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FINAL REPORT

**CONTRACT NO. AFR-0000-C-00-9002
PROVISION OF ADMINISTRATIVE & LOGISTICS SUPPORT
SERVICES TO USAID/CHAD**

Submitted To:

**CONTRACTING OFFICER
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

Submitted By:

Development Management Systems, Inc.

January 31, 1992

BACKGROUND

Following close to four years of civil war, USAID/Chad re-opened an office in FY 83 to monitor refugee assistance and begin the process of establishing a long term development assistance program. Virtually all major buildings, residences, shops, and stores had been severely damaged or looted during the hostilities. Additionally, the city's power, transportation, water, and commercial infrastructure had either been destroyed or rendered useless from years of neglect and/or looting. The clean-up effort facing the city of N'Djamena was monumental and the task of rebuilding was formidable given the above circumstances and the utter lack of supplies, equipment, and furnishings.

Due to the inability of AID/W to provide readily short term administrative personnel or the newly opened American Embassy in N'Djamena to furnish long term personnel to provide USAID/Chad with general support services, AID decided to contract with DMS for the provision of administrative support. A sole source waiver was granted to DMS to begin support service operations in the spring of 1983. Almost immediately, DMS US hire staff arrived in N'Djamena where they began the task of preparing office and living space for newly arrived USAID Direct Hire personnel, to be followed shortly by the provision of general support services for the operation of USAID/Chad. DMS' initial contract with USAID/Chad was amended several times to expand its scope and time frame through August of 1985. Subsequently, the firm won a competitive contract to provide full mission support through November of 1988. Upon its expiration, DMS won a second competitive contract, AFR-0000-C-00-9002, to continue to provide administrative and logistics support to the Mission through November of 1991.

By the beginning of the subject contract in December of 1988, DMS had completed substantial renovations to AID's office facilities and residential quarters, including the complete renovation and rehabilitation of the USAID office building (the former American Embassy), annex to the main building, and parking lot; the reconstruction and repair of 17 residential units; installation of stand-by generators and back-up water systems for most residences and offices; and the establishment of a basic GSO facility on newly purchased AID property. Chief among DMS' objectives for the new contract period was to move away from major construction and renovation activity - towards concentration on routine maintenance and repair work.

With regard to property management and procurement, since its re-establishment in 1983, the Mission had operated on an extremely tight budget which had seriously limited its ability to procure necessary office and residential equipment, office furnishings, and appliances. Both the Mission and the GSO were making due with a variety of locally procured or locally made furnishings, along with excess property donated from other Missions. In 1987, the Mission's OE budget was so constrained that virtually no new NXP was procured during the entire fiscal year. Expendable supply stocks were also in extremely short supply, constrained both by a limited OE budget and insufficient storage space for the expanding AID direct-hire and contract staff. By the end of 1988, additional AID funds had become available for NXP purchases and many badly needed items were already in the procurement pipeline. Among DMS' objectives for the new contract were to begin to systemize and formalize property management and procurement activities in order to maintain greater supervisory and management control.

The other basic component of DMS's contract with USAID/Chad was the provision of administrative and office support services for the daily operation of the Mission, including responsibility for travel support, messenger, janitorial, receptionist, radio, photocopying, motor pool, and secretarial support services. However, shortly after the beginning of the contract, the Mission initiated a change order to the scope of work and personnel requirements of the contract following an internal AID Administrative review in April of 1989.

CHANGE ORDER

The change order removed all of the above administrative services from the contract scope of work, with the exception of motor pool services and support services to the USAID Executive Office. In addition to its impact on the scope of work, the Change Order stipulated a new management structure, changed the position qualifications for DMS management personnel, and adjusted the total contract level of effort downward from 85 local hire positions to 66. DMS was requested to prepare technical and cost proposals for implementation of the Change Order, which were submitted on August 24, 1989. Following negotiations with the Contracting Officer, which took place during September, DMS submitted a revised cost proposal on October 3. The Change Order was finalized and signed on October 31, 1989. DMS made the necessary changes to its local staff effective October 1 and the new GSO manager, Ted Rectenwald, arrived in Chad to undertake his permanent assignment on November 8, 1989.

