Training Services	-	-	10,000	
3rd Country Training	-	-	<u>10,000</u>	
				<u>80,000</u>
<b>Total</b>				<u>\$255,000</u>

### 5. Design Considerations and Alternatives

The Central Veterinary Laboratory design incorporates the most modern and complex equipment available under current technology. The equipment requires delicate maintenance and has a high operating cost. The choice of such design approach appears to have arisen from the desire of the then Malian Government under Modibo Keita to resurrect the most modern livestock research complex in Africa (the French colonial installation at Sotuba having enjoyed that reputation). Since completion of construction in July 1971, several problems and inadequacies have been noted, and recommendations of the architect, GOM officials and WARCDO have led to the conclusion, explained in this capital assistance paper, that the additional eligible items were needed. These items are a reasonably economical and technically practical solution to the problems identified, and are considered essential to the effective operation of CVL.

Several design alternatives were considered for the double enclosure security fence and for the supplemental water supply system. Cost differences between a masonry wall and fencing were important and comparisons in construction scheduling favored the wire fencing arrangement selected as well. Increasing the water storage facilities alone would have been an adequate

alternative to meeting the water supply requirements of CVL, if Bamako's city water works distribution system were reliable. However, the addition of several new industrial compounds recently to a currently overtaxed water supply system has rendered such solution unworkable. A new and reliable water source by way of a deep well and increased storage capacity was considered most adequate for CVL's additional water needs. For the on site housing, GOM has extensive experience and standard practical low-cost designs.

#### 4. Technical Soundness

The scope of the Activity and the eligible items to be financed have been defined in Section I. The need for the eligible items and the justification for their financing are also discussed in Section I. Design considerations are taken into account in this Section. Further refinements of design details for these additions to the Central Veterinary Laboratory will be completed prior to opening of a letter of commitment for the Activity. A reasonably firm estimate of cost to the United States Government for the financing of these additional facilities has been computed. A satisfactory engineering plan for implementation of the facilities by way of a training program for the maintenance and operation of all equipment and machinery has been prepared. It is therefore concluded that the facilities have been soundly planned for the services required and that, consistent with the planned operation of the CVL complex, they will be effectively utilized during their economic life.



IV. LEGAL DOCUMENTS

A. Draft Amendment to Loan Agreement

THIRD AMENDMENT TO LOAN AGREEMENT

(Mali: Central Veterinary Laboratory)

Between the Government of the Republic of Mali  
and the United States of America

The Loan Agreement between the GOVERNMENT OF THE REPUBLIC OF MALI ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."), dated December 4, 1963, is hereby amended as follows:

1. Annex B (Detailed Description of Project) is amended to add the following at the end thereof:

"In addition, the Project shall include the following auxiliary facilities and services (Eligible Items): (1) security fencing around the perimeter of the Project site; (2) telephone intercom system and external connections to the public service system; (3) a supplemental water system, including well, pumps, piping and storage reservoir; (4) on-site housing for personnel, comprising one three-bedroom and three two-bedroom houses; and (5) maintenance training services to train Malian maintenance and operating personnel to assure continued maintenance of the Project."

2. Except as specifically modified and amended hereby, the Loan Agreement dated December 4, 1963, shall remain in full force and effect. All references in said Agreement to the words "Loan Agreement" or "this Agreement" shall be deemed to mean the Loan Agreement as hereby amended.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its respective duly authorized representative, have caused this Third Amendment to be signed in their names and delivered as of the \_\_\_\_\_ day of \_\_\_\_\_ 1972.

GOVERNMENT OF THE REPUBLIC OF MALI

By: \_\_\_\_\_  
Title: \_\_\_\_\_

UNITED STATES OF AMERICA

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**B. Draft Waiver of Comparable Proposals in Selection of ORT**

**ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA**

**FROM:** John F. Mollet, Director, WARCDO

**SUBJECT:** Central Veterinary Laboratory - Loan 688-H-002  
Waiver of Comparable Proposals in Selection of the American  
ORT Federation for a Maintenance Training Services Contract

**Problem:** It is requested that you approve a waiver of comparable proposals in selection of the American ORT Federation (ORT) for a maintenance training services contract for the Central Veterinary Laboratory in Mali, and that you approve employment of third country nationals under this contract.

**Discussion:**

1. Nature of the Contract

The contract will provide for a full time resident French speaking equipment maintenance and training specialist at the Central Veterinary Laboratory who will provide on the job training to a cadre of at least 5 Malian technicians. His services will be supplemented by TDY French language speaking equipment specialists and by third country training. The estimated contract cost is \$80,000.

