

memorandum

DATE: March 7, 1980

9365310-③
PD-446-431-D1

936531000 4902

REPLY TO
ATTN OF: DS/RAD, Harlan H. Hobgood

SUBJECT: Justification for Non-competitive Procurement

TO: CM/COD, Mr. Morton Darwin

I recommend that we negotiate directly with the International Institute of Public Management (IIPM) for services defined in the accompanying PIO/T to be provided under Project 5310, Development Administration Program Development and Support by reason of experience and the desirability of exploiting the linkages and professional network which this leading institution in the public administration field can provide at a reasonable cost.

In order for DS/RAD to make an operational impact on Agency programs in rural development, agriculture, health and education through improved public management activities, resources in addition to our current staff are clearly necessary. Anticipated staffing levels for FY 1980 and 1981 will not allow the DS/RAD to service all the requests that will be placed on it by the regional bureaus and missions. The diversity of public management problems with which this Office deals frequently require a wide range of special skills and experience on a short term basis which is not available among the limited regular staff. In addition, professional judgements must be made about scopes of work, suitable consultants, and quality of reports. We therefore propose that the special resources and capabilities of IIPM be tapped to strengthen and supplement DS/RAD staff in carrying out the development administration program of this Office and to provide the kind of access to top professionals in the field which only a leading professional organization can offer.

The nature of the problem that DS/RAD confronts in parceling out its limited resources to meet increasingly varied demands dictates a contractual response that allows flexibility and expediency to its managers. Frequently, to be of any impact, human resources need to be mobilized on such short notice that normal competitive contracting procedures are not always possible. Additionally, DS/RAD personnel are not always capable of identifying the full range and variety of expertise available on the market at any one point in time. The demands we expect to be placed on the contractor will be diverse, ranging from arranging seminars and workshops and participation by preminent authorities in them, to providing technical support for the development and design of DS/RAD projects. Major areas of assistance under this contract will include: technical support for the development of projects in financial management of development institutions, management of rural public works programs, and management of organizations to maximize benefits to the poor; technical expertise in functional and sector specific aspects of communal enterprise management, social service delivery systems, project design and management, and



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assistance in documenting and evaluating program and project activities. To be of maximum effectiveness the contractor must have established relationships with, and access to the widest possible range of organizations with expertise in public administration, and a well-developed core staff of individuals adept at marshalling these resources for prompt response. This sort of capability would be tested whether the contractor is organizing seminars and workshops sponsored by DS/RAD or subcontracting a consultant with specialized expertise to assist in designing a peculiar sub-component of an A.I.D. project. The contractor, therefore, must be both willing and able to mobilize individuals outside its immediate core staff on short notice for the most diverse sorts of responses possible.

IIPM is a minority controlled, non-profit organization that was established to serve as a university-affiliated research and seminar center concerned particularly with international public affairs and public administration. IIPM is a division of the National Institute of Public Management whose increasing commitments made it necessary to establish, under its aegis, a new organization to concentrate on management programs of international concern. Both organizations maintain an especially strong commitment to increasing opportunities for credentialing minorities through fellowships, supervised research activities, and innovative professional development seminars. DS/RAD shares this concern and hopes that an agreement with IIPM will strengthen that organization's ability to reach these aims.

IIPM was chosen over other potential contractors because of its university affiliations and emphasis on working at the institutional level. IIPM is the one association we identified with direct linkages to national and international schools and institutes of public administration; hence it has the unique drawing power to attract top professionals of these diverse institutions. IIPM has established formal relationships with such international groups as the Latin American Association for Public Administration (INAP), the Arab Organization of Administrative Sciences, the African Association for Public Administration and Management, and the National Institutes of Public Administration of Mexico and Egypt. These ties allow the Institute to remain in constant communication with these groups regarding professional exchanges, research and policy analysis and seminars and training programs. Together with its less formal agreements with other international bodies and associations, IIPM offers a broad network of international public management expertise that, to the best of our knowledge, is not duplicated elsewhere.

Additionally IIPM maintains formal working agreements with 31 prestigious domestic universities with schools of public administration. Of particular interest to DS/RAD are the unique relationships IIPM has developed with the public and business administration programs of the traditionally black colleges and universities. At present DS/RAD lacks convenient means to access personnel from these institutions and IIPM's networking capabilities provide us an opportunity unmatched by other organizations for resolving this problem.

