

PDBBR-538

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D. MISSION TO KENYA



UNITED STATES POSTAL ADDRESS
US AID MISSION TO KENYA
BOX 201
APO NEW YORK, NEW YORK 09675

INTERNATIONAL POSTAL ADDRESS
POST OFFICE BOX 30261
NAIROBI, KENYA

August 15, 1989

Dr. Alastair M. Sammon
Medical Officer in-Charge
PCEA Chogoria Hospital
P.O. Box 35
Chogoria, Meru

Subject: Grant No. ~~615-0290~~ G-00-9071

Dear Dr. Sammon:

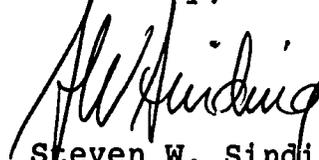
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the PCEA Chogoria Hospital (hereinafter referred to as "Grantee") the sum of \$319,800 to provide support for a program in Long Term Development of PCEA Chogoria Hospital, as described in Attachment 1, the Schedule of this Grant, and Attachment 2, entitled "Program Description".

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on the estimated completion date of August 31, 1991.

This grant is made to the Grantee on condition that funds will be administered in accordance with terms and conditions as set forth in Attachment 1, entitled the "Schedule", Attachment 2, entitled "Program Description", Attachment 3, entitled "Standard Provisions", and Attachment 4, entitled "Cash Advance Guidance", which have been agreed to by your organization.

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant, and return the original and three (3) copies of the entire document to the Human Resources Development Office, USAID/Kenya, P.O. Box 30261, Union Towers, Nairobi, Kenya.

Sincerely,


Steven W. Sinding
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Cash Advance Guidance

Acknowledged:

PCEA Chogoria Hospital
By: Alastair M. Sammon

Typed Name: DR. ALASTAIR SAMMON

Title: Medical Officer in-Charge

Date: 23-8-89

FISCAL DATA

Appropriation :	72-1191014
Budget Plan Code :	GSSA-89-21615-KG13
PIO/T No. :	615-0236-3-90097
Project No. :	615-0236
Total Estimated Amount :	\$319,800
Total Obligated Amount :	\$319,800

Chogoria Hospital Grant
Grant No: 615-0236-G-00-9071
Dated: August 15, 1989

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the Long Term Development of PCEA Chogoria Hospital Project in Meru District, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

The effective date of this Grant is the date of signature of the Grant. The estimated expiration of this Grant is August 31, 1991.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$319,800 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 4, entitled "Cash Advance Guidance".

D. Financial Plan

The budget for this Grant is set forth in Annex 1 to this attachment. Revisions to this plan shall be made in accordance with the standard provision of this Grant, entitled "Revision of Grant Budget". The Grantee is fully responsible for financial management and accountability for utilization of Grant funds.

E. Reporting and Evaluation

During the life of the Grant, the Grantee will submit to USAID/Kenya Human Resources Development Office the following reports:

1. Technical Reporting

On a quarterly basis, a report will be submitted on project progress and on problems encountered to date in achievement of Grant objectives. The quarterly report will include a general assessment of progress and problems to date; a brief status report on each of the sub-projects and the indicators of outputs achieved to date; a brief summary of actions planned for the next period; a description of all goods and services (including amount and source and origin) whose source and origin are not Kenya or the United States; and a table showing all personnel directly financed under this Grant. These reports will contain both quantitative and qualitative information to the extent possible. The first such report will cover the period ending November 30, 1989. Each such report is due 30 days following the end of the reporting period and will be submitted in 3 copies.

2. Financial Reporting

Financial reporting by the Grantee will be in accordance with the procedures set forth in Attachment 4, entitled "Cash Advance Guidance". All financial reports shall be submitted to the Office of the Controller, USAID/Kenya, P.O. Box 30261, Nairobi, Kenya.

The Grantee agrees to consult with USAID/Kenya Human Resources Development Office (HRD) concerning further details for submitting all financial reports and estimates.

3. Final Report

A final progress and financial report is required which will include a comprehensive review and discussion of project activities and achievements. This report will be due 30 days after the estimated expiration date of the Grant.

4. Evaluation

An evaluation of the entire project will be conducted in the 8th quarter of the project. Two months prior to conducting this evaluation, a scope of work will be provided to USAID/Kenya for review and comments. USAID reserves the right to participate in the evaluation. The grantee will submit three (3) copies of the evaluation report to USAID within 30 days of report completion.

