

Agency for International Dev  
Washington, D.C. 20523

-PD-ABE046  
TSN=87694

1 May 1990

MEMORANDUM

TO: MS/OP/W/R, Ed Thomas (Action)  
PRE/DP, Bob Friedline (Info)  
ANE/PSD, Lance Marston (Info)  
ANE/EA, David Hagen (Info)  
PRE/PD, Carrie Williams ✓ (Info) ✓

FROM: PRE/PD, Rebecca Maestri *RCM*

SUBJECT: Contract Buy-in:  
Project: Divestiture and Privatization (940-0008)  
Contractor: The Scientex Corporation  
Contract No.: DPE-0008-C-00-5058-00

*PIO/T* Attached is a copy of a PIO/T from Thailand indicating the mission's intention to buy-in to the subject contract. The cable contains the necessary information, e.g., funding cites, scope of work, and estimated budget, required to obligate the mission's funds in an amendment to the contract.

Below is a summary of this information.

Mission/Bureau: Bangkok, Thailand

Buy-in Amount: \$346,208

PIO/T Number: 493-0341-3-90097

Appropriation: 72-1191021

Budget Plan Code: QDSA-89-27493-KG13

Obligation Status: Administrative Reservation

Estimated Level of Effort: approx. 267 working days

Estimated Commencement Date: ASAP

We believe the buy-in is appropriate as its objective is to develop an effective strategy for privatization and is within the contract scope of work.

If you have any questions and/or comments please do not hesitate to contact me. Thank you for your assistance in this matter.

AIG 1250-T  
G-871  
\*PIOT  
**APPROVED**  
2/11/90

AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
  
PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country: Thailand  
 2. PIO/T No.: 493-0341-3-90097  
 3.  Original or  Amendment No. \_\_\_\_\_  
 4. Project/Activity No. and Title:  
 493-0341 Emerging Problems of Development II  
 341.73-CGD: Upgrading National State Enterprises  
 for Privatization in Thailand  
 Advisory and Assistance Services

DISTRIBUTION  
 ANE/PD/EA  
 J. Nussbaum  
 ANE/PSD  
 G. Vaughn  
 ANE/TR/HR  
 C. Anenson

5. Appropriation Symbol: 72-1191021  
 6. Budget Plan Code: QDSA-89-27493-KG13  
 7. Obligation Status:  Administrative Reservation  Implementing Document  
 8. Project Assistance Completion Date (Mo., Day, Yr.): 1/31/92  
 9. Authorized Agent: AID/SE/OP/W  
 10. This PIO/T is in full conformance with PRO/AG No. 493-0341 Date 2/21/85  
 11a. Type of Action and Governing AID Handbook:  
 AID Contract (HMB 14)  AID Grant or Cooperative Agreement (HMB 13)  PASA/RSSA (HMB 12)  Other  
 11b. Contract/Grant/Cooperative Agreement/PASA/RSSA Reference Number (if this is an Amendment): IQC # DPE-0008-C-00-5058-00

13. Mission  
 References  
 90333

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. ...)

Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					346,208
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent  
 SE/OP/W is requested to negotiate a Delivery Order under Indefinite Quantity Contract (IQC) No. DPE-0008-C-00-5058-00 with the Center for Privatization for the services described in the attached scope of work. The required services should begin ASAP from the date of this request.

14B. Address of Voucher Paying Office: Office of Finance, USAID/Thailand, Box 47, APO San Francisco, CA 96346 (662) 255-2651

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 or program description are technically accurate. PDS/EPD: Craig M. Steffensen	Phone No. (402) 255-3662	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs. PROG: Gerry M. Donnelly	Date 2/21/90	
	Date 1/21/90		D. Funds for the services requested are available Douglas S. Franklin, CONT.	Date 2/22/90
	Date 2/16/90			Date 2/20/90
PDS/PSD: Timothy Hamman PDS: B. Donald Reed DP: Steven P. Mintz RPO: Neil C. Edin	Date 2/20/90		Date 2/20/90	
16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to. <input checked="" type="checkbox"/> <i>Pracha Chaowasit</i> 3/9/90 Signature: Mr. Pracha Chaowasit Date: 3/9/90 Title: Deputy Director-General		17. For the Agency for International Development <i>John R. Eriksson</i> Signature: John R. Eriksson Date: 2/22/90 Title: Director, USAID/Thailand		

