

ACTIVITY MANAGEMENT SERVICES IN AGADIR

INCEPTION REPORT (#1)

**Prepared for:
USAID/Morocco
under Delivery Order No. OUT-PCE-I-809-98-00015-00
Requirements Contract PCE-I-00-98-00015-00**

**Submitted by:
Chemonics International Inc.**

February 2, 2001

1. INTRODUCTION

In 1999, USAID/Morocco developed a new Country Strategy Plan (CSP) for the period FY 2000 - 2005. The Mission's goal for the 2000 - 2005 period is an "expanded resource base and capacity for sustainable development." The Economic Growth (EG) team's Strategic Objective (SO 5) in support of this goal is **"increased opportunities for domestic and foreign investment."** The EG SO Team intends to achieve this through a series of interventions aimed at leveraging change in the policy and administrative environments, and at strengthening the capacity of selected institutions that serve private enterprises.

USAID/Morocco has entered into Strategic Objective Grant Agreements with two counterpart Ministries: the Ministry of General Government Affairs (MAGG; now the Ministry of Economic Affairs, SMEs, and Artisanry), and the Ministry of Justice (MoJ). Each of these Agreements contains funding provisions for activities to be implemented in the Souss-Massa-Draa (SMD) Region of Southern Morocco under SO 5.

USAID has contracted with Chemonics International Inc. to coordinate and manage the delivery of services and commodities under several of the Intermediate Results of SO 5. Specifically, Chemonics will be responsible for providing activity management services to assist in strengthening the Agadir Commercial Court, as well as several business support associations.

This report provides details of Chemonics administrative management approach to be followed throughout the life of the contract. This includes descriptions of the following:

- Office structure
- Proposed accounting and billing procedures
- Procurement policies
- Management time utilization
- Consulting and Subcontracting options.

2. OFFICE STRUCTURE

Chemonics will provide a team of three persons to ensure the prompt and quality delivery of the various Agadir activity management services. Our team is led by Chief of Party, Ms. Suzie Leblanc. Ms. Leblanc will be supported by two local Moroccan hires who will each assume responsibility for various key areas. One will coordinate the Agadir office management and accounting, while the other will coordinate key technical activities. We are currently recruiting in Agadir for the two positions and expect to hire both persons by mid-February 2001.

At the same time, given the considerable number of subcomponents and activities envisioned for the Commercial Court and business associations, and the small size of the team, Chemonics will emphasize an integrated team approach to managing these services. This means that all members of the team will share information fully, participate actively and collaboratively in the design, development, organization and management of all activities, and represent Chemonics professionally throughout Agadir. This team approach will allow us optimize our outputs, while benefiting fully from the multiple talents of each person on the team.

Chemonics has rented an apartment in Agadir near the Port to house the management team. The office has adequate space for the three-person team, desk space for several short-term consultants, and a small conference space for meetings with USAID, Host Country Counterparts, and local partners.

3. ACCOUNTING AND BILLING PROCEDURES

Given that USAID funding for the activities for the Commercial Court, business associations, and Chemonics' Agadir office management come from three separate sources, USAID requires separate accounting and invoices for each. We have presented our approved budget under three separate CLINS to reflect these distinct funding sources. We will use this CLIN-based budget as the basis for separating different expenses under each funding source in our accounting and monthly invoices. The monthly invoice will also provide details and subtotals for each CLIN, allowing USAID to manage easily its separate grant funds, and to report promptly and simply to Host Country Counterparts on the use of funds under each SOAG.

Chemonics Agadir Management Office will use QuickBooks for its field accounting. This system is being used worldwide by Chemonics, and currently allows us to prepare and submit more than 40 monthly invoices to USAID on a timely basis. Training in the use of QuickBooks will be provided by Chemonics' Chief Field Accountant, Ousmane N'Diaye. Mr. N'Diaye was responsible for setting up field accounting systems and training field accountants for the Morocco NED, Tadla, and WRS projects.

As is standard Chemonics practice, we will send complete monthly invoices to the Agadir Activity Management Services CTO, Mr. Kamal Sebti, on approximately the 15th of each month following the date of the invoice.

4. PROCUREMENT POLICIES

Chemonics' considerable experience working with USAID ensures that all service and commodity procurements are done according to USAID regulations.

4.1 Individual Consultants: All individual consultants, local (Agadir-based), national (Moroccan from other areas), and international, will be approved by the CTO before we hire them under a short-term employment agreement. We will submit a standard approval letter that specifies the activity per the Action Plan, describes the recruitment process and the consultant's unique qualifications, and includes the Scope of Work and the consultant's CV.

We will recruit for individual experts in Agadir, or elsewhere in Morocco, using advertisements or informal contacts. We will recruit for international experts using Chemonics' extensive home office consultant database (more than 15,000 CVs), as well as our contacts in the key sectors targeted for Agadir. Whenever possible, we will try to identify two to three candidates for each scope of work, to ensure that we hire the best qualified consultant. Consulting agreements for Moroccan experts will be negotiated and signed by the Chief of Party in Agadir, while agreements for international experts will be negotiated and signed by our Agadir Project Management Unit in Chemonics' Home Office.

