

USAID/AFGHANISTAN
COMMODITY EXPORT PROGRAM (CEP)

CONTRACT NO. 306-0205-C-00-9384-00

MARCH 1, 1989 THROUGH FEBRUARY 28, 1994

FINAL REPORT



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Contractor : RONCO Consulting Corporation
AID Project Managers : Val Mahan
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LIST OF ABBREVIATIONS

AID/Rep	: USAID Representative for Afghanistan Affairs
AHF	: Animal Holding Facility
AHR	: DoD Afghanistan Humanitarian Relief
AIG	: Afghanistan Interim Government
ARF	: DoD Afghanistan Relief Flight
CBHA	: Cross-Border Humanitarian Assistance
CCD	: Contract Completion Date
CEP	: Commodity Export Program
COP	: Chief of Party
DoD	: Department of Defense
FSN	: Foreign Service National
GOP	: Government of Pakistan
PACD	: Project Assistance Completion Date
MDD	: Mine Detection Dog
MDDC	: Mine Detection Dog Center
O/AID/Rep	: Office of the AID/Rep
SSPO	: USAID Supervisory Special Project Officer
UNOCHA	: UN Office for Coordination of Humanitarian Assistance
USAID	: United States Agency for International Development

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EXECUTIVE SUMMARY

The Commodity Export Program (CEP) operated a logistical system in Pakistan in support of USAID's Cross-Border Humanitarian Assistance (CBHA) program that provided assistance to the war affected people of Afghanistan. RONCO Consulting Corporation was contracted to manage and operate the CEP for the USAID Representative for Afghanistan (AID/Rep) beginning in February of 1989.

RONCO successfully executed the project during its initial three base years such that USAID exercised each of two one year options for a fourth and fifth year. As the AID/Rep's procurement and logistics contractor, RONCO's scope of work evolved into the following components: Procurement; Transportation, Logistics and Logistics Services; Technical Assistance and Training; Finance and Administration; and, management of the Mine Detection Dog Center (MDDC).

The RONCO Washington office provided home office administrative and technical support to the field staff, the primary service being that of Procurement Agent for United States procurements. The expatriate field staff in Islamabad consisted of a Chief of Party, Deputy Chief of Party and four functionally oriented staff members. There were two Area Logistics Officers, one in Peshawar and one in Quetta, and the Director of the Animal Holding Facility from which the Mine Detection Dog Center evolved. At the high point of the project there were 350 Afghan and Pakistani Foreign Service National (FSN) personnel. Short-term consultants were brought in as required in support of the CEP as well as other AID/Rep CBHA projects.

The structure of the contract provided the AID/Rep flexibility in the operational aspects of the program. The AID/Rep's directed level of activity significantly exceeded that envisioned in the scope of work of the original contract to which there were 36 modifications. During the life of the contract RONCO was ultimately responsible for:

- Being the procurement agent for up to twenty-three entities rather than the three identified in the original contract.
- \$44.35 million in procurement rather than the \$27 million identified in the original contract.
- Procuring thousands of individual low-dollar value items rather than the relatively few, high-dollar value items envisioned in the original contract.
- Executing a \$15 million Technical Assistance effort rather than the \$8.3 million effort provided for by the original contract.
- Managing an FSN Afghan and Pakistani staff of 350 personnel rather than the envisioned

- Managing an FSN Afghan and Pakistani staff of 350 personnel rather than the envisioned 120 personnel.
- Conducting warehousing operations in as many as 17 locations rather than the 4 locations spelled out in the original contract.
- And, at AID/Rep direction, assuming two new missions, not originally identified in the contract, during the final, phase-out year of the project: responsibility for other project's excess property, and property disposal sales.

Inherent in the CEP was a "rapid response" capability which enabled the AID/Rep to quickly change direction and be proactive rather than reactive in meeting the needs of the Afghan people. When the need arose, the AID/Rep was able to provide immediate emergency assistance to victims of natural disasters as well as the envisioned humanitarian aid to the Afghan people ravaged by war. He was able to do such things as contract for sedans, fork-lifts, even a 52 passenger "Flying Coach" to meet immediate transportation requirements; bring in a special consultant and lease a training area for training and rehearsing Afghans to launch a bailey bridge, the "Arandu" bridge; initiate and complete the largest commodities procurement of the CEP, \$5 million worth or 8,100 metric tons of wheat over a three month period, to meet the urgent need to sustain Afghans during the winter of 1989-90; procure and deliver by air within 30 days, the first of four (4) Caterpillar bulldozers recognized as a requirement by the U.S. Special Envoy with the remaining three enroute via surface; and, procure and accompany 93,000 fruit trees from Turkey for farmers inside Afghanistan on the occasion of the Presidentially declared "Earth Day - 1990." All such actions were at the direction of the AID/Rep.

The AID/Rep's concept of a centralized procurement agent (RONCO) for the program's twenty-three entities proved itself over and over again. In the case of the above \$5 million dollar commodities procurement, the competitive procurement by a single agency resulted in a cost approximately \$750,000 less than the GOP had estimated using market prices. The concept also provided control in insuring that procurements sourced from Afghanistan, Pakistan, Code 935 Special Free World Countries and the United States were in strict adherence to Federal and USAID procurement regulations.

RONCO issued 3,130 purchase contracts, 385 by the Washington office and 2,745 by the Islamabad office. Those from the Washington office were valued at \$16 million and those from Islamabad at \$28.35 million; of those awarded from Islamabad, \$22.87 million were for local procurements and \$5.48 million were for off-shore procurements.

The Transportation and Logistics Officer directed or coordinated seventeen separate warehousing operations, three of which were inside Afghanistan; the handling of donated humanitarian aid which was received, inventoried, stored, and transshipped for distribution inside Afghanistan from 53 of the 128 DoD Afghan Relief Flights (ARF) and nine Afghan Humanitarian Relief (AHR) surface

air and surface shipments; the issue and distribution of 130,000 metric tons of commodities and PL-480 Wheat utilizing some 12,000 truck sorties; and, the receipt and transshipment of 128 mules and 114 mine detection dogs to the Animal Holding Facility (AHF).

As a result of the Mideast War there was an ordered evacuation of U.S. personnel in January of 1991. The Chief of Party was the only AID/Rep contractor to remain during the evacuation. The period was characterized by intense fighting, widespread flood and earthquake damage in Afghanistan. "Rapid response" in the form of "need assessments" followed by expedited "emergency" shipments of relief items was the order of the day. The procurement pipeline continued requiring that RONCO warehouse and store items for other AID/Rep contractors until their return.

Perhaps one of the greatest success stories of the USAID CBHA and CEP effort evolved from the "Animal Holding Facility" (AHF). In late 1989 and early 1990 the AHF was involved in pack and traction mule training for Afghans, but on June 22, 1989, a Mine Detection Dog Pilot Project commenced with the arrival of fourteen donated and pre-trained Thai mine detection dogs with their Thai trainers. Mujahideen students were trained as handlers and man and dog were bonded into mine detection teams. Today, the vastly expanded dog program may have as many as 70 dogs, 200 handlers and support personnel and 50-60 vehicles simultaneously deployed inside Afghanistan from base camps in Pabbi and Quetta. MDD teams may be operating in as many as 10-15 provinces.

There have been over 36,000 anti-tank, anti-personnel, or other unexploded ordnance type items detected and destroyed; 365,820 suspicious objects declared safe; and, 9,360 square kilometers of area cleared. The program officially transitioned to UNOCHA on February 1, 1994.

The Mine Detection Dog Center (MDDC) which transitioned to UNOCHA is a prime example of RONCO's Institution Building capability. With technical assistance from the RONCO field staff, the organization was taken from one totally reliant on RONCO's functional staff and Area Logistics Offices to a self-sustaining, independent organization with some 277 employees. On-the-job training was used to transfer skills to MDDC Afghan counterparts. Counterparts were evaluated over a period of several months while running parallel systems. And, once assured of their competence, the field staff provided oversight until the actual transition to UNOCHA.

Monitoring activity reached an all time high during the 1st and 2nd Quarter of Fiscal Year 1990. RONCO monitors, especially those out of Peshawar, were allowed almost unlimited freedom in making market surveys, independent monitoring trips into Afghanistan, and in escorting convoys from RONCO warehouses as well as "Party" warehouses into Afghanistan. The suspension of cross-border operations and emergency humanitarian assistance together with the end of the direct distribution of CEP foodstuff, result-ed in reducing the number of monitors to only those needed for special assignments at the beginning of Fiscal Year 1992.

There were many "what-if" drills affecting the contractor as the AID/Rep searched for new

innovations to enhance USAID's Cross Border Humanitarian Aid program and planned for the move to Kabul. The following are examples:

- Private Sector Development Project Proposal
- General Services Office Support for O/AID/Rep
- Support for O/AID/Rep Transition to Kabul

RONCO, a Procurement, Logistics, and Logistics Services contractor provided a flexible, proactive support capability. During the final, phase-out year of the contract, USAID regularly exercised the words in RONCO's contract to the effect that requirements may change from time to time according to the needs of the program.

RONCO assumed two new missions as large or larger than any up to that point in the project: responsibility for other projects, project stocks in place and the excess property of projects being phased-out, and the conduct of property disposal sales. Six months prior to the Contract Completion Date (CCD) RONCO was given responsibility for the storage and redistribution of 85,000 items of other project excess stocks, with the last of 14 Property Disposal Sales conducted on January 13, 1994. \$264,000 in funds were recovered for the U.S. Treasury.

RONCO's phase-out of the Commodity Export Program (CEP) project began in earnest during the 4th Quarter of Fiscal Year 1993 with the incorporation of RONCO's Phase-Out Plan into the contract as Modification #34. There was, however, little visible evidence of phasing out as RONCO's logistics activities remained as intense as experienced at any other time in the contract. Nevertheless, quarters and offices were terminated, property was turned over to USAID, remaining expats cleared country, and only a token FSN staff remained as of March 1, 1994 to ensure that remaining accounts were closed out in an orderly fashion.

In summary, the objectives of the USAID Commodity Export Program (CEP) and the AID/Rep's procurement and logistics contractor's contract were met. USAID took advantage of available funds to procure CEP commodities in the mix most beneficial to the Afghan people and maximized use of available DoD excesses to supplement that available through USAID. War affected Afghans were provided with a range of humanitarian goods and services.

RONCO provided an effective logistical system in support of the AID/Rep's program of Cross-Border Humanitarian Assistance. Additionally, RONCO functioned as the AID/Rep's centralized procurement agent for up to twenty-three different entities assuring USAID control over the procurement program, adherence to Federal and USAID procurement regulations, and the cost savings accrued due to economies of scale and full and open competition during the procurement process.

CHAPTER I. BACKGROUND AND INTRODUCTION**A. Background**

The Cross-Border Humanitarian Assistance (CBHA) program was developed to improve the capability of Afghans to sustain themselves inside Afghanistan and to provide assistance to the war affected people of the country. It was launched by the Agency for International Development early in fiscal year 1986. The Commodity Export Program (CEP) portion of the CBHA was designed and started to provide war affected Afghans with a range of humanitarian goods such as food, clothing, shelter and related items. It was implemented by a U.S. procurement, logistics and logistics services, and technical assistance contractor...RONCO Consulting Corporation.

The objective of the contract was to provide an effective logistical system in Pakistan in support of USAID's program of Cross-Border Humanitarian Assistance (CBHA) to war affected people in Afghanistan. To accomplish this objective, the contractor managed and operated the Commodity Export Program, provided all logistic services established in the Cross-Border effort and modified those services as necessary to meet the changing needs of the program. The services included, but were not limited to: procurement and transportation of purchased items, operation of storage facilities, accountability and management of property, operations of animal holding facilities (later, Mine Detection Dog Center), technical assistance and training in support of the CBHA, and disbursement activities.

RONCO began implementing the project in February of 1989 and successfully guided the project through its initial three base years in such a manner that USAID exercised each of two one year options for a fourth and fifth year. This report covers the entire five year contract period.

Throughout the period of the contract the contractor's home office in Washington provided home office administrative and technical support to the field staff and support for essential services not provided in-country. The primary service provided the field staff was that of Procurement Agent for United States procurements.

The expatriate field staff consisted of a Chief of Party, Deputy Chief of Party and four functionally oriented staff members in the areas of procurement, transportation, logistics and logistics services, and administrative and financial activities located in proximity to the AID/Rep in Islamabad; Area Logistics Officers in each of the frontier border towns of Peshawar and Quetta; and, the Director of first, the Animal Holding Facility and, later, the Mine Detection Dog Center in the vicinity of Peshawar. At its height, there were 350 Afghan and Pakistani FSN and eleven expatriate personnel. During the period of the contract, a number of short-term consultants were brought in as required in support of the CEP as well as other AID/Rep CBHA projects.

Implicit in the above responsibilities was the requirement for the contractor's field staff to exercise

a high degree of diplomacy as representatives of the United States in the host country of Pakistan. They interfaced with Members of Congress, senior State Department and USAID officials; Government of Pakistan officials; officials of the United Nations; members of the Interim Government of Afghanistan; representatives of other AID/Rep projects, non-government organizations, and international groups; initially, the "Parties," and later, Shuras; and, had daily interface with the AID/Rep project officers and staff.

The field staff were required to be accustomed to working with local and third country nationals. They had to be accustomed to working with host country counterparts and respectful of both the Afghan and Pakistani people and their culture, pride, customs, and traditions, realizing the fierce pride of each nationality.

This is a comprehensive report that summarizes the major events over the full 5-year contract period. The information is supported by statistical data relative to procurements, dollar amounts expended, and other items that reflect on the accomplishments and performance of the contractor. This report also includes recommendations, problems encountered, and describes how the objective of the contract was accomplished.

Highlights which do not conveniently align with one specific component are summarized in the general section. Otherwise, the report addresses each component in sequence. It first summarizes the highlights then provides the details of the activity of the component. The components are discussed as they evolved during the course of the contract rather than as contained in the scope of work of the contract. They include:

- Procurement
- Transportation, Logistics and Logistics Services
- Mine Detection Dog Center (MDDC)
- Technical Assistance and Training
- Finance and Administration

B. Introduction

The USAID Representative for Afghanistan (AID/Rep) quickly recognized the need for a procurement, logistics, and logistics services contractor that would provide an effective logistical system in Pakistan in support of USAID's program of Cross-Border Humanitarian Assistance (CBHA) to war affected people in Afghanistan. At the onset of the contract, the intent was for the contractor to develop a contingency plan for continuity of support during the relocation to and initial

operations out of Kabul. The alternative was to rely on General Services Office (GSO) support from USAID/Pakistan.

The RONCO Commodity Export Program (CEP) contract provided the AID/Rep a flexible, proactive, "rapid response" support capability where the words in RONCO's contract to the effect that requirements may change from time to time according to the needs of the program, were exercised time and time again. The AID/Rep provided direction through the USAID Supervisory Special Project Officer and the contractor responded with the required humanitarian aid in the form of commodities, services or other technical assistance as required by the people of Afghanistan.

