

PO. ARX-912

90

132

4920391

RMA/GOP - AR - 1

TECHNOLOGY TRANSFER FOR ENERGY MANAGEMENT

**FINANCIAL AND ADMINISTRATIVE SUMMARY REPORT**

(January - December 1987)

Prepared by

Resource Management Associates of Madison, Inc.

520 University Avenue

Madison, Wisconsin 53703

January 1988

TABLE OF CONTENTS

	<u>Page</u>
I. ADMINISTRATIVE SUMMARY . . . . .	1
A. Technical Assistance Contract . . . . .	1
B. Expenses . . . . .	1
C. Personnel . . . . .	2
D. Contract Deliverables . . . . .	2
E. Commodity Procurements . . . . .	2
F. Anticipated Budget for Year Two . . . . .	3
II. ISSUES AND MATTERS PENDING . . . . .	3
A. RMA Contract Fund . . . . .	3
B. PACD Extension . . . . .	3
C. Remaining Project Budget to be Allocated . . . . .	4
D. Administrative Matters Regarding Purchase of DLF Equipment . . . . .	4

## I. ADMINISTRATIVE SUMMARY

### A. Technical Assistance Contract

The RMA contract with USAID was signed on December 17, 1986. Although written with a budget of \$1,775,535 to cover the entire five years of the project, the contract was initially funded for only \$763,000. The PIO/T implementing the full funding is pending approval by NEDA.

The contract provides for a Resident Consultant in Manila, short-term consultants, an RMA Home Office staff, \$50,000 in commodities, and expenses for training trips to the United States.

Among the possible revisions to the RMA contract are the addition of funds for the remaining commodities and those to cover the international airfares for the training trips.

As put forward in the initial proposal and in the project contract, RMA has negotiated subcontracts with two firms bringing specialized consulting expertise to the project: Stanley Consultants of Muscatine, Iowa, an architect/engineer firm with wide engineering experience in buildings and industrial plants around the world; and Joaquin Cunanan and Co., the member firm of Price Waterhouse in the Philippines, a management consulting and accounting firm with expertise in the Philippine financial community.

### B. Expenses

The total amount invoiced through December 1987 is \$283,600. This amount, plus the expenditures accrued but not yet invoiced, is within five percent of a straight-line rate of expenditure over the full five-year project term. (Approximately \$45,000 has been accrued from the November-December trip by Stanley Consultants, Inc. which will be charged in the January voucher).

### C. Personnel

RMA has provided 4.3 person months of short-term consultants and 10 person months of long-term assistance. In addition, the RMA Home Office has provided substantial management support and technical assistance to TTEM through the Resident Consultant. The Home Office is in weekly phone and

daily telex contact with the Resident Consultant. Representative Home Office tasks include commodity procurement, gathering manufacturers' brochures and technical information on the demonstration technologies, identifying training opportunities, providing technical assistance to TTEM and addressing specific queries for information by TTEM staff and the RMA Resident Consultant.

D. Contract Deliverables

In addition to this Annual Report, RMA delivers a Monthly Progress Report. These began with the month of March 1987, the first full month after the Resident Consultant began work in Manila. RMA also prepares a comprehensive trip report for each short-term consultant trip to the Philippines.

E. Commodity Procurements

A total of \$35,000 was spent in commodity procurement in the first year of the project, as shown below. This represents 70% of the current budget allotment for commodities, pending allocation of an additional \$50,000.

	<u>Location of Purchase</u>	
	<u>U.S.</u>	<u>Phil</u>
Project vehicle (1987 Dodge van)	\$19,725	---
Energy Audit Equipment	\$7,400	---
Microcomputers and accessories 2 IBM PC-compatible	---	\$4,500
Technical Reference Books	\$1,150	\$500
Journals	\$850	---
Other office equipment	---	\$875
TOTAL	<u>\$29,125</u>	<u>\$5,875</u>

F. Anticipated Budget for Year Two

RMA estimated expenditures	\$ 380,000
Demonstration Loan Fund (DLF) disbursements (for First Round projects)*	1,600,000
Additional local expenses for consultants, seminars, publications, etc.	132,000
TOTAL	<u>\$2,112,000</u>

\* Although we anticipate that only funds for the First Round projects will be disbursed in 1988, we anticipate funds will be committed for Second Round projects as well. This will make the total DLF commitment for calendar year 1988 approximately \$1,600,000.

II. ISSUES AND MATTERS PENDING

A. RMA Contract Funding

At present the RMA contract is funded for \$763,000, an amount sufficient to cover only the first two years (through December 1988), of the total \$1,775,535 for the five-year term for which the contract is written. A PIO/T for the additional funding is pending NEDA approval.

B. PACD Extension

The Project Assistance Completion Date (PACD) is presently June 30, 1990, corresponding to a five-year period after the initial signing of the Project Agreement. The Office of Energy Affairs has requested that the PACD be extended to December 31, 1991, allowing for five years of project operation after both the Amendment to the Project Agreement and the

signing of the RMA contract, which is also written for the full five-year term.

C. Remaining Project Budget to be Allocated

Approximately \$291,000 of the total project budget is presently inaccessible because no mechanism has been provided for its disbursement. These funds cover local consultants, local expenses for seminars and publications, international air fares for training in the U.S., and the remaining \$50,000 of commodities. In various discussions it has been proposed that some of these funds might go directly to OEA, be added to the RMA contract, fund a host-country local support-services contractor, or fund direct USAID contracts. These funds will have to be allocated before training in the U.S. can take place or local consultants can be used to any great extent. Previous use of local consultants has been funded through the RMA technical assistance contract.

D. Administrative Matters Regarding Purchase of DLF Equipment

Because of the impending time for project selection, design and bidding, the question of the Procurement Services Agent (PSA) must be addressed. According to the terms of the Project Agreement and the RMA contract, the PSA is to handle all U.S. equipment purchases under the Demonstration Loan Fund. This point will be of great concern to potential applicants, who may have a preferred vendor. The PSA arrangement complicates the approval/funding process if the vendor is not known until after the design work. The details of the DLF equipment purchase need to be worked out so that once a project is approved, the equipment will be available for installation with the least possible delay.

The above issues will be addressed, and steps taken toward their resolution, at the annual project review meeting in Manila that RMA is proposing for February, 1988.