

PD-AAW-240
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AID CONTRACT AND GRANT

PROCESS REVIEW

APPENDIX: SELECTED SURVEY NARRATIVE COMMENTS

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C.

MARCH 1983

THIS REPORT WAS PREPARED BY
BOOZ-ALLEN, HAMILTON, INC. UNDER
WORK ORDER #9, CONTRACT AID/OTR-I-1860

SURVEY RESPONSES

This document contains comments which were received in response to the following survey question:

We would appreciate any further comments you may have on strengths and weaknesses in AID's contract/grant process.* In addition, please offer any suggestions you have for improving this process.

*This question was specifically tailored for each respondent group. AID/Washington contractors were asked to comment on the AID/Washington process, AID/mission contractors on the AID/mission contracting process, host country contractors on the host country contracting process, grantees on the AID assistance process, and potential contractors on the AID contracting process.

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We have also done work with the National Park Service who we would rate very good overall. We are sincerely impressed with the talents, professionalism and dedication of all the AID and National Park Service personnel we have worked with. We have sincerely appreciated the opportunity of working with AID and the National Park Service and hope they are as impressed with us as we are with them.

(1) Too much of AID's work goes to firms which are in Washington. Out-of-town firms do not get a reasonable share of potential work. (2) The "old boy" network, i.e., former AID employees etc., have an unreasonable advantage on getting work. AID does not really attempt to bring new firms into their operation, like the World Bank [does], only those firms known [to AID] get more work. AID therefore loses the potential for developing new business and professional relations.

All contact with AID has been on the basis of "we need this in a hurry" - then nothing happens. After inquiring we hear the project was not funded or similar reason. However, a great deal of effort is often expended to respond to these solicitations and we would at least like to know what happened. No leads as to how we can hear about potential jobs have been made available. We would welcome the work during these slow times and also feel it is a waste of talent (our staff combined speaks nine different languages) and can work in the metric system.

AID personnel seem to give little thought to what private organizations require to operate. Firms which expend AID funds in doing a good job seem to be doubly penalized because they have no excess funds to float expenses during the lengthy delays en-

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countered in contract renewals or with new contracts. Organizations working with third country governments or projects, cannot just suspend operations while AID finishes its paperwork, without hurting your own firm's reputation in that country.

Suggestions:

- . AID staff [should] be required to respond to project proposals in writing within one month.
- . There [should] be a three month deadline for finishing paperwork after above response (if positive).
- . A computerized analysis of firm's project completion records should be used. (i.e., results of contract, completion of scope-of-work, acceptance or rejection of reports, quality of work, etc.).

AID has a tendency to suggest that contractors hire ex-AID employees on AID contracts.

The expertise of the AID Washington staff has helped us greatly, i.e. communicating to overseas offices in order to obtain quick responses. Transmitting documents (airline bills, etc.) are just a few of the many ways in which the AID Washington staff has strengthened our ability to operate our bid contracts. When we had difficulties in obtaining payments, the AID Washington office contacted the field and resolved the situation.

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- Much too lengthy process, overly complicated, reams of boiler plate included when it does not apply to educational institutions. Best suggestion is to write contracts which require minimal interaction with contract officers after contract is executed - working with and having approvals from project managers can save much time and allow more responsive performance on part of performing organization.
- AID must (1) be consistent, (2) be seen to be consistent, and (3) be fair and impartial and professional in their relations with contractors.
- It is my understanding that AID Washington has a reduced staff. I don't see how it could improve without increasing staff. Nearly every office I have contact with tells me they have lost personnel and said personnel have not been replaced.
- We find [that the] AID contracting process is adequate.
- (1) Competitive bidding is inappropriate in many substantive areas. (2) The pay levels for individual consultants discriminate against full-time consultants - not academics - and small businesses.
- Greatest dilemma is contract and AID Washington placing massive documentation needs which disrupt and even subordinate program and substance. This questionnaire touches on only one aspect of the problem. If one looks only at the contracting, it is seen to function with moderate effectiveness. The larger concern is the relation of several different offices to the total program/project process.

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- . AID worked with us in a very straightforward fashion - we built them one hell of a program. However, it will go nowhere, since funding is controlled elsewhere and the Department of State took all of the dollars AID would have used to extend the program to the field. That is not AID's fault - typical poor government planning - creates program and wastes it.
- . AID develops a sense of committment to a contractor. AID knows how to effectively use the skills and talents of a contractor. AID cooperates with the contractor to get the job done.
- . Assistance of project officer minimized bureaucratic hassle of contracting office. Excellent working relationship facilitated on-time completion of task and full benefits to the Agency.
- . Too much fragmentation of responsibility. Lack of adequate process controls and monitoring of step-by-step progress.
- . We have had experience in many areas of AID and find that when AID Washington handles contracts and projects for work mostly performed outside the U.S. there are always differences between what AID Washington and for example the Mission want. AID Washington seems not to include enough emphasis on Mission needs or desires. This is a weakness that should be addressed. One way to do this is to require that work performed at a Mission or outside the U.S. for AID Washington should have a separate element to address local or Mission concerns related to the assignment. This element could be negotiated on site. A portion of the contract could be dedicated to this. This will not always be necessary but it could improve the utility of products produced. Another mechanism would be to facilitate Mission add-ons

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to existing contracts. Let the Mission add to the scope on site if possible.

- (1) Mission contracts that require payments from the field are the nemises of all AID contractors--mail is slow, mission staff travel, etc., and the result is that contractors bear the brunt financially for AID's inefficiency. We prefer a system that allows Washington payment once vouchers are approved. (2) The special "insider" position enjoyed by the universities confers an unfair advantage in avoiding competition, selecting especially interesting activities, easy funding terms, absence of AID requirement for adherence to rigorous performance standards, etc., despite the fact that universities are notorious in giving second priority to service provisions only after training and research program goals are met. (3) AID policy shift to host country contracting imposes additional disadvantages to small businesses for three reasons: a) high cost of marketing to host country governments, b) large [well known] firms are preferred by LDC governments, and c) no small business set-asides are made in host country contracting. (4) Many contracts are adjudicated by AID regional offices or missions overseas. No small business set-asides are apparently made in such cases as no procedure exists to surface the option in such overseas based procurements. This should be changed.

- AID contracts are an aggregation of words in different typesets from a variety of different places unknown to us. Their contracts are cumbersome, illegible, inordinately complex and require U.S. consultants to assume liabilities which are improper. They should simplify the contracts and direct their

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interests to protecting indigenous firms from capricious claims, as well as serving the needs of the host country.

- The real problem is: little or no reward for poor or good performance. Contractors who do a terrible job on a given project appear to suffer no consequences in later awards.
- Would discourage use of consultant agencies, which serve only for referral, and are very costly. They should not be necessary, since direct communication with professional consultants themselves is very feasible, requiring contracts through professional organizations without use of an agency fee structure and cost.
- Personnel turnover has been a constant problem at AID. This along with personnel shortages limits [contract office] effectiveness.
- Too often, mission personnel and AID Washington personnel have inadequate knowledge of subject matter. Therefore [they] accept cooperative country's opinion as to what's needed. A great deal of waste could be avoided by spending a little money up front by sending acknowledged experts to define what is needed.
- AID has been one of our customers for many years. Their procurement and contract management people have always been cost conscious - even before it became popular. The requisitioners and staff that we deal with have always realized that they may not have all the answers and they should rely on their contractors to supply their expertise along with the product.

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- My experience may have been somewhat unusual (I hope so!). Whenever I was doing a [program name] project, rather than a technical project, I was trying to educate [describe the project]. It was a very frustrating experience because the Agency insisted on a very narrow and rigidly conservative approach - which meant that I was barred from using the broad range of resources and people that I felt essential to the validity and therefore, success of the program. AID managers who participated as speakers were rude and offensive, often leaving before their own program was over. They single-handedly cost votes for foreign aid in this [program] that [AID] funded! Their annoyance and lack of interest in what the American public really thinks is unbelievable - but nonetheless very real - to me. I would not consider another contract with AID under this administration for all the money in the world.
- Try in the face of frequent personnel changes to keep AID personnel on the same contract beginning to end. Implement a program of indoctrination or set out revised guidelines for negotiation and project control that guide contracting officers to better evaluate the need for and amount of profit to be expected [from] a contract. Accounted for should be duration and costs of resulting negotiations and the squeeze on overhead and profit and what the contractor will have to "eat" in the future in non-reimbursible project costs. Bring balance back to the AID staff between or among economists, social scientists and technical personnel.

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- . Establish consistent agency wide policies and procedures. Provide more training to both procurement and professional staff in the procurement process. Review and upgrade the procurement [process] - using modern automation technology - so that procurement staff are available for important work rather than being overwhelmed by clerical work.

- . This [organization] is a small unit within a large university. We have worked with central bureaus of AID under grants and contracts [for many years]; a few years ago we were an "also ran" proposer in response to an RFP for a large cooperative agreement made -- and later cancelled -- with another [organization].