F. Special Provisions

1. The Grantee shall insure that project construction sites are identified with display signs, suitably marked with the A.I.D. handclasp symbol, indicating participation by the United States in the project. Temporary signs must be erected at the beginning of construction and be replaced by permanent signs, plates, or plaques, suitably marked with the A.I.D. handclasp symbol, upon completion of construction. USAID/Kenya will provide information on marking requirements for the project.
2. For all construction or facility improvement contracts that exceed \$100,000 or the Kenya Shilling equivalent, the Grantee shall require:
 - (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The bid guarantee shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified;
 - (b) A performance bond on the part of the contractor for 100 percent of the contract price. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and
 - (c) A payment bond on the part of the contractor for 100 percent of the contract price. A payment bond is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and materials in the execution of the work provided for in the contract.

G. Authorized Source and Origin for Goods and Services

Goods and services financed by A.I.D. under this Grant shall have their source and origin in countries contained in A.I.D. Geographic Code 935 in accordance with the order of preference rules specified in section (b) (1) of the Standard Provision of this Grant entitled, "Eligibility Rules for Goods and Services." (See Annex 2 to this Attachment for details on countries covered in A.I.D. Geographic Codes).

Chogoria Hospital
Grant No: 615-0236-G-00-9071
Dated: August 15, 1989

ANNEX 1 to Attachment 1

Estimated Grant Budget
(U.S. \$)
From September 1, 1989 to August 31, 1991

Cost Element	USAID	Chogoria Hospital & other Sources	Total
1. Building Contract (8 flats)	171,405	32,357	203,762
2. Flat Furnishings	8,984	1,696	10,680
3. Paediatric Ward Extension	36,751	6,938	43,689
4. Canteen	65,336	12,334	77,670
5. Canteen Equipment	8,167	1,542	9,709
6. Private Ward	20,417	88,805	109,222
7. Land	0	14,563	14,563
8. Training	7,350	1,388	8,738
9. General Administration	1,352	255	1,607
Total Grant	319,762	159,878	479,640

Conversion rate for Kenya Shillings: Kshs. 20.60 = \$1.00

ANNEX 2
to ATTACHMENT 1

RELEVANT A.I.D. GEOGRAPHIC CODES

000 UNITED STATES

899 FREE WORLD

Any area or country in the Free World* excluding the cooperating country itself.

935 SPECIAL FREE WORLD

Any area or country in the Free World*, including the cooperating country itself.

941 SELECTED FREE WORLD

Any independent country in the Free World*, excluding the cooperating country itself and the following:

<u>Europe</u>		<u>Other</u>	
Andorra	Luxembourg	Angola	Mozambique
Austria	Malta	Australia	New Zealand
Belgium	Monaco	Bahamas	Qatar
Denmark	Netherlands	Bahrain	Saudi Arabia
Finland	Norway	Canada	Singapore
France	Portugal	China, Republic of (Taiwan)	South Africa
Germany, Federal Republic of (including West Berlin)	San Marino	Cyprus	United Arab Emirates
Ireland	Spain	Gabon	
Italy	Sweden	Greece	
Iceland	Switzerland	Hong Kong	
Liechtenstein	United Kingdom	Iraq	
	Vatican City	Japan	
	Yugoslavia	Kuwait	

*"Free World" excludes the following areas or countries:

Afghanistan, Albania, Bulgaria, Cambodia, Cuba, Czechoslovakia, Estonia, German Democratic Republic, Hungary, Iran, Laos, Latvia, Libya, Lithuania, Mongolia, North Korea, People's Democratic Republic of Yemen (South Yemen or Aden), People's Republic of China, Poland, Romania, Syria, Union of Soviet Socialist Republics, Viet Nam.

PRESBYTERIAN CHURCH OF EAST AFRICA-CHOGORIA HOSPITAL

PROGRAM DESCRIPTION

Introduction

A registered PVO, PCEA/Chogoria Hospital serves 300,000 people in the Chogoria area of Meru District. The hospital serves about 300 in-patients; an average of 140 out-patients daily; and has a work force of 500 people. To enhance its community outreach program, Chogoria has already benefited from a USAID grant through the Population and Health Office.

At a time of rising health care costs, GOK funding of all church-related hospitals has been reduced. Chogoria especially has had difficulties in recovering service costs from its predominantly poor rural community, as well as in retaining its professional staff in a rural setting. It is also expensive for the hospital to contract for maintenance of structures and vehicles. This project addresses these problems.

