

**EXECUTIVE GUIDE
TO
AID PROCUREMENT**

This book provides some basic guidance in AID procurement of goods and services. It is intended as a starting point and reference document for senior executives. It is not a comprehensive description of the procurement process. Your bureau is directly supported by procurement professionals listed at Tab A. Call them for assistance.

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FOREWARD

AID utilizes a large array of acquisition and assistance instruments ranging from simple cash transfers to technical services contracts awarded through "full and open" competition. AID involvement in these instruments also varies widely. For example, AID financed \$299 million in "host country" contracts during FY 1988. These host country contracts are not signed by AID and, unlike U.S. Government contracts, are not subject to the Federal Acquisition Regulations (FAR). Similarly, Commodity Import Programs (CIP) expected to total \$295 million in FY 1990, will provide financing for goods purchased from U.S. suppliers by public and private importers in third world countries. Such CIP transactions do not involve AID as a direct party, but do require supplier compliance with pricing provisions and other requirements of "AID Regulation One." Contracts, grants, cooperative agreements, and Participating Agency Service Agreements are but a few of the agreements which are negotiated and signed by AID contracting officers located in Washington and overseas. AID, as a party to these agreements, has broad authority to direct implementation actions under some agreements, e.g., contracts, and virtually no right to interfere in the execution of other agreements, i.e., grants.

In FY 1988, contracting officers in Washington and overseas signed contracts, grants and other acquisition and assistance agreements totalling \$759 million and \$394 million respectively. Most of the contracts and other agreements signed overseas are funded through bilateral project agreements, and as a consequence, may be signed well after the end of the fiscal year for which the funds are appropriated. Conversely, the majority of contracts and other agreements signed in Washington are not funded through bilateral agreements and must be "obligated" (signed) in the year of the appropriation. This latter funding process produces an annual fourth quarter "busy season" for the AID/Washington procurement staff. In order to manage the annual workload, contracting officers cooperate with all offices in AID to plan for submission of procurement requirements to OP as early as possible in the fiscal year, but not later than certain deadlines. These deadlines are established not only to ease the burden of the year end "crunch", but also to anticipate the

minimum time necessary for completion of required solicitation, negotiation and award prior to September 30 or other dates by which AID must obligate fixed percentages of appropriated funds.

Senior Executives of AID may find the wide selection of procurement options initially confusing. This Executive Guide to AID Procurement includes an index and Tabs to help you find basic facts concerning procurement procedures. Tab A may be your most important reference point; there you will find the names and telephone numbers of the procurement professionals who provide services for your organization.

MANAGEMENT BUREAU
DIRECTORATE FOR PROGRAM AND MANAGEMENT SERVICES
OFFICE OF PROCUREMENT - (M/SER/OP)

Procurement Organization Within AID

Federal law requires all executive agencies to designate a senior procurement executive to be responsible for management direction of the procurement system. In AID, John Owens, Associate Assistant to the Administrator for Management, serves as the Procurement Executive. He performs the Procurement Executive function through the Procurement Policy, Planning and Evaluation Staff (M/SER/PPE) and the Office of Procurement (M/SER/OP). James Murphy, the Chief of M/SER/PPE, is also the Agency's Competition Advocate. He and his staff (1) formulate AID procurement policies, (2) evaluate the adequacy of AID's worldwide procurement systems, and (3) control the process by which AID employees are delegated authority to sign grants, contracts and other procurement agreements.

This Executive Guide to AID Procurement generally describes actions performed by M/SER/OP and Foreign Service Contracting and Commodity Management Officers located in overseas Missions. Terry McMahon is the Director of M/SER/OP.

Functions of the Office of Procurement

AID implements projects and programs through a wide variety of contracts, grants and other procurement instruments. The five divisions of the Office of Procurement (OP) are operationally responsible for soliciting, negotiating, awarding and administering many of these agreements and for backstopping 56 AID Foreign Service Contracting and Commodity Management Officers who perform similar functions in overseas Missions. Very briefly, these five OP divisions perform services as follows:

o Washington Contracts Division (OP/W):

Five branches provide direct contracting and grant agreement support for all central bureaus in AID/W.

o Overseas Contracts Division (OP/OS):

Three branches provide contracting and grant agreement support to AID's three geographic bureaus and backstop all contracting officers located overseas.

o Commodity Support Division (OP/COMS):

This division provides the Washington contact with U.S. commodity suppliers and foreign embassies in carrying out AID's worldwide Commodity Import Programs (CIP). Pharmaceuticals and other project-funded commodities procured through GSA, FDA and other centralized sources are also processed by OP/COMS.

o Transportation Division (OP/TRANS):

Transportation officers assist foreign embassies in advertising and selecting vessels for shipment of AID-financed cargoes. The division also manages the PL 480 Title II freight forwarding contract and monitors AID compliance with the Cargo Preference Act.

o Procurement Support Division (OP/PS):

Two branches maintain AID's worldwide contract information system and assist contracting officers in establishing and maintaining overhead rates.

See Tab A for a list of OP officers who support your bureau.

Office of Procurement (OP) Staff and AssignmentsEmergencies (Duty Officers after hours and weekends)

Contracts	Morton Darvin	Home Tel. No. 703/978-3783
Commodities	Jack Warner	Home Tel. No. 703/847-0256

Staff and Staff Assignments

OP Director - Terrence McMahon	875-1150
Deputy Director - Francis Moncada *	875-1152

Washington Contracts (OP/W):

Division Chief - Kathryn Cunningham	875-1160
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Contracting Officers and Assignments

Steve Dean - S&T (Health, Population & Education)	875-1220
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Jay Bergman - S&T (Agriculture & Nutrition)	875-1155
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BIFAD

RESEARCH & UNIVERSITY
RELATIONS (RUR)

Edward Thomas - S&T (Energy, Forestry Nat. Res., Rural Dev.)	875-1011
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OFFICE OF INT'L TRAINING
SCIENCE ADVISOR

Jim Corley - All S&T IQCs, PPC, PRE, OSDBU, TDP, ITIP	875-5117
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Carolyn Eldridge - FVA, SER, FM, PM, IG, EOP, XA	875-1122
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- * The Deputy Director supervises the two contracts divisions and is directly responsible for procurement services provided to OFDA and TFHA (Contra humanitarian assistance).

<u>Overseas Contracts (OP/OS):</u>	
Division Chief - Morton Darvin	875-1120
<u>Contracting Officers and Assignments</u>	
Judy Johnson - ANE	875-1180
Jean Hacken - AFR	875-1060
Peter Howley - LAC	875-1090
<u>Commodity Support Division (OP/COMS)</u>	
Division Chief - Joyce Frame	875-1411
Deputy Chief - Robert Richardson	875-1053
<u>Branch Chiefs</u>	
Jack Warner - OP/COMS/O (Overseas Branch)	875-1058
Tony Bilecky - OP/COMS/T (Technical Support Branch)	875-1067
Steve Kinsley - OP/COMS/M (Monitoring Branch)	875-1769
<u>Transportation Division (OP/TRANS)</u>	
Division Chief - Howard Cradick	875-1300
<u>Senior Assistants</u>	
Gerard (Pete) Bradford	875-1301
Robert Goldman	875-1300
<u>Procurement Support Division (OP/PS)</u>	
Division Chief - Barry Knauf	875-1110
<u>Branch Chiefs</u>	
James Deery - OP/PS/OCC (Overhead & Special Costs & Contract Close-Out Branch)	875-1101
Srini Vasan - OP/PS/SUP (Support Services Branch)	875-1047

Obtaining the Services of an Individual

Services of an individual fall within two categories -- personal services and non-personal services. AID may issue personal services contracts (PSCs) for services to be performed overseas only. AID may not contract for personal services to be performed in the United States. Only non-personal services may be performed under contract (purchase order) in AID/Washington.