In addition to Mr. Rectenwald's arrival, several important changes were also made to the GSO Maintenance staff. As a result of the Change Order, the position of Maintenance Support Officer (Ass't GSO), was eliminated and a new position of Technician was created. Mr. Rene, who formerly occupied the Assistance GSO position, was named to the new Technician position. The Change Order also created three new "Key Personnel" positions of Dispatcher, Inventory/Warehouse Chief, and Maintenance Chief. The Dispatcher and Inventory/Warehouse Chief positions were filled by existing local staff, while the new position of Maintenance Chief was filled by a new employee, Mr. Yaya Karamoko.

There were several major personnel issues among U.S. and local hire staff during the first year of the contract - both as a result of and independent of the contract Change Order. The most significant was the performance of former DMS Facilities Support Manager (GSO), Mr. Ronald Morant, whom DMS had decided in February to replace due to his declining performance. However, due to the profound impact that the Change Order was expected to have on both the contract scope of work and the management organization, the contracting officer informed DMS that AID would not be able to make any decision with regard to the approval of new DMS personnel until the Change Order had been finalized. Despite this inability to replace Mr. Morant until the Change order had been finalized, DMS finally decided to terminate Mr. Morant's contract in July, deeming that his continued presence would be more harmful than good. During this period, additional staff problems were encountered with several local hire staff who were implicated in fraudulent customs activities. Several employees were fired

and a general reorganization of the property management unit was made as a result of the discovery. As a result, the property management unit was understaffed until the end of the year, with Warehouse Chief, Berassal Ramadji doing an outstanding job of holding things together during the interim.

FIRST YEAR ACCOMPLISHMENTS & ACTIVITIES

Despite the significant changes mandated by the Change Order and the necessary period of adaptation to the new management organization and realignment of responsibilities, substantial accomplishments were made during the 1989 calendar year. DMS constructed mezzanine storage areas in the existing GSO warehouse facility, removed two walls to open up the expendable supply room, and renovated the office area in order to increase overall storage space, separate expendable from non-expendable property, and improve the working environment. Bulk shelving, bin storage containers, hand trucks, and dollies were then ordered from overseas to finish the reorganization.

To improve property records management procedures, DMS sent TDY assistance from the Home Office to Chad for a month to devise and write in both French and English a comprehensive Property Management Procedures Manual, which in the words of Regional Executive Officer, Anne Dotherow, "is a high quality, how-to, manual that is a superb follow-on to AID Handbook 23, Chapter 4.

DMS continued to experience problems with the both the original (MTS) and subsequent (NXP 5.2) automated property management computer programs furnished by M/SER/IRM. Original problems concerning the integrity of the MTS data base and data input safeguards had resulted in the loss of countless hours of clerical and management time. However, the new NXP 5.2 program was designed to correct the more egregious flaws of the previous program and, it was hoped that after the transfer of the existing NXP data files to the new program, most of the previous problems would be resolved. Unfortunately, lengthy delays were experienced while IRM attempted to reprogram the EPROM chips from the system bar code readers. Ultimately, IRM was unsuccessful in their attempts and new readers had to be procured and all of the data from the existing data base had to be re-input into the new NXP 5.2 system. This cause a delay in the compiling and filing of year end Non-Expendable Property report to AID/W. However, following the initial work performed by PSC Jacques Mangones, the FY 89 year end inventory reports for both the AID representative's residence and non-expendable property were completed and submitted to AID/Washington by the end of November.

Regular maintenance activities for facilities, residences, and vehicles continued throughout the period of the Change Order and calendar year. In addition to regular maintenance activities, major accomplishments included the completion of installation of residential water tanks and pumps, installation of reserve fuel tanks for residential generators, installation of new generators and wiring for new residences, and the replacement of the entire roof of the AID office building. DMS maintenance staff also completed covering for the AID building's parking lot, constructed a 2.5 meter security wall around one residence, and built a concrete terrace in front of the USAID offices.

SECOND YEAR ACCOMPLISHMENTS AND ACTIVITIES

The beginning of the contract's second year of activity focused on the provision of support for the start-up of the Mission's "Strengthening Roads Maintenance Project". Chief of Party, Kevin Guild spent considerable time identifying suitable housing sources for the seven member project team. Seven houses were eventually leased and made ready for occupancy, of which four required substantial renovations by DMS maintenance support staff. Electrical generators, water pressure pumps were installed for each house and extensive "make-ready" work was also done for each, including the fabrication and installation of kitchen shelving, appliance hook-ups, window treatments, etc.

