A STUDY ON HOW
AID/W AND MISSIONS
OPERATE UNDER REGIONAL PROJECTS

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I. BACKGROUND

Because of the pending reorganization within the Africa Bureau, the Bureau decided this would be an advantageous time to review the workings of its regional programs. An additional impetus for this study was the forthcoming development of the African Public Health and Population (APHP) Support Project. This led to the Bureau requesting Solloway & Associates, Inc. look at various management, fiscal and administrative problems affecting regional projects and provide guidelines for managing and implementing them.

From a large list of related tasks covering various issues, the Bureau requested a report which would clarify and provide guidance regarding: options in managing regional projects and project management; accessibility to the S&T Bureau; administrative and fiscal arrangements; contracting instruments; and how missions participate ("buy-in") in regional projects.

During initial interviews, we quickly realized that there was a problem regarding the use of terminology and basic financial and administrative procedures. Consequently, this led to individuals talking across one another, and also agreeing on concepts -- e.g., OYB transfers, "buy-ins" into other contracts -- but interpreting the procedures and end results differently. Furthermore, we recognized that the overall objective was to focus on the broad Bureau concerns of developing policy guidelines and directions in the management of regional projects, and we were encouraged to focus our efforts on developing this broader objective of how AID/W and Missions operate under regional projects.

It is Solloway & Associates' hope that the study will eventually lead to the Bureau developing guidelines and policies regarding the direction regional projects should take vis-a-vis funding mechanisms and the management of them.

II. INTRODUCTION

In developing our study, information was gathered by interviews with personnel in various Bureaus and offices. Appendix A is a list of individuals interviewed. Additional information was obtained from Agency handbooks, outside studies and reports (Ernst & Young's Evaluation of the Financial Management of central and regionally funded projects for the Africa Bureau, 18 January 1991; and University Research Corporation's CCCD Financial Assessment, September 1990), Bureau documents and cables, and Agency approved training manuals.

Section III, Findings and Recommendations, is organized in the following manner:

A. Commonly Used Terms
B. Policy Guidelines and Directions
C. Steps to Take to Facilitate Working with the S&T Bureau
D. "Buy-Ins"
E. Africa Bureau Accounting of Mission Participation ("Buy-In") in Regional Projects
F. Project Officers
G. Project Committees

Section IV summarizes all the recommendations contained within this study.

III. **FINDINGS**

A. COMMONLY USED TERMS

During this study, we identified a series of commonly used concepts and terms that were misunderstood or misused. This led to confusion as individuals talked across or around one another, since each thought the terms meant something different. A brief description of the terms is provided below.

Advice of Budget Allowance (ABA): A funding authorization by the head of an agency or other authorized official to a responsible officer of a designated organizational unit making funds available for obligation.

Project Number: The number assigned to AID's basic unit of management, *i.e.*, a project. The project number is seven characters. The first three characters represent where the project was approved (Regional Bureau [*e.g.*, 698] or Mission [*e.g.*, 632]), and not necessarily the physical location where funds were obligated. All advices of budget allowance must associate funds with a project number. Hence, when funds are sent to a mission, the ABA will identify the project number (it can be a mission bilateral project or Africa Bureau regional project) to which the funds are linked.

Operational Year Budget (OYB): Financial plans for the current fiscal year.

Operational Year Budget (OYB) Transfer: The transfer from one designated organizational unit, *i.e.*, Bureau or Mission, to another such organization unit, which is able to obligate the funds. Under an OYB transfer, the AFR Bureau transfers direct control and oversight of those funds to the recipient Bureau, which obligates the funds under their project number. Note: An OYB transfer is not related to a "buy-in".

"Buy-In": A "buy-in" is the provision of funds to MS/OP in a PIO/T or cable equivalent authorized under one project for commitment to a contract authorized and funded under a different project. The "buy-in" must meet two tests:

- it must be consistent with the objectives of the project funding the "buy-in"; and
- it must be consistent with the scope of work of the contract receiving the "buy-in" funds.

The difference between a mission "buy-in" from bilateral funds versus regional project funds is: under bilateral funds the monies are already obligated and the "buy-in" (PIO/T) represents an implementing action and a separate delivery order will be issued; and, under a regional project if the funds are not already obligated, then the "buy-in" represents an administrative reservation and the funds are not obligated until there is a funding amendment to the contract. Should non-bilateral funds exceed the actual cost of services provided, there will be no adjustment or refund of the excess funds.

An OYB transfer is not considered a "buy-in" since the funds are provided to the S&T contract from an S&T project (project number). Additionally, it should be noted a "buy-in" for technical services cannot be issued under grants or cooperative agreements.

Pass-Through: This Africa Bureau developed term refers to when a Mission does not have a bilateral project, but wishes to obtain certain goods or services by participating in a regional project. A Mission's participation means receiving an Advice of Budget Allowance with the funding linked to the regional project number and authorization. Note: There are numerous ways in which the Mission can then obligate these funds.

B. POLICY GUIDELINES AND DIRECTIONS

Findings

This section provides a broad perspective in analyzing regionally funded projects, and it became the basis for highlighting numerous issues and formulating policy guidelines. The other sections provide corollary information in support of this section.

The overall premise is that the Africa Bureau's overriding issue is the extent to which it wishes to encourage the obligation of DFA funds through **bilateral projects, regional projects** or **OYB transfers.** In order to analyze and evaluate which of the three options is preferred, it is necessary to look at them from the perspective of:

Management - the amount of effort and time which is expended in order to manage regional projects;

Attribution - the ability to track and provide obligation credit at the appropriate organizational level;

Accounting - the office which is responsible for managing the funds; and

Other Factors - the Host Government, Congressional interest, etc.

In essence, by looking at the various options for obligating funds and the above factors which affect that decision-making process, an initial effort should be made to consciously establish a priority ranking. In reviewing the three options to establish a ranking, one must ask:

- To what extent should bilateral projects be encouraged over regional and central projects?
- To what extent can the management burden of regional projects be reduced in AID/W and the field?
- To what extent should the Bureau maximize the use of S&T projects through OYB transfers and/or "buy-ins"?

As one would expect, there are clear trade-offs among the three obligation options. Each has its own distinct advantages and disadvantages, and each is a viable method of obligating funds and serves a specific purpose and role. In formulating Bureau policy, all options are valid and should be considered; no one option should be selected to the absolute exclusion of the others.

The following is a comprehensive discussion of each option. The table following each option reflects the most important issues above the line and lesser issues are shown below the line.

1. OYB Transfers

As previously defined, an OYB transfer is when Africa Bureau funds are obligated by another Bureau. There are two types of transfers: (1) when the Africa Bureau (AID/W) initiates the transfer of Africa Bureau funds to another Bureau, and (2) when a Mission requests the Africa Bureau (AFR/DP) to initiate, on the Mission's behalf, a transfer of Mission OYB funds to another Bureau.

A major concern with OYB transfers is the ability to track DFA funds. The Bureau has two opportunities to examine and approve requests for OYB transfers: at the ABS planning stage and at the OYB reporting cable stage. Tracking of special interests and congressional earmarks, *e.g.*, Basic Education, can be done by AFR/DP through AC/SI codes at the ABS planning stage and the OYB reporting cable stage.

AFR/DP would have to take responsibility for tracking OYB transfers. The official Agency records, *e.g.*, the Project Accounting Information System (PAIS), are not able to reflect and attribute OYB transfers to the Africa Bureau, and the monies are shown in the Bureau and the project to which the funds were transferred. FM/OPA indicates that the Agency's accounting and reporting system cannot be adjusted at this time to attribute the funds to the Bureau. However, AFR/DP is capable of maintaining **non-official records** which would track OYB transfers and attribute the monies to the Bureau or Mission, as appropriate.

Any discussion of OYB transfers would be incomplete without defining the **magnitude** of OYB transfers planned each year. The issue of how much money would be transferred touches on the issues of attribution (how much money can be transferred without attribution being an issue), recipients' willingness and ability to absorb the transfer, and translating OYB transfers into tangible management savings, *i.e.*, are any positions eliminated or not replaced as a consequence of an OYB transfer.

Pros	Cons
Reduces AID/W workload, no project officer - M	Agency, not AFR Bureau, attribution - ATT
Minimum technical guidance to use of funds - M	No control over when in the FY funds are obligated - O
Used when Host Government has concerns - O	Not able to measure "if value for money" received - O
Eliminates need for RFPs, PIO/Ts, notifications, etc. - M	No control over receiving timely services - O
	Recipients' willingness to receive funds - M
	Congressional repercussions - ATT
Fewer projects, "all of nothing"	Loss of funds over original purpose of funds or project
Special earmarking can be tracked	Inability to measure project purpose

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other.

2. Regional Projects

A regional project provides the authority and mechanism to obligate funds in AID/W or a Mission for a defined purpose. There are three ways in which funds can be obligated under regional projects: (1) money from the AID/W core, irrespective of whether the activity takes place in AID/W or overseas; (2) by Mission participation (referred to by the Africa Bureau as "buy-in") in the regional project with money from the Mission's OYB; and (3) when a Mission requests a transfer of their OYB funds to the AID/W core (Africa regional projects). These result in there being four types of regional projects, with each having its own set of advantages and disadvantages.

The four types of regional projects are:

- Funding from AID/W (core) and Mission Participation
- Funding from AID/W (core) only
- Funding from Mission Participation with only AID/W (core) support contract
- Funding from Mission Participation only.