At the AID/Rep's direction, the level of activity throughout the contract period was far above that envisioned in the initial contract. There were 35 contract modifications with a number of them providing for this increased level of activity.

When the need arose, a "rapid response" capability enabled the AID/Rep to provide emergency assistance to victims of natural disasters while still providing the envisioned humanitarian aid to the Afghan people. Examples of this "rapid response" capability included a contract for sedans, forklifts, even a 52 passenger "Flying Coach" to meet immediate transportation requirements; bring in a special consultant and lease a training area for training and rehearsing Afghans to launch a bailey bridge, the "Arandu" bridge; initiate and complete the largest commodities procurement of the CEP, \$5 million or 8,100 metric tons over a three month period, to meet the urgent need to sustain Afghans during the winter of 1989-90; procure and deliver by air within 30 days, the first of four (4) Caterpillar bulldozers recognized as a requirement by the U.S. Special Envoy with the remaining three enroute via surface; and, procure and accompany 93,000 fruit trees from Turkey for farmers inside Afghanistan on the occasion of the Presidentially declared "Earth Day - 1990."

Regarding the "Arandu" bridge the "Muslim," newspaper reported on September 18, 1989 that: "An impressive new bridge built on the Chitral river at Arandu on the Pak-Afghan border has been opened to traffic...the bridge connects Arandu in Pakistan with Barikot in Afghanistan's Kunar province. It's design and quality of work are extraordinary."

Much of what was done under this contract was done on an "urgent" basis.



Bridge on Pak-Afghan border opened

BUREAU REPORT

CHITRAL, Sept. 18: An impressive new bridge built on Chitral river at Arandu on the Pak-Afghan border has been opened to traffic. It is particularly useful for Afghan Mujahideen who are now able to transport heavy weapons across the border into Afghanistan.

Work on the folding bridge continued feverishly during the past few months. Pakistani engineers as well as Afghan Mujahideen worked on the project while the finances were reportedly provided by the Americans. US special envoy to the Afghan Resistance, Peter Tomsen also inspected the under-construction bridge sometime back and asked for its speedy construction. The bridge connects Arandu in

Pakistan with Barikot in Afghanistan's Kunar province. Its design and quality of work is extraordinary.

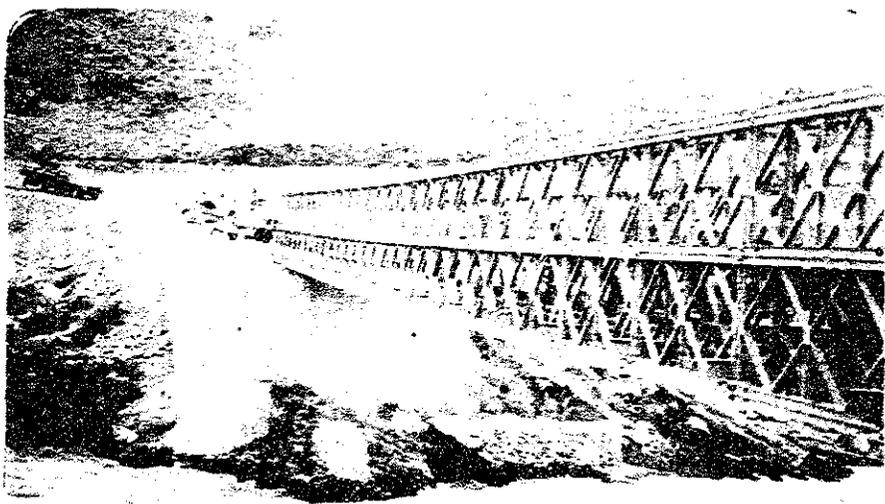
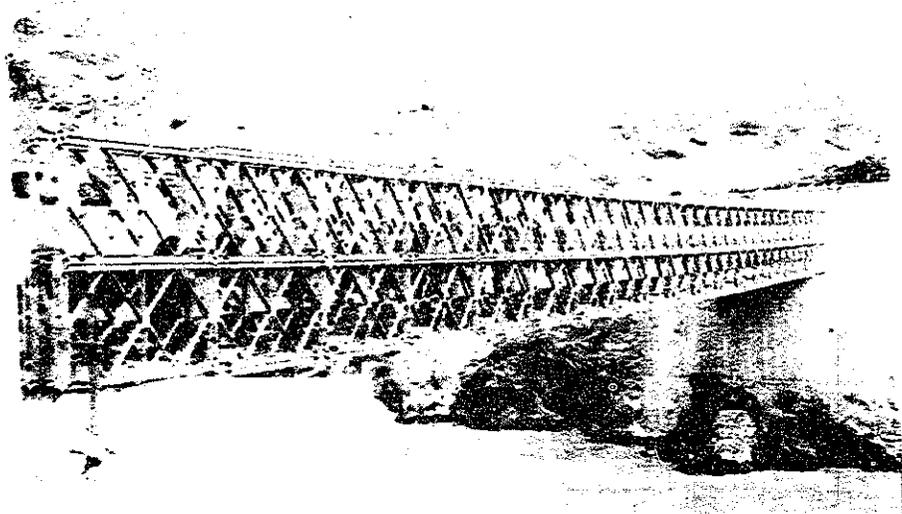
The construction of Arandu bridge was in the past, demanded by people in Chitral, especially by the Chitral National Movement to facilitate travel to Peshawar via the Arandu-Jalalabad road in Afghanistan because snowfall on the Lowari Top snapped Chitral's road link with the rest of the country for six months in a year. The demand was also made by the NAP-JUI government in NWFP in early seventies but was rejected by the then government.

Meanwhile, the road linking Garam Chashma in Chitral with Topkhana in Badakhshan

province of Afghanistan has also been repaired. Landowners there have already been paid Rs. 13 lakh as compensation and traffic on the road has started. The road is primarily used to transport weapons across the border.

An ANP leader from Chitral, Bakhshar said that creation of Pakistan's defence line was to appease the Americans and the so-called Mujahideen. He wondered why the Lowari Top tunnel project was being delayed.

People's Youth Organisation, Chitral general secretary Shah Murad Beg, however, felt Arandu bridge and the new road link with Peshawar via Jalalabad would also meet long-standing demand of Chitralis.



A view of the bridge from the left/Pakistan side abutment.





Some of the 93,000 seedling apple trees for Afghan farmers.

Earth Day brings apple trees to Afghanistan

ISLAMABAD—On the occasion of the Earth Day, on Sunday, the people of the United States of America, through the AID representative for Afghanistan affairs programme have recently provided 93,000 seedling apple trees to farmers inside Afghanistan, a Press release of USIS said.

The Earth Day 1990 was proclaimed by President Bush to celebrate the 20th anniversary of the first Earth Day and the signing of the National Environmental Police Act by President Richard M. Nixon in 1970.

The Earth Day 1990 marks the beginning of an international environment decade during which all the nations of the world are encouraged to take a close look at the way their national resources are being or misused.

The orchards of Afghanistan were devastated by military operations during the 11 years of war. Afghan orchards, once the source of fruit exported to countries of south Asia and even into Arabia and the Middle East, no longer exist in many areas.

The AID purchased in Turkey a variety of apple tree which grows well in Afghanistan. The 93,000 apple seedling were flown from Turkey to Pakistan on a US Air Force cargo plane under AID's Afghan humanitarian relief programme. The young trees were then trucked through mountain passes and are now being planted by Afghan farmers in Wardak, Ghazni and Logar provinces. The trees are expected to provide important nutritional and economic benefits to Afghan farmers and their families.

SALE OF USAID PROPERTY

Domestic appliances/furniture:

Residential Furniture, Air conditioners, Cooking Stoves Washers, Dryers, Refrigerators, Freezers, Rugs and Misc. items.

November 21, 1993

0900 thru 1300 hours

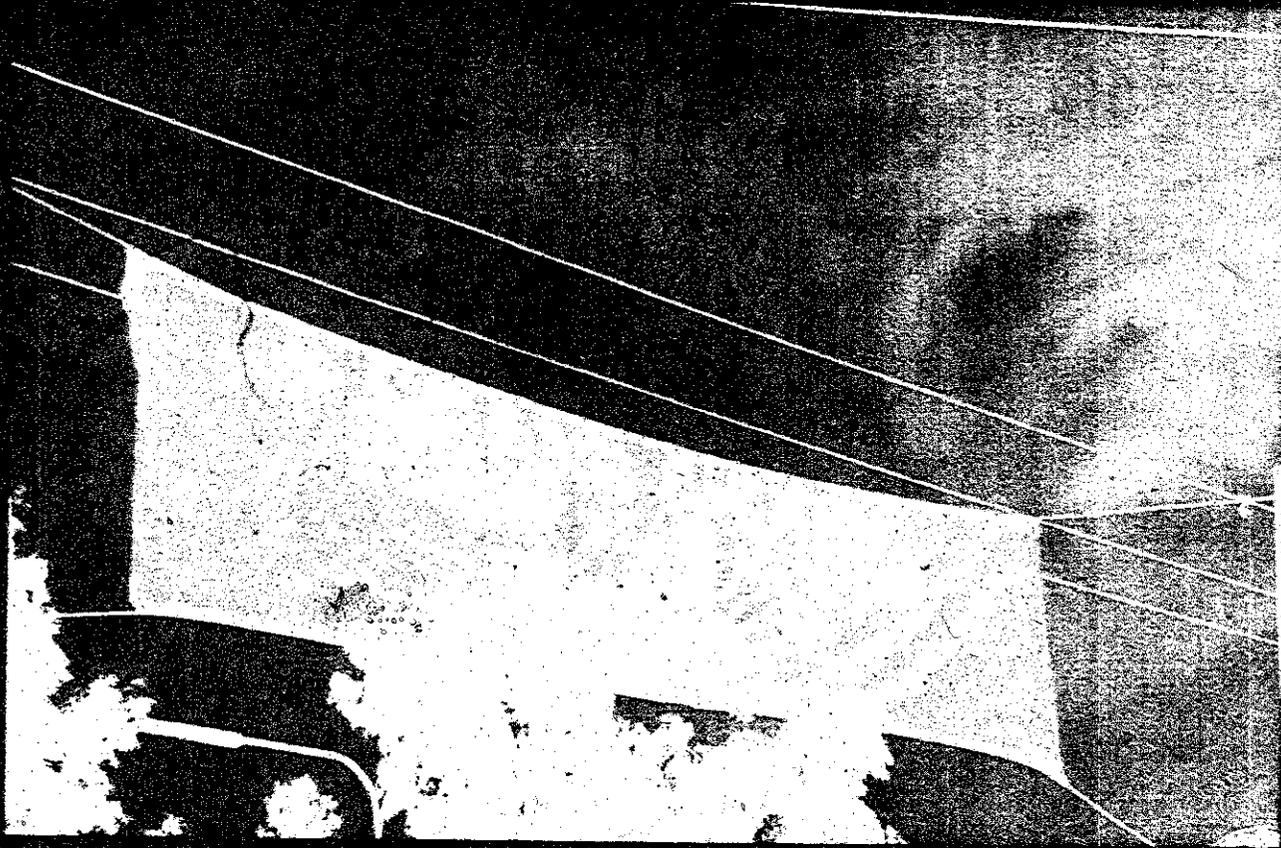
REVIEW, SUBMISSION OF BIDS AND PAYMENT OF 25% ADVANCE IN CASH:

November 21, 1993

1000 thru 1300 hours

FULL CASH PAYMENT BY SUCCESSFUL BIDDERS AND REFUND OF 25% DEPOSIT TO UNSUCCESSFUL BIDDERS:

Bid forms and conditions of sale will be available at RONCO Hayatabad Peshawar Warehouse, Industrial Estate Area, Jamrud Road, Peshawar. RONCO reserves the right to reject any or all bids without assigning any reason.



CHAPTER II. PROCUREMENT

A. Summary

The Procurement Office was the first to experience the far higher level of activity directed by AID than that envisioned in the original contract. The Office was ultimately responsible for:

- \$44.35 million in procurement rather than the \$27 million identified in the contract.

<ul style="list-style-type: none"> ● 3,130 PURCHASE CONTRACTS ● \$44,350,000 IN PROCUREMENT 	
RONCO/WASHINGTON <ul style="list-style-type: none"> ● 385 CONTRACTS ● \$16,000,000 	RONCO/ISLAMABAD <ul style="list-style-type: none"> ● 2,745 CONTRACTS ● \$28,350,000 ● \$22,870,000 LOCAL ● \$5,480,000 OFF-SHORE

- Being the centralized procurement agent for up to twenty-three entities rather than the three identified in the original contract.

PROCUREMENT FOR CEP VS. OTHERS

AID/Rep CBHA Procurement Program	Value (000)
CEP (incl. MDC)	\$10,775.00
Others	\$33,575.00
TOTAL	\$44,350.00

- Procuring thousands of individual low-dollar value items rather than the relatively few, high-dollar value items envisioned in the original contract.

B. General

The AID/Rep's concept of a centralized procurement agent for the twenty-three entities proved itself over and over again. In the case of one \$5 million dollar commodities procurement during the 1st Quarter of FY 1990, the competitive procurement by RONCO resulted in a cost that was \$750,000

less than the GOP had estimated using existing market prices. RONCO capitalized on the economies of scale and competition within the market place resulting in quality products delivered on time at a lower price than had they been procured independently by separate projects.

Three expatriate members of the contractor's field staff, including the Chief of Party, possessed extensive experience in U.S. Government and USAID procurement and acquisition. This permitted RONCO, as the AID/Rep's centralized Procurement Agent, to maximize the principles of full and open competition, the economies of scale and centralized procurement, and develop cost effective procurement practices which resulted in significant savings to the USG. It also made it unnecessary for other projects or entities to build a procurement capability in their staffs.

The \$44.35 million in procurement was from sources in not only Afghanistan, but Pakistan, Code 935 Special Free World Countries, and the United States of America. Procurement regulations are precise in sourcing priorities, "Buy America," waivers, and even the type of items which are suitable for USAID procurement. For example, the procurement of items with a war or combat connotation is prohibited unless they meet a very narrow definition as being essential to an USAID program for peaceful purposes.

Procurement covered the entire spectrum of commodities including foodstuff; bailey bridges; automobiles, tractors, trucks and engineering equipment; computer systems and other electronic equipment; pharmaceuticals and medical supplies and equipment; fertilizer; fruit trees; trained Mine Detection Dogs; office equipment; and even farrier equipment. Also, there was the related logistics, sea, air, and ground transportation, customs clearances, contracting of freight forwarders, depot operations, bagging of bulk wheat and fertilizer, leasing of office space and warehouses, and even the registration of procured other project vehicles fell under the auspices of RONCO.

The concept provided the AID/Rep control to insure that procurements were in strict adherence to Federal and USAID procurement regulations. It also provided the real time management information necessary to oversee the total CBHA procurement program and to reconcile differences in that procured versus that reported on the various project inventories.