Another major construction project was the renovation of a building adjacent to the AID office building for the purpose of creating additional space for the Mission's project personnel. This two month project was finished in April of 1990 and became the USAID Annex for the "Child Survival Project" and TDY personnel. During the same period, DMS maintenance personnel undertook a major renovation project on a newly leased property intended for the residence of the incoming Assistant AID Representative. The work took over three months to complete and included the installation of new plumbing fixtures and flooring, a completely new kitchen, and the installation of a new electrical generator.

From September, 1990 to January of 1991, DMS completed the largest construction project of the contract by both designing and building a new GSO office and garage facility. DMS Maintenance Supervisor, Yaya Karamoko, drew up blue prints and cost estimates for the new facility for the Mission - which had originally intended to contract out for the actual construction work, using DMS maintenance management personnel only in a supervisory role. However, to reduce cost and expedite the work, the Mission instructed DMS to carry out the work itself, deeming that such activity could be interpreted to fall within the contract's existing scope of work. Actual construction work began in the middle of September and continued for approximately four months, utilizing a major portion of DMS' maintenance supervisory and technical staff's time throughout the period, as well as requiring dozens of additional temporary labor personnel. DMS carried out this work at no additional fee or indirect expense cost to the contract and also financed the cost of all of the labor and a substantial amount of materials until subsequent reimbursement by the Mission. Moreover, in the process, DMS incurred unreimbursable bank credit charges of nearly \$10,000.

Despite the continuance of such major construction activity as detailed above, DMS regular maintenance activity continued on the Mission's existing offices, residences, and vehicle fleet. At the beginning of the year, the GSO was averaging between 80 to 100 work orders per month for office and residential maintenance. However, by July of 1990, that number had increased by over 50% - to over 150 new work orders monthly. During 1990, DMS' residential maintenance responsibility effectively increased by 100% - to close to 30 residences, with only a 4% increase in local hire staff. In fact, the only new positions filled were for an additional diesel mechanic to handle repairs and preventive maintenance requirements for the increased number of active electrical generators and for a refrigeration specialist to assist with the increased amount of air conditioning units in place.

DMS' new GSO spent the bulk of his time in 1990 in efforts to improve property management functions and to correct the problems associated with the automated NXP property management database system. The tragic death in a motor vehicle accident of NXP Clerk, Hiroua Heidekor, added considerably to the difficulties in achieving the above objectives; Hiroua was the DMS staff member responsible for NXP inventory control for both the automated and manual systems and had just recently undergone a NXP 5.2 training seminar. However, perhaps the biggest setback to DMS' efforts to improve property management operations was due to the attempted coup in late November of 1990. By this time, the GSO had managed to successfully update most of the Mission property records from the old, MTS database into the new NXP 5.2 system. DMS had also hired a new staff member who had previous experience with USAID/Sudan as a property management specialist, had successfully completed a USAID property management training program, and had previous hands-on experience with the AID NXP 5.2 system. However, within two weeks of his arrival, N'Djamena experienced a traumatic and violent change of government and the new property management specialist decided to return to his native Sudan on account of the perilous security situation in N'Djamena.

Given the above and despite the best efforts of the Mission's Systems administrator and frequent communications with IRM in Washington concerning the program, by the end of FY 1990, the NXP 5.2 system was still not operating properly. However, the GSO did manage to complete all required property reports for submission to Washington before his resignation in November, with the exception of the NXP report which was not fully reconciled with the Mission Controller's records until several months into 1991. Additionally, plans to re-organize the Expendable Supply system were significantly delayed due to the fact that new warehouse shelving - which had been ordered by the Mission in the beginning of the year - had still not arrived at post.

In May of 1990, DMS received notice from the Contracting Officer that the Mission wished to initiate another Change Order to the contract to expand the contract scope of work to include Security Guard Services for thirteen project residences. DMS prepared the necessary cost proposal and negotiated a contract amendment to include these services effective July of 1990. Forty three guard and guard supervisor positions were authorized over the remaining life of the contract. DMS began provision of security guard services in July and continued these services throughout the contract. In December of 1990, the Mission recommended awards for close to 2 dozen DMS guards for their outstanding service and performance during the November coup.