\*See HMB 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

18. Statement of work or program description for this project is described in Attachment No. 1.

19. Special Provisions

- A.  Language Requirements (specify) N/A  
(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 technical specialists. (Indicate level) \_\_\_\_\_
- C.  Duty post(s) and duration of technical specialist(s) services at post(s) (months) 11 Months
- D.  Dependents  will  will not be permitted to accompany technical specialist(s).
- E.  Geographic code applicable to procurement under this PIO/T is  000  899  935  941  Other (specify) \_\_\_\_\_  
(If other than authorized in HB 1, Sup B, Chap 5, Para 5A1d, attach waiver(s).)
- F.  Salary approval(s) to exceed FS-1 salary ceiling are  attached  in process  N/A.
- G.  Cooperating country acceptance of this project (applicable to AID/W projects only)  
 has been obtained  is in process  is not applicable to services required by PIO/T.
- H.  Justification for use of external resources for consulting services is  attached  N/A.
- I.  Clearance for procurement of ADP equipment, software, and services is  attached  in process  N/A.
- J.  OMB approval of any report to be completed by ten or more members of the general public under the statement of work is  attached  in process  N/A.
- K.  Participant training  is  is not being funded as part of this PIO/T.
- L.  Requirement (contracts only) is recommended for  small business set-asides  SBA 8(a) Program  neither.
- M.  Other (specify).

20. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable column as right. If entry needs qualification, insert asterisk and explain below in C. "Comment")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER	N/A
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY		
(1) Office Space					X	
(2) Office Equipment					X	
(3) Housing and Utilities					X	
(4) Furniture						X
(5) household Appliances (Stoves, Refrig., etc.)						X
(6) Transportation in Cooperating Country					X	
(7) Transportation to and from Country					X	
(8) Interpreter Services, Secretarial					X	
(9) Medical Facilities (Health Room)					X	
(10) Vehicles (official)					X	
(11) Travel Arrangements/Tickets					X	
(12) Nightwatchman for Living Quarters						X
(13)						
(14)						
(15)						

3

20. Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources

Diplomatic pouch

PX

Commissary

Other (specify, e.g., duty free, entry, tax exemption)

N/A

C. Comments

N/A

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

A. Relationships and Responsibilities The Contractor is responsible to the Director of the Office of Project Development and Support, USAID/Thailand, for preparation of a final report summarizing the results of the assistance provided.

B. Cooperating Country Liaison Officials The Comptroller-General, Controller General's Department, Ministry of Finance, Bldg 3, Rama VI Road, Phayathai, Bangkok 10400

C. AID Liaison Officials Craig Steffensen  
PDS/EPD  
USAID/Thailand

22. Background information (additional information useful to authorized agent)

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

A. Detailed budget estimate in support of increased funding (Block 12)

B. Evaluation criteria for competitive procurement (Block 14A)

C. Justification for procurement by other than full and open competition or noncompetitive assistance

D. Statement of work or program description (Block 18)

E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number \_\_\_\_\_)

**Request for Integrated Activity Assistance on  
Privatization in Thailand (Terms of Reference)**

Scope of Work:

The scope of work for the requested assistance involves developing an effective strategy for privatization. It also calls for an analysis of the advantages and disadvantages of different forms of privatization. The tasks to be completed are described as follows:

Task # 1 Increase the Effectiveness of the State Enterprise Division

Person Days for Foreign Expert

a) Conduct an assessment of training needs and recommend a suitable training program for staff of the State Enterprise Division and identify equipment necessary to increase the effectiveness of the State Enterprise Division 3 (A)

b) Inventory existing equipment 2 (A)

c) Identify technical assistance requirements and make recommendations on appropriate short-term technical assistance to assist with coordination of different project tasks as necessary 6 (A)