DS/RAD considered a wide range of sources for the services that will be procured under this contract and its reasons for recommending IIPM are based on a number of criteria.

Many other public and private organizations were considered but are more general in their scope of activities whereas IIPM's area of concentration coincides with those ends this project is designed to serve. IIPM's relationships with the traditionally minority institutions was particularly outstanding. Private management firms evaluated, including MASI, Triton and Development Associates, did not have suitable depth and breadth of expertise readily available and would probably need to draw upon IIPM affiliated associates for expertise required to meet the wide range of specific, short term needs this contract will address. Going directly to IIPM capitalizes on its already established affiliations and consequently reduces costs and time necessary to get project tasks underway. Additionally, IIPM's experience in organizing seminars and workshops related to needs of the developing countries is superior to other public administration organizations considered.

Contracting a single university, such as Syracuse University, the University of California, or Yale University, was considered and rejected because we believe the variety of professional services at the level required for this project were probably not available at any one university. The probability of getting the level of competency desired is enhanced by using as the contractor an association which has an unbiased view of technical resources available and can pick and choose from among a broad range of national and international schools and institutes of public administration. An intermediary institution further resolves three problems that frequently arise when a single university is chosen as the single contractor: the inability of the university to provide sufficient financial incentive to its faculty members to undertake substantial additional responsibilities; the university's clear preference for hiring academics rather than experienced practitioners; and a uniform semester system which effectively blocks out large time periods when no consulting activities can take place.

For the same reasons cited above, a PASA arrangement with any of the central management agencies of the Federal Government was rejected. Although the Office of Personnel Management, the General Accounting Office, and the Office of Management and Budget have extensive capabilities in public administration, the Foreign Assistance Act of 1961 directs A.I.D. to avoid such agreements when similar services can be provided by the private sector or when provision of services might unduly interfere with domestic programs. There is no reason to believe, however, that IIPM cannot or will not draw upon the central management agencies for specific personnel, if, indeed, they are the most qualified in the area. This applies also to private sector universities with which IIPM works.

As was stated above, the element of time is an important consideration in proposing IIPM. IIPM has the capabilities for moving rapidly ahead upon award of the contract. Other prospective contractors would need to establish linkages that have already been set up and exploited by IIPM.

IIPM's low overhead costs, because of the nature of its linkages and current interrelationships with its affiliates, should reduce considerably the costs of the contract to the Government. It should be re-emphasized that IIPM is a non-profit institution which is also a factor in costing out a contract of this kind.

In summary there is no other organization having the capabilities to meet the needs of DS/RAD under this project.

Clearance: DS/PO, Bernard Chapnick _____ Date: _____
Approval: DAA/DS/FN, Tony Babb _____ Date: _____

STATEMENT OF WORK

A. Objective: To supplement the professional staff of DS/RAD in providing selected services in public management to DS/RAD, the Regional Bureaus and Missions.

B. Description: The services and related support furnished under this contract will provide DS/RAD staff with the full depth and breadth of technical and advisory inputs necessary for sound and timely execution of the functions of the Office in institutional development and public management improvement. The principal needs estimated for FY 1980 include:

1. Technical Assistance to Regional Bureaus and Missions:

In addition to field support provided by DS/RAD staff, contractors and cooperators, short-term assistance is frequently required in specialized aspects of public management and development administration which cannot be provided by other resources available to this office. For example, DS/RAD has recently received or has pending requests for short-term consultation in financial management in the Philippines, Nepal, Costa Rica, Egypt and Liberia and budgeting in Nepal, Thailand and Ghana. Consultation in logistics management is needed throughout the Middle East, particularly in Tunisia, Jordan and Egypt, and general public administration analysis necessary for furthering development activities could be conducted in Portugal, Yemen, Kenya and the Cameroons. While the contractor may not be expected to provide services specifically to these countries, these examples provide an illustration of the variety of requests for field assistance in public management which the contractor can serve. Specialists in the management of specific sectoral institutions (e.g. financial management in health care institutions, institutional analysis for decentralization of agricultural services) will also be needed to supplement existing project and staff resources. It should be emphasized that these short-term consultations will, in addition to providing immediate assistance to AID field missions and LDC institutions, also provide DS/RAD with experience for field testing new approaches in the development of new major program activities to be developed in the DS/RAD portfolio.