Highlights of Major Procurement Activity and Events.

The CEP contract provided that RONCO would procure commodities for the CEP and provide procurement services for three other U.S. contractors involved with the implementation of health, education, and agriculture projects for Afghanistan. Further, the funds for these procurements would be transferred to the CEP contract from the other projects. The three other projects were Management Sciences for Health (MSH), University of Nebraska at Omaha, and Volunteers in Technical Assistance (VITA).

RONCO successfully executed a procurement program which supported twenty-three separate

AID/Rep related contractors, special projects, or other entities. Note in the following chart that some of the activity was lumped together under the CEP while the bulk of the procurement activity was a result of the other projects brought under the centralized procurement agent concept.

PROCUREMENT AGENT ACTIVITY	
O/AID Rep Related Contractor, Project or Other Entity	Value (000)
Commodity Export Program (incl Mine Detection Dog Center) O/AID/Rep Special Projects AIG Ministry of Agriculture (MOA) AIG Ministry of Finance (MOF) AIG Press Office (PO) ALPHA Project Afghan Media Resource Center (AMRC) Afghan Women Resource Center (AMWC) United Nations High Commissioner for Refugees (UNHCR) UNOCA	\$10,775.80
Management Sciences for Health (MSH) University of Nebraska of Omaha (UNO) Volunteers in Technical Assistance (VITA) Construction Control Services Corp. (CCSC) Development Alternatives, Inc. (DAI) CARE International Rescue Committee (IRC) Mercy Corps International (MCI) Narcotics Awareness Control Project (NACP) Reconstruction Authority for Afghanistan (RAFA) AIG Ministry of Education O/AID/Rep	8,584.50 533.30 2,731.80 7,051.30 13,764.90 111.60 118.00 42.00 456.50 128.20 18.00 38.00
TOTAL PROCUREMENTS	\$44,353.90

The increased procurement activity while impacting on the RONCO Washington and Islamabad procurement offices, also affected the contractor's Transportation, Logistics, and Logistic Services and Finance and Administrative offices. The ramifications to these other offices will be discussed

under their respective components but the sum total should be recognized as greatly increased activity for RONCO.

Seventy-five (75) percent of the CEP component of RONCO's procurement was for commodities shown on the following chart. The majority of these items, as well as PL-480 Wheat, were for humanitarian aid to the Afghan people, but later in the program, some were procured and distributed as immediate emergency assistance to victims of natural disasters such as floods and earthquakes.

CEP COMMODITIES PROCUREMENT

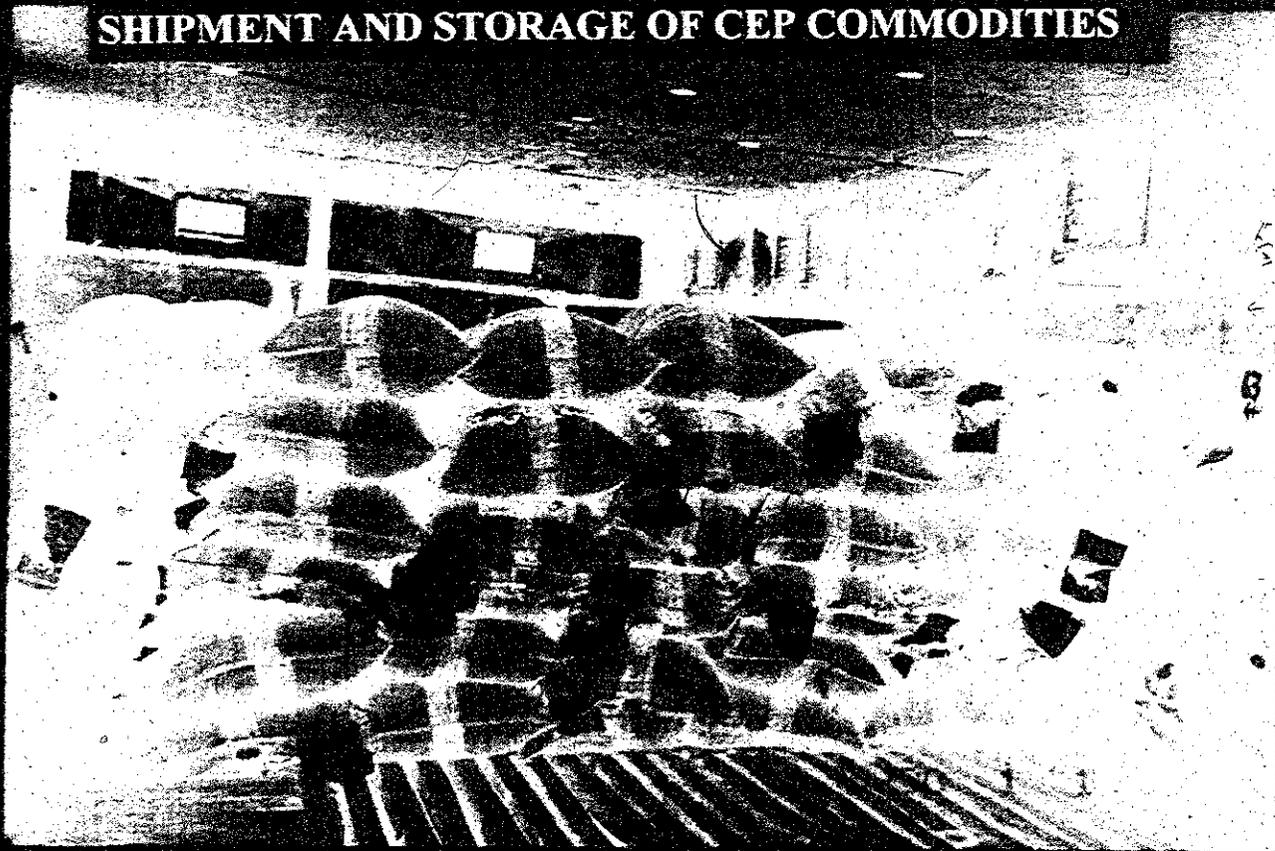
Food	\$ (000)	MT (000)	Non-Food	\$ (000)	EA (000)
Black Tea	552.6	273	Bamboo Poles	38.2	25.0
Chick Peas	217.4	550	Blankets	693.1	112.5
Dal Chana	2,169.7	5,550	Boots	83.1	10.0
Dal Moong	151.0	325	buckets	22.4	7.0
Ghee	1,507.9	1,692	Hoes	17.8	7.0
Lubia	296.0	500	Jerry Cans	17.6	5.0
Rice	719.0	3,200	Picks	10.3	3.9
Salt	56.7	840	Plastic Sheets	128.9	58.5
Sugar	891.3	1,452	Sand Bags	98.8	119.0
			Shovels	17.8	7.0
			Tarpaulins	252.7	5.3
			Tents	59.4	.3
			Wheel Barrows	67.0	1.5
Totals	\$6,620.6	14382		\$1,507.1	362

The remaining twenty-five (25) percent was for project related equipment to enhance CEP support to the CBHA, transportation contracts for movement of procured items, support to the Afghan Interim Government (AIG), and "quick-start" equipment to assist other projects in becoming operational at the earliest practical time. The CEP was normally reimbursed for the latter.

The largest commodities procurement which took place during the 1st Quarter of FY 1990 was in anticipation of an urgent need for food-stuff to sustain Afghans during their winter. USAID authorized this procurement of the CEP in October, 1989 and RONCO competitively procured and delivered approximately \$5 million worth or 8,100 metric tons of commodities over a three month period. The local marketplace was visibly shaken by the magnitude of this procurement but the principle of the economies of scale drove suppliers to respond with competitive prices and deliver quality products, on time. As mentioned above, the prices achieved through this competitive process were approximately \$750,000 less than the GOP had estimated using current prices in the market-



SHIPMENT AND STORAGE OF CEP COMMODITIES



place.

When the urgency of the requirement was clear, we were asked to reduce procurement lead times significantly. For example, a requirement for four (4) Caterpillar bulldozers was identified and approved on 21 August 1990, the first arrived by a DoD Afghanistan Relief Flight (ARF) on 14 September while the remaining three were enroute via surface. Ninety (90) percent of a 6 August 1990 emergency request for \$22,000 in parts for a dozer deadlined in Afghanistan, was filled from the U.S. by 22 August with the balance arriving on 16 September.

Personal involvement was required by USAID representatives as well as RONCO to make significant events or undertakings happen. To illustrate involvement by the contractor, there is the example of the fruit trees. To meet the Afghan planting season, RONCO issued a Purchase Contract on December 24, 1989 for 150,000 fruit trees in favor of a trader in Washington, D.C. The source of the trees was Turkey and the supplier was to supply the trees FOB Incirlik Air Force Base, Adana, Turkey. Sensing a challenge, the Procurement Officer met with the trader and supplier in Turkey early in 1990. The supplier confessed to being unable to provide the required number, but was confident that a minimum of 110,000 would be available. Still uneasy and with a USAF C-5 aircraft scheduled to airlift the trees to Pakistan on the 17th of March, the Chief of Party (COP) met with the trader, supplier, and Turkish inspector in Istanbul the week prior and accompanied them to Adana where they met with Incirlik AFB officials as well as the customs broker. To make a long story short, on the morning of 17 March, the COP and USAF liaison officer chased the supplier's trucks from truck stops to get them to the AFB where USAF ground personnel continued to palletize and load the trees right to the minute the aircraft began taxied down the runway. From the air, with 93,000 trees on board, the COP informed the supplier from the cockpit, that, no, the trees on the final trucks arriving at the gate would not be accepted. The 93,000 trees arrived in time for and were delivered to farmers inside Afghanistan on the occasion of the Presidentially declared "Earth Day - 1990."

One of the most significant lessons learned arose in the 3rd Quarter of FY 1991 when the Integrated Tug Barge (ITB) Mary Cecilia berthed at Port Qasim and discharged 12,427 Metric Tons of bulk DAP fertilizer for DAI. The fertilized was bagged, stored, transported, and delivered up-country by a services agent contracted by RONCO. There were real or perceived challenges with the berthing of "cargo destined for Afghanistan." There was a lack of quality control on the part of the subcontractor during the bagging operation and subsequent trucking to temporary storage. This led to excessive use of hooks by the longshoremen and, initially, bags in variance to the weight specification. In the case of the latter, the contractual structure was such that it was possible to hold the subcontractor accountable. All discrepancies were ultimately corrected, but not without considerable effort on the part of USAID, DAI and RONCO. These challenges were compounded by strikes in Karachi, demonstrations and curfews in Quetta and truckers being unwilling to transport the material to the Quetta/Chaman area.

Returning to the berthing of "cargo destined for Afghanistan," the shipowners were under contract to discharge their cargo across-the-shore. Their agent in Karachi was to arrange for the berthing and facilitate the discharge. For whatever reason, the ship-owners were delayed in berthing to the point that they unilaterally diverted from the Port of Karachi to Port Qasim. They alleged, though it was never substantiated, that they were unaware their cargo was destined for Afghanistan and that the Port Authority was permitting ships with cargo for Pakistan to berth ahead of a ship with cargo for Afghanistan. The shipowner's representative persisted in a claim that RONCO, USAID, or the U.S. Government had caused the delay and that they should be reimbursed for the lost time. The claim did not hold up.

In regard to poor quality control during the initial bagging operation, a quick rehash of the entire operation shows that DAP was bagged at the port at the rate of 22,500 bags per day or 1,000 bags an hour 24 hours a day over an 11 day period. There were approximately 2,000 truck sorties and 1,030,000 "lifts" of the bags during handling meaning each bag was handled multiple times during the operation. They were moved from the port, stored in Karachi, tailgated during transshipment, transported to Quetta, Chaman, and Peshawar, and there were subsequently subject to 1 or 2 more "lifts" as the bags were placed in storage at the destinations.

The services subcontractor claimed to have taken possession of 247,773 bags at the port and, if the weighbridge report of the metric tons of DAP leaving the port is correct, the average weight of each bag was 50.15 Kg. Some of the initial bags to reach Quetta, however, were found to contain less than the desired 50 Kg. The subcontractor consented to reweighing all bags and bringing them within the specification. The bulk of this effort took place in the subcontractor's Karachi warehouses and while fertilizer was added to underweight bags, it was not religiously taken from overweight bags meaning there were less bags. The underweight bags were corrected, the political situation cleared up, and the DAP was called forward. As of December 21, 1991, the recipient had receipted for 245,035 bags.

Note that if the average bag weight was 50.7 Kg there would be 245,108 bags; if 50 Kg there would be 248,540 bags; and if 49.5 Kg there would be 251,050 bags.

The subcontractor receipted for 247,773 bags, the recipient for 245,035 bags, therefore the issue became the difference of 2,738 bags or @ 50.15, 138.5 metric tons.

A jointly prepared RONCO and DAI "Lessons Learned" report was submitted to the AID/Rep on March 31, 1992. A major portion of the report centered on the degree of sophistication which should be expected for the bagging operation in a Third World Country and the cost effectiveness of each additional degree of accuracy to be obtained with more modern bagging equipment.

An April 30, 1992 procurement request for 20,000 MT of DAP to be procured in the United States

DAP





and delivered in Pakistan by the end of July 1992, was canceled on 25 May when USAID discovered that private Afghan Traders proposed to procure 36,000 metric tons of a similar fertilizer. The significance of this event was that a considerable effort had gone into exploring a new way of doing business. The procurement request contained the instructions that RONCO identify a trading or brokerage house to accomplish the entire procurement from the buying of the DAP through the delivery of bagged fertilizer in Karachi or other designated points within Pakistan and possibly, Afghanistan. This was the AID/Pakistan methodology, funds were provided the GOP which contracted out the procurement. USAID maintained a "hands-off" policy. In the case of the Afghan program, however, there was no USAID/Government of Afghanistan, relationship. The AID/Rep's procurement agent was bound by Federal and USAID procurement regulations and each step of the process was subject to review and approval by the USAID Washington office. USAID/Washington strongly resisted the strategy outlined in the procurement request.

Following an extensive study, RONCO was directed to procure the AID/Rep Telecommunications System for operations in Afghanistan. RONCO developed the Invitation for Bid (IFB) and followed the formal advertising process. Seven proposals were received by February 14, 1992, two of which were considered responsive. Following the evaluation, RONCO called for Best and Final prices which were received by the 25th of March. Meantime, the numbers to be procured changed and funds were placed on hold.

Once the requirement was firm RONCO again entered into negotiations with the responsive bidders, submitted a recommendation to the Contracting Officer and, on June 30, 1992, obtained approval for issuance of a Purchase Contract to Astro Systems, Inc. for \$1,395,935. The Purchase Contract which was issued on the 13th of July, covered the landed cost of the bill of materials; installation; training; and the set up and maintenance for six (6) months for two (2) Base Stations, eighteen (18) Base Access Units, and eighty-five (85) Mobile Units. The Astro representative visited Pakistan and completed a site-survey.