Subtotal 11  
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Total Person Months for Foreign Experts = 0.5 Month

A = Senior Expert 0.5 Month

Task # 2 Selection Criteria for Privatization

Person Days for Foreign Expert

a) Review existing data, reports and information on state enterprises in Thailand (including all background papers prepared by the State Enterprise Division on the privatization experience in Thailand). 5 (A)

b) Interview key union leaders and hold discussions with state enterprise employees and representatives of state enterprise unions to better understand the privatization climate in Thailand. 6 (A)

5

c) Based on (a) and (b) above, identify major problems with regard to continued privatization in Thailand and identify key factors contributing to state enterprise inefficiency. 2 (A)

d) Based on function (a), (b), and (c) above; 4 (A)

- 1) Recommend priorities and weighting factors to accomplish RTG privatization objectives.
- 2) Recommend a list of enterprise selection criteria for privatization
- 3) Develop weighting factors for each criterion on the list and apply to 2 or 3 state enterprises as examples.

e) Present these weighted selection criteria and illustrative examples to privatization policy makers for review and discussion. 5 (A)

f) Rate and rank each state enterprise according to the selection criteria developed in (d) and (e); recommend the most appropriate form of privatization for each SOE; and divide the list into three categories under the following headings:

- 1) Short term privatization prospects
- 2) Medium term privatization prospects
- 3) Long term state enterprise operations 3 (A)

Subtotal 25 (A)  
===

Total Person Months for Foreign Experts = 1.10 Month

A = Senior Expert 1.10 Month

Task # 3 Privatization Strategy Phase I

Person Days for Foreign Expert

a) Develop Support Groups:

- 1) Review and analyze reports and hold discussions with selected individuals regarding their attitude, and opinions towards the private sector, state enterprises, civil service, politicians, unions, and other key sectors. 5 (B)

2) Recommend the basic elements of an appropriate public awareness campaign and outreach program for discussion with leaders of state enterprises union representatives. This campaign should include all sectors of the community including members of parliament, the general public, etc.	3 (B)
3) Review the legal and regulatory framework and propose a priority list of legal and regulatory policy changes necessary to:	
1) Facilitate privatization (corporate/financial structure, valuation approvals, terms of sale approvals, etc.)	4 (C); 6 (D)
2) Develop incentives for equity capital expansion	5 (C)
3) Facilitate employee participation in the privatization process.	3 (B); 2 (C)
b) Provide guidance to, work with, and supervise the above short term specialist	<u>11</u> (A)
Subtotal	39 (A) (B) (C) ===

Total Person Months for Foreign Experts = 1.80 Months

A = Senior Expert	0.50 Month
B = Human Resource Development Expert	0.50 Month
C = Assistant Senior Expert	0.50 Month
D = Thai Legal Expert	0.30 Month

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1) Task # 4 Privatization Strategy Phase II

Person Days for Foreign Expert

a) Select an industrial/commercial enterprise for full or partial divestiture preparation:

- |   |                   |
|---|-------------------|
| 1) Review business plan/business prospects;   | 10 (A)            |
| 2) Assist with valuation;   | 5 (A)             |
| 3) Identify and develop support groups;   | 5 (A)             |
| 4) Deal with critical issues (e.g. job security; severance pay; management privileges; employee benefits; other potential obstacles;  | 10 (A); 5 (B)     |
| 5) Evaluate and propose techniques to facilitate employee participation;  | 5 (A); 6 (B)      |
| 6) Assist with essential legal restructuring (such as corporate structure and legal claims) and arrange for a private sector independent auditor to review financial statements; and              | 10(A); 5(D); 5(F) |
| 7) Develop a marketing plan to locate and interest potential buyers or joint venture partners, including preparation of a prospectus, potential buyer lists and alternative financing strategies. | 10 (A); 6 (C)     |

b) Provide guidance to, work with, and supervise the State Enterprise Division in selecting public utilities for privatization, following the steps outlined above. 6 (A); 5 (C)

c) Provide guidance to, work with, and supervise the State Enterprise Division in selecting at least three functions or activities of state enterprises to privatize, following the steps outlined above. 5 (A); 3 (C)