Personal services are those services which, because of the terms of the contract or the administration of the contract, establish an employer/employee relationship.

Non-personal services of an individual are those services which are performed independently based on a scope of work that usually requires an end product or service. An example would be to perform an analysis and submit a report to AID.

Non-personal services of an individual may be obtained by contract or, more commonly, by a purchase order. Purchase orders may be issued for amounts up to \$25,000. There are two major categories of purchase orders - services under \$10,000 and services between \$10,000 and \$25,000.

Purchase orders for non-personal services must be issued competitively as follows:

- o Under \$10,000, the competition is informal. The office which requires the services should consider the qualifications, experience and availability of at least three individuals. The requiring office should contact these individuals and prepare a memorandum which describes the results of the informal discussions and basis for selection of the person to receive the purchase order.

- o PO requirements for amounts between \$10,000 and \$25,000 must be posted on a bulletin board in OP for ten days. Equal consideration must be given to any applications received as a result of that posting. All responses will be forwarded to the requiring office for evaluation in accordance with the previously established evaluation criteria. Only responses received by OP within the 10 days of the posting will be considered for award of the PO. Proposals submitted directly to the requiring office will not be considered for award. The requiring office should submit a memorandum documenting the results of the evaluation to OP.

- o In order to issue a purchase order, OP needs a contractable scope of work, a fund citation, and selection criteria used (or to be used for POs over \$10,000). The normal OP processing time for POs is:

10 working days for POs under \$10,000
3 to 4 weeks for POs in amounts between \$10,000
and \$25,000

If a personal services contract (PSC) for performance overseas is desired, the requiring office will need to submit a PIO/T with scope of work, personnel qualifications, budget and funding to OP. AID may recruit individuals in the United States for personal services to be performed overseas using limited competition procedures. Under such procedures, AID may (1) invite applications through solicitation in a U.S. publication, or (2) consider at least three individuals by conducting informal solicitation similar to that described above for purchase orders. Either form of solicitation may be used without regard to the dollar amount of the contract.

Some special considerations for use of PSCs follow:

- o PSCs generally are considered special government employees, and are entitled to the allowances, support, and benefits of a direct hire employee.

- o PSCs may not sub-contract.

- o PSCs for periods in excess of 90 days require security clearance.

The normal OP processing time for a PSC is 2 - 3 weeks. Additional time may be required if a security clearance is needed.

Contracts for Services
with
Firms, Universities and Non-Profit Organizations

All contracts must be solicited, negotiated and awarded through full and open competition unless subject to one of the exceptions listed under Tab H, "Contracting by Full and Open Competition - Exceptions."

Steps in the contracting process are as follows:

1. Your bureau office sends a PIO/T to the Contracting Officer.

The Office of Procurement (OP) needs a complete description of the required services including a contractable statement (scope) of work, a budget, adequate funding and evaluation criteria upon which proposals will be evaluated. The evaluation criteria should be developed in consultation with OP; the final selection of the contractor must be based on this criteria only and cost considerations.

2. The Contracting Officer determines if an 8(a) or small business set aside is feasible.

Prior to issuance of a Request for Proposals (RFP), it is necessary to determine if there are 8(a) firms or an adequate number of small business firms to warrant a "set aside." This determination is made by the Contracting Officer in consultation with the project officer and A.I.D.'s Office of Small and Disadvantaged Business Utilization (OSDBU). If an 8(a) firm is to be used, there will be no formal (full and open) competition. (See Tab J, "8(a) and Small Business Contracts.") If there will be a set aside for small businesses, all of the following steps will be taken except that competition will be restricted to firms which qualify as small businesses under standards established by the Small Business Administration (SBA).

3. The Contracting Officer prepares and publishes a Request for Proposals (RFP).

An advertisement is normally placed in the Commerce Business Daily (CBD) to provide a brief description of the contract opportunity and instructions on how to obtain the RFP. At least 15 days must then elapse before the RFP is simultaneously mailed or released to anyone who asks for a copy. Proposals must be submitted by a deadline time and date established in the RFP. (The deadline must be not less than 30 days after release of the RFP.)

4. Technical proposals are analyzed and evaluated against the stated criteria.

A technical evaluation committee must be established to evaluate technical proposals. This committee should be chaired by the project officer and have a minimum of three voting members. Members should be identified from the project office and the various other central and regional bureau personnel having expertise in the subject matter of the request. Additionally, OP will provide a non-voting member to serve as a resource person to the committee.

5. Potentially successful proposals are identified and included in a "competitive range," and all others are eliminated from further competition.

After receipt of proposals, the evaluation committee will be provided copies of the technical proposal received. The results of the evaluation, when reported to the Contracting Officer, will be used by the contracting officer in combination with the cost proposal to determine the competitive range. All firms considered to have a reasonable chance of being the successful proposer, cost and technical factors considered, will be included in the competitive range.

6. Discussions are conducted with offerors in the competitive range for the principal purpose of eliminating deficiencies in their proposals.

The Contracting Officer, often assisted by the project officer and other members of the evaluation committee, will discuss proposal deficiencies with individual offerors, but will not disclose the names of other offerors or information concerning other proposals.

7. Those offerors are given an opportunity to submit "Best and Final Offers" (BAFO's).

Offerors may revise technical and cost proposals and submit BAFO's.

8. BAFO's are evaluated and award is made to the offeror whose proposal is most advantageous to the Government, as determined on the basis of the stated technical evaluation criteria and cost factors.

The evaluation committee will again score the "best and final" technical proposals using the same evaluation criteria. The committee will then submit their reports to the Contracting Officer who will evaluate the scores with the offerors' cost proposals. The Contracting Officer will then award a contract to the offeror whose proposal is most advantageous to the Government.

Grants and Cooperative Agreements

In order to define grants and cooperative agreements, it is necessary to define Assistance as opposed to Acquisition. Acquisition is the obtaining of goods and services for the use of or the benefit of the Agency. Assistance is the transferring of funds (or other valuables) to another party for the implementation of their program which will contribute to the public good (furtherance of the objectives of the Foreign Assistance Act). Acquisition is governed by the Federal Acquisition Regulations. Assistance is governed by AID Handbook 13, OMB Circular A-110, and the Grant and Cooperative Agreement Act of 1977.

In a grant, the agency agrees to fund, in whole or in part, a program of a PVO, university or institution that will contribute to a public purpose. Responsibility for program implementation rests with the grantee, and AID may not interfere. We may not direct or require prior approvals, etc.

A Cooperative Agreement is identical to a grant with the one difference being a degree of substantial involvement by AID. Substantial involvement includes such matters as approval of key personnel, or one phase of the program prior to funding a second phase. It should be noted that these are areas of involvement, not control.

Grants and Cooperative Agreements are assistance arrangements. Contracts are for the acquisition of services or goods.

Grants and Cooperative Agreements are not contracts and may not be utilized to obtain goods or services for the use of or benefit of the agency.

Grants and Cooperative Agreements are not enforceable should performance not be what was desired or should our objectives change.

Grants and Cooperative Agreements cannot be unilaterally terminated for the convenience of the government.

While competition is encouraged, it is not required by law or regulation. When competed, the selection is made totally on technical merits (costs are not evaluated).