However, it is surmised that the AID/Rep, at this time, began to foresee the phase-down of the Afghan program and RONCO was directed to issue a stop work order to Astro Systems, Inc. which was issued on September 9, 1992. This order allowed reimbursement to Astro for travel expenses incurred, the preparation cost of technical reports, and associated overhead costs. On the 10th of September, Astro advised RONCO that more than 30 purchase orders had been placed, of which, approximately \$103,000 worth had been processed beyond the suppliers ability to terminate. The stop work order was valid for 90 days during which the con-tract could be either reenacted or terminated.

The AID/Rep then directed RONCO to issue a termination notice for the telecommunication contract on the 12th of October. The con-tractor, under Section 52.2492(d) of the FAR was permitted up to one year from the effective date of the termination to submit a claim. Astro submitted a claim for approximately \$500,000 the bulk of which was under the category "unabsorbed overhead," which

was challenged by both RONCO and USAID. As of February, 1994 the Contracting Officer had authorized a partial payment of \$120,000 of the \$150,000 which RONCO proposed as the total settlement.

CHAPTER III. TRANSPORTATION, LOGISTICS AND LOGISTICS SERVICES**A. Summary**

This function involved up to seventeen separate warehousing operations, three of which were inside Afghanistan; handling of donated humanitarian aid which was received, inventoried, stored, and transshipped for distribution inside Afghanistan from 53 of the 128 DoD Afghan Relief Flights (ARF) and nine Afghan Humanitarian Relief (AHR) surface shipments; off-shore procured items received and distributed from 210 incoming commercial air and surface shipments; 130,000 metric tons of commodities and PL-480 Wheat distributed utilizing some 12,000 truck sorties; 128 mules and 114 mine detection dogs received and transshipped to the Animal Holding Facility (AHF); assumption of responsibility for other project's stocks in place and for receiving the excess project equipment as other projects phased out; and, the conduct of fourteen Property Disposal Sales.

The primary areas where this function experienced increased activity above that envisioned in the original contract were:

- Conducting warehousing operations in as many as 17 locations rather than the 4 locations spelled out in the original contract.
- Assuming two new missions, not envisioned in the original contract, during the final, phase-out year: responsibility for other project's excess property and property disposal sales.

B. General

This function encompassed the entire spectrum of "logistics" operations to include receipt, inspection, storage, inventory, stock control and accountability, surveillance, preventive maintenance services, transport, issue and distribution, and monitoring and tracking of goods to final destinations both in Pakistan and Afghanistan. Transport included both sea and air shipments using every conceivable mode of transportation to include ships, trucks, rail cars, rafts, mules, and the backs of man. Material Handling Equipment (MHE) was available only at select locations and, for the most part, man physically loaded, unloaded, stacked, and rewarehoused by hand.

The contractor was responsible for a "closed-loop" system of accountability which meant the tracking of the status of items from procurement or other receipt to issue or other distribution where a receipt document was obtained and entered into the record. The system was computerized at Area Logistics Office and field staff locations to the point that it could be used to reconcile differences between that issued and that picked up on the receiving agencies inventory.

Items procured for other projects may have been periodically stored by RONCO but generally went

to the project for which procured when called forward. Distribution of CEP commodities and PL-480 Wheat, however, went through a series of evolutions during the full course of the project. Initially, USAID distributed and issued humanitarian aid items in coordination with the GOP to the seven "parties" within Afghanistan as follows:

Party	Planning Percent (4th Qtr FY 89)
National Islamic Front of Afghanistan (Gailani)	9
Hezb-E-Islami Afghanistan (Hikmatyar)	18
Hezb-E-Islami Afghanistan (Khalis)	11
Harkat-E-Inqelab-E-Islami Afghanistan (Mohammadi)	13
Afghan National Liberation Front (Mujaddadi)	
Jamiat-E-Islami Afghanistan (Rabbani)	6
Ittehad-E-Islami Afghanistan (Sayyaf)	18
Reserve	13
	12
TOTAL	100

During the 3rd Quarter of Fiscal Year 1990 the AID/Rep became more involved in the allocation process and approval of Food Distribution Plans for Peshawar and Quetta than ever before. In many cases "approval" was based upon "needs assessments" surveys by RONCO monitors. During this particular quarter there were 3,540 metric tons issued. RONCO monitors accompanied 100 percent into Afghanistan and observed and reported on the distribution of 60 percent. But, issues to the "parties" was now out of favor and issues to Shuras became the new way of doing business. The following is an extract from a print-out of issues during the 1st Quarter of Fiscal Year 1991.

CEP Commodities and PL-480 Distribution

Date	Shura Location	Approved in Plan	Issued (MT)	Delivered (MT)	Observed (MT)
10/11/90	Mehterlam	260.0	40.0	40.0	40.0
10/11/90	Koh-E-Safi	335.8	40.0	40.0	40.0
10/14/90	Jalraz	369.0	125.0	125.0	125.0
10/18/90	Sparah	100.0	57.0	57.0	0.0
10/25/90	ICRC	0.0	3.0	3.0	0.0
TOTALS		1087.8	829.4	829.4	673.5

- Notes: 1-"Delivered" means there was a receipt for that amount.
 2-"Observed" means a RONCO monitor reported seeing that amount delivered to the intended recipient.
 3-The print-out also stratified the final recipients as: villages, widows, orphans, disabled, poor, and aged when it was possible to do so.
 4-The issue to ICRC is an example of the next evolution in the AID/Rep's strategy for distribution.

There was, however, no Government of Afghanistan recognized by the United States and despite optimism that a peaceful solution to the Afghan problem was imminent, military operations and hijacking continued inside Afghanistan. During one period these resulted in CEP commodities reaching only 79 percent of the intended population for that period and 3,182,500 meals not being issued. The GOP tightened their control over cross-border operations by such means as refusing to issue road permits for foodstuffs procured in Pakistan to be transported into Afghanistan. GOP No Objection Certificates (NOC) were necessary from the National Government prior to the local governments issuing road permits. Controls were tighter in Quetta than in Peshawar, but Peshawar, too, experienced challenges in obtaining road permits.

The AID/Rep suspended cross-border operations and terminated the direct distribution of CEP commodities and PL-480 Wheat. The new strategy was to begin issuing same to various creditable NGO type organizations which could demonstrate a legitimate need and provide a suitable plan for distributing the items.

There was one additional false start which occurred during the 2nd Quarter of Fiscal Year 1992 when there was widespread speculation that a resolution to the Afghanistan situation was imminent. This led to a number of "what-if" drills involving contingency plans, procurement planning for emergency food and non-foodstuff for Afghanistan, and changes to priorities for available funds due to the changing requirements.

DoD Afghan Relief Flights (ARF) and DoD surface shipments.

There were a total of 128 DoD Afghan Relief Flights (ARF) of which RONCO handled 53, and 9 RONCO handled DoD surface shipments. Cargo ranged from wearing apparel to medical supplies to tools, tool kits, and spare parts; to Mack trucks to heavy engineer equipment to automobiles and four-wheel drive vehicles; and from mules to mine detection dogs with their military trainers. The 100th flight arrived in November of 1991 accompanied by dignitaries and other personnel involved in the program who participated in GOP hosted commemorative ceremonies.

During initial flights the GOP was deeply involved in "assisting" RONCO/USAID in clearing the flights and coordinating the distribution. The 2nd Quarter of FY 1991 marked the point where RONCO/ USAID handled an entire flight without GOP assistance to include clearing the airfield with one lift (moving palletized cargo to RONCO warehouses), which was a first.

The Mideast crises caused a reduction in ARF's during 1st and 2d Quarter of 1991 and increased commercial sea and air shipments from 3-5 to 15-20 per month. The reduction in ARF flights led to receiving 16 commercial air and 29 commercial surface shipments, each requiring customs clearance, inspection and inventory, and transshipment of 83 vehicles, 3 bulldozers, 1 Mobile Crane, 1 Bailey Bridge, and thousands of other minor items. The majority were stored in RONCO warehouses awaiting the return of other projects personnel who had been evacuated.

During the 3rd Quarter of FY 1991 a USAF C-5 aircraft was unable to obtain landing clearance from the GOP and was diverted to Dhahran, Saudi Arabia. RONCO arranged for transshipment of the cargo on to Pakistan but encountered many challenges due to the host nation status of the Air Force Base.

The ARF program was expanded, however, and stock control and surveillance personnel were added to the field staff. Afghans were hired where practical to support this Afghan program.

The Transportation and Logistics Officer and Chief of Party made separate trips to Germany during the 1st Quarter of Fiscal Year 1992 to select needed items and coordinate what was to become the largest DoD shipment of the Afghan Relief air and surface effort which took place during the 2nd and 3rd Quarters of Fiscal Year 1992. These shipments consisted of 177 heavy duty vehicles, construction equipment, and other items such as 151 refrigerators, which were shipped aboard the Sam Houston and the Robert E. Lee. The ships arrived at the Port of Karachi where they were cleared and processed for driving or transshipment on to Peshawar and Islamabad.

Area Logistics Officers.

RONCO's Area Logistics Officers in Peshawar and Quetta coordinated the warehousing,



RECEIVING COMMODITIES INSIDE AFGHANISTAN



distribution, and issue of CEP commodities and PL-480 Wheat as well as the procured items for other projects. These officers also served as USAID's eyes and ears in these border towns and were frequently called upon by O/AID/Rep to perform a myriad of "service" type functions such as registration of other project vehicles, protocol, locating office space and negotiating leases, coordination of activities of official visitors, and assisting in obtaining various required permits for passage into Afghanistan.

Monitors.

Monitoring activity reached an all time high during the 1st and 2nd Quarter of FY 1990. Monitors, especially out of Peshawar, were allowed almost unlimited freedom in making market surveys, independent trips into Afghanistan, and convoy escort from RONCO warehouses as well as Party warehouses into Afghanistan. RONCO's Area Logistics Officer based in Peshawar was allowed free access to Party warehouses and records in Parachinar, Teremangal, and Khardand to ascertain the disposition of PL-480 Wheat and the Food Commodities.

In anticipation that issues would continue and that the demand for data collected by monitors would intensify, RONCO was authorized to increase the number of monitors three-fold in the 1st Quarter of FY 1990. Monitors received logistics training from RONCO and other training such as in report writing and in the filling out of forms from outside agencies. The Monitor Deployment Plan set aside time for training. Guidelines were developed for:

- Training for new monitors
- Convoy escort of direct deliveries to Afghanistan
- Convoy escort to border depots
- Independent monitoring inside Afghanistan
- Independent monitoring of border depots

During the 3d Quarter of FY 1991, RONCO monitored 100 percent of the deliveries made by the convoys across the Pak-Afghan border. In addition to convoy escort, the monitors performed market surveys and food assessment surveys.

Most gratifying was that the AID/Rep Food for Peace officer was able to observe this monitoring activity. He reported that the monitors not only monitored distribution oftentimes to the individual recipient and report as to whether the aid reached the intended recipients, but that they also explained the CEP program to elders and assisted in organizing the distribution.

The suspension of cross-border operations and emergency humanitarian assistance together with the end of the direct distribution of CEP foodstuff, resulted in reducing the number of monitors to only those needed for special assignments as of the beginning of Fiscal Year 1992.

Payment of Utility Bills.

The Transportation and Logistics Office assumed responsibility from USAID in October 1991 for paying the office, warehouse, and residence utility bills of RONCO expatriate employees in Islamabad. RONCO employed a Utility Specialist who was responsible for tracking, recording, and paying forty-six (46) separate bills.

New Missions.

As mentioned up-front, the advantage of a Procurement, Logistics, and Logistics Services contractor is the flexible, proactive support capability which it provides. During the final phase-out year of the project USAID exercised, as it had many times previously, the words in RONCO's contract to the effect that "requirements may change from time to time according to the needs of the program." Unexpectedly, RONCO assumed new missions as large or larger than those experienced at any other point in the project.

RONCO, first was instructed to assume responsibility for stocks in place from other projects and receive and store excess property from projects being phased out. This entailed support to AID/Pak for Afghan program related items as well as to the AID/Rep. This effort quickly became the major thrust during the "phase-out" period. Simultaneously, there were 1,000 DoD tents, 120,000 DoD medical and clothing items, 50 metric tons of CEP foodstuff and 90,500 CEP non-foodstuff items to be segregated and issued.

The first excess project equipment was from the Narcotics Awareness Control Project (NACP) where RONCO inventoried, assumed accountability for, stored, and provided a computerized listing of 347 line items or 1,569 pieces of equipment and supplies in Islamabad, Peshawar, or Quetta. DAI followed and 3-4 months prior to RONCO's contract completion date, RONCO had 2,500 MT of foodstuffs and 5,115 MT of DAP fertilizer stored in Pakistan along with 67,000 items of excess other project property and household furnishings warehoused in RONCO warehouses in Quetta, Peshawar, and Islamabad; 3,500 MT of wheat, wheat seed, and fertilizer stored in Afghanistan; and was conducting warehouse operations in 17 locations (5-Peshawar, 1-Kabul, 1-Jalalabad, 4-Quetta, 3-Chaman, 2-Islamabad, and Kandahar). A total of 85,000 items of excess other project property were handled and redistributed, sold, or turned over to USAID prior to the contract completion date.

A computerized inventory of all stocks was maintained and there was frequent coordination with the EXO regarding the status and disposition of other project's equipment.

