

MAY 2 1979

## ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM: LAC/DR, Marshall D. Brown }

Problem: Approval of (1) procurement source waiver from Geographic Code 000 (U.S. only) to Geographic Code 941 (Selected Free World) and the cooperating country; and (2) waiver of competition to permit single-source negotiation and contract award based on predominant capability.

- (a) Cooperating Country: Jamaica
- (b) Authorizing Documents: Project No. 532-0040, Project Agreement No. 76-4
- (c) Project: Health Improvement of Young Children
- (d) Nature of Funding: Development Grant
- (e) Description of Services: Assistance to the Government of Jamaica Ministry of Health and Environmental Control in design and implementation of an integrated primary health care system.
- (f) Approximate Value: \$90,000
- (g) Intended Source: University of West Indies' Department of Social and Preventive Medicine.

Background: The purpose of this project is to improve the primary health care delivery system of Cornwall County in Jamaica, with emphasis on women of childbearing age and children under six. The project is attempting to establish in Cornwall County (which comprises the western one-third of Jamaica) a prototypical health services outreach system which can be replicated in Jamaica's other two counties. A.I.D. is financing technical assistance, participant training and commodities, while the Government of Jamaica (GOJ) is funding staff salaries, logistical support, drugs and medical supplies.

The technical services for which the subject source waiver and contract approval are sought will be provided to the GOJ's Ministry of Health and Environmental Control (MOHEC), to assist it in developing and implementing the Cornwall

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County primary health care system. More specifically, the services include (a) an evaluation of existing training programs and assessment of future training needs; (b) development of management capability and structures at the community level; (c) development of procedures and training manuals; (d) development of a warehousing and supply system for rural health centers; (e) maximization of community involvement through the development of local health committees; and (f) a continuous assessment of the efficiency of health services being provided by the system. The contract would be for two years, and its cost is estimated at \$90,000.

The mission has requested (see Kingston 2419 and 2812, attached) a procurement source waiver and approval of contract negotiation and award to the University of the West Indies' Department of Social and Preventive Medicine (UWI/DSPM), which is located in Kingston.

Justification: The technical services to be provided under the proposed contract are essential to the achievement of the purposes of this A.I.D.-financed project. A recent evaluation of the project led the mission to conclude that the involvement of the UWI/DSPM in the project is absolutely necessary for the timely, efficient and effective provision of these services. While the mission considered other possible approaches to obtaining the technical services required, it concluded that obtaining the services from a local (or locally-based Caribbean Regional) institution would provide significant advantages and substantially enrich the original project concept. Further, given the sensitive nature of some of the contractor's tasks, the failure to utilize a local institution could jeopardize the achievement of some of the project's outputs (see Kingston 2419, para. 3, attached).

The mission's review concluded that no other institution in Jamaica is comparable to the UWI/DSPM in prior experience, high quality staff and ready capability to undertake the work required. Not only had the DSPM previously developed a community level health aides training program (which was utilized as a model in the design of this project's training component), but its staff has already been called upon from time to time to provide guidance to the MOHEC. The DSPM staff is largely Jamaican and exceptionally talented (the Department Chairman, Dr. Kenneth Standard, is an internationally recognized expert in public health), and the DSPM specializes in the kind of operational research and training required by this project.

Finally, and perhaps most importantly, the involvement of the UWI/DSPM would result in the establishment of a strong institutional working relationship with the MOHEC. Both institutions are anxious to create a formal linkage as well as active working contacts between their respective staffs. The GOJ also expects this relationship to improve its planning and design capabilities for future projects, and to result in a significant savings in the procurement of technical assistance for future work in the health sector. For these reasons, the mission and the GOJ have concluded that obtaining the services of the UWI/DSPM is critical to the success of the project, and have requested that competitive procedures be waived in order to award the contract on the basis of predominant capability.

Legal Authority: With respect to the procurement source waiver, A.I.D. Delegation of Authority 40 delegates to the Bureau's Assistant Administrator the authority to issue waivers of geographic codes for individual transactions up to \$500,000. A.I.D. Handbook 1 (Supp. B, Ch. 5C4A) provides that a waiver of geographic code with respect to suppliers of services may be based upon "...circumstances as are determined to be critical to the success of project objectives." USAID/J and the GOJ have made such a determination with respect to the involvement of the UWI/DSPM in provision of the required contract services.

With respect to the waiver of competitive procedures to permit single-source negotiation and contract award based on predominant capability, the Bureau's Assistant Administrator is authorized to approve waivers, in consultation with the SER Bureau, for transactions up to \$500,000. The criteria which justify such waivers are set forth in A.I.D. Handbook 1, Supp. B, and Handbook 11. Specifically, this waiver request is justified on the grounds that the UWI/DSPM has a unique capability, as described above, to provide the services now required by the project (see Handbook 1, Supp. B, Ch. 12C4C(5); Handbook 11, Ch. 2.4.2(d)). Consultation with the SER Bureau has taken place and it agrees that the USAID/J request for these two waivers is justified (see clearance).

Recommendation: That you approve the requested procurement source waiver and negotiation with the UWI/DSPM for a contract to be awarded on the basis of predominant capability.

APPROVED: Edward W. Coz

DISAPPROVED: \_\_\_\_\_

DATE: May 7, 1979