2. Program Development and Support:

Short-term assistance from a variety of specialized fields in public management and development administration will be needed to supplement DS/RAD programs and projects. These resources will provide additional expertise in functional and sector specific aspects of public and communal enterprise management, social services delivery systems, etc. Short-term consultants will also be utilized to prepare inputs for the design of new program activities either through the preparation of short papers or participation in DS/RAD sponsored workshops and seminars. Areas of emphasis in which assistance will be required will include, but not be limited to, labor intensive public works, financial management of development institutions, managing benefits to the poor and social service delivery systems. Some additional assistance may be used to develop materials on management and organizational issues in rural development administration and rural development portfolios of the Office.

STATEMENT OF WORK (Continued)

C. Technicians:

<u>Number</u>	<u>Specialized Field</u>	<u>Salary</u>	<u>Duration</u>
Varies	Financial Management and Budgeting	\$130.00/day	2 person months
"	Logistics and Supply Management	"	1.5 p.m.
"	Social Service Delivery Systems	"	1.5 p.m.
"	Human Resources Management	"	1.0 p.m.
"	Political Economy	"	.5 p.m.
"	Health Care Management	"	.5 p.m.
"	Public Program Management	"	.5 p.m.
			7.5 person months

Substitution in levels of effort across categories will be allowed to accomodate field demand.

In order to draw on the services provided under this agreement the DS/RAD project manager will forward a memorandum to IIPM describing the scope of work and the estimated level of effort required to carry out the task. IIPM will respond with a written proposal outlining the range of experts available with their qualifications, their plan for completing the task and the cost. On the basis of this proposal, the DS/RAD project manager will decide whether or not to go ahead with the work.

AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country DSB	Page 1 of Pages
		2. PIO/T No. 936-5310-3606497	3. <input type="checkbox"/> Original or Amendment No. <u>1</u>
		4. Project/Activity No. and Title 936-5310 Development Administration Program Development and Support	
		5. Appropriation Symbol 72.1101021.5	

DISTRIBUTION	6. Allotment Symbol and Charge 045-36-099-00-20-01
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document
8. Project Assistance Completion Date (Mo., Day, Yr.) 4/1/82	9. Authorized Agent CM/COD
10. This PIO/T is in full conformance with PRO/AG N/A	Date

11a. Type of Action and Governing AID Handbook <input checked="" type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment) To be assigned
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12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
				70,000	
	B. U.S.-Owned Local Currency				

13. Mission
References

14a. Instructions to Authorized Agent

The purpose of this PIO/T is to diminish by \$6,000 the amount of money reserved for a contract to the International Institute of Public Management (IIPM). IIPM has submitted a proposal \$63,240.00 for the corresponding scope of work. Although the contract has not yet been signed, CM/COD assures us that only \$64,000 needs to be reserved.

NOTED *Burleson*
DATE *8/12/80*

14b. Address of Voucher Paying Office

FM/PAD, Room 607, SA-12 (Universal North), Agency for International Development, Washington, D.C. 20523

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate Paul Fritz, DS/RAD	Phone No. 235-8918 Date	B. The statement of work lies within the purview of the initiating and approved agency programs Jerome French, DS/RAD	Date
C. Robert Comfort, DS/RAD	Date 8/4/80	D. Funds for the services requested are available	
E. Arthur Silver, DS/PO	Date		

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature <i>Kenneth G Milow</i> Kenneth Milow Date <i>8/6/80</i>
Title _____	Title Chief, Program Division

DS/PO OFFICIAL FILE

AID 1360-1X (1-78)	1. Cooperating Country DSB	2. PIO/T No. 936-5310	Page 2 of	Pages
	4. Project/Activity No. and Title 936-5310 Development Administration Program Development and Support			

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER _____ HERETO ENTITLED "STATEMENT OF WORK"

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY) To be identified with each task
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS)
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN.
- WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 - HAS BEEN OBTAINED HAS NOT BEEN OBTAINED
 - IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

In order to draw on the services provided under this contract, the DS/RAD project manager will forward a memorandum describing the specific scope of work and the estimated level of effort required to complete the task. Prior to making any visits to LDCs, the contractor will review his plans with DS/RAD. He will request and receive country clearance and AID mission concurrence from DS/RAD; keep AID missions in countries to be visited fully informed of proposed visits. Upon completion of any international travel a copy of the trip report will be provided the DS/RAD project manager. The report format will be established directly between the contractor and the project manager.