Our admittedly limited experience suggests that two factors have large effects upon the success of a contractual relationship: The nature of the activity and the AID administration. (There is of course a third factor -- the quality of the contractor, about which we remain mute.) In a recent report, Victoria Morss has looked into some aspects of this matter for the Office of Evaluation.

We've operated under one contract, plus amendments and extensions, [for several years]. The basic aim or output of that agreement has been clear. We've had large freedom to develop and produce the means or inputs. The results, we think, have been very satisfactory. One reason certainly has been a close substantive working relationship with people in a particular unit of AID's central administration. Their competence is high. There has been turnover during the years, but the intel-

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ligence, purposiveness, and cooperativeness (as well as frankness) of the AID staff have been outstanding. As a result we've both benefitted from the arrangement.

From our view, contractor-contractee rapport is the crucial factor in effective associations -- a banal statement with interesting implications.

Incidentally, there may be a problem with your survey: contractual relationships aren't homogeneous, any more than AID projects are cut from the same cloth. Your survey may take account of the fact; if not, your aggregate numbers might mislead.

I want to take a moment to describe a problem with our contract [contract number] with the Agency for International Development. Under this contract [firm name] cannot place any G&A overhead costs upon direct costs to [firm name], before billing AID. Therefore, [we] must assume all of the burdens of business.

[We do] not feel that this clause eliminating burden on direct costs is in the best interests of the government. No commercial concern is in business to lose money or to provide free services. In this instance, AID either cannot get the required services or must choose from a narrower field of potential contractors due to insignificant and non-global-oriented factors.

[We] request that AID eliminate the above mentioned contract clause. We await your reply.

There should be some way that AID could notify contractors of RFP's, etc., other than one having to wade through the Commerce Business Daily to find one or two possible RFP's in a year.

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- The problem - with every phase of contracting - is the incredible time it takes for anything to get accomplished. Very simple one-page amendments can take up to six months. We have encountered delays in proposal evaluation, contract award, amendments, payments. I do not know the reason for these delays and therefore cannot offer valid suggestions for improvement.
- Simplify contract wording, especially General Provisions. Use high school level english.
- The contracting office does not consider that the contractor or grantee responds to needs of international community and AID, only that as little as possible is spent in doing the work. At audit time rather than follow the original proposal for the assignment, they dwell on finding disallowances in the costs incurred. In many cases the project monitor or technical staff views on a particular assignment are not considered. It would seem more appropriate that the technical staff, not the contract management staff, know what is needed in the field and should have the final word on whether an assignment was completed in a satisfactory manner as far as the total cost is concerned.
- [The] questionnaire has been difficult to answer because [the] AID Washington contracting process varies significantly from one contract to the next [and from] the offices that are involved as well as the individual contracting officers. Sometimes the process is painful to [illegible], to say the least, other times it is quick, clear and efficient.
- Foreign language capability is critical in the conduct of overseas projects by local technical staff. AID officers have been most helpful in the processing of this contract. [A greater] public relations budget should be available to describe AID projects to local country users.

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- . The quality of AID programs is dependent upon the quality of its contractors. Therefore, AID should identify a wider variety of contractors including minorities and women who might have the cross-cultural sensitivities, skills and experiences to work effectively with people in developing countries. The weakness in AID's contracting process have a negative effect on the quality of firms willing to do business with the Agency and consequently on the quality of its programs.
- . Project officers and contracting officers do not understand the usual lag in the procurement process. Therefore, RFP's often ask people to be available unreasonably soon, precluding some candidates who in fact are available when the inevitable delays occur. There are times when the requirements in the RFP are violated (e.g., in one RFP the chief of party had to be fluent in French. When we looked for such a person, the field was considerably removed from all people available. The winning contractor supplied a chief of party not fluent and this was acceptable to AID. Had this been known in advance we would have broadened our search process).
- . AID should realize that it is using American money in making grants to countries and encourage these countries to use minority firms. This language should be in the agreement. AID should eliminate racism in its headquarters and its missions. This should be the responsibility of the administrator to enforce this.
- . [Our] initial involvement with AID was contractual and more recently [we have worked] under [a] cooperative agreement. Under [the] cooperative agreement, a more restrictive and erratic relationship with the project officer has existed. This is probably a personality problem rather than a procedural mechanism.

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- We have found the IQC process to facilitate working with AID.
- Mission contracting varies widely. Procedures differ substantially. Payments can take up to a year or more following project completion. This is an area for improvement.
- We have generally found AID to be fair in their dealings [with contractors]. The major problems and delays when they occur seem to be due to relations between AID/Washington and various missions. TDY's and transfers also affect project progress much more than with other agencies. This is probably more of a unique situation in dealing with AID and expected by contractors who have a great many dealings with them.
- More opportunities for AID and grantees to discuss these issues. Built in funding for evaluation by grantee should be standard procedure. Need for more objective peer evaluation of programs.
- The procurement process needs work as discussed in questions 10 and 13 [which concerns choice of contract vs. grant, direct vs. host country contracting etc.]. The solicitation process must be de-politicized so that AID finds and uses more new people who can bring fresh perspectives to the problems AID is addressing. Some means should be found to prevent technical officers from exercising their whims and arbitrary preferences during the negotiating process (this relates to the previous point since most of the "arm-twisting" of which I'm aware has occurred in the area of forcing bidders to use old, tried and true AID consultants on every single project). As noted earlier, I think one's experience in the administration/implementation phase will depend on the individuals in AID who are involved and I doubt

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much can be done about this except perhaps more careful recruitment and more scrupulous supervision of staff to ensure that they are not attempting to force the contractor to run a project in accordance with their own whims.

- It appears there is a communication gap between AID administrative and policy officials, scientific program staff and contracting officers. This problem impacts on the contractor for the appropriate provision of inhouse planning, commitments and performance.
- Contract negotiators vary in their approach, and, occasionally, in their interpretation of regulations. This causes confusion and delays while clarification is sought. Eight different AID employees to work with in a year is too much.
- Greater utilization of small business set-asides. Increased use of defense contract administrative service expertise.
- Closer coordination/more input in procurement negotiations with AID auditing branch.
- Small businesses need more guidance on how they could qualify as subcontractors in large projects that are beyond their capabilities. It would seem to me that AID could play a more active role in interfacing between smaller and larger firms in high cost, long term, complex projects -- more active management in the pre-proposal stage (while unusual in government contracting) might be appropriate for the type of contracts being let in the Middle East, for example.
- For a small business working on a small contract (under \$10,000) the amount of record keeping and paper work (1034-116's, 1420-40's, work in progress certificates, retention fee - plus

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receipt copies requested, etc.) each time an invoice is submitted is time consuming and overwhelming - not required in other Federal agencies.

- The EOP [Office of Equal Opportunity Programs] office at AID is engaged in petty squables that seriously hinder the performance of a contractor. Anytime you have individuals who call contractors names and engage in petty character assassination in order to deny non-friends contracts [sic]. The EOP office at AID is a comedy, a joke and it is hard to believe that you allow it to function in this manner.

In order to remove the infestation in EOP contracts I recommend:

1. Competitive bidding on all EOP contracts
2. Oversight of the technical representatives of EOP
3. Elimination of favoritism in EOP contract
4. A psychological profile be conducted of [AID employee].

- Once a contract has been awarded and given their administrative constraints, we have found it a pleasure to work with contract management staff. We have found them skilled, courteous, and correct.

- AID is very massive and poor staff members tend to hide well. Communication with field offices with USAID Washington seems to be very poor. Following orientation of a USAID officer it is not long before he is transferred. Language requirements for many contracts prevent many good firms from not bidding, allowing the work to go to less qualified specialists because they happen to have the language.

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- 1. PVO's and universities must be limited to minimum because:
 - (a) not very responsive to problem
 - (b) no backstopping staff
 2. Large firms keep getting same fat contracts year after year. This practice needs to be altered and small firms responsive to work must be given a chance.
 3. Sixty percent work should be done by small and disadvantaged businesses because there are more than 90% of the nation's businesses are small businesses.
- My observation is that if AID enters into a contract with a contractor they should then be as supportive as possible to see that the project is successful. My observation is that many times a contractor must complete a project in spite of AID. An adversarial relationship exists to some extent. Presently, we have a beautiful relationship with AID and current staff in the field and in D.C. The personnel are outstanding, but it hasn't always been this way.
- Use AID as a tool to shore up US private sector in the export of services area. The contracts must be properly aimed. To achieve this, private sector should assist in scoping etc., of the projects. PASA's should be eliminated. They are a very inefficient tool.
- AID must make its follow-on requirements for task-order arrangements known on a timely basis so as to maintain continued task order support.

