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ATAC

A Proposal

TO PROVIDE TECHNICAL SERVICES
TO THE ROYAL GOVERNMENT OF
AFGHANISTAN TO ENCOURAGE NEW
PRIVATE ENTERPRISE DEVELOPMENT

RFP No. 5-Industrial Development

Part I Technical Proposal
Part II Cost Proposal and
Supplemental Provisions

January 20, 1971

**american
technical
assistance
corporation**

A



AMERICAN TECHNICAL ASSISTANCE CORPORATION

January 20, 1971

Contracting Officer
Department of State, A.I.D.
Washington, D.C. 20523

Attention: NESA Contract Division

Gentlemen:

We are pleased to submit herewith three copies of a proposal in response to A.I.D. Request for Proposal No. 5 - Industrial Development.

If there are any questions regarding this proposal, please contact the undersigned or Mr. James M. Pines at (202) 293-1053.

Sincerely,

A handwritten signature in cursive script, reading "Sol Chafkin", is written over the typed name.

Sol Chafkin
President

enclosures: Part I Technical Proposal
Part II Cost Proposal and Supplementary Provisions

B

A Proposal

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TO THE ROYAL GOVERNMENT
OF AFGHANISTAN TO ENCOURAGE
NEW PRIVATE ENTERPRISE DEVELOPMENT

RFP No. 5-Industrial Development

Part I Technical Proposal

Submitted to:

Department of State
Agency for International Development
Washington, D. C. 20523

Submitted by:

American Technical Assistance Corporation
1725 Eye Street, N. W.
Washington, D. C. 20006

January 20, 1971

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A. INTRODUCTION AND AFFIRMATIVE STATEMENT OF
ACCEPTANCE OF THE SCOPE OF WORK

The American Technical Assistance Corporation fully accepts the scope of work set forth in the referenced RFP. For the performance of this work it offers the following:

1. ATAC's extensive specialized experience in Asia, Moslem countries and elsewhere with industrial planning and development, investment promotion, and investor services.

2. An intention to undertake the work as a goal-oriented, result-producing project, with strong home office planning input and backstopping, rather than solely as a supply of personal services.

3. Home office leadership through two ATAC principals with many years of international experience, directly applicable to the scope of work.

4. A field team composed of three industrial development/investment experts, carefully chosen for outstanding "track records" as producers in developing countries - all men known personally and professionally to us from related company experience, none selected on the basis of paper resumes or advertising in the Wall Street Journal.

5. A plan of work which includes thoroughness in problem analysis and development of strategy, using the full talents of our home and field organizations,

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coupled with continuing evaluation of progress in relation to specific achievement targets.

Principals of ATAC are prepared to meet with AID at any time for a discussion of this proposal.

B. QUALIFICATION AND EXPERIENCE OF THE CONTRACTOR

The American Technical Assistance Corporation was organized in 1966 to provide consulting services in the fields of economic development and social change.

One of its principal specialities has been work on projects concerned with the promotion of investment and industrial development. A very substantial amount of this experience has been in Asia and specifically in Moslem countries. Projects that are relevant to this proposal were the following:

AFGHANISTAN - For the Ministry of Commerce and Chamber of Commerce of Afghanistan and for USAID/A, ATAC performed an analysis of Afghan Chambers of Commerce in nine cities. Our work included a redefinition of objectives of the Chambers of Commerce and a proposal for reorganizing the Chambers to assume responsibility for industrial investment promotion in addition to existing commercial activities. Our study also proposed a new system for obtaining financial resources to support an expanded array of Chamber programs to encourage new local investment.

PAKISTAN - ATAC prepared an analysis of the performance of the private manufacturing sector in East Pakistan and developed a series of alternative performance targets for the plan period ending 1975. These alternative targets served as a basis for examining the financial and organizational implications for agencies concerned with encouraging local private investment in East Pakistan. A series of recommendations were drawn up covering specific changes in tax policies, private sector institution

modifications, project identification efforts and technical assistance. ATAC's work was influential in a number of decisions by the Government of Pakistan and USAID/Pakistan to give greater emphasis to the private industrial sector in East Pakistan.