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

Attachment number 4, the Action Memorandum signed by the Deputy Assistant Administrator, outlines the objectives of this project.

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- 1 DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- 2 JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
- 3 STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)

AID 1380-1X (1-78)	1. Cooperating Country DSB	2. PIO/T No. 936-5310	Page 3 of Pages
PIO/T	4. Project/Activity No. and Title 936-5310 Development Administration Program Development and Support		

22. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities To be defined within the scope of work for each task (see block 19 G).

B. Cooperating Country Liaison Official To be defined within the scope of work for each task

C. AID Liaison Official JS/RAD, Harlan Hobgood
Norman Nicholson

LOGISTIC SUPPORT

23. Provisions for Logistic Support	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
A. Specific Items (Insert "X" in applicable column as right. If entry needs qualification, insert asterisk and explain below in C. "Comments")					
(1) Office Space					X
(2) Office Equipment					X
(3) Housing and Utilities					N/A
(4) Furniture					N/A
(5) Household Equipment (Stoves, Refrig., etc.)					N/A
(6) Transportation in Cooperating Country					X
(7) Transportation To and From Country					X
(8) Interpreter Services/Secretarial					X
(9) Medical Facilities					X
(10) Vehicles (official)					N/A
(11) Travel Arrangements/Tickets					X
(12) Xerox and printing supplies					X
(13)					
(14)					
(15)					

OTHER SPECIFY

B. Additional Facilities Available From Other Sources N/A

APO/FPO

PX

COMMISSARY

OTHER (Specify, e.g., duty free entry, tax exemption)

Attachment 1

DRAFT BUDGET

Consultants (7.5 person months x 22 days x \$130)	\$21,450.
International Travel (5 trips x \$1400)	7,000.
International Per Diem (5 person months x 30 days x \$60)	9,000.
Domestic Travel (10 trips x \$250)	2,500.
Domestic Per Diem (75 days x \$50)	3,750.
Supplies, Printing, etc.	<u>504.</u>
	\$44,204.
Overhead (@44.5%)	<u>19,671.</u>
	\$63,875.
Salaries	5,000.
Fringe Benefits (@22.5%)	<u>1,125.</u>
	\$70,000.

IIPM Contribution \$2726.

- Travel is estimated on the basis of one trip to Asia, two trips to the Near East, one trip to Africa and one trip to Latin America for purposes of consulting with Missions or in support of individual projects as requested.
- Domestic travel to universities and affiliates as well as for consultants to Washington, D.C. is covered by the provision for short domestic trips.
- Salaries cover 3 person months for IIPM core staff to coordinate backstop and support for consultants from member institutions.
- Overhead is based on the National Institute of Public Management's certified rate for other U.S. Government agencies. NIPM will provide administrative support to IIPM, one of its affiliates.
- A contribution by IIPM of \$2726 will be made to cover the 44.5% overhead charge on IIPM salaries and fringe benefits.

CERTIFIED A TRUE COPY THIS
3 DAY OF Oct **RAV**
 BY Dr Roberts **5310**

COST REIMBURSEMENT TYPE CONTRACT

AGENCY FOR INTERNATIONAL DEVELOPMENT
 NEGOTIATED CONTRACT NO. AID/DSAN-C-0230

CONTRACT TYPE - Cost Reimbursement

NEGOTIATED PURSUANT TO THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND EXECUTIVE ORDER 11223 AMOUNT **\$63,240**

CONTRACT FOR: Public Management and Development Administration Project No. 936-5310

ISSUING OFFICE (Name and Address)
 Central Operations Division
 Office of Contract Management
 Agency for International Development
 Washington, D.C. 20523

CONTRACTOR (Name and Address)
 International Institute of Public Management

NAME: 1612 K Street, NW
 STREET ADDRESS: Washington, D.C. 20006
 CITY, STATE AND ZIP CODE