The second unanticipated activity during the final phase-out months occurred on August 11, 1993, when USAID directed their Liaison Officer in Peshawar to arrange to hand over items authorized for disposal to RONCO "who will sell the property." RONCO was now in the Property Disposal Sales business for all excess project equipment being turned in for which there was no legitimate

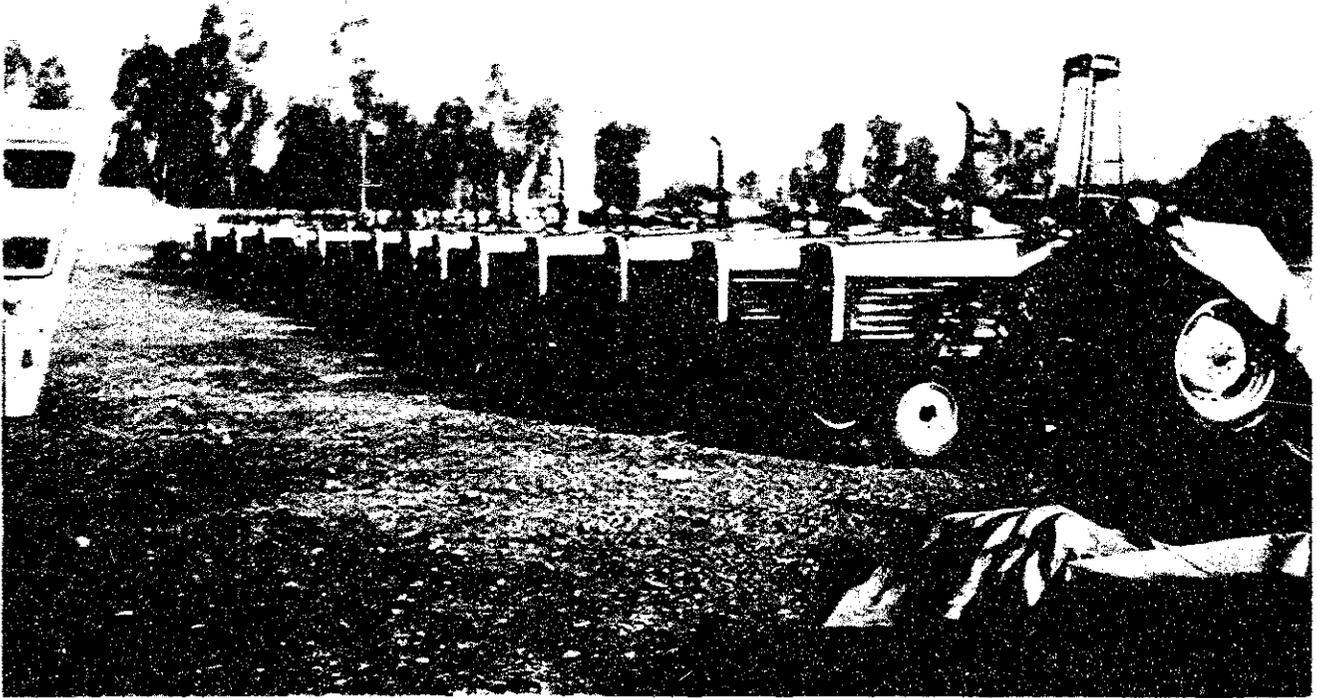
entity to which to donate it.

With the concurrence of USAID, a third warehouse was leased in Islamabad for the purpose of conducting sales. The Transportation and Logistics Office staff developed a computerized program which streamlined the processing of bids. RONCO advertised in local newspapers and conducted the first Property Disposal Sale on August 29, 1993 in Islamabad. This was followed by thirteen more sales in Islamabad, Peshawar, or Quetta. The last sale ended January 13, 1994. During the course of the sales RONCO handled almost \$500,000 in U.S. Government funds (including deposits), sold items ranging from such as quarters furniture and appliances, office furniture and business machines, televisions, video recording equipment, to cameras. A total of \$260,000 in recovered funds were deposited to the U.S. Treasury.

Phase-Out Plan.

RONCO's phase-out of the Commodity Export Pro-gram (CEP) project began in earnest during the Fourth Quarter of Fiscal Year 1993 with the incorporation of the Phase-Out plan into the contract as Modification #34. Although remaining on track with the plan, there was little visible evidence of an organization phasing out as RONCO's transportation, logistics, and logistics services activities were as intense as those experienced at any other point in the contract. See Annex A, Phase-Out Plan and Model.

**EXCESS "OTHER" PROJECT EQUIPMENT
TURNED IN TO RONCO IN PESHAWAR**



CHAPTER IV. MINE DETECTION DOG CENTER (MDDC)

(Initially, the Animal Holding Facility)

A. Summary

One of the major success stories of the USAID Cross Border Humanitarian Aid (CBHA) Commodity Export Program (CEP) project evolved from the management of the "Animal Holding Facility" (AHF). On June 22, 1989, a Mine Detection Dog Pilot Project, run by RONCO, commenced with the arrival of fourteen donated and pre-trained Thai mine detection dogs with their Thai trainers. Mujahideen students were trained as handlers and man and dog were molded into mine detection teams. The first teams deployed into Afghanistan on September 30, 1989. Initial results were phenomenal. The Thai's departed and RONCO was directed to develop a fully operational program. RONCO contracted a U.S. firm to procure and pre-train the dogs. RONCO then contracted special consultants to provide the necessary technical assistance in Pakistan to train the dogs and their Afghan handlers. RONCO brought in additional trainers to provide refresher training for the Afghan cadre and evaluate the effectiveness of the teams.

The program was expanded to a total of 100 dogs in November of 1991. On the 20th of February of 1992, a Memorandum of Understanding (MOU) between the U.S. Ambassador and the U.N. Secretary General's Special Envoy was signed agreeing to transition the program to UNOCA.

As of February, 1994, the MDD program had increased to 277 personnel and 93 dogs. Today, at any given time, there may be as many as 70 of the 100 MDD's, 200 handlers and support personnel and 50-60 vehicles deployed inside Afghanistan from base camps in Pabbi and Quetta. MDD teams may be operating in as many as 10-15 provinces to include Herat Province on the far side of Afghanistan on the Iranian border. There have been over 36,000 anti-tank, anti-personnel, or other unexploded ordnance type items detected and destroyed; 365,820 suspicious objects declared safe; and, 9,360 square kilometers of area cleared. The program officially transitioned to UNOCHA on February 1, 1994.

The following charts summarize accomplishments:

DETECTED AND DESTROYED DEVICES			
AT	AP	UXO	SO
998	13619	22098	365820

AT - Anti-Tank

AP - Anti-Personnel

UXO - Unexploded Ordnance

SO - Suspicious Object:
Each Approached
as if a mine.



AREA CLEARED (Square Kilometers)					
Road	Village	Canal	AgraL	GrazL	Total
1490	55	7635	144	37	9360

B. General

As stated above, one of the major success stories of the USAID Cross Border Humanitarian Aid (CBHA) Commodity Export Program (CEP) project evolved from the management of the "Animal Holding Facility" (AHF) included in the Scope of Work of RONCO's CEP contract. In late 1989 and early 1990 the AHF was involved in pack and traction mule training for Afghans, training as paravets and farriers, and in providing outreach services in support of the remaining mules which the AID/Rep donated for the people of Afghanistan.

On June 22, 1989, however, RONCO began a Mine Detection Dog Pilot Project for USAID which commenced with the arrival of fourteen donated and pre-trained Thai mine detection dogs with their Thai trainers. Mujahideen students were trained as handlers and man and dog were molded into mine detection teams.

The first teams were deployed into Afghanistan on September 30, 1989. During the last Quarter of FY 1990 operations in the vicinity of Urgun City and Teremangal inside Afghanistan resulted in the detection of and removal or destruction of over 1000 anti-personnel and anti-tank mines or other unexploded ordnance. They cleared over 150 kilometers of roadway.

By the end of the 2d Quarter of FY 1991 there were eleven (11) Thai German Shepherds and ten (10) Belgian Malinois Shepherds for a total of twenty-one (21) MDD's in Pakistan with up to 29 additional dogs in the pipeline. Meanwhile, the Thai trainers had departed and RONCO had subcontracted a firm to procure and pre-train dogs in the United States.

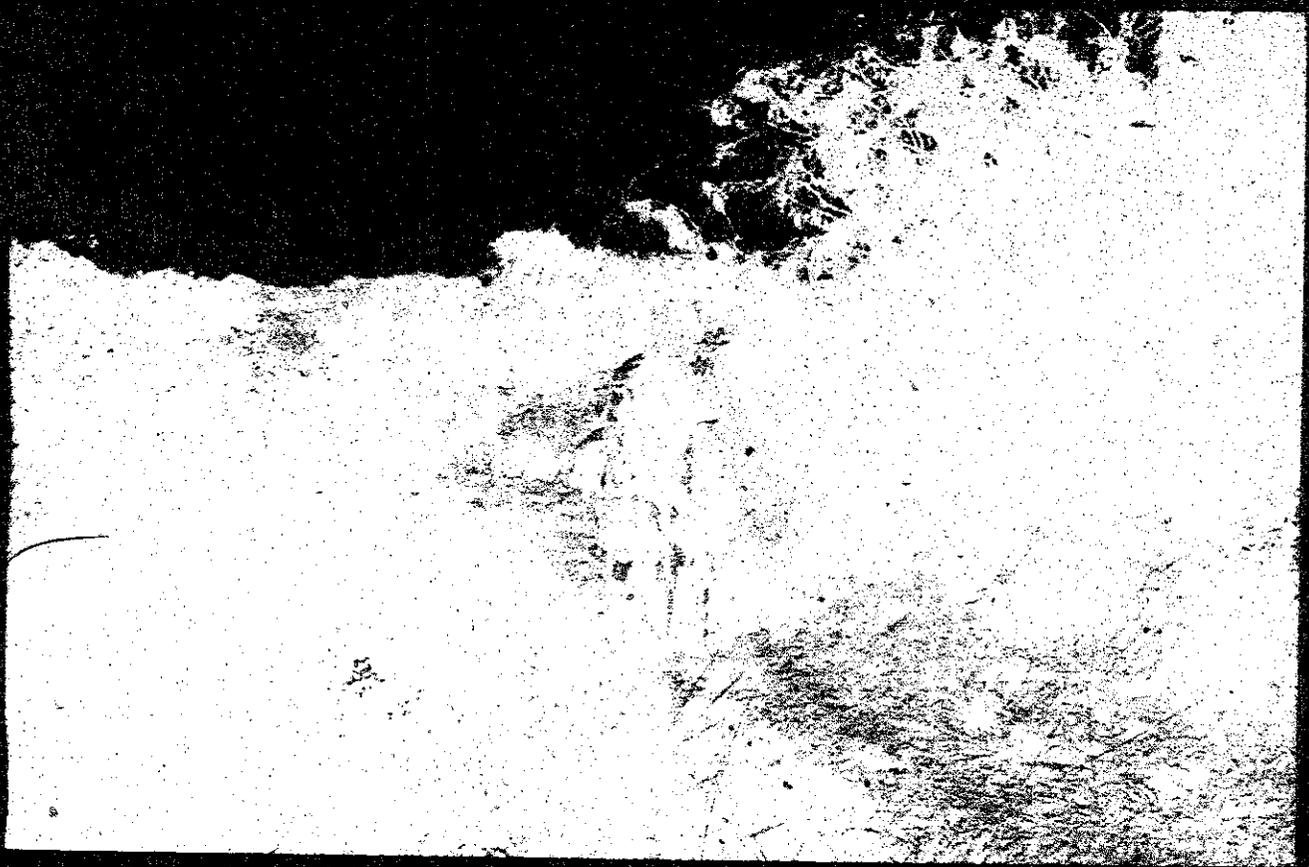
RONCO then brought in special consultants/trainers to provide the necessary technical assistance in Pakistan to train the dogs and their Afghan handlers to function as effective mine detection teams. RONCO brought in additional special trainers to provide refresher training for the Afghan cadre, and evaluate the effectiveness of and conduct refresher training for teams being rotated out of Afghanistan. The latest trainer was on-site for 30 days in October of 1993.

The USAID Representative for Afghanistan (AID/Rep) expanded the program to a total of 100 dogs in November of 1991 even while recognizing that the program would ultimately transition to the United Nations. On the 20th of February of 1992, a Memorandum of Understanding (MOU) was signed by U.S. Ambassador Nicholas Platt and the U.N. Secretary General's Special Envoy Benon Sevan agreeing to transition the MDD program to UNOCA over what turned out to be a two-year



OBEDIENCE TRAINING AT MDC COMPOUND



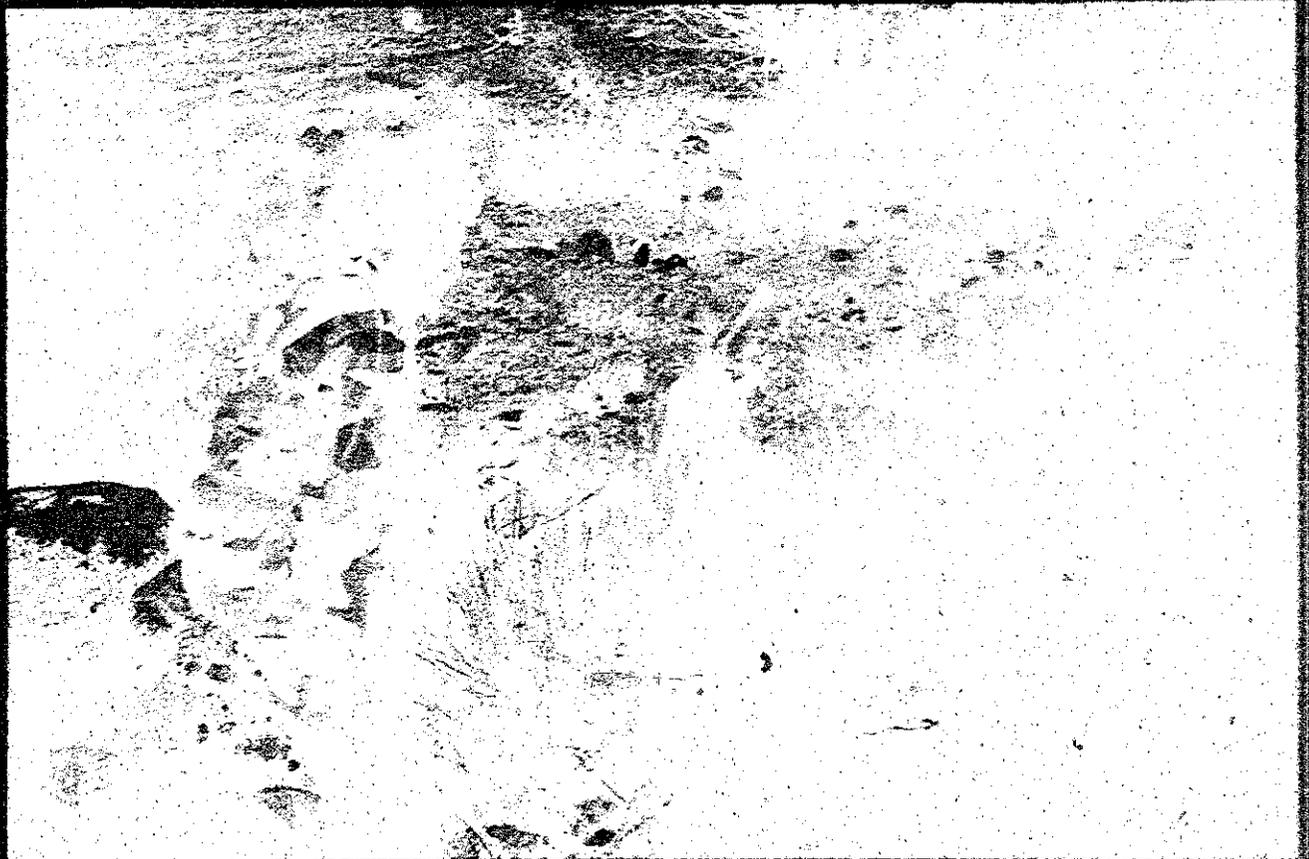


TRAINING BY US TRAINERS AT RISALPUR





THE MDD ALERT TO THE MINE





MDD'S ARE SEARCHING FOR MINES INSIDE AFGHANISTAN



period of time.