INDONESIA - ATAC made a study of Bonded Warehousing and Trade Financing in Indonesia for USAID and the Government of Indonesia, to encourage investment in physical distribution enterprises and more efficient private sector operations. 50?

INDIA - For a major American chemical company investing in a large scale fertilizer project in South India, ATAC reviewed alternative marketing strategies including mechanisms for sales financing and physical distribution. 30?

KOREA - In cooperation with General Oceanology, Inc., ATAC made a study of the feasibility of investment in facilities to produce fish protein concentrate. 50?

INDIA - ATAC advised the National Council of Applied Economic Research on a major study of Indian trade opportunities with other Asian (including 6 Moslem) nations. This included identification of opportunities for investment, joint ventures, and sale of plant machinery.

THAILAND - For USAID and the Board of Investment of Thailand, ATAC made a study of the Board's needs for planning an industrial promotion and investment strategy for the 1970's and for improvement in internal management. A part of this study was a detailed plan for improving an Investors Service and Information Section to provide more comprehensive services to both Thai and foreign investors. Field visits were made to other Asian

countries to develop comprehensive information on investment committees and investor service facilities in those countries.

THAILAND - ATAC is rendering consulting services to the National Economic and Development Board of Thailand in connection with overall economic planning and specifically with respect to industrial growth. *results?*

INDIA and PAKISTAN - ATAC has been engaged on a continuing basis to develop strategies and programs for improvement of nutrition, including the assessment of needs and potentialities for investments in food processing industries.

MALAYSIA - ATAC undertook a feasibility study in connection with a proposed telecommunications investment.

UNITED STATES (Georgia) - ATAC conducted a study of possible agriculture-based industrial enterprises in connection with the development of a new community in an underdeveloped section of the State of Georgia.

UNITED STATES (Western and Middle Atlantic States) - ATAC has provided technical assistance over a period of years to Community Action Agencies and other organizations in numerous states. A portion of this has been related to the development of new industries and employment opportunities. A specific example was our design of a non-conventional industrial district in Prince George's County, Maryland to link industrial promotion and manpower training programs.

C. PLAN FOR ACCOMPLISHING SCOPE OF WORK

1. General Approach to the Work

ATAC perceives the work envisaged in this proposal as an integrated project to encourage and assist the Afghan Government to move forward in its investment and industrial policies on all fronts but particularly in the following respects:

1. To achieve a quantum jump from a program overly governed by ad hoc procedures and decision-making to one in which there is a strong fundament of rationally applied policies, rules, and procedures conducive to industrial investment and development.

2. To inspire a philosophy of active and constructive encouragement (rather than reluctant acceptance or obstruction) of private entrepreneurship as a keystone of economic development.

3. Continuously to identify and work toward solutions of specific problems that hold back industrial development and discourage private entrepreneurship, whether from domestic or foreign sources.

4. To help organize an Investment Advisory Center that can effectively use the foreign and local resources available to it and demonstrate its value, particularly to existing and potential Afghan industrial entrepreneurs.

This is a substantial order, which requires for its fulfillment the purpose and ability both to change attitudes and

improve administrative technical skills in a developing country.

ATAC proposes to undertake this project as a goal-oriented program with strong home office leadership operating in close concert with an integrated field team. Our concern will be with the production of results rather than solely the supply of services.

We will also propose to undertake the project pragmatically. Our experience in investment promotion and industrial development cuts across many countries and cultures. We have no illusions that ideal results can be achieved, nor will we approach Afghanistan with a particular "model" in mind to which it should evolve. We do know from experience methods and principles that tend to work and those that tend to block and throttle progress. We will draw on such knowledge but only within the framework of finding solutions workable in the Afghan context.

We will also lay a heavy stress on bringing to bear on the project a wide-ranging capability to deal with practical and technical business problems. We regard it as essential that, whether the matter at hand is plant layout, plant management, production processes, marketing organization, financing, cost accounting, or power requirements, our team be able to speak from a background of experience in business management and engineering. In most instances ability to support a point of view with technical authority can be more persuasive in bringing about changes than arguments based solely on generalized principles of industrial development theory not fully accepted by officials of the host country.