Indefinite Quantity Contracts (IQCs)

A.I.D. currently has approximately 100 Indefinite Quantity Contracts (IQC's) to provide quick delivery of short term services. These IQC's cover 34 functional categories as listed on the following four pages. Nearly all of the IQC's are awarded and administered in AID/W, but Missions as well as AID/W offices may request such contract services. An IQC is implemented through issuance of Delivery Orders by the Contracting Officer. These delivery orders are issued after OP receives funded Project Implementation Orders (PIO/T's) prepared by the requiring office or Mission and approved by the responsible technical office, e.g., S&T, as shown on the following list of IQC's.

Some unique IQC provisions and procedures are worth note:

- o These contracts are awarded competitively or under exceptions (including 8a and small business set asides). Delivery orders are issued without further competition. Missions and AID/W offices may generally select one of the listed IQC's for issuance of a delivery order.
- o Delivery orders issued under the IQC must be within the scope of work of the basic contract. A delivery order may not change or modify the original contract.
- o Services provided under a delivery order are generally limited to a time span of four months. An IQC should not be used as a substitute for a project-specific, technical assistance contract. (Note that A.I.D. also utilizes "Ribbon" contracts which may provide longer term services to Missions under a "buy-in" mechanism - see "Buy-In Contracts (Ribbons)" at Tab I.)
- o A.I.D. is committed to payment for a minimum amount of services (\$10,000) under each IQC. When two or more IQC's are awarded for similar services, technical offices must ensure that work is balanced among contractors to meet minimum requirements.

- o An IQC establishes a maximum amount of services to be supplied by the contractor.
- o A.I.D. may not specify to an IQC which individuals will be provided under the delivery order. The PIO/T must contain a certification that A.I.D. did not identify the personnel to be provided.
- o Delivery orders are normally processed by OP within 2 to 3 weeks after receipt of a PIO/T.

See IQC list on following pages.

Mission-issued IQCs and delivery orders under those IQCs are not included in this report.

FUNCTIONAL AREA/CONTRACT NUMBER	CONTRACTOR NAME	TOTAL DELIVERY ORDERS		MIN/MAX	TECH OFFICE	CONTRACT (IQC) PERIOD	
		NO.	VALUE	VALUE (\$000)		FROM	TO
Accounting/Financial Mgmt Serv.:							
1. OTR-0000-1-00-7149-00 *a/	DAC International, Inc.	5	8 130,043	10/750	PFM/FM	07/10/87	07/09/90
2. OTR-0000-1-00-7226-00	Price Waterhouse	11	923,588	10/750	PFM/FM	09/15/87	09/14/90
3. OTR-0000-1-00-7227-00	Arthur Young & Company	3	182,625	10/750	PFM/FM	09/15/87	09/14/90
Agriculture:							
1. PDC-1406-1-00-7005-00	SECID/SECID Research Int'l	2	151,136	10/1000	S&T/AGR	01/05/87	01/04/90
2. PDC-1406-1-00-7006-00 *d/	Development Associates, Inc.	15	949,405	10/1000	S&T/AGR	01/05/87	01/04/90
3. PDC-1406-1-00-7007-00	Chemonics International	26	1,914,467	10/1000	S&T/AGR	01/05/87	01/04/90
4. PDC-1406-1-00-7008-00	Consortium for Int'l Dev.	6	309,790	10/1000	S&T/AGR	01/05/87	01/04/90
5. PDC-1406-1-00-7009-00 *b/	Pragme Corporation	5	274,237	10/1000	S&T/AGR	01/05/87	01/04/90
6. PDC-1406-1-00-7010-00 *b/	Int'l Resource Cons., Inc	3	218,639	10/1000	S&T/AGR	01/05/87	01/04/90
7. PDC-1406-1-00-7011-00 *c/	Experience, Inc.	19	916,662	10/1000	S&T/AGR	01/05/87	01/04/90
8. PDC-1406-1-00-7012-00 *c/	Associates in Rural Dev.	5	409,470	10/1000	S&T/AGR	01/05/87	01/04/90
9. PDC-1406-1-00-7013-00 *b/	Devres, Inc.	7	553,981	10/1000	S&T/AGR	01/05/87	01/04/90
10. PDC-1406-1-00-7014-00 *b/	Clepp & Meyne, Inc.	0	0	10/1000	S&T/AGR	01/05/87	01/04/90
11. PDC-4109-1-00-7082-00 *a/	Development Assistance Corp.	0	0	10/1000	S&T/AGR	06/30/87	06/29/90
12. PDC-4109-1-00-7115-00 *e/	Diampex Associates, Inc.	1	100,515	10/1000	S&T/AGR	09/01/87	08/31/90
A & E Services:							
1. OTR-0000-1-00-6071-00	Parsons Brinckerhoff Int'l	18	2,192,818	10/2250	*g/	05/08/86	05/07/89
Audit Services:							
1. OTR-0000-1-00-6165-00 *b/	Mitchell/Titus & Company	3	74,483	10/1500	IG/EMS	09/30/86	09/30/89
2. OTR-0000-1-00-6166-00	Peat, Marwick, et al	6	79,399	10/1500	IG/EMS	09/30/86	09/30/89
3. OTR-0000-1-00-6167-00 *c/	Cotton & Company	1	9,995	10/1500	IG/EMS	09/30/86	09/30/89
4. OTR-0000-1-00-6168-00	Price Waterhouse	9	238,971	10/1500	IG/EMS	09/30/86	09/30/89
Data Processing Services:							
1. OTR-0000-1-00-6170-00	Deloitte, Haskins & Sells	4	137,045	10/2250	M/SER/IRM	09/25/86	09/24/89
2. OTR-0000-1-00-6171-00 *c/	Applied Management Systems	2	46,639	10/2250	M/SER/IRM	09/25/86	09/24/89
Development Information/Eval:							
1. PDC-0085-1-00-6095-00 *b/	Devres, Inc.	19	1,189,689	10/2250	PPC/CDIE	08/01/86	07/31/89
2. PDC-0085-1-00-6096-00 *b/	Management Systems Int'l	34	1,810,668	10/2250	PPC/CDIE	08/01/86	07/31/89
3. PDC-0085-1-00-6097-00	Checchi & Co./Louis Berger	50	2,091,027	10/2250	PPC/CDIE	08/01/86	07/31/89
4. PDC-0085-1-00-6098-00 *d/	Development Associates Inc.	43	2,289,839	10/2250	PPC/CDIE	08/01/86	07/31/89
5. PDC-0085-1-00-6108-00 *g/	TVT Associates	12	443,707	10/2250	PPC/CDIE	08/01/86	07/31/89
Development Management:							
1. PDC-1096-1-00-7172-00 *g/	DAC International, Inc.	0	0	10/3000	S&T/RD	09/22/87	09/21/90
2. PDC-5317-1-00-8122-00 *b/	Management Systems Int'l	2	40,000	10/3000	S&T/RD	07/29/88	07/28/91
3. PDC-5317-1-00-8127-00	Development Associates, Inc/ Development Alternatives	1	24,998	10/3000	S&T/RD	08/05/88	08/04/91

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Disaster Assistance:

1.	PDC-0000-1-00-8077-00 *c/	Protective Plastics, Inc.	2	952,521	*h/	OFDA/OS	05/04/88	05/03/91
2.	PDC-0000-1-00-8196-00 *c/	Trans Amer Spinning Mills	0	0	*l/	OFDA/OS	09/20/88	09/19/91

Editorial/Publications Development:

1.	DAM-1406-1-00-4097-00 *c/	Gelgeschlager, Gurn & Main	6	59,745	*f/	S&T/PO	09/27/84	09/26/89
2.	DAM-1406-1-00-5096-00 *a/	Metrotec, Inc.	9	373,141	.5/1050	S&T/PO	09/20/85	09/19/90

Education:

1.	PDC-1109-1-00-7109-00 *a/	Research Management Corp.	2	116,620	10/3000	S&T/ED	08/15/87	08/14/90
2.	PDC-1109-1-00-7118-00	Education Development Center	8	525,490	10/3000	S&T/ED	08/15/87	08/14/90
3.	PDC-1109-1-00-7119-00 *d/	Creative Associates, Inc.	10	645,302	10/3000	S&T/ED	08/15/87	08/14/90
4.	PDC-1109-1-00-7120-00 *c/	Inst. for Int'l. Research	8	287,116	10/3000	S&T/ED	08/15/87	08/14/90

Employment/Enterprise Development:

1.	PDC-1096-1-00-7166-00 *a/	Global Exchange, Inc.	1	17,791	10/3000	S&T/RD	09/18/87	09/17/90
2.	PDC-1096-1-00-8042-00 *b/	Management Systems Int'l	3	142,693	10/3000	S&T/RD	03/01/88	02/28/91
3.	PDC-1096-1-00-8043-00	Dev. Alternatives/RR Nathan	11	727,100	10/3000	S&T/RD	03/01/88	02/28/91

Energy:

1.	PDC-5730-1-00-6109-00 *c/	CBY Associates, Inc.	2	127,941	10/2250	S&T/EY	08/15/86	08/14/89
2.	PDC-5730-1-00-6110-00 *c/	Delucia & Assoc., Inc.	8	690,191	10/2250	S&T/EY	08/15/86	08/14/89
3.	PDC-5730-1-00-6111-00 *c/	Development Sciences, Inc.	2	70,338	20/2250	S&T/EY	08/15/86	08/14/89
4.	PDC-5730-1-00-6112-00 *c/	Energy Dev Int'l./I.T. Power	14	686,691	10/2250	S&T/EY	08/15/86	08/14/89
5.	PDC-5730-1-00-7021-00	Price Waterhouse/Msthtech/ Foster Wheeler	3	558,893	10/2250	S&T/EY	01/22/87	01/21/90
6.	PDC-5730-1-00-7022-00	Burns & Roe/Magier, Bailly	5	500,485	10/2250	S&T/EY	01/22/87	01/21/90
7.	PDC-5730-1-00-7023-00	GDC, Inc.	0	0	10/2250	S&T/EY	01/22/87	01/21/90
8.	PDC-5730-1-00-7024-00	Arthur D. Little, Inc.	3	329,307	10/2250	S&T/EY	01/22/87	01/21/90
9.	PDC-5730-1-00-7052-00 *a/	TEM Associates, Inc.	2	44,231	10/2250	S&T/EY	05/21/87	05/20/90
10.	PDC-5730-1-00-7053-00 *a/	Energy & Environmental Engr.	1	19,836	10/2250	S&T/EY	09/02/87	09/01/90

Environmental/Natural Resources:

1.	PDC-5517-1-00-7136-00	Dames & Moore/Louis Berger/ Inst. for Dev. Anthropology	7	793,845	10/3000	S&T/FENR	08/31/87	08/30/90
2.	PDC-5517-1-00-7137-00 *c/	Tropical Resch. & Dev./CEM Engineering & Assoc Sciences	16	852,674	10/3000	S&T/FENR	08/31/87	08/30/90

Facility Management/Space Planning:

1.	OTR-0000-1-00-7244-00 *a/	Energy Systems Engineering	2	203,687	10/350	M/SER/MO	09/29/87	09/30/89
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Foreign Languages:

1.	OTR-0000-1-00-6123-00	C.A.C.I., Inc.-Federal	71	237,706	3/400	PFM/PM	08/11/86	08/10/89
2.	OTR-0000-1-00-6124-00	Inlingua School-Languages	15	72,689	3/250	PFM/PM	08/11/86	08/10/89
3.	OTR-0000-1-00-6153-00 *c/	Int'l Ctr-Language Studies	16	92,595	3/250	PFM/PM	09/15/86	09/14/89

Health (Planning & Delivery):

1.	PDC-1406-1-00-7113-00	University Research Corp.	15	770,152	10/3000	S&T/H	08/15/87	08/14/90
2.	PDC-1406-1-00-7114-00 *c/	Medical Service Consultants	0	0	10/3000	S&T/H	08/15/87	08/14/90
3.	PDC-1406-1-00-7152-00 *a/	Pragma Corporation	8	520,832	10/3000	S&T/H	09/11/87	09/10/90

Health (Tropical Diseases):

1.	PDC-1406-1-00-7124-00 *c/	Medical Service Consultants	1	18,000	10/3000	S&T/H	09/01/87	08/31/90
2.	PDC-1406-1-00-7133-00	Management Sci. for Health	1	14,000	10/3000	S&T/H	08/28/87	08/27/90

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Tab E - IQC List

Health (Water Supply & Sanitation):

1.	PDC-1406-1-00-7134-00	Medical Care Development	0	0	10/3000	S&T/H	08/28/87	08/27/90
2.	PDC-1406-1-00-7135-00 *b/	Pregma Corporation	3	72,416	10/3000	S&T/H	08/28/87	08/27/90

Housing & Urban Development:

1.	PDC-0000-1-00-6168-00	Urban Institute	17	921,104	10/2250	PRE/H	09/15/86	09/14/89
2.	PDC-0000-1-00-6169-00	Research Triangle Institute	21	754,079	10/2250	PRE/H	09/15/86	09/14/89
3.	PDC-0000-1-00-6170-00	Robert R. Nathan/USI Int'l	2	105,371	10/2250	PRE/H	09/15/86	09/14/89
4.	PDC-0000-1-00-6171-00 *c/	PADCO, Inc.	9	340,525	10/2250	PRE/H	09/15/86	09/14/89
5.	PDC-0000-1-00-6187-00	ABT/Deloitte Maskins & Sells	28	765,675	10/2250	PRE/H	09/15/86	09/14/89
6.	PDC-1001-1-00-7159-00 *a/	Comprehensive Marketing Sys.	0	0	10/1000	PRE/H	09/21/87	09/20/89
7.	PDC-1001-1-00-7160-00 *a/	Resource Applications, Inc	1	2,566	10/1000	PRE/H	09/21/87	09/20/89
8.	PDC-0000-1-00-7161-00 *a/	Int'l. Dev. & Energy Assoc.	1	24,385	10/1000	PRE/H	09/21/87	09/20/89

Housing Finance & Economic Services:

1.	OTR-0000-1-00-6102-00	USI International	17	570,393	10/2250	PRE/H	07/03/86	07/02/89
2.	OTR-0000-1-00-6103-00	Deloitte, Maskins & Sells	20	643,663	10/2250	PRE/H	07/03/86	07/02/89

Macroeconomic Analysis:

1.	PDC-0000-1-00-6133-00	SRI International	3	221,558	10/2250	PPC/EA	08/20/86	08/19/89
2.	PDC-0000-1-00-6134-00 *b/	Int'l Sci&Tech/Ctr-Dev Tech	37	1,828,963	10/2250	PPC/EA	08/20/86	08/19/89
3.	PDC-0000-1-00-6135-00	RR Nathan/Dev Alter/Bos. U	35	1,973,345	10/2250	PPC/EA	08/20/86	08/19/89
4.	PDC-0000-1-00-6136-00	WEFA, Inc./Louis Berger	22	1,397,598	10/2250	PPC/EA	08/20/86	08/19/89