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- We are involved in a contract for services [specific service named]. The process to initiate work orders is clumsy at best. We must quote individuals and their rates for work to be done several months hence. Normal turnover, sickness, other absences, and other assignments make this procedure an administrative mess. "Labor categories" is the way to [go] with rate ranges in accordance with the basic contract.
- All of us are in competition - commercial, universities, etc. It costs from \$10,000 to \$30,000 to develop and deliver a good proposal. Following several No. 1 proposal ratings and not getting the contract makes people doubtful and critical of the system. Why not select a consortium of universities (or a given university, depending upon size of contract and scope of work) and let them decide the "leader", develop a top proposal and move immediately into implementation. This is more efficient and effective than sending the RFTP to 10 or 20 universities, each of which becomes a competitor, or competition between and/or among consortia. Also, RFTP's are sometimes sent to select universities without the knowledge of others who are just as or maybe better qualified. An example of selecting universities (consortium) without competitive proposals was the recent [name of program and university]. If this can be done, why not use it in other cases? Showing preference because of personal friendship, regional affiliation and/or friends in Washington.

These comments are not given as "sour-grapes", instead, problems need to be placed on "top of the table" for discussion and, hopefully, solutions that are mutually beneficial.

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- The type of contract we have with AID dictates the need for a defined communications network. The contractor must receive clear direction and information, on a timely basis, from persons within AID who are thoroughly knowledgeable of the contract.
 - Don't try to design a perfect project. Allow more flexibility in midcourse adjustments. Allow more incentives for university faculty. Perform some joint EOP evaluations (after completion report and final financial arrangements.)
 - [There is a] general problem of too much management of details [in AID projects] in comparison to say the World Bank, too much [of the] contractors resources [are] spent keeping AID officials informed, helping them feel they are having an impact, and keeping them [illegible] -- especially with high turnover rate in staff. AID needs to delegate more authority and responsibility to contractors, and congress needs to pass many fewer detailed restrictions which seriously hamper achievement of project and development goals. (e.g., nationality restrictions, buy American riders, fly American, highly detailed rules on handling personnel etc., wastes enormous amounts of time which should be spent on project activities.)
 - Frequent changes in staff, as well as attitude, have apparently caused inordinate delays in decision making and associated contract correspondence. Cooperation by AID officials in resolving problems is singularly lacking.
- AID should adopt a more cooperative attitude toward its contractors. Many AID contractors, universities in particular, are non profit organizations. Enforced cost sharing, particularly in the area of salary limitations; the high probability of cost

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disallowances despite [the] contractor's best efforts and integrity; and an inordinate amount of administrative complexity are areas which make proper and efficient performance very difficult and often discouraging to contractors.

AID should seek necessary administrative or legal authority to permit reasonable flexibility in subcontracts, especially in LDC's, written by prime contractors with organizational entities overseas. It is totally unreasonable to expect any LDC organizational entity to comprehend or comply with the usual "boiler plate" which is required by AID to be included in these subcontracts. Despite legal commitments of a prime contract, the contractor cannot cure administrative or financial shortcomings characteristic of many of those encountered in LDC's. Furthermore, it is not reasonable to expect that this should be done. AID itself could not be anymore successful in such endeavors.

A program should be developed to integrate AID missions more closely into the overall procurement process and to encourage them to recognize problems and assist contractors, especially those involved with LDC's in resolving contractual difficulties, all of which should be of mutual concern in furtherance of successful AID projects. A more cooperative attitude at all levels appears to be key to the success of AID procurement/assistance objectives as they are carried out through prime contractors.

We appreciate the opportunity afforded us to respond to this questionnaire. We have been candid in our responses, although not without some trepidation, in the hope that our observations may be the basis for constructive changes and improvement. We believe that adoption of our recommendations will benefit both

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AID and their contractors. From strictly an administrative point of view we would like to feel that we've won, rather than lost, when we receive an AID contract. We want to participate in and contribute to national interests and goals abroad, but feel AID's approach must be more collaborative if maximum effectiveness is ever to be achieved in this endeavor.

- The responses provided [in the survey] relate to AID's tuition assistance procurements which operate under PIO/P instruments. Our experience has been that AID is very slow in executing, and in making prompt payment. AID's staff, however, have been reasonable to work with. The overall problem probably resides with AID's complex bureaucracy.
- Clean out the old boy network of private contractors. Sack some of the project officers that are not qualified and go out and recruit some qualified people. Develop the working partnership between state and federal agencies -- it is possible as demonstrated by other federal agencies. [Let] simple things remain simple -- just because we have a heavy federal bureaucracy it doesn't mean everything has to be complicated. Take some lessons from USDA and it's agencies in working with states. Assure that qualified people are involved in the review and selection process for potential contractors. The last site team visit we hosted had one such person out of the five members of the team. Make contracts for longer periods of time, more flexible, cut down on Washington paperwork and documentation, let field and contractor make more decisions as to the implementation without contracting office restrictions.

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Our comments are not intended to be purely negative for negativism's sake. We have had some really bad moments with AID over the past five years or so, and we think it relates to quality people in jobs who tend to sandbag to protect themselves. As we look back over the total history of our relationship to AID, USAID, and field projects we have had a lot of counterbalancing good experiences -- good people in the field, flexible contracts and contracting officers - but the trend recently has, in our opinion, been definitely toward the negative side.

- AID tends to view all contractors in the same way -- as some entity which is utilized to procure a product or service, with little attention to the longer run relation between the Agency and its contractors. U.S. universities now provide approximately 600 person years per year of staff support to AID programs. In essence, we are being asked by AID to identify, appoint, promote, and maintain these professionals as adjunct staff to AID.

It would be much more useful to think of us as "partners," or "cooperators" rather than contractors, and to take a longer time view of the relationship. This will lend to an improvement in quality of AID programs. I suggest the cooperative agreement be considered in lieu of a contract for most university-AID relations this may also apply to other contractors.

- Turnover of [AID/W] staff [is] too high. Frequently [we] have to deal with someone unfamiliar with the project. [The] communications between missions and [AID/W] needs improving -- [they are] too slow and confused.

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- We had two contracts with AID neither of which were Mission funded. The Missions wanted specific expertise which was available only with us. The questionnaire, therefore, does not apply very well to our case.

The only complaint we have is too slow pay [sic]. The work was finished in early June, the report finished in late July, the payment authorized in late August and we received our money in late November.

- AID requires [a] considerable effort by contractors to first solicit an award, then to perform under the award, when work has been identified. For example, a contractor must compete to obtain an IQC, then must solicit specific assignments, then must perform the work. This is a costly procedure for small firms. More time is spent soliciting work than performing under the contract.

Also, AID has little confidence in the ability of small and minority firms who usually do not fare well in the major awards.

- Our experience shows that the Near East Bureau, the only one we've worked with, expedites the entire contracting process in an effective way until it reaches the contracting division. Suddenly, there is silence. [AID] should set deadlines for the negotiation of contracts in order not to extend the waiting period. The delays reduce the ability of the contractor to effectively use time and resources. This is especially true for small organizations such as ours with limited financial resources.

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Also, reimbursement under fixed cost contracts should be expedited. Our organization was obliged to advance funds for international transportation and per diem from its own resources against reimbursement. This should not be necessary. An arrangement should be made to advance funding against documentation.

- Under IQC's, the biggest problem is the requirement to strictly adhere to personnel line items, e.g., if employee class A is projected for 40 hours, a contractor cannot utilize more of that employee's time (by reallocating funds from another employee class) without a contract amendment. A readjustment allowance of 20% between categories should be allowed without amendment. [This] would save AID contracts management time. Also an "info" sheet for new contractors outlining these and other limitations would be useful.
- As an example of AID's odd sense of timing and urgency, this questionnaire was dated 11/29/82 and received 12/6/82. The return "due date" is 12/17/82 -- i.e. less than 2 weeks provided for response time! This contractor would greatly appreciate like consideration from AID for its funding requests and deadlines, especially when original program deadlines are set by AID.

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- In addition to the joint enterprise mode of contracting which is intended to provide more involvement of smaller institutions in AJD activities, other programs ought to be developed and supported to help solve the problem of inexperience which compounds the ineffectiveness of their involvement.

- In a small grant (i.e., short term and for a modest sum of money) the final approval of the project and close out took a very long time.

In a more substantial contract of 24 months, the substantive work of some 30 [staff] was constrained in the beginning by an unusually protracted period of approval (10 months) and constrained in the later phases by an added review cycle so that the review period also totalled 10 months, leaving only 4 months for substantive work. The net result was almost surely of more uncertain quality than it would have been if the original period (stipulated in the proposal) of 17 months for substantive work had been possible.

- Because the political process affects the assistance process, changes of policy at times make it difficult for program officers to clarify needed services. This in turn impacts on the grantees and upon their ability to respond adequately and makes the whole process more time consuming than it needs to be. Frequent personnel changes add to the complexity of the assistance process and create additional delays.

The contract office is extremely helpful, businesslike to work with and responsive to operational questions.

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- . This assessment [reflected in the other survey responses] is based on work with a single technical office. Other offices of AID may not have the same track record.

While funding from USAID permitted the implementation of a major new effort for this organization, because of the difficulty in working with the Washington-based project monitors, etc., this organization is not likely to seek funding from that office.