Finally, and not least important, we will expect in our work to play an energetic role in working with the Afghan organizations in actually attracting investor and entrepreneurial interest and bringing into being new industrial undertakings. We will not just preach methods but we will show by practice how to get things done. For example, if a priority need in Afghanistan is to have a battery factory, we will be prepared to guide and support Afghans in all the steps necessary to achieve it. We will do this in part because we would wish to be associated with a record of industrial advance. More fundamentally, we will regard work on industrial cases as levers for bringing about constructive change in investment climate and institutions.

2. Washington Home Office Staffing and Functions

Our proposed field and home office staffing reflects the foregoing emphasis on realistic and results-oriented action. The Washington Project Manager for this program will be S.H. Chafkin, President of ATAC since its founding in 1966. His deputy will be William H. Rusch, Vice-President, who has been with the company since 1968. Both, as their biographies indicate, are development economists with extensive world-wide experience in the specialized field of industrial planning and investment promotion. Much of their experience has been in Asia, and Mr. Chafkin has conducted in Afghanistan a study of the Afghan Chamber of Commerce. They have worked frequently as a team, for example in connection with planning for the Board of Investment of Thailand.

The focus of the Washington management will be on the goals of the project and the substantive progress toward their achievement. Related support activities of the home office team will include:

1. To work with the Field Team in problem analysis and the development of a strategic plan, including the establishment of specific achievement targets.

2. To follow the project continuously through reports and correspondence and through visits to Afghanistan approximately once each four months.

3. To review progress and provide advice and directions (subject to concurrence by USAID/A) for improving project performance and dealing with specific problems.

4. To provide intensive support to the Field Team at crucial points where there may be, for example, particular opportunity to influence policy by linking project goals to Afghan development plans.

5. To designate or recruit and promptly despatch any short-term consultants that may be required and requested by AID. (Such consultants will be provided either from ATAC's regular staff or outside recruiting depending upon the basic skills required.)

6. In concert with the Field Chief of Party to propose to USAID/A any changes in the project that may enhance its effectiveness; conversely, to work out with AID any proposed changes that it may wish to initiate.

7. To act on requests from the Field Team for information or support that can be rendered in the United States (or in conjunction with international travel to or from Afghanistan). This will include follow-up (e.g., with potential investors, suppliers, Government agencies such as Ex-Im Bank) on bottlenecks involved in specific industrial projects.

8. To maintain a relationship with the Royal Afghan Embassy in Washington so as to collaborate in any respects that may further the project.

9. To maintain liaison with AID/Washington.

10. To provide administrative support to the field staff.

ATAC's location in Washington, D.C. will be of substantial value in undertaking much of the above support which is of an information developing or liaison nature.

3. Field Team Staffing

ATAC has selected its field team with extreme care to provide a hard-headed business-oriented group which has the background and patience required for a task of this complexity in a developing country.

ATAC will name as Senior Industrial Economist and Chief of Party, Geoffrey Uyebara. We have selected Mr. Uyebara after consideration of many candidates, with equal experience in industrial development, because of attributes most likely to make headway in Afghanistan - a country with which we have first-hand

experience. He has qualities of resourcefulness and agreeable persistence that are crucial, coupled with linguistic ability and insights into cultural differences. He has the prestige of a working familiarity with industrial development of the two most successful industrial growth economies in the world - Japan and Puerto Rico. Mr. Uyebara is well-known to ATAC and has provided counsel to Mr. Chafkin with respect to ATAC's business development program in Puerto Rico. Prior to the issuance of this RFP, Mr. Uyebara had agreed to leave his present position as Director of Foreign Investment Promotion of the Economic Development Administration of Puerto Rico to undertake a position with ATAC later this year. In agreement with him, ATAC will hold Mr. Uyebara available for this contract subject to an award being made no later than April 1, 1971. Mr. Uyebara will be employed as a permanent member of the ATAC staff.