ADMINISTRATION BY
 Issuing Office

COGNIZANT SCIENTIFIC/TECHNICAL OFFICE
 Office of Rural Development and Development Administration

MAIL VOUCHERS (Original & 3 copies)
 TO: Office of Financial Management
 Agency for International Development
 Washington, D.C. 20523

ACCOUNTING AND APPROPRIATION DATA
 PIO/T NO. 3606497
 APPROPRIATION NO. 72-1101021.5
 ALLOTMENT NO. 045-36-099-00-20-01

EFFECTIVE DATE September 30, 1980 ESTIMATED COMPLETION DATE March 31, 1982

TYPES OF BUSINESS (CHECK APPROPRIATE BOX(ES))

<input type="checkbox"/>	SOLE PROPRIETORSHIP	<input type="checkbox"/>	SMALL BUSINESS
<input type="checkbox"/>	PARTNERSHIP	<input type="checkbox"/>	LABOR SURPLUS AREA
<input type="checkbox"/>	JOINT VENTURE		
<input checked="" type="checkbox"/>	CORPORATION, INCORPORATED IN THE STATE OF <u>District of Columbia</u>		

The United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the Contractor agree that the Contractor shall perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule or the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

This Contract consists of this Cover Page, the Schedule of _____ Pages, including the Table of Contents and the General Provisions (form AID 1420-41C, dated _____).

NAME OF CONTRACTOR
International Institute of Public Management

UNITED STATES OF AMERICA
 AGENCY FOR INTERNATIONAL DEVELOPMENT

BY (Signature of authorized individual)
Philip J. Rutledge

BY (Signature of Contracting Officer)
Morton Darvin

TYPED OR PRINTED NAME
Philip J. Rutledge

TYPED OR PRINTED NAME
Morton Darvin

TITLE
President

CONTRACTING OFFICER

DATE SEP 25 1980

DATE SEP 25 1980

SCHEDULE

COST REIMBURSEMENT CONTRACT

TABLE OF CONTENTS

The Schedule, on pages 1 through , consists of this Table of Contents and the following Articles:

- Article I - STATEMENT OF WORK
- Article II - TECHNICAL DIRECTIONS
- Article III - PERIOD OF CONTRACT
- Article IV - ESTIMATED COST AND OBLIGATED AMOUNT
- Article V - BUDGET
- Article VI - COSTS REIMBURSABLE TO THE CONTRACTOR AND LOGISTIC SUPPORT
- Article VII - ESTABLISHMENT OF OVERHEAD RATES
- Article VIII - PERSONNEL COMPENSATION
- Article IX - ALTERATIONS IN CONTRACT
- Article X - SPECIAL PROVISIONS

GENERAL PROVISIONS

The General Provisions applicable to this contract consist of form AID 1420-41C entitled "General Provisions Cost Reimbursement Type Contract." dated 7/1/76, which includes provisions 1 through 43; and form AID 1420-41D entitled "Additional General Provisions - Cost Reimbursement Type Contract," dated 7/1/76, which includes provisions 1 through 15.

ARTICLE I - STATEMENT OF WORK

The objective of this contract is to provide technical services to AID in the areas of Public Management and Development Administration. The contractor will perform under this contract in accordance with the terms of this Schedule and the scope of work described in Attachment A entitled "Scope of Work."

ARTICLE II - TECHNICAL DIRECTIONS:

Performance of the work hereunder shall be subject to the technical directions of the cognizant A.I.D. Scientific/Technical Office indicated on the Cover Page. As used herein, "Technical Directions" are directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise complete the general scope of work. "Technical Directions" must be within the terms of this contract and shall not change or modify them in any way.

ARTICLE III - PERIOD OF CONTRACT

The effective date of this contract is Sept. 30, 1979 and the estimated completion date is March 31, 1982.

ARTICLE IV - ESTIMATED COST AND OBLIGATED AMOUNT

The Total Estimated Cost of this contract to the Government is \$63,240. The amount obligated to this contract is \$63,240. Reimbursement of costs to the Contractor shall not exceed the amount obligated to this contract. See the general provision entitled "Limitation of Costs".