Subtotal 101 (A);(B);(C);  
--- (D);(F)

Total Person Months for Foreign Experts = 4.50 Months

A = Senior Expert 3.00 Months

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B - Human Resource Development Expert  
0.50 Month

C - Assistant Senior Expert 0.60 Month

D - Thai Legal Expert 0.20 Month

F - Private Sector Auditing Firm 0.20 Month

Task # 5 State Enterprise Management Information System

Person Days for Foreign Expert

a) Select an industrial or commercial state enterprise (as a model for later privatizations):

- 1) Review existing information; recommend an appropriate information system; and identify key data which would signal the need for corrective action or highlight information commonly used for privatization planning purposes. 3 (C); 5 (E)
2. Develop "adjustment factors" to allow for computations of what the true financial situation would be of a SOE without government support (i.e., quantify various subsidy effects from government support policies). 2 (C); 3 (E)
- 3) Develop a system to predict future cash flows and borrowing requirements of a state enterprise:
  - based on corporate plans; and
  - based on current trends. 3 (C); 3 (E)
- 4) Estimate the financial costs of employee retirement or severance pay obligations in the event of different privatization scenarios. 5 (C); 4 (E)
- 5) Develop a system to determine customer attitudes and generate market surveys.

b) Provide guidance to, work with, and supervise the State Enterprise Division's staff in selecting a public utility as a model for others later, following the steps outlined above.

6 (C); 5 (E)

Subtotal 50 (B); (C); (E)  
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Total Person Months for Foreign Experts = 2.30 Months

B = Human Resource Development Expert  
0.30 Month

C = Assistant Senior Expert 1.00 Month

E = Management Information System Expert  
1.00 Month

Task # 6 Efficiency Enhancement of State Enterprises

Person Days for Foreign Expert

a) Based on function c) in Task #2, select an enterprise not on the short term or medium term list for possible privatization. Focus on SOE organizational structure and relationships, policies and procedures, management systems and human resources development, and:

- 1) Evaluate how seriously each problem identified in task # 2 (function C) affects the enterprise. 4 (A); 4 (C)
- 2) Identify any special preferences given to SOEs which provide competitive advantages over the private sector, and calculate the cost to taxpayers or consumers. 4 (A); 4 (C)
- 3) Propose changes in legislation or administrative regulations to eliminate the problems as necessary. 2 (A); 2 (D)
- 4) Develop a bonus system for management based on improved performance and proportional to reduction in problems. 2 (A); 4 (B)
- 5) Consider breaking up larger entities into smaller decentralized autonomous operating entities and assess the pros cons of such a plan. 2 (A)

6) Make recommendations on restructuring and/or replacing the plethora of personal perquisites for employees with a meaningful employee profit sharing plan which would be contingent upon and proportional to increased customer satisfaction, and upon a lower selling price per unit of sales as measured by an independent auditing firm.

3(A); 1(B); 5(F)

c) Repeat the above for other enterprises.

3 (A); 1 (F)

Subtotal

41(A);(B);(C),(F)

====

Total Person Months for Foreign Experts = 1.80 Months

A = Senior Expert 0.90 Month

B = Human Resource Development Expert  
0.30 Month

C = Assistant Senior Expert 0.30 Month

F = Private Sector Auditing Firm 0.30 Month

## **Request for Senior Expert**

**Requesting Agency:** Comptroller-General's Department, Ministry of Finance, Thailand

**Proposal Title:** Request for Integrated Activity Assistance on Privatization in Thailand

**Qualification:**

1. American nationality
2. MBA/Ph.D. Preferred
3. Preference will be given to applicants who have had administrative or consulting experience on state enterprise management and on privatization related matters, as well as policy formation, management development, and problem solving experience in state enterprises. Preference will also be given to individuals who have worked in at least one other ASEAN country.

**Job Description:**

1. Recommend a suitable training program for State Enterprise Division staff to improve the operational efficiency of the State Enterprise Division.
2. Identify key factors contributing to state enterprise inefficiency in Thailand.