The following is a discussion and explanation of each type with the applicable pros and cons.

a. AID/W (core) and Mission Participation. This configuration represents a typical regional project, whereby there is both an AID/W (core) component and Mission participation. The latter occurs in two ways: through the normal process of a Mission receiving an Advice of Budget Allowance under the regional project (which is known in Africa Bureau parlance as "buy-in"); or through a transfer of a Mission's OYB back to the AID/W (core) component of the regional project. The CCCD and FHI projects are representative samples of this type of regional project.

The following table reflects the pros and cons of this type project. It should be noted that this type of regional project requires extensive AID/W involvement.

Pros	Cons
AFR Bureau attribution - ATT Facilitates small Missions' participation - O Ability to efficiently address common issues - M Cost effective - M	Heavy AID/W involvement by DP, TR, desk and front office - M Expands regional portfolio - M Complex accounting transactions - A Confusion of oversight responsibilities - A, M Discourages planning for project completion or development of bilateral projects - M, ATT, A, O
Allows S&T "buy-ins" Mission can fund project support personnel	S&T controls "buy-in" funds Obligation through "buy-ins" delayed

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other.

b. <u>Funding from AID/W (core) Only</u>. This type of regional project is rather unique since it serves only the needs of AID/W with no Mission participation ("buy-in"). Consequently, with no Mission involvement, there is an AID/W management burden, but it is greatly reduced. The AALC project is an example, but there could be other potential opportunities to replicate this model. The pros and cons of this project are reflected below.

Pros	Cons
AFR Bureau attribution - A No Mission involvement - M Useful vehicle for new initiatives and pilot projects - M Ability to efficiently address common issues - M	Weakens link to Mission programs, priorities, and strategies - M AID/W management responsibilities - M Promotes project proliferation - M Expands regional portfolio - M Discourages planning for project completion or development of bilateral projects - M, ATT, A, O
Use could be limited to new initiatives Allows S&T "buy-in"	S&T controls "buy-in" process Obligations through "buy-ins" delayed

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other

c. <u>Mission Participation with Only AID/W (core) Contract</u>. The HRDA and ATLAS projects are examples of this type of regional project. The pros and cons of this project are reflected in the following table.

Pros	Cons
AFR Bureau attribution - ATT	Does not reduce number of regional projects - M
No need to obtain HG approval - O	Increases Mission and AID/W workload - M
Facilitates small Mission participation - O	Requires project to be developed in AID/W - M
Cost effective - M	Discourages planning for project completion or development of bilateral projects - M, ATT, A, O
Ability to efficiently address common issues - M	
Allows S&T "buy-ins"	S&T controls "buy-in" funds
Mission can fund project support personnel	Obligation through "buy-ins" delayed

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other

d. Mission Participation Only. This represents a new concept for regional projects, so there are no examples in the portfolio. Basically, a regional project would be developed (PID and PP) and approved to provide Missions with a mechanism to obtain the authority to receive and obligate funds for a specific purpose. This project would be for the exclusive use of Missions with no funding provided for an AID/W (core) component. The table of pros and cons follows.

Pros	Cons
AFR Bureau attribution - A	Does not reduce number of regional projects - M
Minimum AID/W responsibilities - M	Increases Mission workload - M
No need to obtain HG approval - O	Requires project to be developed in AID/W - M
Facilitates small Missions' participation - O	Discourages planning for project completion or development of bilateral projects - M, ATT, A, O
Cost effective - M	
Ability to efficiently address common issues - M	
Allows S&T "buy-ins"	S&T controls "buy-in" funds
Mission can fund project support personnel	Obligation through "buy-ins" delayed

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other

3. Bilateral Projects

As most people agreed, it would be excellent if there could be more bilateral projects with an accompanying reduction in regional projects. However, regional projects do serve a purpose in helping new initiatives get started and also in providing program support to small Missions. Just the same, due to some of the distinct advantages -- *e.g.*, DFA funds attributed to the Mission, truer reflection of Mission strategy and program, and preferred accounting methods -- of bilateral projects, greater efforts need to be made to determine how bilateral projects can be used to fund activities and shift away from regional projects. A key question that needs to be addressed in this regard is: "How to minimize management burden in developing bilateral projects."

One way would be to encourage the development of bilateral projects under $500,000. This process can be particularly attractive to small Missions, since AID HB-3 provides streamlined guidelines for developing such projects, and FAA, Sec. 611A has a threshold of $500,000. Streamlined projects result in some distinct advantages, such as: provide lead time to develop a larger scale project; provide an opportunity, at minimum cost and time, to test the viability of the project; and provide the chance to quickly react to new initiatives. In the early 1980s, something similar was done under the Accelerated Impact Program (A.I.P.).

Another approach to encouraging bilateral projects, with minimum management effort by the Missions, would be to allow bilateral projects to be "cloned" or developed from regional projects. In essence, the regional project's PID and PP would serve as the principal documents in developing a Mission project, and only an abbreviated Mission PP would be developed. Naturally, the Mission's abbreviated PP would need to address Mission-specific issues, such as: goals, objectives, EOPS, constraints to achieving project objectives, cost and budget analysis, institutional analysis, and host government conditions. It is envisioned that the Mission's PP would be highly abbreviated and cover just the essential Mission-specific issues. The authority to follow this procedure could be authorized at the time the Assistant Administrator for Africa approves the regional project. In discussion with Edward Spriggs, AFR/GC, he believed that there may be some legal concerns but, overall, the concept has validity. The following table is a set of pros and cons regarding the use of bilateral projects instead of regional projects. In addition to covering the pros and cons of a Mission's regular bilateral project, it also includes the streamlined and "cloned" bilateral projects.

Pros	Cons
Funds attributed to the Mission - ATT Less AID/W workload - M Project management and fiscal responsibilities in the field - M, A Preferred accounting procedures by FM - A Allows smaller Missions' participation - ATT, M Truer reflection of Mission strategy and programs - O Ability to quickly react to new Agency initiatives - O Easily done if less than $500,000 - M Facilitates early obligation	Need to obtain HG approval - O Increases Mission workload - M Increases staffing needs - M Proliferation of project portfolio - M
Allows S&T "buy-ins" Mission can fund project support personnel Fewer regional projects	Need to develop Mission-specific PP Requires AA approval of use of abbreviated Mission PP at time regional project is authorized Places emphasis on AID/W to develop comprehensive regional project Legality

LEGEND: M - Management; A - Accounting; ATT - Attribution; O - Other

4. <u>Other Issues</u>

According to the Bureau's CP, "Regional programs also support management efficiencies by permitting A.I.D. field missions to 'buy-in' to relevant components of larger regional activities, and thus streamline the formal project design and documentation process."

The CP states that, "The Africa Bureau portfolio [for regional programs]: (1) provides direct support to A.I.D. field missions where problems and economies of scale favor a regional approach; (2) permits the more efficient allocation of human and financial resources by providing training and technical assistance for similar problems; (3) addresses issues requiring coordinated responses across national borders; (4) maintains linkages and support to regional organizations, as well as strengthening selected regional entities; and (5) promotes coordination, information and experience sharing with other bilateral and multilateral donors."

These five elements reflect the fact that regional projects are oriented toward providing technical support to the Missions, rather than analytical and research services. However, in the Bureau's reorganization emphasis is being placed on regional programs being a source of analytical and research services with less emphasis on providing technical support to the Missions.

Consistent with this change, regional projects can serve as a natural progression for the development of bilateral projects. However, there is no evidence that this is currently occurring, even though bilateral projects are the Agency's norm. Our discussions led us to believe that Missions are actually encouraged to continue utilizing the technical support services of regional projects, and that there is no encouragement nor requirement to graduate from a regional project to the development of their own bilateral project. Additionally, during the project design stage, there is no justification provided as to why Mission(s) participation must be part of a regional project, rather than under its own bilateral project.

Furthermore, considering the concerns of regional projects -- attribution of DFA funds, AID/W management requirements of a regional project, accounting problems, and other factors -- there should be guidelines as to how long (time-wise) and to what extent (dollar obligation ceiling) a Mission can continue dependence upon a regional project before being required to develop its own bilateral project. At this time, no such consideration has been given to these issues.

Recommendations

1. The Bureau should determine if there is an order of priority among the several options for obligating funds and, if so, articulate it as Bureau policy.

2. The Bureau should establish as policy that: during a project's planning stage, there should be a thorough discussion of the available options for obligating funds. Justification should be given as to why Mission(s) participation should occur under a regional project or through an OYB transfer, rather than under its own bilateral project.

3. The Bureau should explore ways to facilitate the implementation of bilateral projects by the use of "cloned" regional projects and streamlined projects of less than $500,000.

4. The Bureau should develop policies on how long (time-wise) and at what dollar level (annual and cumulative) of obligations Missions should be allowed to participate in regional projects before being required to develop their own bilateral projects.

5. The Bureau should consider developing a Bureau-specific action memorandum for the Assistant Administrator's approval delineating policies and priorities on regional projects.

C. STEPS TO TAKE TO FACILITATE WORKING WITH THE S&T BUREAU

Findings

There are various steps which the Africa Bureau can take in order to enhance and facilitate its working relationship with the Science & Technology (S&T) Bureau, particularly as it relates to OYB transfers and "buy-ins" to S&T sponsored contracts. Some of these steps are:

- To the extent possible, identify any Africa Bureau requirements, including authority to use DFA funds, at the time S&T is designing a new project.
- Identify, as early as possible in the current fiscal year, anticipated plans for the subsequent fiscal year. This should occur at the annual workplan meeting held during March-May.
- Identify, in the design phase (Project Paper) of a regional project, the planned amount of OYB transfers and/or "buy-ins" to S&T. Naturally, the more explicit and detailed this is, the better. This would include both AID/W and Mission participation.
- Identify any special concerns which need to be incorporated into a Memorandum of Understanding.