THIRD YEAR ACTIVITIES AND ACCOMPLISHMENTS

For the first time in the life of the contract, DMS was not engaged in any major construction or renovation projects. This permitted DMS maintenance managers and staff to focus greater attention on regular maintenance requirements and allowed DMS to complete a number of pending maintenance activities, including major ceiling and masonry repairs to several residences, repair and replacement of septic tanks at two different residences, and the installation of new kitchen wall units. DMS staff also identified, located, and made ready for occupancy five new residences for project and Mission personnel. Four of the five residences were in good condition and therefore did not require extensive renovation prior to occupancy. However, the fifth

required extensive masonry and electrical work to bring it up to USAID standards; a new generator and water pump were also installed.

Despite the overall increase in office space and residences at post, the number of monthly work orders dropped from their 1990 levels to approximately 100 monthly. To improve both supervisory and cost control over maintenance activity, a system of daily labor hour tracking was instituted in May. The DMS home office then developed and installed an automated computer program to allocate both labor and materials to various jobs, thereby permitting a cost breakdown of maintenance activities by residence, office, and vehicle serviced.

Another important consequence of the absence of major construction activity was the time it provided for new DMS Technical Officer, John Laylin, to conduct technical training for local hire staff in the areas of tool and equipment use and safety procedures. Extensive training was also provided in the area of electronics diagnostics and repair in order to contain the high cost of electricity at post through the more efficient operation of equipment and appliances and more accurate tracking of power consumption at both residences and offices. Towards this end, the Technical Officer conducted a comprehensive review and analysis of the Mission's residential and office use of electricity and designed and implemented a number of corrective actions to reduce electrical consumption, improve safety, and reduce the negative effects of power surges and interruptions.

The Technical Officer also spent considerable time on the preparation of several needs assessments for future year requirements of air conditioning units and parts, water pumps, and maintenance supplies. Lastly, attention was focused on improving preventive maintenance on household appliances, vehicles, and generators. The collection of data for maintenance histories was improved in order to permit the tracking of repairs by frequency, repair parts required, and costs.

DMS also spent considerable time and effort, including a TDY visit to Chad by DMS president, Mark Heffernan, to customize a contract cost accounting system for the Mission. The system was designed to allow the Mission to bill the various projects for service received under the contract and resulted in several hundred thousand dollars in savings to the Mission operating expense budget. The automated system achieved this objective by allocating costs incurred under the contract out to the various users of the services in proportion to the quantity and types of services being received. The DMS home office designed the system to work on several related Lotus 123 spreadsheets and trained DMS local hire staff in Chad to update the system by inputting regular monthly cost data.

With regard to property management, extremely long delays in the order for expendable supply shelving had prevented the re-organization of the expendable supply storage area. In order to avoid further delay and permit badly needed procurement of bulk storage for expendable supplies, DMS maintenance staff began construction of shelving for this purpose. Due to a shortage of clerical staff and continuing problems with the automated system, NXP record keeping was still far behind our objectives. Both the manual card system and the NXP 5.2 were incomplete and difficult to reconcile with physical inventories. Additional problems were encountered with tracking of loaned property and movement of property between locations, proper nomenclature of miscellaneous household items, accountability for furniture made in-house, and the dollar values of various household furnishings and equipment due to pricing mistakes.

CONTRACT CLOSE-OUT

DMS received notice from the Mission in May of 1991 that the Mission did not intend to renew or re-compete the contract. At that time, we began preparations for close-out actions to be completed by November 30, 1991 with the objective of achieving an orderly termination of contract services and effecting a smooth transition to in-house services by the Mission. Towards this end, DMS managers in Chad, Mr. Guild and Mr. David spent considerable time with Mission personnel in helping to draw up new position descriptions for local hire personnel under the new organizational arrangements. DMS staff also helped to evaluate DMS local hire personnel qualifications, skills, and performance in order to assist AID in determining which DMS employees might qualify for future work with the Mission.