Monitoring process, requirements for reporting, dictated changes in approved program of work and "administrative egos" render working with [some offices of] USAID very difficult.
- .
 - 1) Too much interference in project implementation.
 - 2) Procurement process wasteful. Proposals are expensive to prepare - AID ultimately pays. Wasteful also of human resources. Should have more extensive pre-qualification process, bidders meetings, interviews, extensive proposals limited to those that have been pre-screened or when no other way of assessing qualifications.
 - 3) Time elapses make it almost impossible [to insure] that staff nominated for assignments will be able to perform.
- . We do get information on certain AID program interests (esp. American responsibilities in human rights matters (illegible) which is very good. It is sometimes a bit difficult to get a useful description of AID interests which might be related to our capabilities and our interests in other areas (legal aspects of economic development, etc.)).

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- . Our overall experience in dealing with AID has been a productive and pleasant one. AID has maintained a reasonably close relationship with us but without hampering our day to day operations. AID staff have invariably acted as facilitators and guide to our organization by maintaining open channels of communication and being responsive to our needs. We only hope that this relationship continues and develops further in future.
- . As a less experienced university we find it difficult to gain or achieve opportunities to work with AID and developing countries.
- . Better information in pre-solicitation phase. Smaller grant awards for specific work.
- . Some statements [made elsewhere in the survey] have taken into account our contract and grant experience with AID. Generally, however, AID's performance is poor for both, with deficiencies greater in different areas for each. With respect to grants, the greatest deficiencies are/were in the development phase, with less difficulties in the latter two phases. Contracts, however, have an additional problem in the project management phase.
- . Supply [AID procurement] regulations with specific examples. This would be very helpful.
- .
 - a. The short time frame for "on demand" reports is unreasonable.
 - b. Long term planning and financial obligations is essential for good program development.
 - c. Less "crisis" action at FY ending would result in better.

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d. Inclination of some AID officers to treat grants (e.g. CRSP's) more like procurement instruments (i.e. contracts) and even impose more administrative burden and restrictions, prior approvals, etc. The more sharing of costs, etc by the Grantee, the less restrictive the award should be--within minimum requirements of laws, statutes and regulations.

• Cooperative agreements (CA) caused problems for us when supplemental funding was added to CA by amendment, but it required separate accounting because appropriation was from different mission. Recommend that if funds of different appropriations can't be comingled by grantee, then make separate award-not amendment. CRSP grants are functioning poorly-budget process too complex and the management role at one grantee is very inefficient. AID should keep its management role and make awards directly to all participants--(no subgrants) and including third country cooperators. Programmatically, require biannual working conferences to bring all CRSP grantees together.

[It is] hard to separate grantee experience with AID by Grant/Contract - suggest it be combined.

• Problems of international work probably cause the extra burdens. Lack flexibility. [Illegible] (one is the real problem) in contracts is a real problem. In [illegible] of small (esp women's) groups makes our life difficult. Reporting requirements same as if we were a consulting giant.

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- Excessive pressures for immediate results according to an estimated time frame make it difficult to move beyond a relief and welfare approach to poverty. Many projects cannot be successful using a "blueprint approach". Few projects succeed because of project papers, social benefit cost analysis, environmental impact statements or PERT charts. The frame is often too rigid to respond to the beneficiary's needs.
- At the conclusion of our current grant, I will be in a better position to offer comments on the strengths and weaknesses of the process.
- Speed up pre-grant agreement phases which are costly and time-consuming for the small PVO.
- We have only recently seen an improvement in the amount of written communication about our agency's specific grant requests, coming from the Bureau for Food for Peace and Voluntary Assistance - Office of Private and Voluntary Cooperation. Practice in past has always been to communicate by phone, leaving no path by which to track the decision-making process.
- Suggest:
 1. Greater participation by professional/technical personnel in the selection/management process.
 2. Use of expert professional/technical committees in policy formulation, program guidance, and grantee/contractor selection.

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- We have only had two years' experience with AID under our grant but for the most part have found our relationship very satisfactory.
- For an organization engaged in policy research, the real problem is the cumbersome nature of the bureaucratic process. We will often be able to identify a real need for urgent policy advice in AID and AID officials will agree with it. But the contracts procedure is so torturous that it simply is not worthwhile putting in 3 or 4 months work to secure a \$10,000 - \$15,000 contract.

I realize that many of these procedures are designed to ensure free and open competitions for contracts, but the very nature of the process inhibits the award of small contracts, often for very critical pieces of work. The whole IQC process has been designed to alleviate this problem, at least for technical assistance. However, would it not make more sense to reform the contracts procedure to streamline it and give more freedom to individual project officers, then to create IQC's as a way around the contracts hassle?

My organization has received grants and contracts from 6 other national aid organizations (i.e., Canada, Sweden, U.K.). None of them has a contracts procedure which is as byzantine and time consuming as AID.

In frustration, one sometimes feels that the contracts procedures are designed to prevent the AID professional staff from spending money.

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- . Our working relations with AID have been very satisfactory. All those we have worked with have been helpful throughout the grant, and made every effort to have a clear understanding of our work. Because of some unavoidable change of personnel, the second grant took longer than usual for approval.

Regarding the actual funding, there have been delays initially in getting the Federal Reserve Letter of Credit established and further delays in getting annual funding credited to the letter of credit. For example, we are presently one month into the third year of our matching grant but the FRLC has not yet been funded.

Otherwise, we have not had any problem. Our experience with AID has been most positive.

- . Two Major Problems:

1. Inordinate delays during solicitation phase
2. Seeming indifference on part of those involved in #1 above as to hardship this imposes on PVO's.

There does appear to be a move towards more of a partnership arrangement in grants - a welcome departure from the stance of AID being in an adversary position.

- . (a) While recognizing the need for careful review and evaluation by USAID of each grant proposal submitted by PVOs, the amount of time usually taken by AID is considered excessive. It is desired that the whole second phase of AID's assistance process should be completed within a period of 4-5 months. (b)

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AID's annual budget does seem insufficient for the operational program grant, co-financing, or cooperative agreement which are normally undertaken in partnership with Private Voluntary Organizations.

- It would be helpful to increase the knowledge of people in AID about what other AID departments are doing and can do. People seem to be afraid to be accountable for a decision.
- 1. I suggest more time be allowed for bidders to respond to large solictiations.
 2. An information system should be established to inform large universities of projects being undertaken all over the world.
 3. If more time were taken in organizing the solicitation, the result should be less time needed for the final negotiation.
 4. There should be more concern for expertise and ability to perform. AID should eliminate projects which are totally wired for one institution, business, or "in country" relative or politician.
 5. More projects should be considered for solicitation through small businesses where products or construction skills are to be provided. Procurement should be eliminated or grossly reduced where services and technical expertise and/or program development are to be provided.

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- . AID's policies and practices makes recipients and grantees unnecessarily vulnerable and expose them to risks financially and reputation-wise.
 - a. Project monitors push for overseas program commitments, but do not program adequate funds to meet these requirements. This can result in overcommitments by recipients or recipients being able to meet obligations with host country institutions. Continuing negotiations with overseas institutions are impaired.
 - b. AID does not provide the funds as scheduled in the negotiated budget of its agreements -- nor does it notify the recipient that it will not receive the anticipated funding increments.
 - c. AID unilaterally adds new provisions and changes terms of agreements without advance negotiations.
 - d. AID's internal political schisms are permitted to inject themselves in the monitoring, funding and audits of its agreements.
 - e. AID's Handbook and standard provisions makes mandatory for application to overseas subagreements provisions which AID knows cannot be complied with in an overseas setting.
- . The Grant and Financial sections of AID delayed a review of our proposed accounting system. This delay, plus other delays in processing resulted in our not being able to make our first draw against the FRLC until two months following our signing the grant agreement with AID. Furthermore, this delay, plus the

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imposition of a monthly pro-rated apportionment schedule, has cost us two months of apportionments, or [amount given]. Our project officer has been excellent. This is our first experience with AID.

- From a non-professional grant recipient's point of view, AID has the image of dealing with "freeway bandits" who make a profession of living off AID grants and studies. They are the "insiders" who know how AID functions and can get their projects approved or fill AID needs. Some AID missions are impossible to even talk to because they are so bureaucratic and confusing to the outsider. We have [been] used [by] AID twice in our company history-- one from an AID mission and one from Washington. We have been pleasantly surprised with the ease of working with them and their professionalism.
- - a. Responsibility should rest with one project manager or grant officer throughout the grant period.
 - b. AID and grantee should agree on evaluation indicators, methods of measurement and reporting systems before grant is awarded. Changes or demands by AID during implementation should be minimized.
 - c. AID should recognize and encourage political neutrality on the part of the grantee.
- I find it inconsistent to suggest that PVO's should bid on a grant. A grant is to provide financial support to a PVO to carry out its program objectives. The subtle problem of a PVO receiving grants to carry out its own objectives, when in some

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way AID has an interest in being substantially involved, is hard for me to accept.