Mr. Sproull and Mr. Friedland are both well and favorably known to the Agency for International Development, and specifically, the Mission in Pakistan. The work they performed under AID contracts in Pakistan was comparable to the duties for which they are currently proposed. Though all the persons named in this proposal have demonstrated linguistic ability, Mr. Sproull has the added advantage of knowledge of Iranian Farsi. While neither Mr. Sproull nor Mr. Friedland has previously been directly associated with ATAC, they are both well-known to ATAC and its President. (Mr. Sproull worked closely with the ATAC team on its recent study of private industrial growth strategies for East Pakistan.) Their selection is based on this company's

first-hand knowledge of their work abroad in Moslem countries and confidence in their reliability and capacity to produce.

To sum up we want to make this point clear: Every person proposed in this prospectus has been personally known to us for reasons unrelated to this RFP and has been selected for reasons of superior capability and responsibility as well as specific qualifications for this project. No name proposed is an unknown face to us searched out for paper qualifications useful for this proposal.

4. Plan of Operation

ATAC proposes to bring its team to Washington for a two-week period prior to departure for Kabul both for consultation with AID/Washington and to establish a strong basis for coordinating home office and field activity.

The Washington Project Manager (Chafkin) will go to Afghanistan as soon as the team has arrived and has had the opportunity to become operational. This will be done to assure that the program is organized with full mutual understanding among USAID/A, the field team, and ATAC's home office. At this point we would propose to achieve the following aims:

1. Familiarization of the team and ATAC's Washington Project Manager with the current local scene.
2. Development of methods of work and identification of problems requiring immediate attention.
3. A general review with USAID/A of the goals, objectives, and problems of the project.

4. Discussion of the analysis necessary to evolve an optimal program strategy and viable specific achievement targets; assignment to team members of initial work in developing such analysis.

5. Development with USAID/A of a form and style or progress reporting that will serve both USAID/A and ATAC's management needs and avoid duplicating and time-wasting reporting efforts. (This system should later be refined, following adoption of specific achievement targets, to provide a continuing tool for evaluation and review of the project in light of these targets.)

At the end of four months we would propose to send the deputy Washington project manager (Rusch) to Kabul to work for a month with the field staff in a complete program analysis and preparation of a draft strategic plan and statement of achievement targets. This will assure sufficient staff strength at this time to permit effective planning and target setting without interruption of essential day-to-day work activities. It will also afford the deputy Washington program manager with an opportunity to achieve first-hand familiarity with Afghanistan and to make an input in the project's planning. At an appropriate point he would be joined by Chafkin, who would review the plan and proposed specific target achievements with the ATAC team and subsequently with USAID/A.

We would expect to continue to send the Washington Project Manager or his deputy to Kabul at intervals of approximately

four months for short periods to review program progress and the possible need for revised strategy in light of project problems and opportunities.

Appendix 1 (beginning on page 36) presents a preliminary time charting of steps to be controlled in this project to the extent that they can be identified at this point.

5. Development of Strategy and Specific Achievement Targets

Our proposal is predicated on the assumption that a key requirement is the services of a company experienced in industrial development and investment promotion, which will not only supply manpower to perform functions but which will also make a major contribution to the development of an optimal strategy.

Accordingly, as the foregoing outline of procedural steps indicates, we would, as an important part of our initial work, make a field analysis to design an overall strategy and specific achievement targets. It is, of course, impossible until the field analysis is completed, to set forth the full course of action we will follow in this project.

It will be useful, however, to illustrate our approach by discussing some of the matters we will want to look into in making our initial field analysis. While we stress the importance of initial analysis to set with precision the targets of the project, we of course regard problem analysis as a continuing process implicit in effective project management.

a. Current Status of Afghan Industry

We would wish first to make a general assessment of the current industrial plant in Afghanistan. Much of this information may be ready at hand - at least in terms of number and types of enterprises in operation. There are several factors, however, on which we would propose to focus particular interest. One will be on the economic efficiency of the industries - how well they are run, how dependent upon tariff protection or monopolistic position, how well adapted to take advantage of available export opportunities, how profitable they are. This will be important to determining how solid a base has been built for further expansion and where the most attention needs to be given to strengthening them and particularly to improving the chances of success of newly established, small private industry. Another area of emphasis will be on the external problems of the companies - difficulties arising from infrastructure deficiencies, lack of adequate financial facilities, and the range and methods of Government control.

We particularly want to identify the most crucial areas in which improved Government programs and procedures can contribute most to better operation of existing firms and to bettering the climate for new entrants.