If the Africa Bureau plans on making greater use of the S&T Bureau, through either OYB transfers or "buy-ins", both organizations would be better served through the use of a Memorandum of Understanding (MOU). This MOU could act as a vehicle for formalizing the relationship. In the past, when small amounts of money were involved, the need for such a document was minimal; but if significantly larger sums of DFA funds were to pass-through to the S&T Bureau, then the need for an MOU increases. The MOU would formalize what each Bureau would expect from the other in the arrangement. The MOU should:

- Identify S&T projects and contracts that AFR would like to access.
- Identify the dollar amount of planned annual and total "buy-ins" or OYB transfers to S&T.
- Identify who will be responsible for writing Scopes of Work (SOW).

- Insure that the purpose for which the funds will be used will be sufficiently explained to the satisfaction of both parties.

- Identify any AFR financial and project reporting requirements required from S&T.

- Fix a date when annual workplan meetings will occur.

- Determine if any funds will be used for administrative support and if an Africa Bureau funded RSSA or PASA is required.

- Identify responsibility for any notification, e.g., CN, TN.

- Require AFR/DP to identify any earmarking attributions for OYB transfers.

Recommendation

The Africa Bureau, in conjunction with the S&T Bureau, should develop a Memorandum of Understanding to be used when significant amounts of DFA funds are to be used by the S&T Bureau on behalf of the Africa Bureau.

D. "BUY-INS"

Findings

Even though quite a bit of information has been written on "buy-ins", there is still a lot of confusion regarding how they work as a contracting mechanism. Incorrect references to "buy-ins" were often made. Consequently, programming decisions were made without fully understanding the process and the impact on financial and administrative matters. Financial problems with "buy-ins" were discussed in the University Research Corporation CCCD Financial Assessment, September 1990. The report included a recommendation that, "The buy-in or 'buy-through' process should be examined and controls put into place so that projects are effectively managed."

The following are some of the best written documents on "buy-ins":

- OP/W Standardized Buy-In Procedures, OP/W SOP-2, February 1989.

- "Buy-In": Existing Contracts, S&T Program Guidance 87-03, May 1, 1987.

- Multiple-User Contracts and Agreements, General Information, pages B.1-1 through B.1-6, Office of Procurement Ordering Information Directory.

- Procedures for Mission Use of S&T "Ribbon" PASA Agreements, S&T Memo, February 23, 1984.

None of the above documents is very long, and no immediate purpose would be served by summarizing their contents. However, copies of the above have been provided in Appendix B for reproduction and distribution.

Recommendation

Copies of the reference material on "buy-ins" should be distributed among AID/W and overseas staff personnel, and training programs on this subject should be made available for project personnel.

E. AFRICA BUREAU ACCOUNTING OF MISSION PARTICIPATION ("BUY-IN") IN REGIONAL PROJECTS

Findings

In addition to the AID/W component of a regional project, there is usually a portion of the project which authorizes mission participation (referred to as "buy-in" by some Africa Bureau personnel). These two segments, AID/W and Mission, comprise the project's obligations, which are limited to the authorized level. In numerous discussions, we found the tracking of the AID/W obligations to be quite straightforward. Since accounting for the budget allowances and obligations occurs in the field for the Mission participation segment, the tracking of them by the AID/W regional project officers was not as easy nor uniform. Procedures to carry out this function were left to each project officer and, whenever there was a change of project officer, the new one may create a whole new tracking system. By not having an uniform accounting procedure, it is time-consuming when new project officers create new systems, record keeping is not uniform nor consistent from one project to another, and reporting errors can result. One noted problem was cumulative obligations exceeded the project's authorized level at a point in time prior to corrective action being taken.

In a related manner, the Ernst & Young report found that, "Project officers do not maintain or receive sufficient financial management information and records to fully support their project financial oversight responsibility."

Recommendation

The Africa Bureau should establish in-house standardized procedures for tracking AID/W and Mission obligations funded under the same Regional Project.

F. PROJECT OFFICERS

Findings

The multitude of project manager responsibilities and the level of effort required to manage regional projects are two major constraints associated with regional projects. It was frequently mentioned that there is a significant burden, time-wise as well as responsibility-wise, placed on the project manager of a regional project. Just the same, there was not a complete understanding of all the responsibilities associated with a project officer's role. This issue is further supported in the January 18, 1991 Ernst & Young Report on the Financial Management of centrally and regionally funded projects for the Africa Bureau. As stated in their report:

> "The AID/W Africa Bureau has several offices with responsibility for managing regional and centrally funded projects. Although these 'project' offices are primarily oriented and staifed to support the technical aspects of projects in Africa, they also have a collateral responsibility for the administrative management of these projects. It is the AID official designated as Project Officer for each project who is responsible and serves as the primary government representative in most dealings with the implementing organization. In addition to representing the government on technical issues, the assigned Project Officer is often called upon, by the contractor/grantee for financial and contractual advise and assistance.
>
> "Generally, project office personnel are trained for and oriented toward the functional/technical aspects of their offices and the projects they manage. Project office personnel are specialists in agriculture, health, population, etc. Very infrequently are they trained and/or experienced in administrative areas such as contracting, financial management and systems engineering."

In addition to the report stating, "In summary, project officers are not fully aware of and current with AID administrative policies," it recommended that project officers be trained in financial and procurement management aspects of project monitoring. Our findings were very similar, and we fully support the recommendation.

The CCCD Financial Assessment also recommended training for new project managers. In determining the extent to which the Africa Bureau should continue with or move away from regional projects, the management effort and ability to manage such projects much be considered.

What is the Role of a Project Officer?

Background: AID Handbooks use the term "project officer" to identify the person having project management responsibilities. AIDTO CIRC 2 states,

> "For each field or AID/W project, a single individual (project manager) must be designated who will be responsible for all activities relating to that project, from planning through implementation and evaluation, whether he/she personally performs any or all of these activities or enlists the support of other staff resources, whether direct-hire, contractors or consultants."

Role and Responsibilities: The Agency's Project Officer's Guidebook provides substantial information regarding the role and responsibility of a project officer. The project officer should have a thorough knowledge of all aspects of the project, and this includes responsibility for monitoring a contractor's performance. The following is a list of responsibilities normally associated with the position of project manager:

- Ensures that the PIO/T and related scope of work and budget is issued to initiate the contracting (or grant) process;
- Participates in selecting the contractor;
- Reviews and clears the draft contract;
- Participates in negotiations with the prospective contractor;
- Maintains personal liaison with the contractor after the contract is awarded;
- Monitors the technical performance of the contractor;
- Makes periodic visits to the project or activity site;
- Makes sure that the contractor complies with the terms of the contract, and arranges for corrective action for any deficiencies;

- Analyzes and comments upon the contractor's reports;
- Ensures that all relevant documents and correspondence are maintained in the contract file;
- Administratively approves vouchers which the contractor submits for payment;
- Ensures (in consultation with the Contract Officer) that Scopes of Work, PIO/Ts and contracts are revised as necessary to reflect any agreed-upon changes in contract implementation;
- Evaluates the contractor's performance; and
- Participates in the preparation of the Project Evaluation Summary (PES).

Additionally, the Inspector General (IG) identified the following as project officers' financial management responsibilities:

- Administrative approval of most project vouchers. (Payments made under bank letter of commitment, for example, do not require administrative approval.)
- Verification of timely reporting of expenditures.
- Review of the rate of expenditure in accordance with approved budget line items.
- Verification, on a selective basis, that documentation exists in support of expenditures.
- Approval of disbursement of funds for large transactions.
- Determination, on a selective basis, that the services and commodities procured were actually received.

In addition to the above lists, project officers are also responsible for managing, as appropriate, OYB allowances, performing "1311 reviews" of unliquidated balances, and overseeing financial reviews and audits.

Findings: The project officer plays a pivotal role in discharging the Agency's overall stewardship and accountability for the use of public funds. He/she must, therefore, keep in mind the fact that there is an irreducible amount of oversight of AID-financed contractors and recipients to assure the prudent management of AID's development investments. Although the project officer may not delegate overall oversight responsibility, arrangements may be made to have specific monitoring tasks assigned to other staff members. When such arrangements are made, however, the project officer must assure that the assigned tasks are effectively carried out.

In discussions with personnel from various offices within the Bureau, we found that there was no uniformity in defining the role of a project officer. There was an expressed desire to have some of the project officer's duties carried out by one person or office and the rest done elsewhere. This split in responsibility related to the day-to-day administrative tasks, and particularly to the management of contracts versus the project as a whole. This concern is partially rooted in the age-old issue of whether a project manager should be a technical officer or a generalist.

It is believed that the ideal project officer would be an individual with a technical background who became a general development officer. However ideal this situation may be, it does not exist very often. A more realistic scenario would be one where the project officer is a generalist and is supported by a technical officer who may sit in another office. Hopefully, the project officer also would be supported by a project committee. Preparation of the PIO/T is a common example of how the technical officer would support the project officer. Overall responsibility for preparing and managing the PIO/T would rest with the project officer. The initial Scope of Work (SOW) would focus on the technical concerns and objectives and would be drafted by the technical officer. The project officer would use this draft as a basis for preparing the final draft PIO/T which would be circulated.

Recommendations

1. Due to the broad nature of project officer responsibilities, it is recommended that technical officers be trained prior to being designated as project officers.