Management Assistance/Skills:

1.	OTR-0000-1-00-8291-00 *b/	Coverdale-Atlas Jt. Venture	0	0	5/450	PFM/TD	09/28/88	09/28/91
2.	OTR-0000-1-00-8292-00 *c/	Training Resources Group	0	0	5/450	PFM/TD	09/28/88	09/28/91

Management Consulting Services:

1.	OTR-0000-1-00-6176-00	Booz-Allen & Hamilton, Inc.	7	528,282	10/2250	M/SER/IRM	09/25/86	09/24/89
2.	OTR-0000-1-00-6177-00	Arthur Young & Company	7	245,493	10/2250	M/SER/IRM	09/25/86	09/24/89
3.	OTR-0000-1-00-8084-00 *b/	Management Systems Int'l	3	81,446	10/750	M/SER/IRM	07/01/88	09/24/89

Microfilming Services:

1.	OTR-0000-1-00-7084-00 *a/	Independent Professionals	3	10,000	10/60	M/SER/IRM	02/16/87	02/15/89
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Nutrition in Agriculture:

1.	PDC-1406-1-00-7028-00	Rech. Triangle/Sigma One	7	373,718	10/1000	S&T/H	03/01/87	03/01/90
2.	PDC-1406-1-00-7029-00	Education Development Center	5	99,517	10/1000	S&T/H	03/01/87	03/01/90

Nutrition in Health:

1.	PDC-0262-1-00-7150-00	John Snow Pub. Health Group	10	282,732	10/3000	S&T/H	09/11/87	09/10/90
2.	PDC-0262-1-00-7151-00 *b/	Logical Technical Services	4	189,895	10/3000	S&T/H	09/11/87	09/10/90

Printing Services: *a/

1.	OTR-0000-1-00-6120-00 *c/	Goodway Graphics, Inc.	449	978,636	10/950	M/SER/MO	09/01/86	02/28/89
2.	OTR-0000-1-00-8090-00 *b/	Copy Data Systems, Inc.	0	0	10/375	M/SER/MO	02/17/88	07/16/89

Procurement Services:

1.	AME-0090-1-00-8009-00 *a/	Lambert Company, Inc.	1	21,152	10/250	Egypt	12/15/87	12/31/89
2.	AME-0007-1-00-8017-00 *a/	Amer Manufacturers Export Gr	1	9,712	10/200	Thailand	01/15/88	12/31/90

Records Management:

1.	OTR-0000-1-00-5197-00 *a/	Ranson Management Corp.	6	279,584	48.2/1000	M/SER/MO	09/30/85	09/30/89
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Remote Sensing:

1.	PDC-1406-1-00-7070-00	Earth Satellite Corp.	5	230,130	10/1000	S&T/FENR	05/30/87	05/29/90
2.	PDC-5547-1-00-7071-00	Univ. of New Mexico/ Marza Engineering Co.	2	115,948	10/1000	S&T/FENR	05/30/87	05/29/90

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Rural Development:

1. DAM-5301-I-00-5025-00	University of Wisconsin	11	1,197,015	200/3100	S&T/RD	02/01/85	07/31/89
2. DAM-0000-I-00-5051-00	Nat'l Assoc.-Schools of Public Affairs & Admin.	9	317,079	10/1006	S&T/RD	06/01/85	09/30/89
3. LAC-0000-I-00-6032-00	New Mexico State University	1	62,296	3/450	Bolivia	05/13/86	05/12/89
4. DMR-5428-I-00-7016-00	Appropriate Technology Int'l	1	237,022	10/2000	S&T/RD	09/01/87	09/30/89

Rural/Regional Income Generation:

1. PDC-1096-I-00-7169-00 *a/	Progress Corporation	5	172,351	10/3000	S&T/RD	09/25/87	09/24/90
2. PDC-5315-I-00-8100-00	Robert R. Matheny/IRG, Ltd.	0	0	10/3000	S&T/RD	07/01/88	06/30/91
3. PDC-5315-I-00-8101-00	Dev. Alternatives/Inst.-Dev. Anthropology/Rsch. Triangle	5	547,304	10/3000	S&T/RD	07/01/88	06/30/91
4. PDC-5315-I-00-8102-00 *c/	Tropical Research & Dev.	0	0	10/3000	S&T/RD	07/01/88	06/30/91

Specifications Review:

1. OTR-0000-I-00-7208-00	STV Engineers, Inc.	2	92,274	10/600	M/SER/OP	09/30/87	09/30/89
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Food Processing:

1. OTR-0000-I-00-5128-00 *a/	Ronson Management Corp.	1	59,000	33.5/87	M/SER/OP	08/19/85	11/30/88
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GRAND TOTALS: Number of Functional Areas = 34
 Number of IQCs as of 12/31/88 = 105

NOTES:

- a. IQC with an 8(a) firm.
- b. Small Disadvantaged Business
- c. Small Business
- d. Large Disadvantaged Business
- e. The total of all delivery orders issued under printing service IQCs is reflected on this Functional Report of Current IQCs. However, on the Schedules of Delivery Orders Issued, one delivery order equals all orders issued to a single contractor during a single month. These delivery orders are reported in this manner to minimize distorting data since an unproportionately large number of low dollar value delivery orders are issued each month under the printing IQCs.
- f. AID shall order a minimum of 1/maximum of 20 manuscripts.
- g. Technical office not designated at this time.
- h. AID shall order a minimum of 500/maximum of 5,000 rolls of reinforced polyethylene fabric.
- i. AID shall order a minimum of 5,000/maximum of 300,000 non-woven blankets.

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Host Country Contracts for Services

A.I.D. finances contracts between less developed countries and contractors. These "Host Country Contracts" are not subject to the Federal Acquisition Regulations (FAR), but are subject to the requirements of AID Handbook 11.

A.I.D. is not a party to a host country contract. Instead, Mission officers review documents and provide or deny approval at several stages of the contracting process. USAID approval is particularly essential for the solicitation (RFP) and the contract, prior to award.

Host country contracts must contain a limited number of clauses required by U.S. Government statute or regulation. Many other clauses are routinely included to ensure sound contracting practices and compliance with A.I.D. procedures as set out in Handbook 11.

A host country contract includes payment provisions, but because A.I.D. is not a party, the contract alone cannot commit A.I.D. to pay the contractor. The payment obligation is established by A.I.D. when the Mission Controller (or AID/W, FM) issues a Letter of Commitment to the contractor. (See "Letters of Commitment" at Tab G.)

Host country contractors are unable to file protests of awards under provisions of the FAR or other regulations. (For example, the Comptroller General will not consider a protest filed by a U.S. company which has been unsuccessful in competing for a host country contract award.) Instead, contractors may file protests with host country contracting agencies.

Contractors expect that A.I.D. requirements and approvals will ensure the integrity of the host country procurement process and that A.I.D. will examine and rectify irregularities.

The competition procedure normally provides for competition on technical merits only. The host country contracting agency establishes a "short listing" of the top ranked firms based on

the results of the technical evaluation. Negotiation of cost is then undertaken with the top ranked firm only. If agreement cannot be reached, negotiations with that firm are discontinued and negotiations begin with the next highest ranked firm.

A.I.D. Contracting Officers may provide advice and assistance in the solicitation, award and administration of host country contracts. But, these are not U.S. Government contracts and Contracting Officers are not held responsible for selection of the contractor, compliance with A.I.D. regulations or any other action in the procurement process.