3. Recommend priorities and weighting factors for privatization objectives including identification of appropriate forms of privatization for different state enterprises in Thailand.
4. Make recommendations on how to best structure financial mechanisms to support the RTG's privatization program and to solve state enterprise problems.
5. Make recommendations on other ways to enhance and improve state enterprise efficiency
6. Provide guidance to, work with, and supervise other short-term experts
7. Assist in formation of national policy concerning privatization state enterprises and state enterprise management.

**Language:** English

**Duration:** 6 months (132 days)

## Request for Human Resource Development Expert

- Requesting Agency:** Comptroller-General's Department,  
Ministry of Finance, Thailand
- Proposal Title:** Request for Integrated Activity on Privatization  
in Thailand
- Qualifications:**
1. American Nationality
  2. Minimum of a Master's degree in human resource development, political science, and/or organizational development theory.
  3. At least five years experience in leadership/organizational behavior, collective bargaining, human resource development, and management of state enterprise.
  4. Preference will be given to individuals who have worked in at least one other ASEAN country.
- Job Description:**
1. Recommend basic elements of a training/ seminar program for the State Enterprise Division.
  2. Prepare a strategy and outreach program to develop privatization support groups.
  3. Design a strategy for employee participation in privatization.
  4. Analyze public attitudes on privatization.
  5. Develop a bonus system for management based on improved performance of the state enterprise
- Language:** English
- Duration:** 1.60 Months (36 Days)

### Request for Assistant Senior Expert

- Requesting Agency:** Comptroller - General's Department,  
Ministry of Finance, Thailand
- Proposal Title:** Request for Integrated Activity Assistance  
on Privatization in Thailand
- Qualification:**
1. American Nationality.
  2. MBA/Ph.D. (Finance/Economics)
  3. Relevant experience in MIS, international finance and investment, marketing, consumer behavior, and privatization of state enterprises of not less than 3 years.
  4. Preference will be given to individuals who have had experience working in at least one other ASEAN country.
- Job Description:**
1. Assist the Senior Expert in setting up the financial instruments and mechanisms to support and sustain the privatization program in Thailand.
  2. Develop a marketing plan to locate and interest potential buyers or joint venture partners for state enterprises.
  3. Develop a system to determine customer attitudes and generate market surveys.
- Language:** English
- Duration:** 2.40 Months (53 Days)

### **Request for MIS Expert**

- Requesting Agency:** Comptroller-General's Department,  
Ministry of Finance, Thailand
- Proposal Title:** Request for Integrated Activity Assistance  
on Privatization in Thailand
- Qualifications:**
1. American or Thai Nationality.
  2. MBA/MS in Management Information System  
and/or Computer Science.
  3. Experience in analyzing and designing  
information systems in business entities,  
non-profit organizations, or government  
units (at least 3 years).
  4. Preference will be given to individuals who  
have had previous experience working in an  
ASEAN country.
- Job Description:**
1. Recommend information systems and identify  
key data which would signal the need for  
corrective action on privatization.
  2. Develop a system to predict future cash  
flows or borrowing requirements for  
privatization of SOEs.
  3. Develop a system to determine customer  
attitudes and generate market surveys.
- Language:** English/Thai
- Duration:** 1.00 Month (22 Days)

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c/b

ILLUSTRATIVE BUDGET  
 INTEGRATED ACTIVITY ASSISTANCE FOR PRIVATIZATION  
 USAID/THAILAND

A. TASK #1 SFD EFFECTIVENESS

Direct Labor	(Daily rate X # days)		
Senior Expert	\$285.78 X 11 days X 2.0639	\$ 6,488.03	
Other Director Costs			
Secretary Support		\$ 500.00	
Communications		\$ 150.00	
Other/Office Rental		\$ 1,000.00	
Transportation			
Airfare Wash-BKK-Wash @\$2717		\$ 2,717.00	
Per Diem 14 days at @ \$120/Day		\$ 1,680.00	
Local Trans/Miscellaneous		\$ 200.00	
Total Direct Costs: Task #1			\$12,735.03