2. Individuals should be fully informed of the duties and responsibilities expected of them as project officers.

3. The Bureau should provide for its staff a series of small group briefings/training sessions on: financial and procurement terminology, types of regional projects, methods of obligating funds by AID/W and Missions under regional projects, factors affecting the design of regional projects and other related factors, such as "buy-ins" and OYB transfers, affecting the design and implementation of regional projects.

G. PROJECT COMMITTEES

Findings

AID Handbook 3, Supplement A, Project Officer's Guidebook, discusses the importance of project committees, especially during the design stages. As with many things, opinions within the Bureau differed greatly about the usefulness of project committees, particularly during implementation. However, it is believed that project committees also have an important role to play during project implementation, and they can and do provide a valuable resource to the project officer, particularly in non-technical related areas.

Again, the Ernst & Young study mentioned the need for project officers to make daily decisions that have contractual and financial management implications for which they are untrained. Yet through the use of project committees, there are specialists in AID/W to whom the project officer can turn for advice and assistance. The report recommended that, "Project officers could strengthen their coordination with FM." This recommendation was partially related to the fact that, "Most project officers coordinate routinely with FM until project funds are obligated; however, during project implementation, their contacts diminish."

Consequently, if the Bureau continues having technical officers serve as project officers for regional projects, there is a need for project committees, particularly during project implementation.

Recommendation

The Africa Bureau should encourage the continuance and use of project committees, especially during the implementation stage of regionally funded projects.

IV. SUMMARY OF RECOMMENDATIONS

1. The Bureau should determine if there is an order of priority among the several options for obligating funds and, if so, articulate it as Bureau policy.

2. The Bureau should establish as policy that: during a project's planning stage, there should be a thorough discussion of the available options for obligating funds. Justification should be given as to why Mission(s) participation should occur under a regional project or through an OYB transfer, rather than under its own bilateral project.

3. The Bureau should explore ways to facilitate the implementation of bilateral projects by the use of "cloned" regional projects and streamlined projects of less than $500,000.

4. The Bureau should develop policies on how long (time-wise) and at what dollar level (annual and cumulative) of obligations Missions should be allowed to participate in regional projects before being required to develop their own bilateral projects.

5. The Bureau should consider developing a Bureau-specific action memorandum for the Assistant Administrator's approval delineating policies and priorities on regional projects.

6. The Africa Bureau, in conjunction with the S&T Bureau, should develop a Memorandum of Understanding to be used when significant amounts of DFA funds are to be used by the S&T Bureau on behalf of the Africa Bureau.

7. Copies of the reference material (Appendix B) on "buy-ins" should be distributed among AID/W and overseas staff personnel, and training programs on this subject should be made available for project personnel.

8. The Africa Bureau should establish in-house standardized procedures for tracking AID/W and Mission obligations funded under the same Regional Project.

9. Due to the broad nature of project officer responsibilities, it is recommended that technical officers be trained prior to being designated as project officers.

10. Individuals should be fully informed of the duties and responsibilities expected of them as project officers.

11. The Bureau should provide for its staff a series of small group briefings/training sessions on: financial and procurement terminology, types of regional projects, methods of obligating funds by AID/W and Missions under regional projects, factors affecting the design of regional projects and other related factors, such as "buy-ins" and OYB transfers, affecting the design and implementation of regional projects.

12. The Africa Bureau should encourage the continuance and use of project committees, especially during the implementation stage of regionally funded projects.

Appendix A

LIST OF INDIVIDUALS CONTACTED

AFR/DP/PAB

Minnie Wright
Glenn C. Cauvin
Gladis M. McCoy
Lou Stamberg

AFR/TR/HPN

Margaret Meitas
John P. Coury
Pamela Mandel

AFR/PD/SWA

Barry Burnett

AFR/CONT

Thomas Diedrich

PFM/FM

Robert Bonnaffon
Jean Hevesy
David Ostermeyer

AFR/MDI

Deborah Diaz

AFR/PD/EAP

William Anderson

AFR/TR/EHR

Cameron S. Bonner

AFR/TR/ANR/AT

Richard D. Newberg

MS/OP

Jean M. Hacken
Steve Dean

AFR/TR/PRO

Dagnija Kreslins
John Wiles
Randall Roeser
Cecilia Burks
Donald R. Mackenzie
Richard A. Cobb

GC/EPA

Jan W. Miller

GC/AFR

Edward Spriggs

S&T

Genease Pettigrew
Robert McClusky
James Hoxeng
Kathleen Kosar
John Crowley
Douglas Sheldon
David A. Erbe

"BUY-IN" DOCUMENTS

The following documents on "buy-ins" are attached in their entirety for reproduction and distribution:

- OP/W Standardized Buy-In Procedures, OP/W SOP-2, February 1989.
- "Buy-In": Existing Contracts, S&T Program Guidance 87-03, May 1, 1987.
- Multiple-User Contracts and Agreements, General Information, pages B.1-1 through B.1-6, Office of Procurement Ordering Information Directory.
- Procedures for Mission Use of S&T "Ribbon" PASA Agreements, S&T Memo, February 23, 1984.

OP/W SOP-2
February 1989

OP/W STANDARDIZED BUY-IN PROCEDURE

This standardized OP/W procedures is for all new centrally managed contracts that allow for participation and funding by offices other than the sponsoring office (project office). This procedure does not apply to assistance instruments.

I. BACKGROUND

These term-form cost reimbursement level of effort contracts permit use of the contractor's services not only by the office putting the contract in place but also by other offices, bureaus and missions. Such contracts have previously been known by various names such as "ribbons", "buy-ins" and "add-ons".

Various forms of these contracts have been in use for several years and varied from office to office. Problems encountered over the past several years have shown the need for some standardized guidance. There have been two major categories of problems - 1) the aspect of competition and 2) control and tracking of funding. The guidelines established herein attempt to limit these problems. These are general guides only and will not cover every question or variation possible.

II. GENERAL

1. Contracts will be awarded under full and open competition procedures established in FAR Subpart 6.

2. Each contract will establish an overall level-of-effort which may combine capacity building, research and development, training, and networking among common theme projects through services for project planning and coordination, project design, or project implementation.

3. The total level-of-effort will generally consist of two parallel performance segments.

   a. The first segment will cover that portion of the contract to be funded by the sponsoring office and approved in their project paper.

   b. The second segment will cover anticipated requirements for project services requested by and funded by other offices, bureaus, or missions.

The level-of-effort established in the contract may not be increased. Further, without the specific written concurrence of the contracting officer there is no flexibility between the two parallel levels-of-effort.

The level of effort for both the sponsoring central office requirement and the buy-in portion must be based on a reasonable estimating rationale. In most instances the buy-in portion should be supported by a cabled survey of the field's interest and intended use of the resultant contract.

4. Funds of the sponsoring office and non bilateral funds from other offices, bureaus, and missions will be obligated by contract modification. Technical directions for the actual services will be by technical directions issued by the sponsoring bureau project office once funds have been added to the contract by modification. Any bilateral funds obligated MUST be by discrete delivery order issued pursuant to an ordering mechanism in the contract. Funds obligated under a discrete delivery order may be used only for allowable costs which are properly allocable to the performance of that order. Funds obligated in the basic contract may <u>NOT</u> be used for costs associated with a delivery order unless a) the delivery order specifically authorizes such use or b) specific written technical directions authorize such use.

5. Because the term "contract" includes the contract document itself and each delivery order issued, the total amount of funds obligated for contract performance is always the total of the amount obligated in the contract document, including all modifications, plus the sum of the amount obligated in all delivery orders.

III. <u>RFP</u>

1. When the RFP is issued it must explain that the intended use of the contract is to provide for services to the central sponsoring bureau and also to provide under certain circumstances, services to other bureaus and missions.

2. It must explain that the sponsoring bureau's additional funds, within the TEC, will be provided in the form of incremental funding amendments.

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3. Funds for services funded by non bilateral funds will normally be added to the contract by incremental funding modifications. Once funds have been added the call for the contractor to actually provide the services funded by non bilateral funds will be in the form of technical directions from the project officer issued in accordance with the technical directions clause of the contract.

4. When bilateral money is involved, the services of the contractor are only available through the issuance, by OP, of a delivery order. This order will require a separate request to the contractor for a cost and, if necessary, technical proposal and negotiation and issuance of a discrete delivery order. Each order will contain a scope of work, level of effort, line item budget, period of performance, limitation of costs, etc.

5. The total level of effort of the contract may not be changed. In some instances the RFP and resultant contract will contain only one LOE covering both the use of the sponsoring office and services to other offices and missions. In some RFPs and resultant contracts there will be two separate LOEs. In the administration of a contract with only a single LOE both the project officer and the contracting officer must agree up front how much of that LOE the sponsoring office intends to fund. This is necessary because if we do not know what LOE is anticipated by the sponsoring office, then we will not know how much LOE can be utilized for buy-ins. If buy-ins are accepted without this monitoring, in the 4th or 5th year of the contract, the sponsoring office will realize they havn't enough LOE left to cover their intended actions and want the total LOE increased.

6. RFP and resultant contract must require the contractor to provide reporting by funding source.

7. RFP and resultant contract must require the contractor to report to OP semi-annually on the status of buy-ins. This report should contain as a minimum, a listing of all buy-ins, their original estimated level of effort and dollar value and the actual level of effort and funds expended against the work of that buy-in.