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b. Potential Fields for New Investment

We shall want to make some assessment of the industrial fields in which it should be possible to encourage new

investment - activities that can be economically undertaken in Afghanistan and for which there are likely markets - foreign or domestic. This would be a general reading - not an omnibus feasibility study. In accordance with the emphasis contained in the RFP we would give particular attention to types of businesses practicable for Afghan entrepreneurs. Most likely the conventional wisdom as to what will "go" in Afghanistan will provide a good part of the answer. However, we will want to test this from the beginning against the feel of our own experts as to production and marketing potentialities. Often lack of realism on the part of developing countries - Government officials and potential entrepreneurs alike - as to what industries would be economic distorts the fabric of investment policy. Further, Afghanistan has already made significant industrial gains. After initial progress in industrial growth has been made in the more obvious areas, increasing sophistication and ingenuity is necessary to visualize what the next steps should be. An early input into this thinking by men of the caliber we are proposing for this project should be invaluable.

c. Incentives and Constraints on New Investment

We shall also want to analyze carefully the incentives and constraints on new investment - both those that are formal and those that exist in fact.

With respect to "incentives" provided by Government, we have found in most developing countries that there is always much official publicity and self-congratulation about how much industry has been successfully attracted. This accent on the positive can obscure what may be some unpleasant truths. "Incentives" are often misnomers. They are frequently removal of "disincentives" such as arbitrarily high import duties or restrictions or other handicaps erected by the bureaucracy. Others simply tend to equalize the position of the foreign investor with the domestic (e.g., enabling the foreigner to avoid legally income taxes that the local entrepreneur avoids in other ways). The result may well be a structure by which industries encouraged by incentives would probably have started anyway under a rational regime. The unrecognized net effect of Government policy may be to restrict the quantum of investment and also affect the quality by unwise distortion of the investment pattern.

One of the techniques we would seek to apply in studying incentives and disincentives would be to make an analysis of investment applications presented to the Investment Committee that failed (either disapproval or non-implementation). Usually much is known about those that succeed, but less is known and understood about those that don't. Nominal reasons for failure may not be the real ones - and usually this soon becomes obvious. Often there is further overt or tacit discouragement of certain applications, and this also is important to run down. This type of analysis can throw much light on what the real investment policy of a country is and what are the real barriers to investment

implementation.

d. Sources of New Investment and Entrepreneurship

We shall want further to look at the possible sources of new investment and industrial entrepreneurship. A good place to begin is with possibilities of growth and diversification by existing enterprises and entrepreneurs. This involves determining the constraints on their entrance into new undertakings - financial limitation, lack of encouragement, lack of imagination, obstacles imposed by government policies, failure to achieve efficiencies of operation that can generate sufficient capital for new investment, or the sheer complacency that often overtakes entrepreneurs who are making a good profit and are cautious about taking further risks. Poor management of companies in the public sector (and equally of companies with heavy political influence) may result not only in stagnation of the companies concerned but also in a throttling of potential "competition", which sometimes can go to absurd lengths.

Other sources of local industrial entrepreneurship will include existing merchants or bazaar tradesmen with varying capital and skill. We will want to form some early hypotheses, based on what has happened in Afghanistan to date and in other countries with a measure of comparability, as to potentialities within this group. It will also be desirable to look at the characteristics of the educated and monied classes and their interests in industrial entrepreneurship. To what extent do they have real interest and potential to run factories or to what extent is their interest in making money through investment

deals while still holding down Government jobs and other forms of employment? To what extent may they have a preference for real estate investment that reduces prospects in the industrial sector? Usually people in both groups are a mixed bag, and it is useful to identify and concentrate a greater degree of effort on those who have what it takes.