B. TASK #2 PHASE I STRATEGY

Direct Labor			
Senior Expert	\$285.78 X 11 Days X 2.0639	\$ 6,488.03	
Human Resource Expert	\$285.78 X 11 Days	\$ 3,143.58	
Assistant Senior Expert	\$285.78 X 11 Days	\$ 3,143.58	
Thai Legal Expert	\$150.00/Hr X 48 Hrs	\$ 7,200.00	
Other Direct Costs			
Secretarial Support		\$ 500.00	
Communications		\$ 300.00	
Report Preparation		\$ 2,500.00	
Office Rental/Utilities		\$ 400.00	
Transportation			
Airfare Wash-BKK-Wash @\$2717/trip X 2		\$ 5,434.00	
Per Diem 40 days @ \$120/Day		\$ 4,800.00	
Local Trans/Miscellaneous @ \$200/person		\$ 600.00	
Total Direct Costs: Task #2			\$34,509.19

C. TASK #3 SELECTION CRITERIA FOR PRIVATIZATION

Direct Labor		
Senior Export	\$285.78 X 25 days X 2.0639	\$14,745.53
Other Direct Costs		
Secretarial Support		\$ 500.00
Communications		\$ 200.00
Report Preparations		\$ 1,500.00
Office Rental/Utilities		\$ 800.00
Equipment Rental		\$ 750.00
Transportation		
Per Diem 37 days @ \$120/Day		\$ 4,440.00
Miscellaneous		\$ <u>200.00</u>
Total Direct Costs: Task #3		\$23,135.53

D. TASK #4 PRIVATIZATION STRATEGY PHASE II

Direct Labor		
Senior Expert	\$285.78 X 60 Days X 2.0639	\$35,389.28
Human Resource Expert	\$285.78 X 11 Days	\$ 3,143.58
Assistant Senior Expert	\$285.78 X 11 Days	\$ 3,143.58
Private Auditing Firm	\$285.78 X 30 Days X 2.97 Multiplier	\$25,463.00
Thai Legal Expert	\$150/Hr X 40 Hrs.	\$ 6,000.00
Other Direct Costs		
Secretarial Support		\$ 1,500.00
Communications		\$ 1,000.00
Report Preparation		\$ 3,500.00
Office Rental/Utilities		\$ 3,500.00
Equipment Rental		\$ 2,500.00
Transportation		
Airfare Wash-BKK-Wash @ \$2717/Trip X 4		\$10,868.00
Per Diem 131 Days X @ \$120/Day		\$15,720.00
Local Trans/Miscel. @ \$200/Person		\$ <u>1,200.00</u>
Total Direct Costs: Task #4		\$112,927.44

E. TASK #5 STATE ENTERPRISE MIS

Direct Labor

Human Resource Expert	\$285.78 X 6 Days	\$ 1,714.68
Assistant Senior Exper	\$285.78 X 22 Days	\$ 6,287.16
MIS Expert (Sub)	\$285.78 X 30 Days X 2.94 Multiplier	\$25,205.80

Other Direct Costs

Secretarial Services	\$ 700.00
Communications	\$ 800.00
Report Preparation	\$ 2,000.00
Office Rental/Utilities	\$ 1,000.00
Equipment Rental	\$ 750.00

Transportation

Airfare @\$2717/Trip Wash-BKK-Wash	\$ 2,717.00
Per Diem 68 Days @\$120/Day	\$ 8,160.00

Local Trans/Misc.