I guess I would come down on the side of those who argue that the grant mechanism is a transfer of resources to PVO's that receive them because they can achieve more, at lower cost, and reach people more effectively, than can government-to-government loans and grants -- or AID's use of outside contractors who provide services to help AID achieve its objectives. I don't mean to suggest that objectives of PVO's and AID are not sometimes one and the same -- to improve the quality of life, etc. -- but the PVO has its own Board and staff, its own management criteria, and is uniquely suited, in my opinion, to designing and carrying out effective programs with local institutions in ways that AID Missions have not traditionally been able to accomplish.

- Excess regulations and delays are generally the major cause for concern. Anything which can help streamline the system will be helpful.
- Weaknesses in AID's assistance process are due largely to the restrictive congressional legislations under which the Agency operates. These complex laws have created within the Agency adversary relationships that cause delays and inefficiencies.
- I believe it would be helpful for contractors to be brought together so that an exchange of information is possible. Seems to be little consistency -- all are not treated equally. We had a superior review rating and our funding was cut. We know another

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agency who has a lousy rating and were fully funded. The explanation given to us is that we had no "constituency". I didn't know population research was so political.

- Re: [name of] project. A review of the proposal as put together by the original contractor by a second group would have resulted in a more realistic and achievable plan of work.
- [A state university] was awarded a Title XII Strengthening Grant (matching) in [year]. Otherwise we have been unsuccessful in our attempt to secure an overseas program during the past 10 years. [university name] was ranked "close to the top" on three major efforts which has caused a negative response by faculty. [Position documents were enclosed].
- The inordinate amount of time required to deal with most of AID's bureaus/offices is hardly cost-effective, with the exception of FVA/PVC.

The excessive amount of regulations not only stifles creativity but actually encourages political methods to bypass the 'redtape'.

AID overregulates, overevaluates, and overaudits PVOs. It also releases funds late and thereby impedes the work of PVOs.

Any effort to reduce regulations and let respectable PVOs carry out their own programs with [out] constant badgering from AID would be helpful.

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We recommend the one-grant system via FVA/PVC to cover total PVO programming needs rather than a multitude of small OPG type of grants via missions and bureaus.

The negative remarks above reflect mainly our experience in dealing with the Africa bureau and some USAID missions, not with FVA/PVC and some of the better missions.

- More continuity of efforts.
- General comment: AID does an excellent job of staff training, both technical and procurement. It could be useful for grantees to have available some of the kinds of information provided in the AID training manuals, or, as suggested earlier in this questionnaire, a grant application package similar to that of [the National Institute of Health].

Every PVO has had to reduce the standard provisions to basic english for its staff and subgrantees, if any. Of course, the curious manager can and does obtain appropriate AID materials and handbooks, but AID might consider either taking the initiative to provide a grantee's manual or collaborating with others, for example the Association of PVO Financial Managers (whose workshops are growing into a kind of management manual for non-profits) in doing so.

This project is comparatively small to other projects of this agency. The requirements of the undertaking were specific and uncomplicated. The subagency [name] is small, the director and several assistants were thoroughly familiar with the country of [name given] and the endemic processes required. Confusion was minimised, or non-existent.

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The personnel that were assigned to us had many years with AID.

The personnel of our foundation connected with the project are seasoned business men, heads of their own businesses.

This, we believe, is the reason the answers to your questions are all positive.

From our point of view, ASHA (AID) should be complemented.

- . Many of these questions cannot be adequately answered on a 5-point scale. USAID Missions differ greatly in their leadership, personnel, policy, interest, procedures. We have had excellent experiences with some USAID and very poor with others.
- . Despite negative assessment of AID performance in regard to grants and cooperative agreements, it should be noted that this segment of their activity is handled better in general than the contracting process.
- . We appreciate the work of PVC and find their centrally funded grants much easier to handle. The matching grant program is excellent and should be expanded.
- . The responses to this questionnaire are based on experience with one cooperative agreement which has started within the past year.
- . For new PVO's there is a lack of information availability. It seems when we are looking for specific info, we get bounced from person to person and have to "assume" a variety of answers to be correct.

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- After 10 years I have decided personally -- and these are my opinions not those of my institution--that I will not work with AID any more.
- Obtaining funds with which to implement programs overseas is roughly ten times more difficult from AID than it is from private sources. This is ironic, because unlike private funding sources, AID's purpose is foreign assistance.

Again, speaking from the perspective of a program implementer, rather than simply a supplier of goods and services, it is felt that there needs to be more of a spirit of partnership between AID and PVOs. The current relationship is more akin to that of father-son, or quite often simply tolerance, rather than partnership.

As implementers of grass roots programs which assist people, PVOs are more effective and cost efficient than AID. And helping needy people overseas is certainly what the American people desire of their foreign assistance programs. Those of us who have seen Canadian and European aid programs in operation in developing countries marvel at the lack of constraints and the freedom afforded by them in program development. One asks oneself why AID cannot move in that direction.

A number of steps could be taken to improve the quality of assistance provided by AID:

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- . There should be a 20% - 25% reduction in total AID staffing levels. There are too many people involved in the process - most of whom have not the slightest idea of what life is like in rural [name of country]. This reduction would force more reliance on outside program implementers, while resulting in savings of hundreds of millions of dollars annually.
- . AID should rely more on organizations such as PVOs as deliverers of assistance. Many of them have been around much longer than AID itself, and most are staffed by people with much more extensive field experience than AID. Certainly organizations (PVOs) with 10 - 15 years of experience in program implementation should be allowed freer use of public funds than is presently the case.
- . There is often great inconsistency between the requirements of the AID missions and those of AID/Washington, resulting in program delays and problems in implementation for the contractor or grantee. There should be a mechanism developed (block grant) which would allow AID/Washington-funded PVOs to operate in a given country. This would be in consultation, and with the approval of the Mission Director, but the criteria, requirements, funding, etc., would be those of AID/Washington.
- . AID is desperately bureaucratic. It is not uncommon to find bureau, mission or centrally funded projects in direct conflict, doing opposite things without the knowledge of each other. Processes, the rules and regulations are an end to themselves. Because AID officers move so much across the Agency none ever sees the project they initiated come to completion.

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- We speak from rather limited experience. Our university has not had many grants/cooperative agreements with AID on many applications. But there have been severe frustrations even in this limited experience; [detailed elsewhere in the questionnaire].
- 1. Communication from AID should be improved.
 2. Clearly poor communication within AID; Title XII office has little understanding of missions or of procedures followed by other AID components.
 3. Role of BIFAD is ambiguous.
- There is a tendency for AID to focus on relatively short-term development goals and thus to award short-term grants and contracts. From the point of view of both the country receiving assistance and the institution providing assistance, longer term planning and development projects would provide better opportunities for real growth in capabilities and service.
- Our experience with the strengthening grant has been "adequate", however the precondition of our obtaining AID contracts within four years to assure further strengthening grant funding is not equitable at all. It only points to the veracity of the "strengthening of the strong" hypothesis. We have been unable to win any major AID contracts in 3 years and find AID's assistance process frustrating. This experience is not restricted to our institution but exists for other small land grant universities, although we are prepared now as the result of our strengthening grant to participate in contracts and projects.

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- USAID and universities have too often been placed in antagonistic roles instead of partners in development -- this is particularly true in project work with missions.
- ASHA's grants are heavily weighted to the Mid-East excluding other portions of the world, particularly Latin America. This is particularly aggravating, considering the huge total foreign aid payments to the Mid-East and the pittance ASHA receives.
- Much of AID difficulty is due to the fact that it is a Federal agency subject to political pressures and foreign policy constraints which result in abrupt personnel changes, shifting program emphases, alterations in eligible country lists, etc. Despite these problems, however, AID offers equal if not greater consistency than many other public and private sources. To the degree that AID can make longer term commitments to grantees and strive not to change administrative requirements and program emphases during the course of a grant relationship, AID's assistance process will be even more effective.

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- In spite of weaknesses, the direct contracting with USAID missions is far superior to host country contracts.
- 1) To get and use top private-sector expertise, daily rates and expense allowance pattern should be revised. 2) AID mission technical staff guidance must be superior to that available on this assignment.
- Following are brief comments and suggestions for improvement of the AID mission contracting process:
 - a. Weakness - Inadequate, unfair and inconsistent application of cost principles applicable to foreign assignments.

Comments/Suggestions -

- Allowable costs for foreign assignments are not clearly defined for AID missions and contractors. As a result, AID missions impose their own guidelines which are often undefined, vague, and/or very difficult for a contractor to interpret (e.g., reference to State Department Standardized Regulation, AID Handbook 22, etc.). Thus, there is lack of consistency within an AID mission, between AID missions, and between AID missions and AID headquarters (e.g., a contract may get different interpretations from the comptroller, project officer, or legal/contracting officer as to what is or is not an allowable cost).