The Project

The purpose of this two-year project is to reduce recurrent expenditure of the hospital, increase its income and retain key professional staff in its service.

To achieve this three-fold purpose, the project proposes to construct eight staff houses; train six artisans to strengthen Chogoria's own maintenance capability; and provide an amenity (private) ward and canteen to generate income for the hospital.

In a poor rural area, the hospital's emphasis on curative health services cannot generate enough income to finance needed preventive and promotive health services. Hence, an amenity ward and a canteen will help generate income to create a balance among these services. The four components of the project include:

- (a) Building eight blocks of flats for staff accommodation;
- (b) Local training of hospital staff in plumbing, electricity and vehicle maintenance, thus reducing recurrent expenditures, improving long-term financial sustainability, and helping to continue provision of low-cost, high-quality health services;

- (c) Developing a private care facility by renovating an existing facility and converting it into a private ward. User fees paid by patients will support the hospital's other services, particularly family planning, immunization and growth-monitoring.
- (d) A canteen will be built near the main hospital gate and the outpatient department. Profits from its sales will help meet Chogoria's recurrent expenditures, and reduce dependence on outside donors.

End of Project Status and Evaluation

The success of this project will be measured by purpose level indicators that will be set to show:

- A clear-cut reduction in hospital staff attrition rate
- A higher percentage of hospital budget met from income-generation activities
- Specific savings in hospital maintenance costs

Output-level indicators will also be used to evaluate project success, i.e.

- 8 flats completed
- 14 amenity beds ready for use
- Canteen constructed and ready for operation
- Six hospital artisans trained (minimum)

Funding:

This grant will be for two years. The total project cost is estimated at \$479,640 over a two-year period, with USAID's contribution estimated at \$319,762. This will fund the construction work for residential flats, canteen and amenity ward. USAID also will fund artisan training, canteen equipment, and basic furnishings for the apartments.

The hospital will provide the Kenya shilling equivalent, in cash or in kind, of approximately \$159,878 which represents 33 percent of total project costs. This amount will supplement USAID's payments, and will cover costs of the land needed for construction.

Note: A more complete project description is contained in the project proposal, available in the Human Resources Development Office, USAID/Kenya. However, if any provisions of the grant document conflict with those in the final proposal (with revisions, if any), the grant provisions will govern.

ATTACHMENT 3

STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Mandatory and Optional Standard Provisions marked by an "X", copies of which are attached and incorporated as part of this Grant.

1. MANDATORY STANDARD PROVISIONS FOR NON-U.S.,
NONGOVERNMENTAL GRANTEES

- (x) 1. Allowable Costs (May 1986)
- (x) 2. Accounting, Audit, and Records (May 1986)
- (x) 3. Refunds (May 1986)
- (x) 4. Revision of Grant Budget (May 1986)
- (x) 5. Termination and Suspension (May 1986)
- (x) 6. Disputes (November 1985)
- (x) 7. Ineligible Countries (May 1986)
- (x) 8. U.S. officials Not to Benefit (November 1985)
- (x) 9. Nonliability (November 1985)
- (x) 10. Amendment (November 1985)
- (x) 11. Notices (November 1985)

2. OPTIONAL STANDARD PROVISIONS FOR NON-U.S., NONGOVERNMENTAL
GRANTEES

- () 1. Payment - Periodic Advance (November 1985)
- () 2. Payment - Cost Reimbursement (May 1986)
- (x) 3. Air Travel and Transportation (May 1986)
- (x) 4. Ocean Shipment of Goods (May 1986)
- (x) 5. Procurement of Goods and Services (May 1986)
- (x) 6. AID Eligibility Rules for Goods and Services (May 1986)
- (x) 7. Subagreements (May 1986)
- (x) 8. Local Cost Financing (May 1986)
- () 9. Patent Rights (May 1986)
- () 10. Publications (May 1986)

- (x) 11. Nondiscrimination (May 1986)
- (x) 12. Regulations Governing Employees (May 1986)
- () 13. Participant Training (May 1986)
- () 14. Voluntary Population Planning (August 1986)
- () 15. Protection of the Individual as a Research Subject
(November 1984)
- () 16. Negotiated Overhead Rates - Provisional (November 1984)

- () 17. Government Furnished Excess Personal Property
(November 1984)
- (x) 18. Title to and Use of Property (Grantee Title) (May 1986)
- () 19. Title to and Care of Property (U.S. Government Title)
(May 1986)
- () 20. Title to and Care of Property (Cooperating Country
Title) (November 1984)
- (x) 21. Cost Sharing (Matching) (May 1986)

CASH ADVANCE GUIDANCE

General Policy

USG cash advance policy, consistent with AID's cash management procedures, is premised on the principle that advances should not be granted unless absolutely essential since the cost of Treasury borrowing is a considerable burden on the U.S. taxpayer. When deemed to be essential, the amount of advances should not exceed the immediate minimum needs of the recipient. Treasury has defined minimum needs as being no more than a 30 day requirement of cash on hand. The time that it takes for the recipient to liquidate the advance is of no consequence when considering immediate disbursing needs.