2. Justification for the Waiver

It is essential that the training be performed by persons fluent in the French language, having familiarity with West Africa and with Africans, having extensive training experience, and supported by an organization with extensive experience, established curricula and sophisticated training materials for training of a similar nature in West Africa. The alternative of a personal services contract was considered and rejected, because the essential support services would be lacking. The only other alternative appears to be contract with a local firm for maintenance with provision for training. This alternative is also unsatisfactory, because it appears that cost will be excessive and training negligible during the first two to three years. Therefore, it has been decided to select a firm meeting the criteria indicated above.

It is recommended that ORT be selected for this contract and that a waiver of comparable proposals be approved in making the selection. The following factors influence this recommendation:

(1) ORT has extensive experience in West Africa, having conducted precisely the kind of training here contemplated in several West African countries;

(2) they have the teaching materials, curriculum, and training facilities and backstopping at their headquarters training establishment at Anieres, Switzerland, geared to providing French language training.

(3) they are well known to the Malians, and have an excellent training record in Mali, for which there is not parallel experience of other U.S. firms;

(4) they can provide highly skilled French language speaking technicians with extensive prior experience in LDCs including West Africa.

We have carefully reviewed the possibility of using the services of other U.S. firms. It is our conclusion that it would not be possible to find another firm who could offer an equivalent combination of experience, skills and support facilities at a reasonable cost, particularly: the French language capability of both permanent and short term staff; the extensive training experience of a similar nature in the French language and French language teaching materials; the experience training Africans and working in West Africa; the third country training facility; and the backstopping support. For these reasons, we consider ORT uniquely capable to provide the required services.

### 3. Authority for the Proposed Waiver

In reviewing a request for waiver of comparable proposals in selection of a contractor by a Borrower/Grantee under loan financing, it is advisable to apply the same standard as A.I.D. would use in taking the proposed action. Since the A.I.D. Capital Projects Guidelines do not offer criteria on which to make such a determination, we turn to Section 7-3.101.50 of A.I.D. Procurement Regulations. This section permits waiver of comparable proposals if it is determined that there is only one reasonably available source for the procurement. It is important to find that such action is in the interest of U.S. foreign policy objectives. For the instant case, a very heavy proportion of U.S. economic assistance in Mali is invested in the Central Veterinary Laboratory, in a country where failure of foreign assistance projects and ineffective utilization of donor financed equipment is extensive. It is essential to our posture in Mali that we assure a favorable use of this modern laboratory facility. To this end, substantial grant financing has been requested for support of operation of CVL. Therefore, it is very much to our interest to assure availability of the most competent

maintenance training services to assure proper maintenance and operation of equipment. The conclusion that ORT is uniquely capable of providing these services is supported above. Therefore, it is concluded that the criteria have been met for waiver of comparable proposals in selection of ORT for the proposed maintenance training services contract.

The Capital Projects Guidelines (M. O. 1442.1) provide in Section 4.5 that foreign nationals may perform services in non-sensitive positions which do not require access to classified information after approval in advance by A. I. D. The ORT employees for this contract will occupy only non-sensitive positions. The Capital Projects Guidelines permit approval on a blanket basis of employment of third country nationals, if the approving officer for A. I. D. determines that in the circumstances recruitment of foreign nationals would be in the best interests of the objectives of the Activity. Since the French language requirements for the proposed training are of greatest importance, and since technicians with the required technical and training skills and experience in West Africa are not available within the U.S., there is justification for approval of third country nationals.

Recommendations: That you approve waiver of the A. I. D. requirements for solicitation of comparable proposals in approving selection of the American ORT Federation for the proposed maintenance training services contract for the Central Veterinary Laboratory in Mali, and that you approve employment of third country nationals under the contract.

APPROVED \_\_\_\_\_

DISAPPROVED \_\_\_\_\_

DATE \_\_\_\_\_

UNITED STATES GOVERNMENT

ANNEX 1

# Memorandum

UNCLASSIFIED

TO : John F. Moller, Acting Director  
MARGO/Abidjan

DATE: december 14, 1971

FROM : Paul Saenz, Acting ADO/Dakar

*Paul Saenz*

SUBJECT: Central Veterinary Laboratory, AID Loan 688-H-002.

In reference to your memorandum of 10 September 1971, subject as above, we are sending you adequate justification for the additional expenditures from the Central Veterinary Laboratory Loan 688-H-002.

We feel that the unliquidated balance remaining from the CVL loan should be used to finance engineering services and training, security fencing, a water supply system, communication equipment, and housing for the CVL. This is justified:

- (1) by AID's priority emphasis on assistance to the agriculture sector in West Africa and
- (2) by the significant contribution that a fully functioning, modern veterinary laboratory will make to improved animal health in West Africa. More specifically, AID has designed, built, and equipped the CVL. We must now provide those final elements that will ensure the rapid establishment of the CVL as a self-contained operating unit.