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- Many of the AID mission and AID regulation cost guidelines/principles are inappropriate and/or unfair to contractors. Most contractors have well established personnel policies governing foreign assignments and therefore should be permitted to follow such practices within reasonable limits rather than being forced to adapt to Federal Government Employee rules and regulations.
- The attitude of many AID Mission personnel is "if we don't get it, you don't get it." AID must realize the basic differences in the needs of contractors and their personnel when staffing foreign assignments and overcome this negative attitude problem.
- Some of the particularly troublesome cost items are: cost of living allowance, differentials, tax protection, housing, autos, transportation of household goods, vacation travel (vs. home leave), etc.
- Under Federal Government procurement regulations, contractors must follow consistent estimating and accounting practices. As a result of some AID mission guidelines and AID headquarters regulations, contractors are forced to either modify company policies to be in compliance with such guidelines or regulations and/or to pay company allowances not reimbursed by AID and absorb the cost out of profit.
- If contractors are not to be allowed to follow their established practices, then AID headquarters should develop

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agency wide cost principles that meet the needs of contractors within reasonable limits rather than force fit Federal Government Civilian Employee regulations. AID headquarters should work with contractors and industry associations in developing such cost principles.

- . Perhaps AID headquarters should initiate action with the Office of Federal Procurement Policy to develop government-wide cost principles applicable to foreign assignments in the FAR and DAR.
- b. Weakness - Time and distance coupled with inadequately trained project and procurement personnel create much of the problems in contracting directly with AID missions.

Comments/Suggestions -

- . We have already made several comments on these subjects throughout the survey questionnaire so we will not repeat [all of] them here.
- . AID headquarters has several options for improving the overall process. One option which we feel should be given serious consideration is that of centralizing certain direct contracting activities (i.e., issuing RFP's, conducting negotiations, awarding contracts) at AID headquarters. Each AID Mission should be staffed with well-qualified procurement liaison personnel who would assist AID mission project officers in translating requirements into statements of work, evaluation of technical/cost proposals, negotiations, monitoring progress, etc., and serve

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as the interface between the AID mission and the contracting office at AID headquarters.

- . In order to facilitate and improve the procurement process, AID missions and AID headquarters should:
 - (1) Publish long range list of requirements that will be handled by procurement process.
 - (2) Designate one person in AID mission and AID headquarters as focal points for procurement opportunities.
 - (3) Make more use of "Sources Sought" announcements in [Commerce Business Daily].
 - (4) Make more use of "Bidders Mailing List Application" system for identifying potential sources.
 - (5) Send advance copies of proposed statements of work to potential contractors for comments prior to issuance of RFP's.
 - (6) Provide adequate advance notice in CBD of pending issuance of RFP's.
 - (7) Provide adequate lead-time from date of RFP issuance or bidders conference and "due date" for submission of proposals.

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- (8) AID missions should send copies of RFP's to AID headquarters (preferably in advance of issuance date) so that contractors can obtain copies easier and faster.
- (9) Hold bidders conferences, to the extent practicable, in the U.S.A.
- (10) Require that all proposals be submitted to AID headquarters who would then transmit copies to the AID mission.
- (11) Conduct negotiations at AID headquarters--at least when several firms are in the zone of consideration. Final negotiations with the selected contractor could take place either at headquarters or at the AID mission.

- As bankers for most AID contracts they [AID] should have some influence on host country people. They should use this influence more. They seem only interested in not creating waves, NOT in affecting changes. They are timid and lazy marks for host country people.
- Most problems exist overseas. This questionnaire fails to recognize difference between AID/W and USAIDS. The few problems with AID/W is generally related to understaffing. Overseas there are many problems largely a function of communication and the time it takes. Would recommend focus on developing AID/W

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support for USAID efforts with emphasis on timely communications. Further rules and procedures are not problem per se - but process with USAID thousands of miles away.

- If AID missions hire contractors for their expertise and experience, this expertise and experience should be relied upon. Further, contractors should not be expected to provide high technology field support without home office support.

AID is a relatively small percent of our overall activities. If we had to rely on AID, we would have been bankrupt a long time ago. The AID people and system have no comprehension of a U.S. contractor's situation.

AID people are more interested in their next foreign assignment and travel than in a program.

- AID must establish the same internal disciplines it requires of contractors. For example, there is no reason why the review of proposals and selection of contractors should take longer than the proposal preparation period. AID payment procedures are no more difficult than those faced by other international lending agencies (World Bank, ADB, etc.) yet AID's performance is often significantly poorer. AID should establish internal yardsticks to measure its performance and hold operating staff responsible for meeting such yardsticks.

- The mission programs lack a long term perspective and commitment because of high turn-over rate of personnel. AID staff should stay in a country indefinitely as long as they are doing a good job. They should become development experts in that country or

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region! This causes great problems for contractors - always educating a new group and justifying your existence. By contrast, we have staff who have had working relationships with a given country over 15-20 year period.

- 1) Contacts and authority should be unambiguously delegated or placed in mission office, if that is the intent. EPA tried the field office concept, but Washington couldn't let go. The result was every decision required "coordination." Bureaucratically this came to mean written approval. The end result? Instead of simplification, the contractors ended up with another layer of approvals. Mission offices, as in any decentralized organization, need autonomous authority along with the responsibility. 2) The AID cooperative agreement mechanism has provided a very useful channel through which to receive Mission funding. Recent experience relates to mission monies from [countries in Latin America]. We would encourage continuation of this or similar mechanisms.

- Generally find very good personnel working with excessively rigid, time consuming bureaucratic restrictions involving many agencies (OMB, IG, etc.). Also, practice of assigning defense-oriented accountants (DCAA) to audits of non-profit agencies is absolutely bizarre! - they have no experience with such accounts, do not understand our operations and do not attempt to learn. All AID audits should be performed by AID auditors or they should accept outside audits by reputable companies (A. Anderson, etc.)

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- We have had no experience with AID missions for competitive bidding contracts. However, our dealings with AID missions on non-competitive bidding contracts have been satisfactory.
- 1) No single group should be given exclusive rights or priorities e.g. one university or consortium of universities to undertake acquisition activities exclusively in one country. 2) Urge and encourage cooperation, joint ventures and subcontracting between universities, PVOs and private sector (especially small and minority businesses). 3) Target projects at PID stage for the type of contracting mode to be used.
- The system should be more equitable and fair in the distribution of contracting opportunities and actual contracts. Large firms get a large share of host government contracts and keep getting extensions keeping other firms, especially small and minority firms, outside this area.
- The success of the AID/contractor relationship seems to be primarily affected by the perception of contractors held by AID personnel. In cases where contractors are seen as "bandits" and "adversaries," suspicion results and the working relationship is less than productive. In cases where contractors are seen as "colleagues" and "resources" in the development process, the relationship is often very productive. It should be noted that contractors also need to see AID personnel as colleagues, not paymasters or auditors.

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- 1) Cut back the inordinately high number of grants to universities, PVOs, PASAs, RASAs, PSCs. Recognize the fact that these are as costly if not more so than the private sector and too often not as effective. Make these organizations compete if they want to work, at least on more occasions. They do not provide the most bang for the buck. 2) Educate the missions and direct regional contracts officer to set aside more business for small business and minority firms. Do more than set goals - MEET THEM! 3) Do away with submitting vouchers to the mission for payment. We suggest that vouchers be submitted to AID/W up to 75 percent of the total contract with the final voucher submitted to the mission or approval for payment requested by AID/W via cable.
- Contract officers generally consider both the technical officer at USAID and the contractor a nuisance and the presumption is made that the "Belt-Way Bandit" seeks to defraud the government. Throughout the system there is little appreciation of the commitment and dedication of firms and individuals to the development assistance objectives of the agency. The incentives faced by mission personnel are such that their bureaucratic efforts to avoid criticism by AID/W, contracts officers and superiors impede creative and dedicated performance by contractors that are genuinely committed to the goals of the agency. As a result mediocrity is induced and high quality professionals shy away from working for AID: It is a thankless task!
- Universities should not have to bear costs of travel to AID mission to negotiate the contract awards. A suggestion is that AID mission personnel become more familiar with university missions and functions. Universities are not prepared to deal with the

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time constraints as in the business world. Rarely are there technical specialists (professors) available for immediate assignments and without other research and teaching responsibilities. This has changed for the better recently with the J.C.C. and M.O.U. concepts.

- For working with universities, I doubt that the contract format is the appropriate vehicle for obtaining assistance. A vehicle which would allow AID and the university, once selected for a project to work more as partners should be sought.
- The greatest problem one has in dealing with AID is the erratic funding availability. Grants are awarded and suddenly reduced after commitments are made. AID staff are able people who seem entrapped by the bureaucracy.
- Strength - Congressional Presentation is very good for advance information - it provides one place to start.

Weakness - AID appears to cut budget so closely that performance is most difficult. Lowest price offer appears to weigh disproportionately heavy without concern for quality. The "Carter Buses" is an example - with broken down buses around Egypt with USAID label prominent.