All candidates will provide CVs, up-to-date biodata sheets, and references. Chemonics' standard practice is to verify the work experience, salaries or daily rates, and

references for each consultant we hire. Per the terms of the GBTI IQC, and Chemonics' accepted cost accounting standards, all labor hired (workdays ordered) will be billed at the daily rate times approved multiplier for third country nationals and local hires, and at the appropriate approved fixed daily rate for U.S. consultants.

4.2 Subcontracts: All subcontracts with Moroccan or U.S. firms for services will be approved by the USAID Contracting Officer before entering into any subcontract. We will submit a standard subcontract approval letter to the RCO and Contracts Specialist that identifies the activities or tasks, describes the selection process and criteria, and includes the proposed subcontract.

Depending on the estimated value of each subcontract, we will use various methods to ensure that the best qualified firm is identified in the most efficient and appropriate manner. For small value procurements of less than \$100,000, we may solicit proposals directly from at least three firms, or use advertisements to solicit proposals from a broader group of firms, to ensure adequate competition. On certain occasions, given unique technical requirements, we may find it justifiable to negotiate small value subcontracts on a sole-source basis. Appropriate sole source justification will be provided. For procurements exceeding \$100,000, we will solicit proposals using a formal, full and open competitive Request for Proposal process. This will include an RFP, advertisements, and a formal selection committee. We will request the Contracting Officer's consent to any exceptions to these policies and procedures.

Local, small value subcontracts will be negotiated and signed by Chemonics' Chief of the Party in Agadir. All U.S. and large value subcontracts will be reviewed, negotiated and signed by Chemonics' Project Management Unit, with assistance from Chemonics' home office contracts office.

4.3 Commodity procurements: Chemonics Home Office Procurement Office ensures that all commodity procurements are done according to USAID regulations to satisfy U.S. source and origin requirements. Specifically concerning IT procurements, we will follow small value and shelf-item procurement regulations whenever possible to ensure competition, the best price, and rapid delivery. We will work closely with USAID/Morocco to obtain IRM approval for any IT procurements exceeding \$100,000. We will also ensure that all IT commodities satisfy local requirements for French and Arabic keyboards and software packages.

5. MANAGEMENT TIME UTILIZATION

The Chemonics Agadir team will focus in the month of February 2001 on rapid startup of the technical activities for the Commercial Court and business associations. (At the same time they will be completing startup and installation of the Agadir field office.) This technical work will include drafting numerous scopes of work, identifying potential local and international consultants, and soliciting proposals from local experts and consulting firms. At the same time it is expected that some key activities can be initiated very quickly in February with local experts who have worked successfully with USAID and Chemonics under the NED project.

Building on our team approach, all three field team members will be actively involved in the design and implementation of the various subcomponent activities and tasks in February and March. With constant support from Chemonics Home Office Project Management Unit, we expect that by the end of March activities will have been initiated under most, if not all, subcomponents for both the Commercial Court and business associations.

Ms. Leblanc will make at least one visit monthly to Rabat to brief the EG SO5 team on the status and progress of the Agadir activities. She will also send weekly emails to USAID/Rabat describing activities undertaken and problems encountered, per the terms of the Task Order.

To maximize the impact of U.S. Study Tours, we propose that we begin to organize them immediately, so that they can be implemented early in the Action Plan, and that sufficient time remains after each study tour to absorb and adapt the lessons to Morocco. We suggest that study tours for FIPROMER and APEFEL be organized for late June/early July. This will allow the participants to view their respective industries in the U.S. (and perhaps francophone Canada) during the production season. We propose a U.S. study tour for the GRIT in the late summer/early fall, after the peak tourist season in Morocco. Finally, we propose an initial study for judges, prosecutors, and/or key Commercial Court staff, during the summer of 2001, when the Agadir Commercial Court is in recess.

6. CONSULTING AND SUBCONTRACTING OPTIONS

To respond rapidly and effectively to the considerable requirements of the Task Order, we will establish a core team of consultants and service subcontractors that will provide assistance on a recurring basis. For every task we will seek to identify at least one Agadir consultant or services firm to participate in the activity. For some of the training, we may use several local firms or schools to optimize the quality of training. This will ensure that a local Agadir capacity is developed in all areas that may serve future association development efforts.

At the same time, we will pair each local firm or expert for most activities or tasks with either a national or international consultant, depending on the nature of the assignment. This will maximize the results of each activity, and ensure rapid service delivery, continuity, and an effective and sustainable transfer of skills and knowledge to local counterparts. It is important to recognize that experts from outside Agadir will be required in many areas, given the time constraints imposed in the Task Order, and USAID's desire to see tangible results rapidly.

All experts coming from outside the Agadir region will also be asked to give one or several public conferences in their areas of expertise. This will be in addition to their primary scopes of work. These conferences will be organized in collaboration with the related association or the Commercial Court. This will allow for a broader diffusion of new ideas, and fulfill part of each association's communication plan.