The DMS home office drew up schedules for the issuance of termination notices to all local hire DMS personnel contracts by the end of November and instructed DMS field staff to compute all severance and vacation pay due Chadian employees in compliance with Chad labor regulations. Arrangements were also made for the repatriation of DMS US Hire staff, their household effects, and termination of DMS fringe benefits. At the end of November, DMS president, Mark Heffernan made a short visit to Chad to assist in the physical close-out of the contract, where he supervised the final disbursement of local hire compensation, arranged for the close-out of the company's bank account, and the shipment of DMS records back to the U.S. USAID/Chad resumed operations of the GSO and all Mission support services as of the Monday, December 2, 1991 with minimal disruption of service.

RECOMMENDATIONS FOR FUTURE ACTIONS

In making an overall analysis and evaluation of DMS' services in Chad, it is also import keep in mind that the USAID/DMS contract was a truly unique concept with no previous model to assist the Mission in shaping contract implementation, determining appropriate Mission/Contractor relationships, or in monitoring contract performance. Thus, there were a number of changes through the contract, both with regard to the scope of work and the overall contract organization, as both the Mission and DMS attempted to respond to the Mission's changing needs. While we will allow AID to make its own evaluation of the general concept of contracting out for Mission and project support services, below are a number of recommendations that are specific to USAID Chad's support requirements as they move into an "in-house" phase of operations.

GSO Residential, Office, and Vehicle Maintenance Services

In general, the vast amount of construction, remodelling, and renovation work performed by DMS during the contract occupied an extremely high portion of local and U.S. Hire staff time. While perhaps necessary to a certain extent (particularly in the early years of the contract when Chad lacked sources of local construction expertise and materials) this focus definitely subtracted from the level and quality of more routine and preventive maintenance tasks. Moreover, in performing both large scale and regular maintenance work, DMS was obliged to expand its work force on a more or less permanent basis far beyond that required for routine maintenance. In addition to the direct cost of local

labor, which is admittedly relatively low, the sum of these substantial construction requirements also placed inordinate responsibilities on DMS management and supervisory personnel and affected their performance accordingly. Finally, the pattern of performing virtually all tasks "in-house", both major and minor, had a substantial impact on the requirements for parts storage, facilities and equipment, and procurement activities - at both the direct and managerial level.

While the costs associated with all of the above is difficult to quantify, DMS is convinced that the Mission should seriously re-examine some of the past tendencies to have the GSO perform virtually all services in-house. Also, the movement towards a smaller, streamlined maintenance staff, coupled with the increased reliance on local contractors would greatly facilitate the task of cost accounting for maintenance activities and provide greater supervisory control over those jobs that were still performed in-house.

Thus, we recommend the following:

Increase reliance on residential lessors and local contractors for residential renovations

As the Mission is well aware, both the readying and upkeep of residences and office space for American personnel is an extremely demanding task that is greatly facilitated by the careful screening of new residences before selection for leasing, the formation of tight building and renovation specifications before agreement to lease, and the completion of the above before occupancy. While this objective may not always be possible in a place like Chad, the reduction in residential and office maintenance labor time in the third year of the contract was directly correlated to the better conditions of the houses that were rented during that time and the reduced amount of renovations that were required to make houses ready for occupancy. Thus, we strongly recommend that: (1) the Mission continue to devote sufficient time and resources towards the careful selection and screening of future leased housing in particular, and (2) that the Mission, to the maximum extent possible, place responsibility for make-ready renovations on the lessor, and (3) contract out for future remodelling to the maximum extent possible. The above would require maintenance supervisory personnel to change their focus from direct supervision of daily activities towards the design of specifications and contract management.

Move away from in-house fabrication of furniture, furnishings, and fixtures.

Along similar lines to the above recommendation, we recommend that the Mission go even further in the determination of specifications for its leased housing. For example, DMS maintenance staff spent considerable time throughout the contract in the fabrication of a variety of office and residential furniture, fixtures, and furnishings including such items as window treatments, bathroom and kitchen shelving, and various office tables and pieces. We recommend that careful specifications be drawn up for such items that can be used on a repeated basis - in order that responsibility for these requirements can be assigned to residential lessors or that they be contracted out locally. With regard to office furnishings and furniture, it is understandable that the lean OE budget and long procurement lead times have made it extremely difficult for the Mission to always have on hand the required items it needs. Nonetheless,

the Mission should examine its tendency to fabricate such items in house as often as it has done in the past.