The AID regulation of allowing lower per diem for foreigners visiting U.S. compared to U.S. citizens is very difficult for contractors to explain. Visitors feel they are being treated as a second class. Missions should give questions or some guidance to negotiating teams before they leave to U.S. and their home office. Again, this practice is very uneven.

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- Invoicing procedures - general provisions are not clear on payment or non-payment to contractor for holidays, sick leave, vacation leave and home leave. Also no direction or method is given for calculation of a partial month of staff time. Determination of where to purchase insurance to satisfy host country contracts for certain countries is not clear or available in writing. Requirement for documents to support the time and expenses to be attached to the invoice is not consistent with different contracts. Verification of time and expense for supporting documents on a monthly basis rather than detailed audits at a later date to clarify any questionable items could save time and effort.
- Our experience with AID is quite limited over the past five years, and therefore specific comments and general comparisons are difficult to make. Overall, AID has caused us no major problems in administering projects, and are hope we have done likewise.

HOST COUNTRY CONTRACTOR RESPONSES

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- AID often intrudes itself as a second client. It should issue a bank letter of commitment and have a bank's private/professional services as project financing agency according to criteria established by AID.
- Much more orientation to host government about contracting procedures.
- Our experience is limited to one such contract in an atypical place - [name of country]. The host country relationship has been good - the AID support also. We like the overall experience - it is more like working in the private sector.
- Haven't had a whole lot of experience as of this date - would know more next year.
- Provide for more timely handling procedures. Set deadlines for action and enforce these time constraints.
- During the conceptual stage it is extremely important that AID strive for complete agreement on requirements for the execution phase. AID regulations, methods and procedures must be thoroughly understood by the host country and specific guidelines established for implementation.
- Host country contracts are burdened with involvement of two sets of bureaucracies in the procurement, negotiation/contracting, and contract administration processes, which is detrimental to cost and time efficient project execution.

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Consider moving toward the British Overseas Development Administration's manner of spending development funds.

Insist on properly staffed and authorized client administrations to handle HC responsibilities, regardless of contract process.

Make advance payments available to consultants where appropriate to bridge long delays in commencement or progress payment, regardless of contract process.

- Import duty exemption clauses in contracts should be enforced and coordinated better by host country. Undue delays of materials held by customs have completely wrecked construction contract schedules.

- AID funds should be administered through AID missions/Washington rather than host countries, i.e. their unfamiliar bureaucratic processes.

- Should eliminate host country contracts entirely.

- Procedures and standards for AID (direct or mission) contracts are clearly established and interpretations are predictable. In the case of the host country contracting process, experience will vary depending on the attitude, knowledge and personality of the person who may be assigned to the process. It is suggested that great care be exercised in selecting host country negotiators, etc. and that those selected be rigorously trained to deal efficiently and fairly with U.S. contractors.

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- . The process might be improved as follows: (1) all bids in triplicate programmed for contracting abroad should be received by the embassies of the host countries (2) publicly opened (3) mailed "next day" by diplomatic pouch less one copy to remain with a liaison officer at the embassy.

- . Our overall comparison of host country contracting with AID direct contracting is that the latter method is preferred to the former. The primary reason for this preference for AID direct contracting relates to the fact that AID contracting utilizes an established administrative framework, i.e. Federal procurement regulations, AID standardized requirements, etc. which is largely absent in the case of host country contracting. This lack of an established administrative framework can sometimes result in arbitrary decisions on the part of the contracting agency with respect to allowable costs and other aspects of the contract.

- . 1) AID mission personnel should seek to establish better relationships with their counterparts in the host-country client. They should deal more directly with the host country client's middle management and project personnel - not just with the top management. 2) Long-term AID personnel need greater incentives to perform well and need relief from the overwhelmingly bureaucratic aspects of working for the government. 3) AID personnel need to develop a "brotherly" rather than a "fatherly" attitude toward the client personnel.

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- Politically, the host country should be allowed to have more participation - however, AID on behalf of U.S. taxpayers should be firm when host country enforces provisions which could be met by U.S. manufacturers (such as non-USA standards). Moreover, to have maximum impact and score sounding political gains, AID should monitor more closely the pre-bid stage when it chooses the consultant to write the IFBs. All too often, those consultants should not be allowed to side with the host country and specify impossible and unfeasible conditions. To do that, either AID/W or the various missions should have competent technical and commercial staff.

Most importantly, we feel that AID should always stipulate code 000 in all AID funded projects. In this recessionary economy, why allow code 941 thus enabling so called, free world countries to take work from US workers. After all, we cannot comprehend why our tax money is used to buy non-US goods (under code 941) for a host country!!

- Conflicting motivations among host country nationals and even within an individual may cause difficulties. Only rarely is it possible for the host country national to be at ease negotiating agreements that appear to give others so much more than he receives.

Host country contracting gives more authority to the host country officials and provides them an opportunity for greater participation in planning and using technical assistance. This experience is useful. However, greater participation often results in imposition of local regulations and practices on the contractor's personnel, which reduces their effectiveness in

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project implementation. There is no perfect solution. Perhaps host country contracts should be used in some cases and AID-direct contracts in others. In host country contracts, USAID should ensure through grant/loan agreements with host countries that essential pre-conditions are fulfilled to make effective use of technical assistance and that there is sufficient flexibility and freedom for the contractor to provide strong logistic support to its personnel.

- . 1) Improved cooperation by AID mission people, and less stringent control on contractor personnel approvals; and salary, overhead and fee limitations. 2) Unanimity of requirements with those of host country. Sometimes, it is as if the contractor is working for two clients with different requirements on the same contract.
- . Any time funds are made available for procurement of items not actually made public and monitored by AID personnel in the U.S., there will always be doubt as to the real expenses incurred for the equipment delivered. Have you seen Miami Herald publication of December 19th and 20th Ref. Haiti?
- . [Contractors] need more guidance for corporate officers to understand process in each host country.
- . AID fails to take advantage of the learning obtained on many jobs. Meaningful reports are ignored or not used and meaningless reports are often required. Attempt must be made to better identify reporting requirements - correlated to job realities and to use these reports in a meaningful way. We recognize that cultural and social differences must be taken into account when

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using experience data obtained in one country in another. However AID should be well placed to do this and it should be an integral part of AID administration - not an excuse to ignore prior experience.

- . The strength, mentioned in [question] 43, [that host country's are more likely to get what they really want, rather than what AID thinks they should get] is lost when AID "looks over the host country shoulder," and actually dominates the process. If AID would make its grants or loans to host country, and then stay completely out of project monitoring, process would be much better. If funds are misused, then avoid country or sector in future. But present systems wastes much U.S. taxpayer money with excessive monitoring of detail while missing critical goal achievement.
- . AID should start from the premise that the contractor wants to do a good job and maintain his firm's and country's reputation in the host country. A variety of impediments exist in the host country that prevent an efficient and timely completion of the tasks. USAID officials should have some discretionary powers to redress minor impediments on the spot and help along with the implementation plan.
- . Study of host country contracting process in Egypt, Bangladesh, Kenya, Indonesia should readily show "local content" problem in selection process and importance of foreign contractors in "but-tering up" or worse host country selection officials. Contractor administration of contract also much greater problem since AID people are reluctant to be as involved in host country contracts monitoring as needed. It should be mentioned that AID

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however is better than ADB or IDB in assisting the contractor to have host country officials adhere to their agreements with donors.

- Most American firms would prefer to deal with AID in logistic procurement and overall contract administration. Host country contracts, however, can produce better projects because the host country perceives the contractor as working for them; consequently are more receptive to advice and assistance.

Once a contract has been fully negotiated and executed and a satisfactory method of payment is in place and a contractor has been provided with adequate logistic support and counterparts, a host-country contract can move along effectively. The adequacy of local currency is seen as a potential major problem to be faced by many countries and thus U.S. contractors may suffer.

- We have been participating in AID programs for the past 25 years and have been handling host country contracts for more than 30 countries. The adequacy of host country contracts depends upon the discipline of the government people in that country, varying with different countries. We must say that most of the host country contracts are open to corrupt practices, unless closely supervised. Such corrupt practices usually take the following forms: 1) Drawing up specification in such a way that only a few manufacturers can participate. 2) Shortening of the solicitation period against AID Regulation so that supplier without prior knowledge cannot have enough time to prepare their bids. 3) Rejection of reasonable offers on basis of small technicalities. 4) Delay in evaluation process so that when the decision is made, the lowest bidder can no longer accept because of the

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inflationary trends. 5) Insisting on using the host country laws and regulations for contracting knowing that these laws are often arbitrary and unjustly in favor of host government authorities. 6) Withholding last portion of payment under false pretenses and refusing to issue certificate of acceptance until some form of bribery is paid.

It is obvious that the host country process has the strength of being economical. Since the U.S. funds are used, we suggest that the host country process be closely supervised by the AID mission and that disputes in the contract be settled according to U.S. laws.