The construction of four housing units under the loan is fully justified; The CVL is located some ten kilometers from Bamako. There must be technical, security and supervisory personnel on hand at all times to ensure proper maintenance of the equipment, security for the physical plant, and surveillance of the delicate biological experiments and vaccine production. These critical personnel must be on call at all times and, therefore, must be housed on the CVL site.

We agree with your position on financing the fencing and the telephone system, with the exception that we feel that an external phone link with Bamako is required to integrate the CVL's operations into the total national communication system. Just as an internal messenger system is slow and unreliable, reliance upon messenger service to Bamako is not adequate for the operation of the CVL.

The water problem concerns only the CVL complex. A water system already exists at the Botuba complex and one is being installed at the poultry farm.

Finally there is the matter of engineering and engineering training. The Peace Corps Volunteer mentioned in your memo has rejected the job offer. The Government of Mali has indicated a reluctance to accept any French technical personnel. Therefore, we are seeking other sources for the engineering services.

DRAFT

The Director  
West Africa Regional Capital Development Office  
Agency for International Development  
American Embassy  
B.P. 1712  
Abidjan, Ivory Coast.

SUBJECT: Central Veterinary Laboratory  
AID Loan No. 688-H-003

Dear Sir:

The Ministry of Production, by Letter, has asked this Ministry to request A.I.D. Assistance in financing the following items through the use of funds remaining in the subject CVL Loan. These items are considered essential in making the facility operational and are listed in their order of priority.

1. Engineering Training:

The Vaccine Control and Research Building and the Production Building contain central air conditioning, walk-in refrigeration, steam autoclaves, gas compressed air, hot and cold water vacuum and distilled water services, most of which are electrically or transistor-controlled by machinery and equipment located in the penthouses on both buildings. In addition, a service building contains maintenance shops and room housing a 160 Kw automatic standby diesel generator, automatic switchgear, voltage regulator, water pumps, steam boilers and water treatment equipment. Adjacent to this building is an oil-fired biological incinerator.

These three buildings, undoubtedly contain the most modern, sophisticated American-built equipment available for a laboratory of this kind. It becomes obvious that an in-depth highly intensive training program in maintaining operating and repairing this equipment is absolutely essential and extremely urgent to implement. Some equipment is presently being operated on a very limited basis with inadequate, untrained personnel.

It is recommended that a qualified engineer with a knowledge of French be hired under a two-year contract to train a minimum of five Malian technicians and to supervise their activities.

Estimated Cost: One engineer - 2 yrs. at \$40,000 = \$80,000

## 2. Security Fencing

The facility requires double security fencing to serve two purposes: (1) control human traffic and (2) prevent ingress of livestock. A five-strand wire perimeter fence with an inside six-foot chain-link fence surrounding the buildings is recommended with a total cost for material and labor estimated at \$150,000.

## 3. Water Supply

The CVL complex is located near the end of a city water main which is operating at full capacity, but water shortages have been experienced during during the summer months of 1971. This is very critical because much of the machinery such as boilers, condensers, air conditioning and refrigeration equipment must have a constant supply of water. To further overburden this one water supply main a large industrial complex and extensive housing areas are under construction between Bamako and the CVL. It is proposed that a deep well, pumps, reservoirs and distribution system be provided to supply an estimated 20,000 gallons per day. The

\$35,000

h. Communications

There is an existing telephone line from the CVL property line to Bamako but no service line into the laboratory complex area. Telephone conduit for an interior telephone system has been installed as part of the construction contract but no wiring, switchboard, telephones or other means of communication were provided. Communications facilities within the complex as well as to Bamako is absolutely essential.

It is estimated that one switchboard with 40 point capacity, telephones, service line to the existing city line plus all other required materials and labor would cost approximately \$6,000

i. Housing

The CVL is located 10 kilometers from Bamako. For proper management and operation it is considered necessary that the Director, a Chief Engineer, Assistant Engineer and a Senior Laboratory Technician be housed at the CVL compound area. All these personnel must either be on duty or on call at any hour of the day.

Estimated Cost: 1 house for Director	\$28,000
3-2BR houses for Technicians	\$50,000
Utilities, Roads, Site Work	\$16,000
Contingencies - say 20%	\$
TOTAL	<u>\$255,000</u>
Total Cost for all 5 above items	\$255,000

Your earliest attention and approval to this request would be sincerely appreciated in order to permit us to proceed with our planning and implementation as quickly as possible

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Sincerely,

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Minister of Industrial Development  
and Public Works