We will also emphasize small value, results-based subcontracts to accelerate subcontracting, and ensure that all subcontractor service providers produce concrete results in a timely manner. We will use fixed price payments, under indefinite quantity, ordering

subcontracts, for training activities. These fixed price payments will be based on an approved price for each training course designed and delivered. We will use time and materials subcontracts for the design and installation of the various computerized systems.

We will first pre-qualify as many local firms as possible with expertise in the various technical areas identified in the Action Plan. We will advertise in local newspapers for expressions of interest from local firms and consultants. They will be asked to submit qualification statements, with corporate or individual experiences, results, CVs and references. We will then organize a public meeting to present the project activities and explain the various consulting and subcontracting options. This will enable us to present the potential contracting opportunities to all interested consultants and firms, and constitute a solid base of potentially qualified local experts. We will then be able to move quickly on small-value procurements by soliciting proposals from 5-6 pre-qualified firms. It will also enhance USAID's visibility in the region, reinforcing the American approach of offering business opportunities to as many local firms as possible.

We tentatively propose the following consulting and subcontracting options for the key elements of the Commercial Court and business association activities. These options will be further refined in ongoing discussions with USAID's SO5 Team, as each activity or task is developed and implemented.

For the business associations our overall approach emphasizes the delivery of services and trainings that respond to the real needs and demands of their members. Focus groups will be facilitated by Moroccan experts who worked with the NED project to rapidly identify member enterprise needs. These will not only serve to improve each association's knowledge of its members' priority needs, but will familiarize each with this effective methodology for rapid needs assessments. These priority needs will serve as the basis for each associations sectoral training and technical assistance plans. They will also provide the basis for the terms of reference for international and national advisors.

For the Commercial Court our overall approach emphasizes practical training for the judges and court staff. This training will stress the case study approach, and use primarily local and national legal and business experts knowledgeable in the practical aspects of commercial law.

6.1 Commercial Court of Agadir:

- **Performance Indicators System:**
 - Local consultant (Augeco) to oversee implementation of system to capture data for indicators and prepare performance reports

- **Training for Judges and Court Personnel:**
 - Subcontract with local computer/business schools to deliver computer training courses (fixed price per course delivered)

 - Subcontract with local business school(s) to deliver general business and management training courses (fixed price per course delivered)

- **Specialized commercial law training for judges:**
 - International consultant to oversee design of curricula, course materials, and delivery of courses
 - Subcontract with local or national business/law school(s) to deliver training, especially case studies provided in collaboration with international law school/law institute (fixed price per course delivered)
 - Local and national consultants to deliver specific legal, business and financial courses (e.g. electronic banking)
 - Subcontract with local language school to deliver English language training to judges and Court personnel (fixed price per course delivered)

- **Computerized case management system:**
 - International consultant to oversee design or adaptation, installation and testing of system (hardware and software)
 - Subcontract with local or national IT firm(s) to install IT equipment, network, and case management software
 - Subcontract with local or national business/law school, in collaboration with international firm/law institute, to deliver training in use of computerized case management system

- **Computerized Archival System:**
 - International consultant to oversee design or adaptation, installation and testing of computerized archival system
 - Subcontract with local or national IT firm(s) (time and materials) to design and deliver training to court staff in use of computerized archival system (fixed price per course delivered)

- **Advisory Services to Judges**
 - International, national and local consultants to provide advisory services in communication, organization and management of archives, and transfer of Court to new building

- **U.S. Study Tours:**
 - International consultant to plan and participate in U.S. study tours

6.2 Business Associations:

- **Performance Indicator Systems:**
 - Local consultant (Augeco) to oversee implementation of system to capture data for indicators and prepare performance reports

- **Sectoral and management training for association members and staff:**
 - Subcontract with national experts/consulting firms to conduct rapid training needs assessments (fixed price per course delivered), and train association staff to organize professional trainings and ensure quality control
 - Subcontract with local experts and business school(s), national and international experts to design and deliver sectoral, technical and management training courses (fixed price per course delivered)

- **IT management system and training for association staff:**
 - Subcontract with local IT firm to install IT hardware and management software (time and materials), PC network and Intranet
 - Subcontract with local IT/Internet firm to provide training to associations and member enterprises in the installation, use and expansion of Internet (fixed price per course delivered)
 - Subcontract with local IT firms, business/computer training schools to deliver related IT, software, Internet and management training to association staff (fixed price per course delivered)
 - Subcontract with local language school to provide English language training to association staff (fixed price per course delivered)
 - International consultants to provide technical assistance in the development of association strategies for diversification and globalisation

- **Information Systems and Communications**
 - International or national consultants, and local experts/firms to provide technical assistance in the design of information systems for each association
 - International or national consultants, and local experts/firms to design and implement communication plans for each association
 - Subcontract with local or national communication/marketing firm(s) to design, develop and implement communication plans
 - Subcontract with local Internet/Web firm(s) to design, develop and host dynamic websites (time and materials)

- **U.S. Study Tours:**
 - International consultants (who will also serve as sectoral experts) to plan and participate in U.S. study tours