ARTICLE V - BUDGET

Reasonable adjustments among line item amounts are authorized. The contractor will not be reimbursed for expenditures exceeding the amount obligated to this contract. See the General Provision entitled "Limitation of Costs" and Article IV - Estimated Cost and Obligated Amount."

<u>Line Item</u>	<u>FR:9-30-79</u> <u>TO:3-31-82</u>
Consultants	\$22,500
International Travel	6,000
International Per Diem	7,500
Domestic Travel	3,000
Domestic Per Diem	3,750
Other Direct Cost	<u>1,000</u>
Subtotal	\$43,750
Overhead	<u>19,490</u>
Total Estimated Cost	\$63,240

ARTICLE VI - COSTS REIMBURSABLE TO THE CONTRACTOR AND LOGISTIC SUPPORT

- A. The United States dollar costs allowable under this contract shall be limited to reasonable, allocable and necessary costs determined in accordance with the clause of the General Provisions of this contract entitled "Allowable Cost, Fixed Fee and Payment."
- B. All logistical support necessary for performance of this contract shall be the responsibility of the contractor.

ARTICLE VII - ESTABLISHMENT OF OVERHEAD RATES

Pursuant to the provisions of the clause of the General Provisions of this contract entitle "Negotiated Overhead Rates." a rate or rates shall be established for each annual period beginning October 1, 1980. Pending establishment of final overhead rates for the initial period, payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the bases(s) set forth below:

Indirect Rate: 44.5%

Base: Total direct cost

Period: 10-1-80 through 9-30-81

ARTICLE VIII - PERSONNEL CO. INSATION

A. Limitations: Compensation of personnel which is charged as a direct cost under this contract, like other costs, will be reimbursable in accordance with the Schedule Article entitled "Costs Reimbursable to the Contractor and Logistic Support" and the General Provision entitled "Allowable Cost, Fixed Fee, and Payment and other applicable provisions of this contract but subject to the following additional specific understandings which set limits on items which otherwise would be reasonable, allocable, and allowable.

1. Approvals: Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which will be certified to by the Contractor, nor may any individual salary or wage, without approval of the Contracting Officer, exceed the employee's current salary or wage or the highest rate of annual salary or wage received during any full year of the immediately preceding three years, provided that if the work is to be performed by employees serving overseas for a period in excess of one year, the normal base salary may be increased in accordance with the Contractor's established policy and practice, but not to exceed 10 percent of base U.S. salary excluding benefits. There is a ceiling on reimbursable salaries and wages paid to a person employed directly under the contract of the maximum salary rate of FSR-1 (or the equivalent daily rate of the maximum FSR-1 salary, if compensation is not on an annual basis), unless advance written approval is given by the Contracting Officer.

2. Salaries During Travel: Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route.

3. Return of Overseas Employees: Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most expeditious air route plus accrued vacation leave.

4. Merit or Promotion Increase: Merit or promotion increases may not exceed those provided by the Contractor's established policy and practice. With respect to employees performing work overseas under this contract, one merit or promotion increase of not more than 5% of the employee's base salary may, subject to the Contractor's established policy and practice, be granted after employee's completion of each twelve month period of satisfactory services under the contract. Merit or promotion increases exceeding these limitations or exceeding the maximum salary of FSR-1 may be granted only with the advance written approval of the Contracting Officer.

5. Consultants: Consultant services for a maximum number of 150 days will be reimbursed in connection with the services to be provided hereunder. No reimbursement shall be made for consultant days in excess of this maximum without the advance written approval of the Contracting Officer. Compensation shall not exceed, without specific approval of the rate by the Contracting Officer, (1) the current compensation of the highest rate

of annual compensation received by the consultant during any full year of the immediately preceding three years or (2) maximum daily salary rate of a foreign Service Officer Class I whichever is less.

Note: The daily rate of a Foreign Service Office Class I is determined by dividing the annual professional income by 260 days.

6. Third Country and Cooperating Country Nationals: Salaries and wages paid to Third Country and Cooperating Country Nationals may not, without specific written approval of the Contracting Officer, exceed either the Contractor's established policy and practice; or the level of salaries paid to equivalent personnel by the A.I.D. mission in the Cooperating Country; or the prevailing rates in the Cooperating Country, as determined by A.I.D., paid to personnel of equivalent technical competence. No AID approval of authorization is necessary when the Third Country or Cooperating Country National is an employee of the contractor or subcontractor.