8. The RFP and resultant contract should specify that very low dollar buy-ins (less than $25,000) and very large buy-ins (over $250,000) will generally not be accepted. The exceptions will be those cases where the project officer and the contracting officer determine that the very small or very large buy-in has a definite and desirable contribution to make to the objectives of the central project and it is therefore desirable despite the adverse aspects. The immediately noticeable adverse aspects for less than $25,000 would be the increased workload necessary to process as anything other than a small purchase. For very large buy-ins, the obvious question is one of competition.

IV. CONTRACT AWARD

A. All contracts permitting participation by offices/missions other than the sponsoring office that may provide bilateral funding must be numbered with "Z" instead of "C". For example DPE-1234-Z-00-5678-00.

B. At the time of award, a worldwide cable should be prepared by the project officer and cleared by appropriate offices, as a minimum OP and FM, advising missions how to submit buy-ins against this contract. Minimum content would be:

Buy-ins must meet two tests:
--- it must be consistent with the scope of work of the contract; and
--- the requested LOE and cost must be acceptable within the existing ceilings of the contract.

Missions need to understand that under a buy-in they do not have a direct relationship to the contractor. The mission's request for the buy-in, discussions re appropriateness, cost estimates, etc., must be with the project officer sponsoring the contract and with OP. If there are performance problems, again the mission has no direct recourse against the contractor but must deal through OP.

Missions should be cautioned not to discuss buy-ins directly with the contractor prior to execution of the buy-in, and NOT to provide the contractor a copy of the PIO/T or other internal documentation.

Missions cannot specify individuals or sub-contractors that the buy-in contractor must use.

Buy-ins may not extend beyond the term of the master contract.

2. <u>Use of bilateral funds</u>: Buy-ins utilizing bilateral funds will require a full PIO/T with contractable scope of work, budget, LOE, implementation schedule, etc. This PIO/T must be submitted to the project office of the sponsoring central bureau. If that office agrees it fits within the scope of the contract and there is sufficient LOE remaining in the contract, it will be forwarded to OP for action. OP will request a proposal, negotiate and award a separate discrete order. This order will permit complete tracking of the bilateral funds and return of any excess funds to the originating source.

3. <u>Use of non bilateral funds</u>: Buy-ins utilizing non bilateral funds will require a PIO/T with funding cites, etc. and a brief synopsis of the scope of work. This synopsis of the scope of work will serve as a test for use by the contracting officer to determine if the buy-in is sufficiently within the scope of work of the contract to preclude the need for any further competition. Missions must be told that there will be no refund of funds should the final services billed be less than the funds provided.

4. OP timeframes for buy-ins will generally be 30 days for non bilateral funds and 60 days for bilateral funds.

V. <u>PROCESSING OF A BUY-IN</u>

1. The project officer responsible for monitoring a contract permitting buy-in must review and clear each PIO/T or cable request for a buy-in before SER/OP will accept it. This review should include, in addition to technical concerns, the following administrative screening. It would be helpful if the clearing officer were to incorporate his/her findings in a transmittal note to SER/OP.

  a. Appropriateness: The project officer should indicate the section(s) of the contract which authorizes the goods and services being requested in the buy-in. Generally, the test involves pairing one or more of the objectives listed in the contract with one or more of the outputs listed in the PIO/T.

  b. Availability of remaining contractual authority: The project officer should determine that there is sufficient remaining authority to complete the buy-in. This determination involves the following considerations:

--- the amount of unused level of effort and dollar ceiling remaining in the contract;

--- the total estimated cost of the buy-in. SER/OP strongly discourages partially funded buy-ins for the reason that the unfunded portion of partially funded buy-ins is hard to track and may cause unforeseen procurement difficulties toward the end of the contract. Buy-ins may not be incrementally funded without prior SER/OP concurrence.

2. Late acceptance of buy-ins:

Any buy-in arriving in OP/W for year end obligation during the month of August or September must be cleared by:

Sponsoring central bureau Project Officer
This clearance covers technical conformance with the central contract and TEC availability.

Sponsoring central bureau Program Officer
This clearance covers program considerations such as workload within the entire bureau and any possible conflict with other bureau work that could result from late acceptance of the buy-in.

OP/W, K. Cunningham
This clearance covers overall OP/W workload consideration and whether the time to be devoted to the late buy-in should be utilized in other division work.

3. Documentation for buy-ins. All buy-in requests must be supported by documentation sufficient to permit the project officer and CO to determine appropriateness for funding under the contract. For non bilateral funds, the documentation should contain at a minimum:

- funds citation
- estimated budget
- statement of objectives and brief scope of work
- timeframes
- special provisions if any

The contractor can start expending funds committed under this procedure only after the contractor has received technical directions from the project officer.

Documentation for a buy-in utilizing bilateral funds must include

- fund citation
- estimated budget
- contractable scope of work
- timeframes
- special provisions if any

The contractor can start expending funds only after receipt of a fully executed delivery order issued by OP, or if authorized by the Contracting Officer in writing.

4. Submission Timing for Buy-ins: PIO/Ts or cable equivalents for buy-ins should allow SER/OP processing time of 30 days for non bilateral funds and 60 days for bilateral funds before the start of buy-in services.

Within two weeks of receiving a buy-in, SER/OP will notify the project officer whether:

-- OP concurs with the project officer's analysis that there is sufficient remaining level of effort and dollar ceiling authority in the contract to accept the buy-in.

-- The buy-in appears appropriate for funding under the contract.

-- The buy-in can be executed before buy-in costs need to be incurred.

NOTICE

Program Office
Bureau for Science and Technology
Agency for International Development

PROGRAM GUIDANCE 87-03
May 1, 1987

TO: Distribution

FROM: S&T/PO, Robert Meehan

SUBJECT: "Buy-Ins": Existing Contracts

SUMMARY

The recently completed review of buy-in contracts focused on three concerns: compliance with competition regulations, tracking of bilaterally-obligated (PROAG) buy-in funds to ensure they are used for benefit of country for which they were obligated, and monitoring of the contract to ensure that buy-ins do not divert the contractor from accomplishing the basic S&T objectives of the contract.

The Buy-In Task Force agreed that existing buy-in contracts will continue without substantive modifications, but a number of recommendations were adopted to improve the administration of these contracts. The two major recommendations are:

-All buy-in requests must be supported by documentation sufficient to permit the S&T project officer and the SER/OP contracting officer to determine appropriateness for funding under the contract;

-All existing buy-in contracts which end later than January 1989 must already have or must begin installing this year an accounting system which can track new funds against their corresponding PIO/Ts. Contracts ending before February 1989 are encouraged but are not required to submit vouchers which approximate tracking expenditures against their corresponding PIO/Ts.

More detailed guidance on existing buy-in contracts follows on the next page.

Additional Yellow-Top guidance will be forthcoming on new buy-in contracts, existing and new buy-in grants/cooperative agreements and buy-in PASAs.

DETAILED GUIDANCE

1. Definition of a "Buy-In"

A "buy-in" is the provision of funds in a PIO/T or cable equivalent authorized under one project for commitment to a contract authorized and funded under a different project. Buy-ins can come from mission, regional bureau, other central bureau or other S&T projects. The buy-in must meet two tests:

-- it must be consistent with the objectives of the project funding the buy-in; and

-- it must be consistent with the scope of work of the contract receiving the buy-in funds.

Often another office or mission will provide funds to an S&T contract via an OYB transfer, i.e. by increasing the OYB of the S&T project and conversely decreasing the OYB of the other office or mission project. From your Contracting Officer's point of view, an OYB transfer is not treated like a "buy-in" because the funds are provided to the S&T contract from an S&T PIO/T authorized by the same S&T project which funds the contract.

2. Review of buy-ins by S&T Project Officer

The S&T project officer responsible for monitoring a buy-in contract must review and clear all buy-ins before SER/OP will accept the buy-in for action. This review should include, in addition to technical concerns, the following administrative screening. It probably would be helpful if the S&T clearing officer were to incorporate his/her findings in a transmittal note to SER/OP.

a. Appropriateness: The project officer should indicate the section(s) of the contract which authorizes the goods and services being requested in the buy-in. Generally, the test involves pairing one or more of the objectives listed in the contract with one or more of the outputs also listed in the contract.

b. Availability of Contractual Obligational Authority: The project officer should determine that there is sufficient obligational authority to complete the buy-in. This determination involves the following considerations:

-- the amount of unused obligational authority remaining in the contract;

-- the total estimated cost of the buy-in. SER/OP strongly discourages partially-funded buy-ins for the reason that the unfunded portion of partially-funded buy-in is hard to track and may cause unforeseen procurement difficulties toward the end of the contract. Excluded from this concern are buy-ins from a single mission which are phased in over a series of discrete and separate scopes of work. These are not considered "partially funded" buy-ins which need special tracking. Buy-ins may not be incrementally funded without prior SER/OP concurrence.

-- impact on achieving the S&T objectives of the contract. Sometimes, buy-ins may individually or collectively be so large that to service them the project officer would have to compromise S&T's objectives. The end result could be a contract that prematurely ends in three instead of the planned five years, that shifts the research emphasis to a more specific country focus than to the intended world-wide focus, that diverts too much of S&T funds to administer the buy-in from S&T targeted activities etc.

c. Time period within which buy-in funds must be expended. Unlike IQCs, buy-ins normally must be expended by the termination date of the contract. Sometimes, buy-ins require a contract extension if accepted. There are two common situations. In one, there is sufficient unused obligational authority and level of person months and the project officer wants to extend the contract until the full amount of the contract is reached. SER/OP generally will not extend the contract beyond its scheduled termination date for this purpose unless there were extenuating circumstances which caused the execution of the contract to be delayed or slowed down. An overly optimistic estimate of anticipated buy-ins at the time of negotiations is usually not an acceptable reason for extending the contract. On the other hand, the need to extend the contract to achieve certain objectives of the contract is often an acceptable reason.