Guidelines

The following guidelines should be used when considering the need for an advance to not-for-profit recipients.

- When an activity commences, the grantee will provide a projection of cash requirements over a specified period (normally 3 months/by month).
- Based on an analysis of this projection, the amount of the initial advance will be determined based on a 30 days' need from the date the advance is received by the grantee.
- Subsequent monthly advance requests should be submitted with enough lead time for processing within AID and delivery of a check to the recipient. The new request should include an updated cash requirement projection as long as 'the 30 days' cash on hand' requirement is met.
- It may take AID as long as 30 days to process this request and deliver a check. Therefore, for example the grantee should submit a request for an advance by the last week of August for cash needs of October. The check would be put in the grantee's account as close to October 1 as possible. Therefore, at that point in time the grantee would have 30 days' cash on hand. By the end of October the grantee would be running out of cash but would soon receive the November advance requested at the end of September. The key is that 30 days' needs are not exceeded.

- Within 30 days following the end of each month, a Grant Financial report is required. This report will include a consolidated report of grant expenditures which shows by budget line item: amount budgeted per the financial plan, amount expended for the monthly period under consideration, total cumulative amount expended, and remaining balance per line item. See sample format attached entitled "Expenditure Report". Failure to submit such a report as required may preclude the issuance of further advances.

Documentation

The following is a list of what is required prior to approving a cash advance and should be circulated with the initial advance voucher:

- A written request every month from the entity desiring the advance which would include:
 - a detailed budget of eligible project activities covering the period of the proposed advance (see sample format attached entitled "Statement of Certified Cash Needed"),
 - identification of the separate bank account where the advance will be placed,
 - a properly executed Standard Form 1034 (Public Voucher for Purchases and Services other than Personal). Copies of SF1034 are attached.

SAMPLE FORMAT

(Name of Organization)

STATEMENT OF CERTIFIED CASH NEEDED

GRANT NO: _____

An advance of funds in Kenya Shillings (or US Dollars) is, hereby requested for activities during the periodto.....

APPROVED BUDGET*

EXPECTED EXPENDITURES

LINE ITEMS

Month 1 Month 2 Month 3

- 1. Salaries & Wages
- 2. Pensions & Benefits
- 3. Technical Assistance
- 4. Training & Education
- 5. Transport
- 6. Commodities & Equipment
- 7 Other Direct Costs
- 8. Contingencies & Inflation

Total

The undersigned hereby certifies: (1) that the above requested amount represents the best estimate of funds needed for disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or credit to the grant will be made in event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to A.I.D.

By: _____

Title: _____

Date: _____

*The breakdown of budget line items should be as per the approved budget. The categories shown above are illustrative only.

SAMPLE FORMAT

(Name of Organization)

GRANT NO: _____

EXPENDITURE REPORT FOR PERIOD TO

APPROVED BUDGET* LINE ITEMS	TOTAL BUDGET AMOUNT AVAILABLE (KSHS) OR (US \$)	CUMMULATIVE EXPENDITURES THROUGH PRIOR RE- PORTING PERIOD	EXPENDITURES THIS PERIOD	CUMMULATIVE EXPENDITURE TO DATE
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1. SALARIES & WAGES
2. BENEFITS & PENSIONS
3. TECHNICAL ASSITANCE
4. TRAINING & EDUCATION
5. TRANSPORT
6. COMMODITIES & EQUIPMENT
7. OTHER DIRECT COSTS

SUB-TOTAL

8. CONTINGENCIES & INFLATION

TOTAL

I CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT THIS REPORT IS TRUE IN ALL RESPECTS AND THAT ALL DISBURSEMENTS HAVE BEEN MADE FOR THE PURPOSE AND CONDITIONS OF THE GRANT AGREEMENT.

TYPED OR PRINTED NAME AND TITLE

SIGNATURE

DATE: _____

*The breakdown of budget line items should be as per approved budget. The categories shown above are illustrative only.