7. Work Week

a. Nonoverseas Employee. The work week for the Contractor's nonoverseas employees shall not be less than the established practice of the Contractor.

b. Overseas Employee. The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the work week for those employees of the A.I.D. Mission and the Cooperating Country associated with the work of this contract.

B. Definition: As used herein, the terms "Salaries," "Wages," and "Compensation" mean the periodic remuneration received for professional or technical services rendered exclusive of overseas differential or other allowances associated with overseas service, unless otherwise stated. The term "compensation" includes payments for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead or other charges.

ARTICLE IX - ALTERATIONS IN CONTRACT

1. The General Provisions(AID 1420-41C) and Additional General Provisions (AID 1420-41D) are hereby amended as provided for in Attachment to AID 1420-41 which is attached hereto.
2. In accordance with paragraph (a) of Additional General Provision No. 7 entitled "Personnel," whereunder the Contractor may not send individuals outside of the United States to perform work under the contract without the prior written approval of the Contracting Officer, the Contracting Officer does hereby provide said approval for those individuals required to travel outside the United States; provided, however, that concurrence with the assignment and/or travel of any and said individuals outside the United States is obtained, in writing from the Cognizant Technical Office of A.I.D. prior to their assignment and/or travel abroad. This approval by the Contracting Officer shall not apply to any other clause or provision of this contract which specifically requires Contracting Officer approval.

3. In paragraph A.2. of the Attachment to AID 1420-41 insert the attached clause No. 29 entitled "Patent Rights - Acquisition by the Government."
4. Attached to and made a part of this contract is General Provision No. 39 entitled "Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals."
5. Attached to and made a part of this contract is General Provision No. 48 entitled Disputes (FPR TEMP. REG. 55), (May 1980). Delete the General Provisional entitled Disputes (DEC. 1970).

ARTICLE X - SPECIAL PROVISION

1. On each public voucher submitted by the contractor for payment under this contract the following information must appear:

Contract No.: AID/DSAN-C-0230
Project No.: 936-5310
Project Office: DS/RAD

2. The Contractor shall submit three copies of all reports listed as being a product of the contract (administrative, progress, final, and technical reports containing R&D findings) to the Documentation Coordinator, DS/DIU, Development Support Bureau, Agency for International Development, Washington, D.C. 20523. Such reports shall include a title page showing the title of the report project title as set forth in this contract and the contract number. One copy of each report shall be clearly typed or printed on white paper so that it may be photographed to produce a microfilm master. Technical reports shall be accompanied by an author-prepared abstract.
3. Through the insurance brokerage firm of Wright and Company the contractor shall enter into a Defense Base Act (DBA) insurance policy with the Insurance Company of North America to provide life, health and accident insurance protection for contractor employees and consultants during the time they are overseas performing under this contract.

Wright and Company: 1001 Connecticut Avenue, N.W.
Washington, D.C. 20036
Telephone No. (202) 331-1550

The Contractor will forward one copy of the DBA policy to the Contracting Officer.

SCOPE OF WORK

A. Objective

To have the Contractor provide technical services that contribute toward solving problems that LDCs have in the areas of public management development administration.

B. Scope of Work

Consistent with Article II - Technical Directions the contractor shall perform the following:

1. The Contractor shall provide technical assistance as follows:

Financial Management assistance in the Philippines, Nepal, Costa Rica, Egypt and Liberia. Technical Assistance to improve budgeting practices in Nepal, Thailand and Ghana. Technical Assistance to improve logistics management in such LDCs as Tunisia, Jordan and Egypt. Technical assistance in improving public administration in Portugal, Yemen, Kenya and the Cameroons. The Contractor will also provide technical assistance in managing specific sectoral institutions of LDCs. For example, financial management in health care institutions and institutional analysis for decentralization of agricultural services.

2. Program Development and Support

The Contractor shall provide expertise in functional and sector-specific aspects of public and commercial enterprise management, social services delivery systems, and related areas. Also, the contractor shall prepare inputs for the design of new AID program activities either through the preparation of short papers or participation of AID sponsored workshops and seminars. Areas of emphasis include labor intensive public works financial management of development institutions, managing benefits to the poor and social service delivery systems.