In considering sources of investment and entrepreneurship, it will be desirable to consider potential regional commercial centers as well as Kabul. Regionalization if properly developed can often be a powerful source of industrial growth, and of bringing new-blood local entrepreneurship into being. Often, however, it is either ignored with lip service or approached on so generalized or political a basis that effort is never effectively

e. Foreign Investment Climate and Potential

Further it will be important to diagnose the climate for foreign investment and techniques used to attract it. Many developing countries are highly ambivalent in their attitude toward foreign investment. On the one hand they want it (and provide incentives which they generally overrate because other countries are doing the same thing). On the other hand, they are suspicious of getting the worst of the bargain and want to apply screening and control procedures which are either so misconceived, ill-applied, or time-consuming that they drive away many if not most of the best potential foreign investors. These suspicious need to be analyzed carefully to determine where the real concerns lie in order to provide a basis for demonstrating

how they can be met more efficiently and explicitly without muddying the entire investment climate.

It will be important also to review the potential sources of foreign investment for Afghanistan. Many possibilities undoubtedly exist to attract entrepreneurs from nearby countries. However, to start many types of enterprises (and for a more sophisticated level of efficiency and export potential in others) it will be desirable to consider the more developed countries. We have found it useful to such analysis to relate specific foreign investment needs of a particular country (in this case, Afghanistan) to specific foreign enterprises which have provided the source of investment for similar undertakings in other developing countries. This technique also has value in stimulating locally financed entrepreneurship by putting a local group into contact with foreign companies which have successfully assisted groups elsewhere through provision of licenses, know-how, and technical assistance. ATAC's capability to get down to such specifics on an industry-by-industry basis will add practical depth to services we provide, particularly for assistance to small enterprise.

f. Working of Industrial Development/Investment Promotion Institutions

Still another aspect we shall want to explore is the working of the country's institutions for industrial development and investment promotion. For example, we will want to know exactly how the Investment Committee and its Secretariat work. In every country there are varying centers of power on investment and industrial decisions, depending usually on the ability,

interest, and political strength and obstructionist ingenuity of individual office holders. Knowing the relative force of these centers of power at the level of high-ranking Committee members is more important than knowing that juridically each member has one vote. At the Secretariat level things are more likely to go awry because a certain proportion of personnel is non-functioning and non-trainable. Indeed, a basic problem may be lack of confidence at the Committee level in staff work. A staff's capability to get some things through is sometimes a mirror image of a basic difficulty in getting other things through. In such cases the pragmatic approach is to work with perceptive staff members in whatever ways are possible to achieve results, even if paper procedures cannot be brought into full accord.

The man we assign to the Investment Advisory Center will have a special problem as he will be arriving at an early point in the Center's organization. Assessment of the personnel, Afghan and foreign technicians - their capabilities and best utilization - will be an important first step. Another important step will be to make a complete investigation of all the sources of information and assistance already in existence in Afghanistan that can provide help to potential investors. These may be sparse but we have seen instances of investor advisory centers that were completely unaware of or had never contacted other vital sources. The RFP's reference as to potential help from Kabul University is the kind of thing that should be explored from the beginning.

We would also expect that in initial problem analysis our man at the center would work closely with his colleagues in developing concepts as to the most useful ways in which the center's activities could be interlocked with an overall strategy. This means avoiding an approach that is too often taken - the setting up of an office that gives certain superficial information to everyone but lacks the capability and specific concentrations of effort needed to produce significant substantive results. Particularly in working with small entrepreneurs there must be both the capability of meeting needs and the perspicacity to recognize where the effort is likely to bear fruit. From the very beginning the Center must gear itself to showing achievement in terms of specific assistance leading to investment decisions and actions and in helping infant industries to achieve operative efficiency - not in terms of number of office callers, copies of publications distributed, etc.

g. Concluding Comment

The foregoing comments are not intended to be exhaustive but rather suggestive of the ways in which we would proceed in problem analysis to determine "what makes things tick" and where the crucial problems lie. This is important to the development of a sophisticated strategy and sensible achievement targets that will get to the jugular and not simply be a collection of "doing good and useful things".

In this respect we appreciate that a great deal of analysis has already been given to the problems by USAID/A, as is reflected in the very informative material contained in the RFP.

Our problem, as we conceive it, will be to work with USAID/A in building further to the conception and implementation of a program that will get us from where we are now to where we want to be. This involves being highly specific as to the strategy to be employed, the achievement targets to be battled for, and the tactics or plan of work to be pursued. It involves also continuing review in the light of changing conditions to make sure that the targets, strategy and tactics still make sense - and even to aim a bit higher if the program should have the good fortune to make this possible.