Letters of Commitment

AID direct contracts, grants and cooperative agreements include payment terms and the commitment of AID to make direct payments to the other party. Host Country Contracts and Commodity Import Programs (CIP) do not include AID as a party to the procurement contract, and therefore cannot establish AID's commitment to pay the U.S. contractor or supplier. The AID commitment to pay and the procedures for payment are established under a Direct Letter of Commitment or Bank Letter of Commitment as follows:

Direct Letter of Commitment (Direct L/Comm)

The Direct L/Comm is issued to a contractor or supplier by the AID/W Office of Financial Management (FM) or by a Mission Controller. The L/Comm refers to the contract or other agreement and often "incorporates by reference" provisions of the host country contract. The contractor or supplier must sign and return a copy of the L/Comm to the Controller before the L/Comm becomes a valid commitment by AID to make payments to the contractor or supplier upon presentation to AID of specified invoices and other documents.

Bank Letter of Commitment (Bank L/Comm)

A Bank L/Comm is issued to a United States bank by the AID/W Office of Financial Management (FM). The Bank L/Comm commits AID to reimburse the bank for payments made by the bank to U.S. suppliers under irrevocable letters of credit issued by the bank. This procedure is most frequently used for the Commodity Import Program or for project-funded commodity purchases by host countries involving large numbers of individual transactions.

In practice, the Bank L/Comm process frequently follows these procedures:

1. After a CIP agreement is signed with the host country, the Mission requests FM to open one or more Bank L/Comms in specified amounts with U.S. banks designated by the host country.

2. An importer who has obtained approval from the host country and AID /Mission, enters into a purchase agreement with a U.S. supplier. (See CIP procedures at Tab M). The purchase agreement provides that payment will be made in U.S. dollars under a letter of credit issued by the L/Comm bank in the U.S.
3. The importer visits a designated bank in his country and requests the bank to open a letter of credit through the L/Comm bank in the U.S. The importer may be required to pay part or all of the commodity cost in local currency at the time the letter of credit is opened, at some date prior to delivery, or over some extended period under established credit terms.
4. When the supplier receives the irrevocable letter of credit drawn on the L/Comm bank and makes shipment, he may present his invoice, a supplier's certificate, a bill of lading and other required documents to the L/Comm bank and obtain prompt payment.
5. The L/Comm bank immediately presents the supplier payment documents to AID/W and receives immediate reimbursement.

Contracting by Full and Open Competition - Exceptions

The Competition in Contracting Act of 1984 (CICA) requires that all procurement for goods and services be done through full and open competition, unless one of the exceptions listed therein apply.

Full and open competition means that all requirements must be competed and that any firm, institution, etc. may propose and has to be equally considered.

The exceptions to full and open competition are:

1. Sole source - only one source capable of filling the requirement. Under certain circumstances follow-on procurement may be obtained under this exception.
2. Unusual and compelling urgency - the requirement is so urgent that delay in award would cause serious injury to the U.S. Government.
3. Industrial mobilization, or engineering development, or research capability.
4. International agreement. To be used when the terms of an international agreement or treaty require contracting other than through full and open competition.
5. Authorized or required by statute, such as Federal Prison Industries, the 8(a) program, blind-made products, etc.
6. National Security. Mostly DOD type activities.
7. Public interest. Requires determination by the Head of the Agency and 30 days advance notice to Congress.

In addition to the above which are specifically provided for in CICA, the Foreign Assistance Act and AID regulations provide the following exceptions to full and open competition.

1. Personal Services to be performed overseas.

2. Services less than \$100,000 procured by an AID Mission.
3. When a determination is made by an AA or the Administrator that procurement from any other source would impair the objectives of the Foreign Assistance Act.
4. To support disaster assistance efforts under certain circumstances. (Applies to the Office of Foreign Disaster Assistance, OFDA, only)

THE COMPETITION IN CONTRACTING ACT EXPRESSLY PROHIBITS THE WAIVER OF FULL AND OPEN COMPETITION AS A RESULT OF FAILURE TO PROPERLY PLAN OR THE FACT THAT FUNDS WILL BE LOST IF NOT AWARDED WITHIN A CERTAIN TIMEFRAME.

Authorization:

All waivers of competition under the seven CICA exceptions listed above or the FAA "impairment" exception established by AID require justification. The office proposing an exception to full and open competition must prepare a paper describing the basis for the waiver request. The authority for issuing waivers rests with:

1. Procurement officers for the seven CICA exceptions.
- and
2. The Administrator or AA for "impairment" exceptions.

Any intent to waive competition under an authorized exception should be discussed with your contracting officer at the outset of procurement planning.

Buy-In Contracts (Ribbons)

A "ribbon" contract is a direct, professional services contract which is issued and managed in AID/W, but designed to permit missions to obtain services through "buy-ins" from the contractor without further competition.

Ribbon contracts normally include two basic components:

1. A "core" element of services to be performed by the contractor for A.I.D. utilizing funds provided by the central bureau.
2. An additional defined level of effort to be performed by the contractor utilizing funds which are added to the contract as Missions "buy-in" to the contractor's services with country program funds or with funds provided to Missions for project development and support (PD&S).

AID/W bureaus, other than the bureau responsible for the ribbon, may also "buy-in" with regional or other funds managed at the bureau level. For example, the Africa Bureau (AFR) might wish to obtain health services for a regional program under a ribbon contract managed by the Science and Technology Bureau (S&T). If the desired health services match the scope of work of the ribbon contract, AFR can obtain the services without further competition through a buy-in.

Some important reminders and suggestions follow:

- o Buy-ins must be within the scope of the original contract.
- o Buy-ins must be within the total estimated cost and level of effort of the original contract.
- o Requests from missions or AID/W offices for buy-ins must be discussed with the ribbon contract project office and OP and not directly with the contractor.

- o Missions or bureaus which buy-into a ribbon contract have no direct relationship to the contractor. Rather, they must deal with the contractor through the central bureau sponsoring the contract and through OP.
- o Mission buy-ins utilizing project agreement (pro-ag) funds must be added to the ribbon contract through separate work orders, and contractors must cite these work orders on invoices in order for A.I.D. to maintain separate accountability for country funds.
- o Buy-ins utilizing non-pro-ag funds are normally executed through simple amendment to the ribbon contracts.
- o Missions and bureaus should discuss proposed buy-ins with the AID/W office which manages the ribbon contract before submitting a formal request. This will save time and frustration by permitting the project officer to review the request to determine if (1) it is considered within the scope of work of the contract, and (2) the value of the buy-in can be accommodated within the remaining total estimated cost and level of effort of the contract.
- o Agency personnel other than OP must not discuss a buy-in with the prospective contractor, nor provide the contractor with the PIO/T or related documentation. The final determination as to the acceptability of a buy-in rests with the contracting officer.

Normal processing time in OP: Non-pro-ag buy-ins - 30 days
 Pro-ag-funded buy-ins - 60 days

8(a) and Small Business Contracts8(a) Contracts

Section 8(a) of the Small Business Act permits certain minority-owned firms to obtain government contracts without competition. Some important points to remember:

- o An 8(a) contract is a contract between AID and and the Small Business Administration (SBA). The 8(a) firm is identified in this contract as the subcontractor of SBA.
- o To obtain such (sub) contracts, firms must apply to SBA for 8(a) certification as socially or economically disadvantaged businesses. Additionally, such firms must qualify as "small businesses" within the Standardized Industrial Classification (SIC) code covering the type of services required by the AID contract. (See Small Business Contracts below.)
- o Specific 8(a) subcontractors are usually identified (selected) by AID. AID then requests approval from SBA to negotiate with the identified firm. Once negotiations are completed, AID provides SBA with contract and subcontract documents for signature by SBA and the subcontractor.
- o As an alternative to selecting a single firm, AID may request SBA approval to technically and informally compete the contract among a limited number of 8(a) firms selected by AID. (Cost or price competition is not permitted by SBA.) For example, AID may identify three 8(a) firms and, with SBA approval, request technical proposals from all three. In this example, AID would then select the firm with the best proposal and advise SBA of our decision.
- o Non-minority, women-owned firms normally do not qualify for SBA, 8(a) certification.