Limit Vehicle Servicing to Routine Repairs

As is the case for residential and office maintenance, we believe that Mission could more cost effectively maintain its vehicle fleet by contracting with a local garage for major engine repairs and bodywork, in particular. While there is a definite need for in-house routine maintenance as well as for "pre-field trip preparation" given Chad's deplorable road conditions, the Mission could probably reduce both its both labor and future equipment costs by performing this work out of house. This issue may become particularly relevant as new vehicles are becoming more electronically complex and difficult to either diagnose or repair without expensive electronic equipment and well-trained technicians.

Property Management Services

As mentioned throughout this report, DMS staff experienced untold difficulties in operating both of the automated property management systems provided by AID. This added considerably to the difficulties in establishing and maintaining the necessary controls and procedures required by AID property management regulations. Because of the very substantial time and effort required to conduct both regular, manual NXP inventory control and simultaneously establish and maintain an automated system that is still in the infancy stage, we recommend either one of the following:

Go back to a completely manual NXP system

In view of the heavy work loads cited above and the unreliable results to date, the Mission might be best served by going back to a fully manual system with the card files alone serving as the base of NXP information. Such an approach would avoid the requirement for a NXP clerk with computer training and would probably involve less management time on a daily basis once the files were updated. On the positive side, such an approach would probably generate the minimum information necessary for year end reporting. The major drawback would be that it would not serve as a very useful overall property management tool - in that it would be much more difficult to utilize the card files for procurement, maintenance planning, or other property management functions.

Enlist AID/W assistance to establish automated system

The ultimate advantage of the operation of an automated NXP management system is the enhanced ability to analyze and utilize the information that such a system generates, as well as to improve the accuracy of the data that the system contains. For example, a fully operational automated system would facilitate both future procurement as well as current NXP property management tasks. If the Mission decides to proceed with the automated system, DMS believes that the task will require much more time than anyone at post could possibly spend while still trying to oversee the daily control of expendable and non-expendable property reception, issuance, and storage. Thus, we believe that the only way that the current automated system can become fully operational with acceptable levels of accuracy is for the Mission to obtain TDY assistance from AID/W. We would like to point out that such assistance would most likely need to be for a duration of several months at least.

Continue Physical Reconciliation in Interim

While deliberating on the appropriate long term steps to be taken as outlined above, the following steps should be taken in order to fully reconcile the 1991 physical NXP report to the Controller's Office records. First, the total number of property items from the physical inventory needs to be entered on the NXP spreadsheet. Next, the total inventory that should be on hand needs to be determined by adjusting the 1990 physical report according to 1991 receiving reports and disposal actions. Any differences between the two should then be reconciled by a review of individual records or re-inventory of selected locations as necessary. Finally, dollar values for the physical inventory counts should be reviewed to reconcile with values on the Controller's records.

In closing, DMS is proud of its accomplishments under the contract and of the performance of its U.S. and local hire staff, in particular - despite working and living conditions that are among the most difficult of any AID post in the world. While we did not realize all of our goals during the contract that we had set out for ourselves, we believe that the quality of service delivered by DMS was among the highest in Africa. We wish USAID/Chad the best of luck throughout the transition to in-house services and remain available for any assistance that DMS might provide in the future.

**CONTRACT NO. AFR-0000-C-00-9002
FINAL SUMMARY FINANCIAL REPORT**

Development Management Systems, Inc.

**Financial Report of Total Contract Expenditures for
the Period of December 1, 1988 through November 30, 1991**

Category	Budget Amount	Expenditures	Remaining Funds
US Hire Salaries & Benefits	398,287	404,589	(6,302)
Other Technician Costs	138,601	116,258	22,343
Local Hire Salaries & Benefits	1,498,461	1,422,392	76,069
Project Operations	89,167	93,042	(3,875)
Indirect Costs	702,509	678,613	23,896
Subtotal	2,827,025	2,714,894	112,131
Fixed Fee	212,027	212,027	0
Total	3,039,052	2,926,921	112,131