\$ 600.00

Total Direct Costs: Task #5

\$49,934.64

TASK #6

Direct Labor

Senior Expert	\$285.78 X 20 Days X 2.0639	\$11,796.63
Human Resource Exper	\$285.78 X 5 Days	\$ 1,428.90
Assistant Senior Exper	\$285.78 X 8 Days	\$ 2,286.24
Private Auditing Firm (Sub)	\$285.78 X 18 Days X 2.97	\$15,277.80
Thai Legal Expert	\$150/Hr X 16 Hours	\$ 2,400.00

Other Direct Costs

Secretarial Support Services	\$ 1,000.00
Communications	\$ 400.00
Report Preparation	\$ 1,500.00
Miscellaneous	\$ 500.00

Transportation

Airfare Wash-BKK-Wash @\$2717/Trip X 3	\$ 8,151.00
Per Diem 60 Days @\$120/Day	\$ 7,200.00
Local Transportation/Miscel. @\$200/person	\$ <u>1,200.00</u>

Total Direct Costs: Task #6

\$53,140.57

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<u>TOTAL COSTS: Tasks 1-6</u>	<u>\$286,382.40</u>
Scientex G&A Fee 12.39%	\$ 35,482.78
Scientex Fee 8.5%	\$ 24,342.50
<u>TOTAL PROJECT COSTS</u> =====	<u>\$346,207.68</u> =====

#6974I



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
USAID / THAILAND

OE: USAID THAILAND

: 87058 RPS TH

Fax: (662) 255-3730

Telephone: 255-3650-9

USAID/THAILAND  
Box 47  
APO San Francisco 96346-0001  
International Address:  
USAID/Thailand  
37 Petchburi Soi 15  
Bangkok 10400 Thailand.

MEMORANDUM

March 9, 1990

TO: Ms. Judy Johnson, M/SER/OP/OS/ANE  
FROM: B. Donald Reese, AID/Thailand  
SUBJECT: Request for Issurance of Work Order Justification and  
Approval for use of External Resources for Consulting  
Service

A. Request

1. I recommend that you negotiate a work order under Indefinite Quantity Contract (IQC) No. DPE-0008-C-00-5058-00 with Center for Privatization for the services in the attached PIO/T NO. 493-0341-3-90097.
2. This is an AID/Thailand funded PIO/T. The AID Project Manager who will administratively approve contractor voucher requests for payment is Mr. Craig Steffensen.
3. The required services should start as soon as possible.
4. The person in this office to be contacted concerning this request is: Craig Steffensen, Tel. No. 66-2-255-3662.

B. REQUIRING OFFICER CERTIFICATIONS

I certify to the best of my knowledge that:

1. The required work is not a fragmentation of known long-term requirement for the services of the recommended contractor.
2. No A.I.D. employee or other individual resources, such as experts and consultants or personal services contractors, are available on a timely basis which can properly be used to perform the required work. Documentation supporting this certification is available in the requiring office files.

3. No A.I.D. employee has suggested to the recommended contractor that the placement of an order is conditioned upon the contractor's utilization of an individual or individuals not initially located and identified by the contractor.

C. JUSTIFICATION AND APPROVAL FOR USE OF EXTERNAL SOURCES FOR CONSULTING SERVICES OR FOR THE PREPARATION OF STUDIES OR REPORTS

Pursuant to A.I.D. General Notice of October 28, 1982, if the work to be procured has been determined to be consulting service, this request must be justified at one organizational level above the requiring office and two levels above the requiring office during the fourth quarter of this fiscal year.

1. Justification

a. Need and Utilization

The contractor is needed to assist the RTG Controller General's Department in analyzing obstacles to privatization of state-owned enterprises and in identifying key factors contributing to state enterprise inefficiency for purposes of formulating an effective strategy for privatization in Thailand. The contractor prepared a report titled: "Thailand Scoping Mission on Privatization" in July 1987, and is in a unique position to update and expand the analysis, and to advise the RTG on possibilities for privatization of state enterprises and on how to increase the effectiveness of the State Enterprise Division of the Controller General's Department.

b. Review of Prior Work

The proposed services do not duplicate previous work in this area.

c. In-House Capability

Experts are needed on state enterprise management and privatization, human resource development, and management information systems. No such expertise is available within A.I.D. for these purposes.

2. Approval

I approve the request for work and the use of persons other than A.I.D. direct hire employees in the performance of the work.

BY: B. Donald Reese

TYPED NAME: B. Donald Reese

TITLE: Director, Office of Project  
Development and Support

DATE: March 12, 1990