In the second situation, a specific buy-in may require a short extension to be accommodated, such as a few months. A limited extension for one buy-in might be acceptable, assuming neither the dollar or person month ceilings are exceeded, depending on the overall impact such an extension would have on other aspects of the contract.

3. Documentation for Buy-Ins

All buy-in requests must be supported by documentation sufficient to permit the S&T project officer and the SER/OP contracting officer to determine appropriateness for funding under the contract. For contracts where the procedure is to commit buy-in funds without SER/OP negotiating a cost proposal, the documentation should contain at a minimum:

-- funds citation
-- estimated budget
-- statement of objectives and brief scope of work
-- timeframe
-- special provisions if any.

The contractor can start expending buy-in funds added to the contract under the above procedure only after the contractor has received technical direction from the project officer to proceed based on his/her acceptance of a workplan for the buy-in.

In all other cases, the buy-in documentation must be sufficient for the contractor to submit a cost proposal to SER/OP for negotiation.

4. Submission Timing for Buy-ins

SER/OP prefers that PIO/Ts or cable equivalents for buy-ins should arrive in SER/OP at least 30 days before the costs of goods and services which are to be reimbursed by the buy-in start to be incurred. The timing for submitting the buy-in is geared to when buy-in costs will start being incurred in contrast to when preliminary work for the buy-in being paid for by S&T will begin. The purpose of this distinction is to clarify the timing of when SER/OP must be notified of a proposed buy-in since preliminary work often begins several months before buy-in commitments are required.

Within two weeks of receiving a buy-in, SER/OP will notify the S&T project officer whether:

-- SER/OP concurs with the project officer's analysis that there is sufficient remaining obligational authority in the contract to accept the buy-in.

-- The buy-in appears appropriate for funding under the contract.

-- The buy-in amendment can be executed before buy-in costs need to be incurred, giving an estimated obligation target date.

Depending on workload, SER/OP reserves the right to hold and batch a number of buy-ins into one contract amendment for a period not to exceed 60 days. In cases where the buy-in PIO/T or cable equivalent has been submitted, SER/OP will also authorize the project officer to inform the contractor that it can proceed with the buy-in activity on two conditions:

-- The S&T project officer agrees to cover with S&T funds all buy-in work until buy-in funds are available.

-- The S&T project officer understands that expenditures vouchered under S&T funds before buy-in funds are added to the contract cannot subsequently be transferred to buy-in funds citations.

There is one important exception to the above procedure. If the buy-in is for a type of activity authorized in the project paper and contract only for buy-in funding, SER/OP cannot authorize the contractor to temporarily bankroll the buy-in with S&T funds prior to the buy-in funds being added to the contract.

As a general objective, the project officer will try to schedule buy-ins and S&T funding according to a schedule which will minimize the number of times during the year in which the contract must be amended.

During the fiscal year, buy-ins with administratively reserved funds must be submitted by June 30 to assure their execution by September 30. The same deadline holds for PROAG-funded buy-ins if the work must start before September 30. Exceptions must be negotiated on a case-by-case basis with SER/OP.

There will be situations where buy-in costs may have to be incurred before PIOs or cable equivalents can be submitted to SER/OP. If SER/OP determines that the buy-ins satisfy the two criteria of (1) availability of obligational authority and (2) appropriateness and the project officer satisfies the two conditions of (1) covering with S&T funds and (2) accepting billed expenditures as fait accompli, then SER/OP can authorize the contractor to proceed with the buy-in activity. However, this authorization must be communicated to the contractor by SER/OP, not by the project officer, because of the lack of formal documentation.

5. Disputes Regarding Appropriateness of a Buy-In

In order for SER/OP to state that a buy-in is appropriate under the contract, SER/OP must determine if the buy-in complies with competition regulations. This test involves two criteria:

-- Does the buy-in conform to the stated limitations of the contract in terms of the specified objectives, outputs, and goods and services to be provided?

-- Will the responsibility for managing the buy-in activity remain with the prime and subcontractors identified in the contract or be awarded to a new subcontractor hired to manage only the buy-in activity in question? The latter situation often indicates an effort to circumvent competition.

If SER/OP's preliminary review indicates that the buy-in is inappropriate,, the following appeal procedures may be followed:

-- The S&T project officer, together with an S&T program officer, will meet with the contracting officer who made the initial negative determination to offer any additional information which might resolve SER/OP's doubts.

-- The contract will be used as the principal reference for resolving disputes over what goods and services may be included in the buy-in and on the limitations of the buy-in mechanism itself. The project paper may also be used as a reference for clarifying the intent of contract provisions. However, if there is a discrepancy between contract and project paper provisions, the provisions of the contract prevail.

-- If after the above meeting S&T and SER/OP are still in disagreement, S&T may refer the matter to its legal counsel and will follow the recommended course of action in the GC opinion.

6. Accounting

All existing buy-in contracts which end later than January 1989 must already have or must begin installing this year an accounting system which can track new funds against their corresponding PIO/Ts. Contracts ending before February 1989 are encouraged but are not required to submit vouchers which approximate tracking expenditures against their corresponding PIO/Ts. The S&T survey of buy-in contracts conducted in the Fall of 1986 indicated that about eight out of ten buy-in contracts already have an accounting system which can meet this requirement. Most of these contractors, however, have not been asked to submit such detailed information as part of their vouchers.

The main procedures of the revised accounting system are:

a. Separate accounts must be established for each source of funds by their respective PIO/Ts.

b. Vouchers must show expenditures charged to their respective PIO/Ts. For PROAG funds, the goods and services delivered via these expenditures must benefit the countries for which these funds were originally obligated.

c. Vouchers cannot be administratively approved unless the approval officer has some written document or other source of information relating work completed to expenditures being reported. The approval officer for all vouchers will be the S&T project officer for the contract. In cases where missions want to review the vouchers, the S&T project officer will cable the contents to the mission and request cable authorization to approve the voucher on behalf of the mission.

d. Vouchers may be amended to correct errors but may not be amended simply to shift expenditures between separate accounts. For example, if services rendered to a mission are to be covered by a PROAG buy-in but the services have already been vouchered under S&T funds before the buy-in funds are added to the contract, the voucher may not be amended to substitute buy-in funds for the S&T funds originally charged.

e. If a buy-in activity will require more funds than specifically budgeted in the contract for the buy-in, the contractor should notify <u>prior to incurring the additional costs</u> both the contracting officer and the project officer who will decide whether to request additional buy-in funds or to charge the additional costs to S&T funds.

f. Contractors are encouraged to close out buy-in accounts as soon as possible after all goods and services have been delivered. For administratively reserved funds, there will be no deobligaton of unused funds except for extraordinary circumstances. Instead, residual funds will be allocated toward home office support to clear the balances. Missions will be advised of this provision. For PROAG funds, unused balances will be deobligated and returned to the corresponding missions for those contracts with the new accounting system.

g. Upward adjustments of provisional overhead rates, if any, will be charged proportionately to all accounts to the extent possible. Any portion of the upward adjustment which cannot be absorbed proportionately by the existing accounts will be charged to S&T funds.

7. Second-to-Last-Year Incremental Funding

In cases where the cumulative obligations of buy-ins are running significantly below the rate needed to meet the estimated total costs of the contract, it may be desirable to reduce the total estimated costs. Significant shortfalls in estimated revenues for a contractor can have significant implications for A.I.D. In view of the unevenness of buy-in demand, it was agreed as a compromise that the S&T project officer and SER/OP should get together before the PIO/T for the second-to-last year of incremental funding is processed to determine if the PIO/T should request a decrease in the total estimated costs.

OP/W PROCEDURE

This procedure is not applicable:

- Dual contract approach
- Cooperative Agreements
- Ribbon PASAs

For these instruments, see description and ordering information on pages B.1-1 to B.1-7.

MULTIPLE-USER CONTRACTS AND AGREEMENTS

GENERAL INFORMATION

Included in this portion of the directory are contracts, cooperative agreements and Ribbon PASAs issued by the central bureaus which permit use through a "buy-in" by Missions and by offices in AID/W.

Contracts, cooperative agreements and PASAs are all subject to different regulations and procedures and the method under which these agreements may be accessed by the field differ.

1) Contracts are subject to the Federal and AID Acquisition Regulations.

2) Cooperative Agreements are issued in accordance with the requirements of AID HB 13, The Federal Grants and Cooperative Agreement Act of 1977 and OMB Circular A110. and,

3) Ribbon PASAs permit access by addition of mission activities which further the purpose of the central project. They are subject to the same guidelines as any PASA, HB 12.

Because of the different regulations, each type of instrument raises different concerns in making them available for worldwide use.

There are two major areas of problems associated with contracts. The first involves the question of competition and the second the use of the funds appropriated for a particular activity being utilized for that activity and that activity only.

It is the policy of the U.S. Government that all goods and services be obtained through full and open competition. When buy-ins are accepted there must be a positive determination that requested services are within the scope of the contract. This determination must be made by the Contracting Officer (CO). The Contracting Officer is the sole official of the U.S. Government held accountable by the General Accounting Office (GAO), the Inspector General (IG), the Courts, etc. for any abuse of the competitive procedures. The responsibility applies not only to the original contract but also to the buy-ins under that contract. It is for this reason that the performance under the buy-in cannot begin prior to CO approval.