- o All 8(a) firms qualify as minority firms for meeting AID's "Gray Amendment" goals. Conversely, many "Gray Amendment" qualifying organizations are not 8(a) firms. [Gray Amendment organizations include Historically Black Colleges and Universities (HBCU's), non-minority women-owned firms, and minority firms which do not meet SBA small business limitations.]

Small Business Set-Aside Contracts

In addition to the 8(a) program described above, the U. S. Government has a program for small business set asides and a requirement for prime contractors to submit plans for small business subcontracting.

Unlike the 8(a) program, a small business set aside is an openly competitive process among all interested firms which qualify as small businesses for the type of services required by the contract. To qualify, a firm must not exceed, by sales category, specific Standard Industrial Classification (SIC) codes as prescribed by SBA.

Unlike the 8(a) program, contracts awarded under small business set asides are direct contracts with firms and not contracts with SBA.

Normal OP processing time:

8(a) contracts - 30-90 days

Small business set asides - 4-6 months

PASAs and RSSAs

PASAs and RSSAs are interagency agreements which enable AID to use the unique resources of other Federal agencies.

A PASA (Participating Agency Service Agreement) is an agreement with another Federal agency for specific services or support, generally overseas. Most PASA agreements are funded under a single authorized project. The assistance is tied to a specific project goal to be performed within a definite time frame. A PASA may provide for buy-ins from missions.

A RSSA is a Resource Support Service Agreement. RSSAs are used for obtaining general professional support assistance on a continuing basis from another Federal agency. These agreements normally involve performance in AID/W and are funded by AID/W bureaus and offices. RSSA personnel may occasionally provide TDY assistance to missions. RSSAs may NOT provide for buy-ins from missions.

PASAs and RSSAs are governed by HB 12.

AID must not use a PASA or RSSA unless the following conditions are met:

The services desired must meet the definition of "technical assistance."

The other Federal agency must have unique capabilities or be particularly well suited to carry out the technical assistance activity (i.e., be clearly and substantially superior to AID, the private sector or another Government agency in fulfilling the requirement).

The furnishing of services or commodities to AID must not unduly interfere with the providing agency's domestic programs. (The other agency must have excess capacity.)

All RSSAs and PASAs are financed by program funds. (Under AID policies, PASAs and RSSAs may not be used for AID management support purposes requiring use of operating expense funds without specific waiver by AA/M.)

Subcontracting under PASAs may be appropriate if the Participating Agency is making a real contribution in identifying and managing the subcontractor in a very specialized field. If, however, the Participating Agency is itself providing little input, consideration should be given to using an AID direct contract. AID must pay a Participating Agency overhead for any subcontracting performed by that agency.

Subcontracting is generally not appropriate under a RSSA.

TITLE XII
SELECTION PROCEDURES

Title XII of the Foreign Assistance Act is designed to increase the involvement of U.S. agricultural universities with AID in the area of international food, nutrition, and agriculture development.

Title XII selection procedures provide us with the legal basis for limiting competition to educational institutions.

While these procedures are available for use by any contracting officer, they are used almost exclusively by contracting officers located in missions.

The staff of the Board for International Food and Agriculture Development (BIFAD) should participate in the planning award of Title XII procurements.

There are two types of procurements conducted under this limited authority; the general selection procedure and the collaborative assistance procedure. Each requires competition among Title XII institutions to the maximum extent possible.

The general selection procedure provides for issuance of a Request for Technical Proposal (RFTP) from universities, ranking those proposals based upon technical merit and then negotiating with the top ranked institution.

The collaborative assistance procedure permits the university to design a project and, subject to AID approval, then undertake project implementation.

Under the collaborative assistance procedure, a Request for Expression of Interest (REI) asks universities to submit only their expression of interest rather than a full proposal. Negotiations are conducted only with the top ranked university.

The Commodity Import Program (CIP)

Commodity Import Program (CIP) Agreements provide AID financing for manufactured goods, bulk grains and other commodities. Private sector CIP Agreements permit private sector importers to purchase eligible commodities in the United States through commercial practices. Public sector CIP Agreements enable host country ministries and other public sector importers to obtain commodities through formal competitive bidding and other government procedures. Procedures vary considerably depending on host country capabilities and requirements, but typical steps in the procurement process may be briefly described as follows:

Public Sector CIP Procedures:

1. The (public sector) importer, after obtaining approval from the host country authorizing office, brings an approved request for financing to the AID Mission. The USAID Commodity Management Officer (CMO) reviews the request to determine adequacy of equipment specifications or other requirements necessary for formal solicitation.
2. The Mission-approved statement of requirements is sent to the OP Commodity Support Division (OP/COMS) for a further review of specifications and assistance in preparation of the Invitation for Bids (IFB).
3. The Commodity Management Officer in OP/COMS delivers the IFB to the host country embassy for distribution to those who request a copy of the IFB. Notification of the export opportunity is advertised in the Commerce Business Daily (CBD) and AID publications.
4. In the case of bulk commodities where responsibility for ocean transportation is often not assumed by the supplier, separate IFB's may be prepared and distributed to U.S. and foreign-flag carriers. (AID normally finances only U.S. flag transportation and requires that at least 50 percent of all commodities be transported on U.S. carriers pursuant to the Cargo Preference Act.)

5. Sealed bids are submitted to the host country importer or to the Embassy in Washington depending on instructions contained in the IFB.
6. An AID (or Mission) Commodity Management Officer or other representative attends the public opening of the sealed bids.
7. The host country importer identifies the lowest priced, responsive and responsible bid. A bid which does not meet IFB requirements for specifications, delivery schedule, source/origin, bonding and the like is not responsive. A bidder with insufficient resources (for example) may be considered not responsible. The award must be made to the bidder offering the lowest price so long as the bidder is found to be responsive and responsible and the lowest price is found to be reasonable. If no bidder meets these requirements, the IFB may be cancelled.
8. The host country importer obtains USAID (or AID/W) approval of a contract award as determined by the above procedures.
9. The importer procures the commodity, the supplier receives payment under AID Letter of Commitment procedures (see Tab G), and the Mission monitors the receipt and disposition of the commodities.

Private Sector CIP Procedures:

Private sector importers normally arrange for procurement through commercial procedures. A bank in the host country may be designated to approve importer applications for credit and to establish letters of credit for U.S. suppliers under AID-issued bank Letters of Commitment (see Letters of Commitment at Tab G).

All AID requirements for U.S. source and origin, commodity eligibility, cargo preference and other provisions of public sector CIP Agreements also apply to private sector CIP Agreements. Accordingly, AID payment procedures require submission of identical supplier certificates and other documents for OP monitoring under both forms of CIP.

Transportation for AID-Financed Commodities

As a general rule, AID does not finance ocean freight for foreign flag (non-U.S.) carriers unless the project or program agreement authorizes procurement from non-U.S. sources.