On June 29, 1992 the AID/Rep approved a RONCO revised MDD and Handler Training Plan which reduced the number of pre-trained dogs to be provided from the U.S. from fifty-eight (58) to forty-six (46). Under this revised plan, twelve (12) untrained "green" dogs would be procured to be trained by the Afghan training cadre under the supervision of the short-term expat trainers and the Director of the MDDC. The total number of dogs to be provided in the expanded program remained at fifty-eight (58), to make up a total 100 dog program.

The Mine Detection Dog Center (MDDC) which transitioned to UNOCHA on February 1, 1994 is a prime example of RONCO's Institution Building capability. A concerted program was undertaken with the MDDC to ensure that, upon transition, they would be capable of functioning independently. With technical assistance from RONCO's field staff, the organization was taken from one totally reliant on RONCO's functional staff and Area Logistics Offices for all procurement, logistics, and admin/fiscal support, to a self-sustaining, independent organization. The staff conducted the necessary on-the-job training to transfer their skills to their counterparts at the MDC. Simultaneously, they provided the required computer systems. The expat Director departed on December 31, 1993. The RONCO field staff then evaluated the capability of the MDC staff to function independently over a period of several months by running parallel systems. Once assured of their competence, the staff provided oversight until the actual transition to UNOCHA.

Today, the MDC is a fully operational Afghan NGO which performs the planning, programming, and budgeting functions as well as the procurement, operations and training, finance and administration, and logistics functions.

As of February, 1994, the MDD program had increased to 277 personnel and 93 dogs. Today, at any given time, there may be as many as 70 of the 100 MDD's, 200 handlers and support personnel and 50-60 vehicles deployed inside Afghanistan from base camps in Pabbi and Quetta. MDD teams may be operating in as many as 10-15 provinces to include Herat Province on the far side of Afghanistan along the Iranian border.

There have been over 36,000 anti-tank, anti-personnel, or other unexploded ordnance type items detected and destroyed; 365,820 suspicious objects declared safe; and, 9,360 square kilometers of area cleared.



SIGNING CEREMONY OF MDC TRANSITION
BETWEEN USAID AND UNOCHA AT ISLAMABAD



DEMONSTRATION OF DOGS IN UNOCHA, ISLAMABAD

ACCOMPLISHMENTS

DETECTED AND DESTROYED DEVICES				
Year	AT	AP	UXO	SO
1990	262	288	2,301	nc
1991	97	661	1,539	18,879
1992	147	4,731	4,686	48,158
1993	476	7,870	13,291	290,951
1994 (Feb)	16	69	281	7,532
TOTAL	998	13,619	22,098	365,820

Anti-Tank
Anti-Personnel
Unexploded Ordnance

Suspicious Object:
Each Approached as if a mine

AREA CLEARED (Square Kilometers)						
Year	Road	Village	Canal	AgraL	GrazL	Total
1990	145	na	116	na	na	261
1991	119	na	1,162	na	na	1,281
1992	236	na	1,483	na	na	1,719
1993	858	na	4,873	107	15	5,853
1994 (Feb)	135	na	2	35	22	249
TOTAL	1,490	55	7,636	1,444	37	9,360

■ The program officially transitioned to UNOCHA on the 1st of February, 1994.

CHAPTER V. TECHNICAL ASSISTANCE AND TRAINING**A. Summary**

The Technical Assistance role of the RONCO CEP field staff (Procurement; Transportation, Logistics and Logistics Services; Finance and Administration; Area Logistics Officers; and, the Director of the Mine Detection Dog Center), and RONCO's role in hiring consultants for AID/Rep special studies remained fairly constant throughout the contract. The role, however, outlined in the contract pertaining to contingency planning for the relocation to Kabul and the training of Afghan counterparts for the mission in Kabul, experienced several false starts but was never fully employed because of the situation in Afghanistan. Nevertheless, here too RONCO experienced a level of activity not envisioned in the original contract.

■ RONCO executed a \$15 million Technical Assistance effort rather than the \$8.3 million effort provided for by the original contract.

Afghanistan Capacity Building

A Deputy Chief of Party/Private Sector Development Officer was authorized through an Activity Approval Memorandum (AAM) Amendment No. 2 which was approved on August 9, 1990. Following the Amended AAM, a RONCO proposed Field Staff Reconfiguration was approved on September 24, 1990. This redirected the efforts of the Junior Procurement Officer and provided for the new full time expat Private Sector Development Officer. The Deputy/Private Sector Development Officer arrived in April of 1991 and immediately began promoting Private Sector Development in Afghanistan.

The RONCO Fiscal Year 1991 Implementation Plan included the implementation plan for Afghanistan Capability Building which encompassed the following Amended AAM initiatives: CEP related Private Sector Development; RONCO Counterpart Development and Transfer of Skills Related to Procurement, Logistics, and Logistics Services; Afghan Training and Development; and, Other Technical Assistance.

CEP Related Private Sector Development

O/AID/Rep approved a Needs Assessment Team Scope of Work on September 5, 1990 which provided for a 30-day analysis, design, and development of a Private Sector Development Project Paper specific to the Afghan program. See Home Office Special Consultants, below.

In addition, at the request of the AID/Rep, during the 4th Quarter of Fiscal Year 1991 an Afghan Small Business Development Project Proposal was developed and submitted. It proposed to conduct experimental activities in training, extension, credit and research with Afghan small and micro

enterprises in order to develop a methodology to enable the AID/Rep to initiate programming in the sector. should the AID/Rep decide to do so.

Afghan Training and Development

The Field Staff Reconfiguration provided for an Afghan expatriate on the field staff as the Afghan Training and Development Officer. The redirected expat working with Afghan Training and Development under the Technical Assistance portion of the RONCO contract, developed a reference file of Afghan candidates and carried out interviews with select-ed candidates for CEP related training and development.

RONCO Counterpart Development and Transfer of Skills

During the 1st Quarter of Fiscal Year 1990 an Afghan Functional and Systems Training Specialist with 10-13 years experience with USAID in Kabul and fluent in English, Dari, and Pushto, became the first "counterpart." He was hired to interface with the Afghan reconstruction and resettlement effort and make recommendation as to required Technical Assistance, Services, and Training. This first senior Afghan counterpart proved to be an integral part of the field staff with the potential to assume one of several responsible positions should the AID/Rep relocate to Kabul.

Additional senior "counterpart" candidates were identified and another hired in the Finance and Administration area.

As was the plan, the ratio of Afghans to Pakistanis began to increase in favor of the Afghans and the Afghans made up over 50 percent of the workforce. Granted, a high percentage of these personnel were employed in low skill levels, but this ratio, too, began to change as can be seen in the Institution Building which took place in the Mine Detection Dog Center.

As the Afghanistan situation lingered on with hope fading for a quick settlement among the warring factions, the initial thrusts toward the training of Afghan counterparts and transfer of CEP related procurement and logistics skills to Afghans were placed on hold. As a result of an AID/Rep November, 1991 CEP Project Review, the direction shifted somewhat, from the basic contract, and the June, 1990 AAM.

RONCO Subcontract to the Afghan Media Resource Center (AMRC)

In the 3rd Quarter of Fiscal Year 1990, the AID/Rep requested that RONCO enter into a \$100,000 cost reimbursable contract with AMRC to design, develop, test, and produce a pilot set of media anti-narcotics, drug awareness materials. Deliverables included a TV documentary, radio programs, posters, pamphlets, booklets, and a series of editorial booklets/articles for submission to newspapers, party newsletters, and other organizational periodicals.

RONCO retained the procurement and contracting function to insure compliance with the Federal Acquisition and USAID Procurement Regulations: approved salaries, per diem and travel; established an impress fund managed by the Area Logistics Officer in Peshawar which was reimbursed upon presentation of receipt for actual costs incurred by AMRC; and, RONCO (with AID/Rep project officer) concurred in the approval and selection of deliverables. The sub-contract was complete on October 30, 1990.

"What-if" Drills

As can be seen from the above Afghanistan Capability Building effort, and as can be expected, there were many "what-if" drills affecting the contractor as the AID/Rep searched for new innovations to enhance USAID's Cross Border Humanitarian Aid program and planned for the move to Kabul. The following are just a few of these "what-if" drills:

General Services Office Support for AID/Rep. At the request of the AID/Rep, during the 4th Quarter of Fiscal Year 1991 the General Services Office Support proposal was developed and submitted to the AID/Rep. This GSO project paper was designed as a springboard for supporting the O/AID/Rep relocation to Afghanistan. Underneath the above effort was the determination of the AID/Rep to have a GSO capability. The approval of the replacement for the Transportation and Logistics Officer on April 4, 1991 specified that he would "function as a 'Mini' GSO in addition to normal duties during the initial stages (while the proposal was being prepared) of O/AID/Rep assuming responsibilities for their own GSO type support." These responsibilities began with RONCO leasing a residence for an AID/Rep employee.

Support for the AID/Rep Transition to Kabul. A Transition Plan was developed during the third quarter which included a timeline for providing procurement and logistics support to the AID/Rep inside Afghanistan. It proposed an organization and advance party, and included a cost estimate. A logistics support/services assessment of Kabul was made by two RONCO Afghan employees which covered logistics, building rental, services, locally available supplies, business practices, availability of skilled personnel, and security conditions in Kabul.

Contingency Planning. Oftentimes, such as during the 2nd Quarter of Fiscal Year 1992, there was widespread speculation that a resolution to the Afghanistan situation was imminent. Each time this led to a number of "what-if" drills involving contingency plans, procurement planning for emergency food and non-foodstuff for Afghanistan, and changes to priorities for available funds due to the changing requirements.

Home Office Special Consultants

The AID/Rep frequently used the CEP contract as a mechanism to bring special consultants to Pakistan. RONCO provided the financial, administrative and logistics support while the consultant,

in some cases, conducted a study or provided services for one of the offices of the AID/ Rep.

Bailey Bridges. RONCO special consultant, James Williams, was brought in during the summer and fall of 1989 to provide technical assistance to the Pakistanis and Afghans for the launching of a Bailey Bridge to reopen lines of communications into Afghanistan. In actuality, Williams assumed the role of an Afghan complete with the appearance and beard necessary to, first, train Paks and Afghans and rehearse the launching of a Bailey Bridge, then direct the actual construction and launching of the "Arandu" bridge. The bridge remains operational today.

PL-480 Wheat Logistical Plan. In support of the AID/Rep Emergency Food Relief for War Affected Afghan project, a RONCO special consultant developed the PL-480 Wheat Logistical Plan for the Fiscal Year 1990 Food Aid Operating Plan and submitted same on February 26, 1990. Development of this plan was accomplished in coordination with the GOP Ministry of Food and Agriculture.

Afghanistan Truck Fleet Specifications. During the 3rd Quarter of Fiscal Year 1989, RONCO Special Consultant, William Alger, prepared technical specifications for competitive procurement of US built trucks for operations in Afghanistan and submitted the report: Truck Fleet Specifications for CEP Afghanistan Program. These specifications were requested by the AID/Rep in anticipation of more extensive operations in Afghanistan.

Mine Dog Program Trainers. From 2nd Quarter Fiscal Year 1990 onward RONCO contracted a firm in the United States to procure and provide trained mine detection dogs. RONCO then provided the special consultants to train and mold the dogs and Afghan handlers into effective mine detection teams. These "trainers" simultaneously trained an Afghan cadre and were periodically brought back to Afghanistan to provide refresher training for the Afghan cadre and evaluate the performance of the mine detection teams. The last trainer trainers departed Pakistan in May and the last refresher trainer departed in October of 1993.

Locust and Senn Pest Control. At the request of the AID/Rep, RONCO brought in special consultants, C. Richard Edwards and Jerry L. Rann, who studied, then prepared and submitted the report, Locust and Senn Pest Control Project, in March of 1990.

Low Germination Rate of Wheat Seed. Following reports of low germination rates in procured wheat seed, RONCO special consultant, Vern Walter, was brought in as a Pest Control Consultant to investigate. The report, Investigation of Low Germination Rate of Wheat Seed Procured, which was submitted to the AID/Rep on May 15, 1991 concluded that the problem more probably than not was the selection of the fumigant by the representative of the GOP Department of Plant Protection.

Private Sector Development Pilot Activity. RONCO special consultants, Galen Hull and Maurice Samaan, together with several Afghan businessmen contracted by RONCO, developed and presented a Pilot Activity Document for Afghanistan Private Sector Development to O/AID/Rep in November

of 1990.

Telecommunications Study Update. RONCO special consultant, Alson Thomas Staley, visited Pakistan in the 1st Quarter of Fiscal Year 1992 to update a previous two year old study on O/AID/Rep Specifications for a Telecommunication System in Afghanistan. This study led to the approval of a O/AID/Rep telecommunications system. The Request for Proposal was dated November 27, 1991 and Contracting Officer approval was obtained on June 30, 1992. See the procurement component of this final report.

Plan of Action for O/AID/Rep Assumption of GSO Responsibilities. RONCO special consultant, Margaret Susan O'Rourke, was brought to Pakistan during the 3rd Quarter of Fiscal Year 1991 to assist the AID/Rep in defining GSO functions and develop an Implementation Plan for the budgeting and execution of this plan. The plan was to be in two phases: Phase I - Pakistan, Phase II - Afghanistan. Ms. O'Rourke departed before the report was finalized and the report was completed by the RONCO field staff. See General Services Support for O/AID/Rep under "What-If" Drills, above.

Field Office Special Consultants

Three AID/Rep requested studies were performed by local hire consultants.

Warehouse Status Report: CEP and McCollum Program Storage Facilities was prepared and submitted by a RONCO temporary hire, Timothy D. May, on August 16, 1990. O/AID/Rep had asked RONCO to report on present and projected space requirements for all ware-houses used to store cargo shipped under the auspices of the Commodity Export Program (CEP).

The final "Assistance Ban" and "Security Incidents Compendium" studies were received from Ms. Carol Rose and Mr. Bob Haskell during the 1st Quarter of FY 1992. These were O/AID/Rep initiated, RONCO contracted and financed studies. Both studies were accepted by O/AID/Rep.

Home Office/Field Office Proposals. Proposal for a Monitoring and Information System for USG Supplied Food and Commodities was prepared and submitted to the AID/Rep by the RONCO Washington Office in November of 1989.

Phase-Out Plan. A Phase-Out Plan was developed and submitted to the AID/Rep during the 3rd Quarter of Fiscal Year of 1993. It was incorporated as Modification #34 to the RONCO contract in September of 1993. This plan continued to evolve as new missions were directed even after approval of the plan. Consistent with the timeline, the RONCO expat staff was reduced from nine to seven with the departure of the Deputy and Junior Procurement Officer on June 30, 1993 and, five with the departure of the Procurement Officer on October 31, 1993 and the death of the Area Logistics Officer in Peshawar. The remaining expats departed Pakistan not later than February 28,

1994.