The problem of ensuring that funds appropriate for specific activities be actually used for those activities is one of long standing. Early "buy-in" contracts comingled funds. Contract activities were undertaken on a priority needs basis while funds were disbursed on a first-in first-out basis. This almost always meant that there was not a match of mission funds disbursed for work at that mission. Advice of Charge (AOC) to missions might be delayed eighteen to twenty-four months after activities were completed. Specific prohibitions on usage of funds could not be observed. Funds remaining after activities were completed remained in the contract and did not revert to the Pro-Ag. A more recent contract type (combined core & buy-in) provides different treatment of funds depending on whether they are Pro-Ag or not. If funds are Pro-Ag, then the actual obligation of those funds is in the Pro-Ag and use of such funds is subject to the terms and conditions of the Pro-Ag. Such funds must, at all time, be trackable and benefits (services and commodities) funded with such funds delivered in accordance with the terms of the Pro-Ag. Any funds remaining unexpended at the completion of the buy-in must revert to the Pro-Ag.

In addition to these two major concerns, there is the question of the applicability of good contracting practices and procedures. Again, the Contracting Officer is charged with the determination that the costs associated with services or products are reasonable. As the actual services were not identified at the time of the initial contract award, no such determination has been made under a buy-in. Such questions as the reasonableness of salaries (including the FS-1 limitation), the use of US Flag carriers, appropriate application of source/origin requirements are just a few examples of the concerns that must be addressed by the Contracting Officer.

There are a number of different forms of agreements still in place. We apologize for the confusion that this creates. We are working toward a standardized approach and hope we're almost there.

Some important reminders and suggestions:

- Buy-ins must be <u>within the scope</u> of the original contract.

- Buy-ins must be within <u>the total estimated cost and level of effort</u> of the original contract. (Except for the new Dual Contracts approach and Cooperative Agreements permitting Add-ons.)

- Requests from Missions or AID/W offices for buy-ins must be discussed with the central bureau project office and OP and <u>not</u> directly with the contractor. This is to prevent loss of time and effort on the part of the Mission and contractor should a buy-in be determined unacceptable.

- Under all centrally managed multi-user contracts and agreements the administration of the instrument is by the central bureau. Administrative approval of vouchers and financial reports is by the central bureau project officer. Input from the mission/office issuing the buy-in should be sought, but the actual approval must come from the central bureau.

- Missions or bureaus which buy-into a contract have no direct relationship to the contractor. Rather, they must deal with the contractor through the central bureau sponsoring the contract and through OP.

- Funds obligated under project agreements (Pro-Ag) must be issued by discrete order and contractors must cite specific orders on invoices in order to maintain separate accountability of funds. Any conditions of the Pro-Ag that are applicable to the buy-in must be included on the PIO/T.

- Normal processing time in OP for buy-ins is 30 - 60 days. Any urgent requirements and requests for special handling must be discussed with the Contracting Officer prior to submission of the PIO/T.

- Buy-ins for under $25,000 are not generally accepted. This is because Federal Acquisition Regulations (FAR) Part 13 permit simplified procedures for obligations of these small purchases. These procedures should be utilized by the mission contracting officer to obtain these small dollar value services directly. Certain contracts actually prohibit buy-ins below $25,000. Some can be accepted based upon the actual situation involved. All proposed buy-ins below $25,000 MUST be discussed with the central bureau project officer and the OP Contracting Officer prior to submission of a PIO/T.

- Buy-ins over $250,000 are generally not accepted. This is because when buy-ins reach this level they become attractive as "free-standing" contracts. To accept buy-ins above this level, it must clearly have been the intent of the project design and the contract, as competed, that large buy-ins were anticipated. Buy-ins over $250,000 MUST be discussed with the central bureau project officer and the OP Contracting Officer prior to submission of a PIO/T.

HB

Following is a brief description of the various type contracts and agreements which permit use by offices other than the sponsoring office.

BASIC ORDERING AGREEMENTS (BOA)

A Basic Ordering Agreement (BOA) under which a separate Delivery Order is issued for each buy-in is a companion instrument to a grant or cooperative agreement funded by a central bureau. A separate instrument was established to permit buy-ins which are typically contractual in nature (acquisition of services) which makes them inappropriate for placement under the "core" grant or cooperative agreement (which is used to support the Recipient's research program).

- The BOA is similar to an IQC, except:
  - Delivery orders are managed by the central bureau.
  - A multiplier is not used, rather cost reimbursable budgeting is used.
  - Delivery orders are not restricted to 120 days, however,
    - Orders must be issued before the completion date of the BOA.
    - Work performed under the order must be completed not later than 120 days after the completion date of the BOA. (S&T/AGR BOAs only)
  - Orders must be for a minimum of $25,000.
  - Payments are made by AID/W/FM.
  - Administrative approval of vouchers or financial reports is by the central bureau (with input from the Mission).

A BOA can be identified by the "B" in the document number. In document DAN-0054-B-00-8023-00 the "B" indicates that this is a BOA.

RIBBON PASA

A Ribbon PASA permits the amendment of the PASA to provide for a buy-in.

- Ribbon PASAs generally work in the same way as a normal PASA, except:
  - All buy-ins are managed by the central bureau, rather than the Mission funding the buy-in.
  - All payments for buy-ins under the Ribbon PASAs are made by AID/W/FM.
  - Administrative approval of the vouchers or financial reports is made by the central bureau (with input from the Mission).
- All buy-ins must be completed not later than the completion date of the PASA.

A Ribbon PASA can be identified by the "X" in the document number. In document DPE-5951-X-HI-7015-00 the "X" identifies this as a Ribbon PASA.

COMBINED CORE & BUY-IN CONTRACTS

Some older contracts combined the central bureau "core" activities and the buy-in activities under one contract. However, these contracts require that all costs incurred by the contractor be allocated either to the core funding or to the applicable buy-in.

- All buy-ins are managed by the central bureau.
- No buy-ins are accepted for less than $25,000.
- All buy-in activities must be completed before the estimated completion date of the contract.
- All payment under the contract (including those for buy-ins) are made by AID/W/FM.
- Administrative approval of vouchers or financial reports is by the central bureau (with input from the Mission).

These contracts can be identified by the "Z" in the document number. In document DPE-5969-Z-00-7064-00 the "Z" identifies this as a contract combining the core and buy-ins into a single contract.

DUAL CONTRACTS

The most recent contract version of a central project which can provide services to other offices is a dual contract approach. Under this procedure, two contracts are awarded as a result of a single RFP. The first contract covers the "core" support or the central activities. The second contract provides that all requirements that are a direct result of the contract for the "core" activities will be placed under that "requirements" contract. As these contracts are awarded in the aggregate, the evaluation of the proposals will consider the contractor's ability to provide the agency's total worldwide (central project and buy-ins) requirements. This form of contracting provides two major advantages. The ordering form is the same as that under IQCs and thus familiar to users. The second is that the orders received are not required to fall within the total estimated level of effort established in the original project. This has overcome one of the longstanding problems with buy-in contracts - that of accurately estimating the agency's needs over a worldwide multi-year project .

Unlike the "Z" contracts, this approach does not distinguish between Pro-Ag and non-Pro-Ag funds.

We hope that our latest dual contract method of contracting for these "multi-user" contracts will be successful for both AID/W and Missions.

The requirements contracts which are issued as a companion to a central bureau contract provide for buy-ins over and above the central bureau estimated cost.

- This contract operates identically to an Indefinite Quantity Contract (IQC), except:

  - All delivery orders issued are managed by the central bureau.
  - There is a minimum order amount of $25,000.
  - There is no limitation on the length of orders, except:
    - All orders must be issued before the estimated completion date of the contract.
    - All work performed under the order must be completed not later than 120 days after the completion date of the contract.

- Subcontracting is not prohibited. However, subcontracting under the contract, other than with those organizations with which the prime contractor originally proposed to subcontract, is generally not permitted. A.I.D. MAY NOT SPECIFY SUBCONTRACTING TO THE CONTRACTOR AS A CONDITION OF RECEIVING AN ORDER.

Requirement contracts can be identified by the "Q" in the document number. For example, in the document DPE-5948-Q-00-9031-00 the "Q" indicates a requirement contract.

COOPERATIVE AGREEMENTS

Cooperative Agreement may permit "add-ons". The distinction between buy-ins and add-ons are two-fold: (1) unlike buy-ins (which are within the total estimated cost of the instrument), add-ons increase the total estimated cost of the cooperative agreement by the amount of the add-on; and (2) the add-on must be in the nature of assistance to the Recipient's program (i.e., grant or cooperative agreement) rather than acquisition of services (i.e., contract). For a discussion on the differences between acquisition and assistance, see Handbook 1, Supplement B, Chapter 25 and Handbook 13, paragraph 1B. It should be noted that assistance does not imply that the Mission (or host country) does not receive any benefit from the program activity performed by the Recipient; rather there is a mutuality of interest and benefit for both the Mission (or host country) and the Recipient.

- All add-ons are managed by the central bureau.

- Each add-on is treated as a discrete activity, and has its own program description and budget.

- All add-on activities must be completed before the estimated completion date of the cooperative agreement.

- All payments (including for add-ons) are made by AID/W/FM.

- Administrative approval of the Recipient's vouchers or financial reports is made by the central bureau (with input from the Mission).

A Cooperative Agreement can be identified by the "A" in the document number. In document DPE-5951-A,00-5051-00 the "A" indicates this is a cooperative agreement.

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ORDERING INSTRUCTIONS

BOAs and all contracts

1. Prepare PIO/T with -

Contractable scope of work, illustrative budget; logistic support, justification and approval for Advisory & Assistance Services (see page 26 of Uniform Procedures for the Issuance of Delivery Orders Under IQCs, set forth in PART A.1 of this Directory).