- If and when host country contracts are used, require host countries to follow established AID regulations related to payment of allowances, overhead, per diems, etc.
- AID is an entity that provides funds for developing countries. We as American contractors have not been treated fairly in awards of important projects. After our comments and exposure of faults in awards to others, with serious economical problems, technical problems, we have been rejected. Perhaps we have the satisfaction that all problems anticipated by us came to be a reality and they have affected AID funding and proper completion of the jobs - with further damage to the developing programs of the host country.
- Have had excellent relationships with host country AID rep. and the host country. Working relationship excellent at all times.

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- In our experience, it is difficult to get firm commitments from host country officials.
- [Declined to comment due to very limited experience with host country contracts.]
- Use one or other fiscal reports system, not both.
- Some host country contracting personnel are not very honest.

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- . After our initial efforts and subsequent discussions with other engineers we have tentatively decided not to compete for AID work -- too costly for the low probability of getting a profitable job from the Agency.

This is unfortunate -- as we do make major contributions in the form of successful projects for other government agencies.
- . Expedite the proposal evaluation process. Expedite informing the unsuccessful bidders.
- . Our experience with AID/Washington has been limited to coordination on a reply to an RFP to a host country contract. The AID/Washington technical personnel were very helpful in answering questions since the RFP was submitted through AID/Washington.

The performance of the developing country in evaluating proposals (speed, promptness), etc.) left something to be desired. As I recall it took them over a year to make their decision.
- . AID very slow at paying. Held up by trivial queries. "Conservatism" of contracting officers seems to be the problem; also serious communication problems within AID, person moves and files not properly handed over.
- . AID needs better information/communications packages to new, potential firms like us.

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- As a [minority business enterprise], we feel the 8(a) set aside program could be strengthened. While we offer limited services, where AID needs may not be great, we feel our [type of] services could be used to the benefit of both parties.
- 1) More attention with positive programs be given to small and minority-owned business; 2) Advanced information be mailed out; 3) Better coordination between the field office and Washington office; 4) Unsuccessful bidders must be given the grade they received on each criteria of evaluation; 5) Opportunity should be given to unsuccessful bidders to protest an award prior to awarding the contract to the successful bidder; 6) Possibilities for sub-contract works for small-business be encouraged and programatically be promoted; 7) More emphasis (grade points) be given to staff assigned to a project than on experience of an organization. This will help new organizations with qualified staff to successfully compete with older organizations.
- As a senior member of the management staff of a small disadvantaged firm, I have been extremely unhappy with the way AID relies on the same organizations year after year. If one checked the awards in the energy-related services area one would get the feeling there were only two or three small energy businesses AID could contract with for work both in the U.S. and abroad. Our firm has not relied on the 8(a) set aside approach for business. We have bid many competitive small business procurements, but without much success. This is interesting given that we have done work for [other international agencies] and the Organization of American States in the international area and we are conducting efforts for the U.S. DOE, NASA, and NOAA in the [technical field] area. I realize that all organizations

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are somewhat alike in regard to their desire to use people they are comfortable with, but what does it take to get a chance to prove yourself.

- Most of the projects AID has to manage are too large for small businesses. Such projects can be formed to constitute, with realistic attitude, number of small projects which would benefit a larger spectrum of small businesses rather than a few large companies:
- Since most AID proposals require large expenditures of time and money, critiques to unsuccessful contractors would be very helpful when they are requested.
- AID should evaluate its performance versus that of its competitors from other countries. Foreign aid monies are frequently used for trade development as well as political reasons.
- I appreciate [that the] government procurement process is complex and I feel AID especially does an adequate to good job in this specific subject area.
- AID contracting is a "closed shop" -- Why [not] try outside of D.C. area.

Very unfair -- especially to small businesses outside D.C. area.

AID gets government/university experts with local "personal services" contractors to do job -- process excludes non-local commercial small business contractors.

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After one bid -- AID was eliminated for further bids since bid was treated as non-existent [sic]. Other agencies send notification of winners and allow for debriefing, etc.

AID should include contractors with varying experience when awarding [IQC's].

I would like for AID to evaluate our submissions: weak points, strong points, and tell us how the next submission could be improved.

AID to my knowledge has awarded very few contracts to minority owned firms for work in third world countries. I suggest that AID make a special effort to work with minority firms so that they can compete fairly for AID contracts. When majority firms get AID contracts or grants they come to our firm to attempt to hire us to do the field work. If they find they need us for the sub-contracting work than AID should review their procurement procedures that find us unqualified. Our firm continues to do non-AID work overseas and consider it a waste of time and money to respond to AID-RFP's. However if we thought that the system was fair we would reenter the market for AID contracts in third world countries.

We are a [size given] man architectural-engineering firm interested in providing professional consulting services on AID financed projects. We have responded to Commerce Business Daily advertisements for services but have not received any results or response.

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I feel that AID should establish a program for bettering A&E contractor performance. An A&E's project manager (design or construction management) works for and takes direction from two authorities, i.e. AID's project manager and the client's project manager. In too many cases these two people have conflicting requirements. Normally the client wants more than the banker (AID) can afford. This results in serious cost overruns or cost that exceeds funds available and work is delayed.

A program, similar to that developed by the Army (OCE), and Navy (NAVFAC), to increase communications understanding among all three PM's would do more to better [architect and engineer services contractor] performance than any other singular AID undertaking -- the program should include a more viable method of performance reporting. AID's existing system is not used by AID officials.

Evaluation and selection process/procedures should have more consistency. Criteria to determine set asides should have more consistency. By the way events occurs, in some occasions we feel that a "pre-selection" has been made already or that we have been "pre-disqualified" beforehand.

I was frankly told that as the experience of my firm was mostly industry oriented and that as I had only 35 employees, it would be nearly impossible for my firm to be one of these selected for interviews, even if we would clearly be the best choice if interviewed. The process of selection is so oriented to selecting large, well-known firms that the small, though highly competent firms, have little or no chance.

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In my business (consulting engineering) all but the top 10 percent qualify as "small business" and it is nearly impossible to make a firm of [number] people, in business for [number] years, appear to have the competence of a firm of 200 or more.

A close look at the individuals who would actually be assigned to the work might very well show the smaller firm that had survived in the competitive private sector to have a much better potential for doing an excellent job; BUT THERE IS NO TIME OR INCENTIVE TO MAKE THIS EVALUATION.

I appreciated my interviewer being honest with me and saving me the frustration and expense of making further applications.

Utilize standard contract documents except for job peculiar portion of contract; establish current fee guidelines based on U.S. market comparison; AID exercise more direct control on contract administration; either pay advance payment or include in fee cost of monthly pay estimate delay. In our case, WWCG [sic] and Alexandria Egypt of CCC [sic] in Cario Egypt, processing time averages 60-120 days from time of incurring cost to receiving payment. At current interest rates, this is excessive; use pre-qualified bidder system; use two step procurement for engineering service rather than cost competition.

Consider copying [U.S. Department of Transportation]. They are excellent.

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We have worked closely in the past with AID on several projects in South America. We are very interested in securing architectural or engineering design work, but have not received information regarding needed projects. We would very much like to discuss our qualifications and abilities with someone from AID in the hopes of securing A&E work.

We have not had enough experience with AID contracts to give a total fair evaluation. We have not been fortunate enough to be awarded a contract.

1) Procurements must have person year and/or dollar indicators so that prospective contractors can determine level of effort. Otherwise, procurements appear too blatantly wired. 2) Contract officers should assist neophytes if they are serious about entering the contractor pool. We could not have managed our proposals if we had not had a retired AID career officer as a consultant.

We believe AID should strengthen its program in encouraging the participation of minority and women-owned business in development programs, particularly in mandating subcontracting opportunities in large programs. Additionally, we believe that, in the case of large development programs, there should be a requirement that either the PID or evaluation phases should be reserved for small business and should in no case be performed by the prime contractor.

Spend more time on the "scope of work" descriptions in each RFP. Concentrate on increasing their clarity and specificity.

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1) Make valid effort to find capability that is outside large corporation, universities and Washington, D.C.; 2) If you're going to pre-select put it on a rotation basis so everyone gets a chance; 3) Make valid effort to determine project requirements - no more autos for scooters; 4) Regard contractors as a valuable extension of AID staff rather than an adversary; 5) Give the contractor all the help and benefits he needs to do his job, willfully.

We would appreciate the following action being taken by AID when we submit a proposal: 1) Acknowledge receipt; 2) Notify us if we are not successful; 3) Notify us who was successful and the reasons why together with the contract amount; 4) Notify us of all other firms who submitted a proposal.

Our contract experience with AID was several years ago. In carrying out our work, I saw many other contractors and was unimpressed by the quality of contractor personnel. Later, in preparing other proposals, we've felt that those most often hired were 1) body-supplying factories, 2) university-oriented with little experience "in the trenches" or 3) larger firms with lots of bodies and great 254 forms but little reputation for special creativity or strong personal commitment by high level personnel.