Significant "Lessons Learned"

"Lessons Learned" report, 1991 Procurement of 12,500 Tons of Diammonium Phosphate (DAP) from the United States, June 1, 1992, was prepared jointly with Development Alternative, Inc. (DAI) and submitted to O/AID/Rep. The report contains considerable detail on the procurement from the time RONCO procured the bulk fertilizer in the U.S. through the time the bagged fertilizer was received by DAI for distribution in Afghanistan. The primary concern, however, centered around the capability of the subcontractor to receive the bulk DAP at the rate discharged from the ship and bag some 260,000 bags within the specified tolerances. Minimizing bagging costs with mechanical bagging by volumetric means, common practice in most Third World Countries, did not product bagged DAP to specification. See further discussion of this topic under the procurement component.

CHAPTER VI. FINANCE AND ADMINISTRATION**A. Summary**

The increased level of activity experienced in each of the other components carried over to the Finance and Administration component. Finance and Administration were ultimately responsible for:

- Planning, budgeting for and managing the funds for a \$15 million Technical Assistance program rather than the \$8.3 million effort provided for by the original contract.
- Planning, budgeting for and managing the funds for a \$44.35 million procurement program rather than the \$27 million effort identified in the original contract.
- Managing an FSN Afghan and Pakistani staff of 350 personnel rather than the envisioned 120 personnel.

To illustrate the level of activity, the 3rd Quarter of FY 90 marked a point which was forty (40) percent of the contract in time yet ninety (90) percent of the projected funds for the total contract period had been allotted. One hundred (100) percent of RONCO CEP Program funds had been allotted, with 60 percent expended. Technical Assistance, at that time, and Logistics, remained more in line with the illustrative budget provided with the contract.

B. General

The Finance and Administration component of the project is often overlooked in that the statistics of goods procured and commodities stored and distributed are the statistics that measure project success. However, each of these procurements and movements require a detailed auditable data trail, from purchase request (PR) to purchase contract (PC), from vendor inventory to receiving report. Finally, each activity requires a check, if payment was local, or authorization for payment, if out of a Letter of Credit.

This data trail requires a considerable exercise in systems development, and detailed records were kept of PR's, PC's, commitments, bank accounts and expenditures by General Ledger head of account. In addition, with the management of over 20 local currency and US dollar bank accounts, considerable experience was necessary to manage the large amounts of US Treasury (Program) and RONCO (TA) funds. Payment documents for a total of approximately \$45 million in Program funds were processed over the life of the contract, in addition to over \$15 million of RONCO's own contract funds.

In addition to the financial work, the administration of over 350 FSN personnel also presented a

considerable workload. The drafting of personnel policies, preparation of employee contracts, management of the local medical plan, processing of performance evaluations and processing of new hires and terminations made heavy demands on department time. This was in addition to the maintenance of the fixed asset database, the files of all RONCO leases, and the frequent negotiation with landlords.

The following chart shows the Life of Project funding as of January 31, 1994.

TOTAL PROJECT FINANCIAL SUMMARY

Element/Activity	\$ LOP Funding	\$ Obligations	\$ Expended
Logistical Support	2,238,282	1,575,000	1,440,816
Technical Assistance	15,295,571	15,163,690	15,124,975
Program: CEP 205	17,916,680	16,249,810	15,350,428
Total CEP 205 Program	35,450,533	32,988,500	31,916,219
Mgmt Within CEP Pgm			
-ASSP 204	4,400,000	4,400,000	4,276,491
-AHR 206	839,000	839,000	536,152
Total RONCO CEP Mgt	40,689,533	38,227,500	36,728,862
RONCO Centralized Procurement Activity (23 Entities) (-) ASSP 204	31,038,700	n/a	31,038,700
TOTAL PROJECT	71,728,233	n/a	67,767,562

Expat Field Staff

- The Chief of Party, Guy Bowen, remained with the project for the entire five years through the Contract Completion Date.

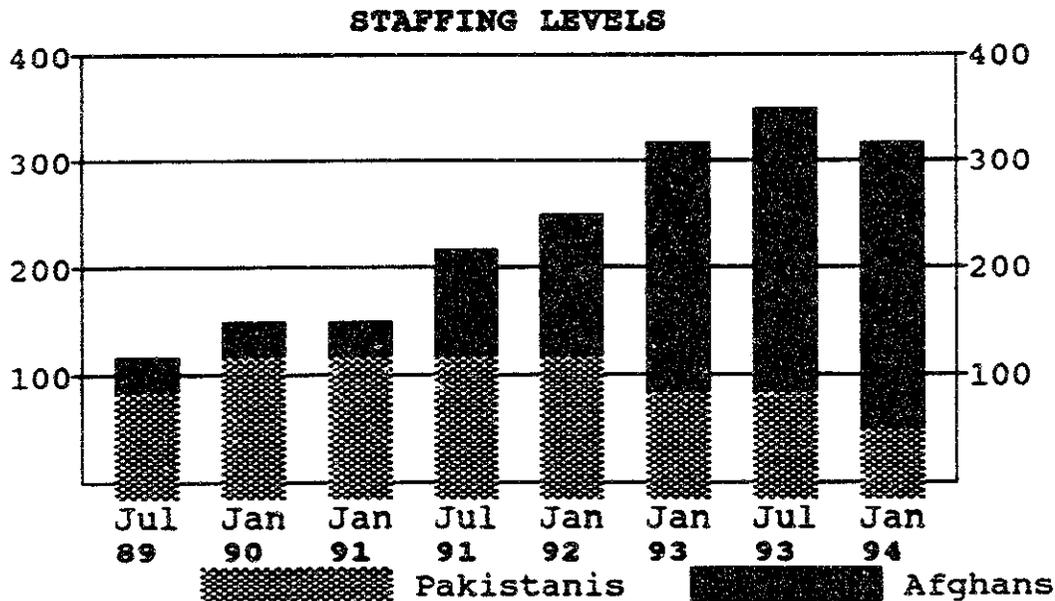
- The Deputy/Private Sector Development Officer, Jaime Reibel, was with the project from April, 1991 through June, 1993.

- The initial Finance and Administrative Officer, Francis Smoot, left the project at

approximately the three year point and was replaced by Roger Guichard in December, 1991.

- The initial Transportation and Logistics Officer, Loring Cook, left the project due to illness and was replaced by Joe George during the 3rd Quarter of FY 91.
- The Senior Procurement Officer, Irshad Akhtar, remained with the project through October, 1993 when procurement activities were phased out.
- The Junior Procurement Officer, David Morid, who, during the Afghanistan Capability Building effort, also served as the Afghan Training and Development Officer, remained with the project through June, 1993 when procurement activities began to diminish.
- The Area Logistics Officer in Peshawar, John McHale, remained with the project until his unexpected death in September, 1993.
- The Area Logistics Officer in Quetta, Earl Thieme, remain-ed with the project for practically the entire five years through January, 1994.
- The Director, Animal Holding Facility (later renamed the Mine Detection Dog Center), John Ottenberg, was replaced early in the project by John Walker (Ottenberg remained from the previous contractor). Walker completed a thirty month contract and was replaced by the returning Ottenberg on December 1, 1991. John Ottenberg remained for the remainder of the contract and departed for another RONCO assignment December, 1993.

The following chart shows the staffing levels at various times during the project.



The following are chronological highlights of the project:

At the onset of the contract, RONCO's Finance and Administration Office assumed responsibility for eight (8) existing leases; established a separate accounting and reporting system for Technical Assistance and Program funds; established fourteen (14) separate bank accounts including those for CCSC, MSH, UNO, and VITA and for the Area Logistics Officers in Peshawar and Quetta, to insure funds were not commingled; revised personnel contracts and placed all employees under contract to RONCO; and, completed inventories and assumed accountability for Program Project Support equipment and Program Commodities.

With O/AID/Rep concurrence, RONCO leased a house at F-7/3, Street 66, No. 14, 1 December 1990, to accommodate the Afghan Private Sector and Training and Development offices in Islamabad.

The Admin/Fiscal and Private Sector Development offices were relocated/established in this new office space in March, 1991.

The FSN staff increased from 111 at the beginning of the contract to 350 on the 31st of December, 1993.

In the 4th Quarter of FY 93, the Bank of California and USAID/Washington approved the reduction in the amount reserved for use under the Letter of Commitment from \$5,694,804 to \$4,794,804. A contract amendment was issued and the first local funds thus freed were advanced by USAID/Bangkok. This allowed the payment of transportation charges under the ASSP 204 portion of RONCO's contract. Of the \$900,000 freed for local use, approximately \$250,000 were used under ASSP 204 and the remainder under CEP 205.

Regrettably, John McHale, the Area Logistics Officer in Peshawar died unexpectedly on September 2, 1993. A memorial service was held in Peshawar on the 21st of September. John made a significant contribution in support of USAID's humanitarian aid program in behalf of the people of Afghanistan.

CHAPTER VII. CONCLUSIONS

The objectives of the USAID Commodity Export Program (CEP) and the AID/Rep's procurement and logistics contractor's contract were met. USAID took advantage of available funds to procure CEP commodities in the mix most beneficial to the Afghan people and maximized use of available DoD excesses to supplement that available through USAID. War affected Afghans were provided with a range of humanitarian goods and services.

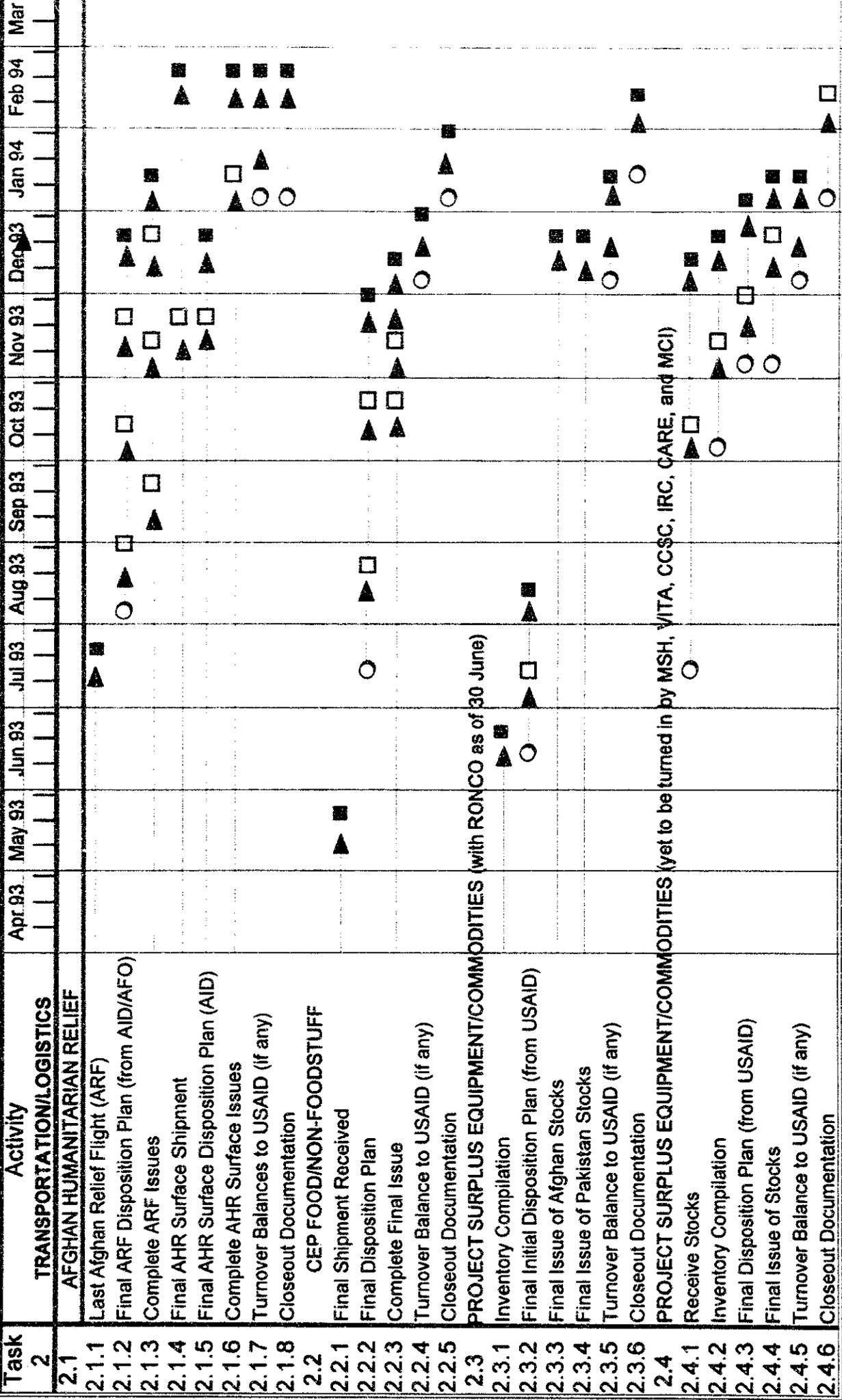
RONCO provided an effective operation of a logistical system in Pakistan in support of the AID/Rep's program of Cross-Border Humanitarian Assistance. Additionally, the contractor functioned as the AID/Rep's centralized procurement agent for up to twenty-three different entities assuring the AID/Rep of control over his procurement program, adherence to Federal and USAID procurement regulations, and the cost savings benefits of the economies of scale and full and open competition during the procurement process.

ANNEX A
PHASE OUT PLAN AND MODEL

RONCO CONSULTING CORPORATION PHASE-OUT PLAN

as of February 28, 1994 (Revised)

Intensive
Management
Line



LEGEND:

- Activity Ongoing
- Planned Start/Finish
- Event Extended Per USAID Direction
- Complete

RONCO CONSULTING CORPORATION PHASE-OUT PLAN

as of February 28, 1994 (Revised)

Task	Activity	Intensive Management Line														
		Apr 93	May 93	Jun 93	Jul 93	Aug 93	Sep 93	Oct 93	Nov 93	Dec 93	Jan 94	Feb 94	Mar 94			
2	TRANSPORTATION/LOGISTICS (Cont)															
2.5	USAID QUARTERS FURNITURE (RONCO Stored in Quarters)															
2.5.1	Available for Disposition/Furniture Received															
2.5.2	Final Disposition Plan (from USAID)															
2.5.3	Complete Final Issue of Furniture															
3.5.4	Turnover Balance to USAID (if any)															
2.5.5	Closeout Documentation															
2.5.6	Turnover Responsibility RONCO Expats															
2.5.7	Turnover Responsibility Office #1															
2.5.8	Turnover Responsibility Office #2															
2.6	RONCO CEP PROJECT EQUIPMENT															
2.6.1	Inventory Compilation															
2.6.2	Final Disposition Plan (from USAID)															
2.6.3	Complete Final Issue/Turn-in of Items															
2.6.4	Turnover Balance to USAID (if any)															
2.6.5	Closeout Documentation															
2.7	PROPERTY DISPOSAL PLAN (Balance after 2.1 to 2.6)															
2.7.1	Disposal Plan (from USAID)															
2.7.2	Disposition (Advertise/Conduct Auctions)															
2.7.3	Funds to U. S. Treasury															
2.8	CONSOLIDATE USAID ASSETS															
2.8.1	Select Consolidation Points															
2.8.2	Consolidate															
2.8.3	Turnover Balances to USAID (if any)															
2.9	FINAL TRANSPORTATION VOUCHERS															
2.9.1	Vouchers to Finance Office															

LEGEND:

- Activity Ongoing
- Planned Start/Finish
- Event Extended Per USAID Direction
- Complete
- ▲
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Note #2 CEP equipment required until CEP operations cease
 Note #3 RONCO initially was to lease a warehouse and arrange showrooms; USAID was to conduct auctions and collect money.