2. If participant training is involved, the PIO/T must include the Training Cost Analysis (TCA) required by HB 10, Chapter 5.

3. PIO/T must be cleared by the central bureau. This is in addition to any regional bureau clearance required.

4. Performance cannot commence until authorized by the Contracting Officer.

Urgent circumstances must be communicated to the CO at or prior to submission of the PIO/T.

Ribbon PASA

1. Prepare PIO/T to include - a scope of work, illustrative budget, logistic support and 621(a) certification required by paragraph 1B2c of HB 12.

2. The PIO/T must be cleared by the central bureau (in addition to any clearance required by the regional bureau).

3. Performance cannot commence until authorized by the Agreement Officer.

Cooperative Agreements

1. Prepare a PIO/T with a supplemental program description, illustrative budget, and logistic support. The PIO/T must demonstrate that the relationship desired is one of assistance rather than acquisition (see HB 1. Supplement B, Chapter 25 and HB 13, paragraph 1B).

2. PIO/T must be cleared by the central bureau project officer.

3. Performance cannot commence until authorized by the Agreement Officer.

MEMORANDUM FEB 23 84

TO : S&T/HR, Ruth K. Zagorin
S&T/PA, John Robins
S&T/EN, Jack Vanderryn
S&T/HP, James Sarn

FROM : S&T, N. C. Brady /s/ LY

SUBJECT: Procedures for Mission Use of S&T "Ribbon" PASA Agreements

BACKGROUND

S&T Bureau makes extensive use of both RSSA and PASA agreements to implement its programs. The distinction is important, however, for programming mission add-ons to central activities.

RSSA: A RSSA is an agreement with another federal agency to provide general support to the Bureau programs. The key point here is that S&T Bureau RSSAs support Washington programs and not mission programs. In consequence, mission add-ons are inappropriate. RSSA staff may, of course, go out to provide assistance to missions on behalf of the Bureau, but they go as any other direct hire staff -- i.e., their salary is centrally funded. The mission may request RSSA staff services and issue invitational travel orders that pay for transportation and per diem, but such mission support would not be an add-on to the central RSSA.

PASA: S&T Bureau normally uses a PASA to implement a discrete S&T Bureau project (either R&D or field support). Subject to reservations discussed below, mission add-ons intended to further the purpose of the central project are appropriate for PASA agreements.

With the growing importance of "ribbon projects" (i.e., collaborative activities among S&T Bureau and a number of missions which may involve significant mission add-ons to the central project) in the S&T portfolio the number and magnitude of mission add-ons to PASA agreements has grown. As a result we have run into a number of difficulties with the existing procedures -- especially with USDA and the USDA Graduate School. These problems may well apply to other PASA agreements and S&T Agency Directors may wish to explore whether there are comparable problems that need attention.

PROBLEMS

The problems associated with mission add-ons are two:

- OMB Circular A-76: Agency procedures implementing A-76 require that an appropriate AID officer exempt RSSA/PASA agreements from the provisions of A-76 by certifying that (a) it is for the provision of technical assistance, (b) the government agency in question is particularly or uniquely suitable to provide the required services, and (c) the services procured from that agency are not competitive with the private sector [S&T Agency Directors are delegated this authority].

This certification is made whenever a RSSA/PASA agreement is established. However, as large numbers of mission add-ons are processed to PASA agreements it is not always clear whether these activities are covered by the original certification.

- Financial Management: The existing USDA and AID financial management procedures make it difficult (or impossible) to attribute expenditures to specific mission add-ons. The reason for this is that the USDA bills are by PASA number and not by individual obligations. As a result it is not possible to disover to which country or add-on the vouchers should be charged. The AID procedures reinforce this problem because FM charges vouchers against obligations in chronological sequence. That is, the first PIO/T obligated gets cleared first, then the second, etc. -- regardless of what work the vouchers relate to. Thus, USAID/Bangladesh may be billed for work in Jamaica if the Bangladesh PIO/T was obligated and if the voucher for the Jamaica work is submitted and processed before the funds obligated under the Bangladesh PIO/T are exhausted.

In order to solve both of these problems SER/CM adopted the practice of establishing a new PASA for each mission request for services (i.e., add-on). This assured that the mission funds can be accounted for and that a new A-76 determination is done for each activity.

S&T project managers have found this a difficult procedure to work with.

- The time and paperwork associated with processing new agreements for each activity are excessive.
- Because the new PASA establishes a direct agreement between the USAID and USDA, our project officers lose management control over their own project's field activity and find it difficult to play the coordinating role or ensure the quality control expected of them under a "ribbon project."

SOLUTIONS

Representatives of S&T, SER/CM, GC, FM, IRM/MMP and USDA have met and recommend the following solutions.

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1) OMB A-76: Much of the confusion appears to stem from the fact that S&T offices are using a single RSSA/PASA for a variety of purposes -- e.g., provision of miscellaneous services for S&T, ad hoc services for field missions, central R&D, long-term mission support associated with central R&D, and even long-term support for missions unrelated to central purposes. It is impossible to know whether the original justification under A-76 holds for any particular activity. We need to clean this up.

Recommendations

-- Each central R&D or Field Service "ribbon project" should be etablished as a separate ("Ribbon") PASA. In this way, an initial A-76 determination can be made for the project based on the scope of work for the project. When a mission requests an add-on, the project manager indicates that it is within the scope of work of the original project (i.e., that it contributes to the central R&D or service function) and that the work is, therefore, already covered by the original A-76 determination.

-- It will be necessary to establish annually a target funding level for each "ribbon" PASA. This will establish a ceiling for the year to assist USDA planning and permit them to make a cost proposal. However, the "target funding level" will not be guaranteed. We would guarantee any central core support but the mission add-ons would depend upon the level of mission interest. The initial "target funding level" should be as high as appears reasonable and could be amended during the year if needed. It is necessary to establish this "target funding level" in order to permit incremental funding with mission add-ons.

-- General ad hoc support to S&T Offices should be provided through a RSSA. This should provide technical and other support only to the central program. There should be no mission add-ons to the RSSA. The logic behind this is that the S&T RSSA for general support is only for the S&T Bureau. It is not S&T Bureau's responsibility to provide miscellaneous services to missions and regional bureaus. They should make their own PASA/RSSA arrangements for this purpose.

2) Financial Management: USDA and AID financial management offices have agreed that as each PIO/T (and hence each mission add-on) is obligated, a unique PASA amendment number will be assigned. The cooperating agency will then track expenditures under that amendment by that number. This will permit AID/FM to attribute vouchers to specific missions and also permit us to aggregate expenditures by project and PASA.

3) Procedures:

-- At the start of each fiscal year the managing S&T Office develops a PIO/T stating a scope of work (annual work plan).

-- Mission cables S&T with authorization and funding information and a specific scope of work that is consistent with the general scope established in the project and the original PASA agreement.

-- S&T project manager executes a PIO/T for the mission add-on. SER/CM then assigns it a unique PASA amendment number and obligates the funds on an incremental basis.

-- S&T project manager then issues a "task order" directly to the cooperating agency instructing them to start work. There is no need for SER/CM to clear this "task order" as the authorization to do the work was already established in the annual work plan. Project managers need to be sure, however, that the PIO/T has been processed before issuing the "task order." Under extraordinary circumstances, it is possible to issue the "task order" before processing the PIO/T if there are sufficient central funds obligated to cover the cost of the activity. Project managers should be aware, however, that should any problems occur in obligating the funds reserved in the mission PIO/T they must accept the risk (a) of having to pay for the activity out of central funds and (b) of prosecution under the anti-deficiency act if sufficient funds are not available to satisfy subsequent vouchers.

-- The cooperating agency vouchers against the PASA amendment number (cost center). M/FM can then charge the proper funding citation and transfer the expenses to the appropriate mission.

-- If all funds are not expended, the S&T project manager may recommend deobligation or additional services to the mission as appropriate. If there is a cost overrun, the project manager would need to secure additional mission funds (either as an upward adjustment or a new obligation) or charge the overrun against core S&T support as appropriate.

ACTION

1. All S&T Agency Directors should respond in writing that these procedures are satisfactory. If there are add-on problems with other agencies, I should be informed so that we can deal with them.

2. Whenever the next increment of funding goes into a USDA or USDA Graduate School RSSA/PASA Agreement, we should take the opportunity to review its purpose and determine whether it should be revised to conform to the new S&T "ribbon" PASA concept procedures. It should be the responsibility of each office and S&T/PO to accomplish this in an expeditious fashion.

3. Each S&T Directorate should take measures to familiarize their staff with these new procedures. Contact Ken Milow, Norm Nicholson or Bill Auer if you need clarification.

4. SER/CM and GC have raised legitimate concern about the management of our PASA/RSSA agreements. We need to take this opportunity to review them and rationalize the process. Specifically we need to be sure that each "ribbon project" has a unique PASA and that RSSA agreements are used only for S&T program support.

5. More generally, Agency Directors should remind their staff of OMB Circular A-76 requirements.

Clearance:

S&T, L. Yaeger (draft)
SER/CM, J. Watkins (draft)
SER/CM, B. Auer (draft)
S&T/PO, K. Milow (draft)
S&T/FN, L. Laird (draft)
M/FM, E. Owens (draft)
GC, J. Patterson (draft)
IRM/MMP, R. Calhoun (draft)
USDA/OICD, H. Wynn (draft)
USDA/OICD, J. Hyslop (draft)

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