Waivers are issued to finance foreign flag shipping when the OP Transportation Division (OP/TRANS) confirms that U.S. flag vessels are not available for a specific voyage or for all shipments over specific routes. Accordingly, OP/TRANS issues (1) blanket waivers for a limited number of Missions not serviced by U.S. carriers, and (2) specific waivers for individual shipments in instances when no U.S. vessel is available to transport the commodities.

Host countries may ship AID-financed commodities on free world, foreign flag vessels and pay for the ocean transportation from other funds. This option to self-finance ocean shipping is limited by the Cargo Preference Act. Under this Act, not less than 50 percent of all U.S. Government-financed ocean cargo must be shipped annually on U.S. flag vessels. Therefore, all AID project and program agreements stipulate that 50 percent of the commodities financed under the Agreement must be shipped on U.S. flag vessels. This so called "50-50 shipping" requirement cannot be waived, but shipments made on foreign flag carriers when no U.S. vessels are available are excluded from total annual shipment statistics for purposes of measuring AID compliance with the 50 percent requirement.

In order to exclude a foreign flag shipment from the 50-50 shipping requirement, OP/TRANS must confirm that no U.S. flag carrier is available for the specific voyage and make a "Determination of Non-Availability" (DNA). If a DNA is not made by OP/TRANS prior to shipment, the weight and dollar value of the freight counts as a foreign flag shipment for purposes of measuring AID compliance with the Cargo Preference Act.

Ocean shipping costs and requirements are critically important for Commodity Import Programs (See CIP at Tab M) and for projects with large commodity components. Officers responsible for such programs should contact the Director of OP or Chief, OP/TRANS for a briefing on ocean shipping procedures.

CONFLICTS OF INTEREST
Limits of Authority
(and related problems)

The federal procurement process imposes severe constraints on commitments, disclosure of information, and real or apparent conflicts of interest between government employees and contractors. AID employees have been investigated for accepting lunches from contractors and have been convicted for actions involving federal employment of their spouses. Promotional activities which are common business practices in the private sector are often prohibited in relationships between contractors or prospective contractors and AID employees. All AID employees must avoid conflicts of interest or the appearance of conflicts of interest. Any possibility of such conflicts, however remote, should be discussed with the Office of the General Counsel. Some suggestions for avoiding problems follow:

- o Warranted contracting officers have the delegated authority to perform contracting actions on behalf of AID. Mission Directors and executive officers have limited dollar authority for certain contracts overseas. Other AID employees should not direct any individual or organization to commence work, to perform functions outside the scope of an existing contract, to cease work, or to incur costs not authorized under an existing contract. Such actions may (1) violate the Anti-deficiency Act, (2) expose the AID employee to personal liability, (3) require action by the Procurement Executive to ratify an unauthorized contract action, or (4) result in litigation.

- o AID employees must not accept lunches, gratuities or favors from contractors or prospective contractors. Conduct business with contractors in the office, not over lunch, to avoid the appearance of a conflict of interest.

- o Avoid any involvement in contract awards with organizations (1) in which you have a financial interest or (2) which employ members of your family.
- o The Agency occasionally finds that a prospective contractor has obtained a copy of the PIO/T including the estimated contract budget. AID employees must not provide such planning documents or similar information to outside parties.
- o AID employees serving on panels which evaluate technical proposals submitted by prospective contractors are advised that they must not reveal the number of competitors, the names of competitors, evaluation scores or any other information concerning the procurement action. AID employees must not divulge any information concerning a prospective contract with any of the competing parties or with anyone else.
- o Contracting officers are responsible for conducting negotiations with prospective contractors and with debriefing those (losers) who request debriefings after award. Other employees must not hold such discussions with offerors. Casual conversations may (1) compromise AID's bargaining position, (2) introduce an unfair competitive advantage for one contractor over others, or (3) precipitate a protest before or after award. Protests filed by contractors may (1) prevent award of a contract, (2) prevent commencement of work under an awarded contract, or (3) require that the entire procurement action be recompeted.
- o AID employees must not pre-select individuals to perform work under purchase orders or contracts which are to be competitively awarded. To do so compromises the integrity of the procurement process.

Please keep in mind that Contracting Officers are Procurement Professionals who are required by the Federal Acquisition Regulations to be warranted as to their qualifications in terms of experience and training for this position. Contracting Officers are legally liable for the proper obligation of funds and must exercise their independent judgment. Due to this unique position of individual responsibility, it is improper for anyone in a management position to attempt to influence a Contracting Officer's decision.

Time Frames for OP Action

The following time frames are generally adequate for OP to complete the requested action. This assumes that the requesting PIO/T is complete and adequate when submitted.

Purchase Orders:

under \$10,000 - 2 weeks
over \$10,000 - 3-4 weeks

Delivery Orders under IQC - 2-3 weeks

Personal Services Contracts:

less than 90 days - 2-3 weeks
over 90 days - varies because of need for security clearance

PASA/RSSAs - 30 - 45 days

8(a) contracts - 30 - 90 days

Non-competitive contracts other than 8(a) - 60 - 90 days

Fully-competitive contracts - 5 - 6 months

Non-competitive grants or cooperative agreements - 45 days

Competitive grants or cooperative agreements - 90 days

Buy-ins to central contracts:

bilateral funds - 60 days
non-bilateral funds - 30 days

Acronyms - OP Style

AIDAR	-	AID Acquisition Regulations
A&E	-	Architect and Engineering
ADP	-	Automated Data Processing
ADPE	-	Automated Data Processing Equipment
ASBCA	-	Armed Services Board of Contract Appeals
BAFO	-	Best and Final Offer
B&P	-	Bid and Proposal
BPA	-	Blanket Purchase Agreement
BOA	-	Basic Ordering Agreement
CAAC	-	Civilian Agency Acquisition Council
CAS	-	Cost Accounting Standards
CASB	-	Cost Accounting Standards Board
CBD	-	Commerce Business Daily
CICA	-	Competition in Contracting Act of 1984
CO	-	Contracting Officer
COC	-	Certificate of Competency
COTR	-	Contracting Officer's Technical Representative
CPIFF	-	Cost Plus Fixed Fee Contract
DBA	-	Defense Base Act Insurance
DCAA	-	Defense Contract Audit Agency

D&F - Determination and Findings
 DO - Delivery Order
 DOA - Delegation of Authority
 DQ - Definite Quantity
 FAR - Federal Acquisition Regulations
 F&D - Findings and Determination
 FFP - Firm Fixed Price
 GAO - General Accounting Office
 GSA - General Services Administration
 GSBICA - General Services Board of Contract Appeals
 HB - Handbook
 HCA - Head of the Contracting Activity
 IQC - Indefinite Quantity Contract
 IFB - Invitation for Bids
 LOC - Letter of Credit
 LOE - Level of Effort
 OP - Office of Procurement
 OPG - Operational Program Grant
 ORI - Overseas Recruitment Incentive
 PASA - Participating Agency Service Agreement
 PIO/C - Project Implementation Order for Commodities
 PIO/P - Project Implementation Order for Participant Training

PIO/T - Project Implementation Order for Technical Services

PSC - Personal Services Contract

PO - Purchase Order

PVO - Private Voluntary Organization

R&D - Research & Development

REI - Request for Expression of Interest

RFA - Request for Application

RFP - Request for Proposal

RFQ - Request for Quotation

RFTP - Request for Technical Proposal

RSSA - Resource Support Service Agreement

SBA - Small Business Administration

SBSA - Small Business Set-Aside

SIC - Standard Industrial Classification Code

TA - Technical Assistance

T&M - Time and Material

T for C - Termination for Convenience

T for D - Termination for Default