RONCO CONSULTING CORPORATION PHASE-OUT PLAN

as of February 28, 1994 (Revised)

Task	Activity	Apr 93	May 93	Jun 93	Jul 93	Aug 93	Sep 93	Oct 93	Nov 93	Dec 93	Jan 94	Feb 94	Mar 94
3	MINE DETECTION DOG CENTER (MDDC)												
3.1	TRANSITION TO UNITED NATIONS												
3.1.1	Steering Committee and Charter		▲										
3.1.2	Last EXPAT Trainer Depart		■										
3.1.3	Transfer Operational Responsibility to NGO												
3.1.4	Treat as a Separate Organization												
3.1.5	Stop Accruals of Severance Benefits												
3.1.6	EXPAT in Advisory Role												
3.1.7	EXPAT Advisor Departs												
3.1.8	Achieve NGO Status ASAP												
3.1.9	RONCO Responsible for USG Requirements												
3.1.10	Transfer of USG Property/Funds												
3.1.11	Transition Complete												
3.1.12	Closeout Documentation												

LEGEND:

- Activity Ongoing
- Planned Start/Finish
- Event Extended Per USAID Direction
- Complete
- ▲ Activity Ongoing
- ▲ Planned Start/Finish
- ▲ Event Extended Per USAID Direction
- ▲ Complete
- Included Continuing MDC Off-Shore Procurements.

Note #1

RONCO CONSULTING CORPORATION PHASE-OUT PLAN

as of February 28, 1994 (Revised)

Task	Activity	Apr 93	May 93	Jun 93	Jul 93	Aug 93	Sep 93	Oct 93	Nov 93	Dec 93	Jan 94	Feb 94	Mar 94
4	FINANCE AND ADMINISTRATION												
4.1	PAYMENT OF PROCUREMENT VOUCHERS												
4.1.1	Last Voucher CEP Letter of Commitment							▲	□				
4.1.2	Last Voucher Other Letter of Commitment						▲	▲					
4.1.3	Closeout Requirements (last three months)							○	○				
4.1.4	Closeout Documentation											▲	■
4.2	PAYMENT OF TRANSPORTATION/LOGISTICS VOUCHERS												
4.2.1	Last ARF Transshipment							○		▲	■		
4.2.2	Last DoD Surface Transshipment									▲	▲		
4.2.3	Last CEP Commodity Transshipment									▲	▲		
4.2.4	Last Other Project Transshipment									▲	▲		
4.2.5	Last Property Transfer Shipment									▲	▲		
4.2.6	Last CEP Project Equipment Shipment									▲	▲		
4.2.7	Last Property Disposal Shipment									▲	▲		
4.3	CLOSEOUT ACCOUNTS												
4.3.1	Revolving Funds												
4.3.2	Other Project Accounts							○					
4.3.3	RONCO CEP Accounts												
4.4	CONTRACTOR BILLINGS												
4.4.1	Clear Advanced Revenue/Operation												
4.4.2	Provide Home Office Contact												
4.4.3	Provide Anticipated Date Final Billing												
4.5	RECONCILE FEBRUARY 1994 VOUCHER												
4.5.1	Reconcile Voucher												

LEGEND:

- Activity Ongoing
- Planned Start/Finish
- ▲ Event Extended Per USAID Direction
- Complete

Note #:

- * UNO, IRC, MCI, CARE, DAI & VITA already closed out.
- * Two weeks prior to COP EDD.

Note 4

RONCO CONSULTING CORPORATION PHASE-OUT PLAN

as of February 28, 1994 (Revised)

Task	Activity	Apr 93	May 93	Jun 93	Jul 93	Aug 93	Sep 93	Oct 93	Nov 93	Dec 93	Jan 94	Feb 94	Mar 94
5	RONCO CLOSE-OUT												
5.1	COMPLETE RONCO CEP OPERATIONS												
5.1.1	Mine Detection Dog Center												
5.1.2	Area Logistics Office - Quetta												
5.1.3	Area Logistics Office - Peshawar												
5.1.4	Warehouses - Islamabad												
5.1.5	RONCO Office #1 - Islamabad												
5.1.6	RONCO Office #2 - Islamabad												
5.2	USAID PHASE-IN												
5.2.1	USAID Phase-In Plan												
5.2.3	USAID Phase-In Period												
5.3	CLOSE-OUT FACILITIES												
5.3.1	Turnover MDC - Quetta												
5.3.2	Turnover MDC - Pabbi												
5.3.3	Area Logistics Office - Quetta												
5.3.4	Area Logistics Office - Peshawar												
5.3.5	Warehouses - Islamabad												
5.3.6	RONCO Office #1 - Islamabad												
5.3.7	RONCO Office #2 - Islamabad												
5.4	PHASE-DOWN OF FSN PERSONNEL												
5.4.1	Turnover MDC - Quetta												
5.4.2	Turnover MDC - Peshawar												
5.4.3	Area Logistics Office - Quetta												
5.4.4	Area Logistics Office - Peshawar												
5.4.5	Warehouses - Islamabad												
5.4.6	RONCO-Islamabad Procurement Sif (balance)												
5.4.7	RONCO-Islamabad Trans/Log Staff												
5.4.8	RONCO-Islamabad Finance/Admin Staff												

LEGEND:

- Activity Ongoing
- Planned Start/Finish
- Event Extended Per USAID Direction
- Complete

Note #5 Distribute DoD material and projects surplus equipment.

Note #5 Distribute DoD material and projects surplus equipment.

ANNEX B

PROJECT FINANCIAL PLAN AND MODEL

RONCO Consulting Corporation
PROJECT FINANCIAL PLAN
(AID \$)

COMMODITY EXPORT PROGRAM
 306-0205-C-00-9384
 February 28, 1994
 40,689,533
 38,227,500
 2,462,033

PROJECT TITLE:
 PROJECT NUMBER:
 PLAN YEAR (MO/YR):
 AID LOP FUNDING:
 OBLIGATION TO DATE:
 PIPELINE:

ELEMENT/ACTIVITY	AS OF JANUARY 31, 1994				TO CCD PERIOD TOTAL (C + D)	AVAILABLE/(SHORTFALL)		PERIOD CONTRACT Addition Required	PERIOD Obligations Required
	LOP FUNDING (A)	OBLIGATIONS (PROPOSED) (B)	EXTENDED (LOP) (C)	FEBRUARY 94 PROJECTION (D)		CONTRACT (A - E)	OBLIGATIONS (B - E)		
LOGISTICAL SUPPORT	2,238,282	1,575,000	1,415,816	25,000	1,440,816	797,466	134,184	(797,466)	(134,184)
TECHNICAL ASSISTANCE	15,295,571	15,163,690	14,847,563	277,413	15,124,976	170,595	38,714	(170,595)	(38,714)
PROGRAM: -CEP 205	17,916,680	16,249,810	15,336,428	14,000	15,350,428	2,566,252	899,362	(2,566,252)	(899,362)
TOTAL CEP 205 PROGRAM	35,450,533	32,988,500	31,599,807	316,413	31,916,220	3,534,313	1,072,280	(3,534,313)	(1,072,280)
MANAGEMENT WITHIN CEP PROGRAM -ASSP 204 -AHR 206	4,400,000 839,000	4,400,000 839,000	4,212,491 528,651	64,000 7,501	4,276,491 536,152	123,509 302,848	123,509 302,848	(123,509) (302,848)	(123,509) (302,848)
TOTAL RONCO COMMODITY EXPORT PROGRAM MANAGEMENT	40,689,533	38,227,500	36,340,949	387,914	36,728,863	3,960,670	1,498,637	(3,960,670)	(1,498,637)

PROJECT TITLE:
PROJECT NUMBER:
PLAN YEAR:

COMMODITY EXPORT PROGRAM
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RONCO Consulting Corporation

PROJECT FINANCIAL PLAN
FISCAL YEAR 1st, 2nd QTR 1994
FEBRUARY 1994

Element/Activity	Contract Itemized Budget	Contract Obligation	Expenses up to 1/31/94	FY '94 Feb Proj	Planned to PACD	Available/(Shortfall)		Remarks
						Expenses Contract	Obligation	
LOGISTICAL SUPPORT	2,238,282	1,575,000	1,415,816	25,000	1,415,816	797,466	134,184	-Admin/Log Spt for Expats -Watch Impact of new AID -Admin/Log Spt for Expats
TECHNICAL ASSISTANCE								
1. SALARIES & WAGES	6,766,032	6,707,694	7,204,612	98,000	7,302,612	(536,580)	(594,918)	
Home Office Direct Labor				5,000				
Field Staff Direct Labor (Afg. Humanitarian Relief-206) (Mine Dog Centre Program)				25,000 (5,500) (6,600)				
Local Hire Direct Labor (Afg. Humanitarian Relief-206) (Mine Dog Centre Program) (Contract Labor) (FSN Accrued Benefits)				68,000 (8,000) 0 (5,000)				
2. FRINGE BENEFITS (Mine Dog Centre Program)	767,752	767,132	704,691	7,500	712,191	55,561	48,941	
3. TRAVEL, TRANSPORT, PER DIEM	1,715,341	1,700,551	1,335,602	85,000	1,420,602	294,739	279,949	
Local Travel & Per Diem (Mine Dog Centre Program)				7,000				
International Travel (Mine Dog Centre Program Support) (Shipment of Dogs) (Afg. Humanitarian Relief-206) (Repatriation)				18,000 (15,600)				
R & R Travel				60,000				
Shipment of HHE/POV				8,300				
4. ALLOWANCES	895,103	887,385	767,570		775,870	119,233	111,515	
Post Differential				6,500				
Sunday Pay Differential				1,500				
Storage per Field Staff				300				
Education Allowance				0				
Evacuation Expense				0				

PROJECT TITLE:
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PROJECT FINANCIAL PLAN
FISCAL YEAR 1st, 2nd QTR 1994
FEBRUARY 1994

Element/Activity	Contract		Expenses up to 1/31/94	FY '94 Feb Proj	Planned to PACD	Available/(Shortfall)		Remarks
	Itemized Budget	Contract Obligation				Expenses Contract	Obligation	
5. OTHER DIRECT COSTS	1,514,410	1,501,353	1,310,619	11,500	1,322,119	192,291	179,234	-Admin/Log Spt for Expat
Field Office Expenses				10,000				
Home Office Expenses				1,500				
Contingency/Consultants (Global Trainers)				0				
'(MDC Ref Trng/Trans)								
6. OVERHEAD	2,914,659	2,889,528	2,825,584	52,575	2,878,159	36,500	11,369	
7. FIXED FEE	722,274	716,046	698,884	14,538	713,422	8,852	2,624	
TOTAL TECHNICAL ASSISTANCE	15,295,571	15,163,689	14,847,562	439,513	15,124,975	170,596	38,714	
CEP PROGRAM								
1. LOGISTICS (PROJECT SUPPORT)	800,000	800,000	717,590	9,000	726,590	73,410	73,410	
-Reconstruction/Maintenance (Office Building/Equipment)				2,000				
-Rent and Utilities				1,000				
-Vehicle Running Cost				1,500				
-Maint. Computer Hard/Soft				500				
-Bank Charges				500				
-Security Services				2,500				
-Misc./Supplies/Charges				1,000				
2. EMERGENCY FOOD/TRANSPORTATION	11,300,000	10,000,000	9,964,434	0	9,964,434	1,335,566	35,566	
-Emergency Sup (Non-Food)				0				
-Emergency Sup (Food)				0				
-Other				0				
3. PROJECT EQUIPMENT	1,000,000	900,000	661,977	0	661,977	338,023	238,023	
-Proj Material/Equipment				0				
-Project Vehicles				0				
4. MINE DOG CENTRE	2,000,000	2,200,000	2,094,043	0	2,094,043	(94,043)	105,957	
-Procurement of Dogs				0				
-Dog Food/Supplies				0				
-Vet Cost/Supplies				0				
-Maint of Facilities				0				
-Operational Costs				0				
-Admin/Spt Costs				0				
-Capital Procurement				0				

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RONCO Consulting Corporation

PROJECT FINANCIAL PLAN
FISCAL YEAR 1st, 2nd QTR 1994
FEBRUARY 1994

Element/Activity	Contract		FY '94 Feb Proj	Planned to PACD	Available/(Shortfall)		Remarks
	Itemized Budget	Contract Obligation			Expenses up to 1/31/94	Expenses Contract	
5. DoD SHIPMENTS	1,000,000	600,000	0	241,611	758,389	358,389	-Admin/Log Spt for Exp
6. CONTINGENCIES	1,816,680	1,479,810	5,000	1,661,773	154,907	(181,963)	
CEP PROGRAM 205 COSTS	17,916,680	15,979,810	23,000	15,350,428	2,566,252	629,382	
RONCO-CEP 205 TOTAL	35,450,533	35,988,500	316,413	31,916,219	3,534,314	1,072,281	
MANAGEMENT WITHIN CEP-PROGRAM							
ASSP 204	4,400,000	4,400,000	64,000	4,276,491	123,509	123,509	
-Konar Bridge	500,000			500,000			
-Fertilizer	2,000,000			1,982,249			
-Planting Material	200,000			147,325			
-Transportation of fertilizer/planting material & others	1,700,000		64,000	1,646,917			
AFGHAN HUMANITARIAN RELIEF - 206 (Islamabad Warehouse Expenses)	839,000	839,000	7,501	536,152	302,848	302,848	
-Utilities			0				
-Rents			2,000				
-Repair/Maintenance			500				
-Security Services			2,500				
-Vehical Gas/Maintenance			0				
-Warehouse Supplies			0				
-Inland Transportation/Insurance			2,500				
-DoD Shipment Expenses			0				
OTHER CEP PROGRAM COSTS	5,239,000	5,239,000	71,501	4,812,643	426,357	426,357	
TOTAL CEP PROGRAM COSTS	40,689,533	41,227,500	387,914	36,728,862	3,960,671	1,498,638	

ANNEX C

**"LESSONS LEARNED" REPORT, 1991 PROCUREMENT
OF 12,500 TONS OF DIAMMONIUM PHOSPHATE (DAP)
JUNE 1, 1992 (submitted under separate cover)**

ANNEX D

**CEP-FINAL PROCUREMENT REPORT
JANUARY 6, 1994
(submitted under separate cover)**