D. BIOGRAPHICAL DATA

1. Field Team

Geoffrey U. Uyehara, Senior Industrial Economist
(Chief-of-Party)

John B. Sproull, Investment Consultant

Harold Friedland, Financial-Management Expert

2. Home Office Personnel

Sol H. Chafkin, Washington Project Manager

William H. Rusch, Deputy Washington Project Manager

Senior Industrial Economist
Chief-of-Party

GEOFFREY U. UYEHARA

Mr. Uyehara has served from 1964 to date as a senior Economic and Industrial Consultant with the Economic Development Administration of the Commonwealth of Puerto Rico. Through this work he has been an important participant in the development and progress of the program for industrial growth in Puerto Rico, which is recognized as one of the most impressive in the world.

At present Mr. Uyehara is Director of Foreign Industrial Promotion for the Commonwealth with responsibility for attracting and assisting foreign enterprises to establish industrial and other undertakings in Puerto Rico. Approximately 80 percent of this work is with industrialists of the Common Market and other European countries.

Beginning in 1965 Mr. Uyehara initiated, planned and coordinated the Japan Industrial Investment Program of Puerto Rico. This included the organization of an official Puerto Rican economic mission to Japan, of which he was deputy chairman as well as detailed negotiations with and the provision of practical assistance to Japanese industrialists. This work has borne fruit to date in the development of 12 Japanese projects in Puerto Rico which have either come into being or are in an advanced stage. For his work in the Japan program Mr. Uyehara was awarded a citation by the Puerto Rico Government.

Mr. Uyehara has also been concerned with the development of indigenous Puerto Rican entrepreneurship in respect of joint ventures with foreign companies. He has also had a variety of assignments not specifically related to foreign investment. For example, he has served as consultant to the program of development of the electronic industry of Puerto Rico.

Among the industrial sectors with which Mr. Uyehara has worked which may have special value with respect to Afghanistan are fabricated metals, motor vehicle assembly, textiles, ceramic products, forest products, chemicals, and a variety of light industry. He has dealt with all aspects of industrial planning and negotiation including site selection, utilities such as electrical and water supply, pollution problems, manufacturing costs, equipment, production processes, and transport. A particular aspect of his work involved the evaluation of competitive economic advantages offered by Puerto Rico and the conduct of comparative production cost studies for particular products. Another involved the processing of applications through the various departments of the Commonwealth of Puerto Rico to secure concessions and other necessary actions and to eliminate time-consuming delays.

Prior to 1964 Mr. Uyehara was senior electronics engineer for Farrington Electronics, Inc. of Springfield, Virginia for a period of three years. One of his projects included responsibility for direction of 12 engineers under a research contract with the United States Post Office in developing optical scanning equipment for the zip code system of mail sorting. He has also been involved as a research associate with George Washington University in a number of projects for the United States Navy and others concerning different aspects of electronic digital computers. For a short time he served as a physics instructor in an American college.

Mr. Uyehara received his B.A. (mathematics) and M.Sc. (physics) degrees from George Washington University. He is a member of Sigma Pi Sigma Physics Honor Society (President, 1960), American Physical Society, Society for International Development, and American Association for Development of Science.

Mr. Uyehara's publications include articles related to his work such as "An Analysis of Japanese Manufacturing Industries and their Suitability for location in Puerto Rico" published by the Economic Development Administration and technical articles appearing in leading American technical publications.

Born in Asia in 1931, he came to the United States as a child and became a naturalized United States citizen. He is bilingual in English and Japanese. His other languages are Spanish and German, though the latter is essentially a general and technical reading knowledge.

Field Staff

Investment Consultant

JOHN B. SPROULL

From 1965 onwards Mr. Sproull spent 5-1/2 years in Pakistan as a consultant for C. W. Robinson Co. of New York City. For this company he was in charge of Lahore operations in Pakistan to develop small and medium-sized industry. This involved the conduct of feasibility studies including marketing, engineering and financial projections.

In the course of this work he acquired a great deal of knowledge of industries of types likely to be suitable for Afghanistan. These include, for example, simple ceramics, glass manufacture, nails, nuts and bolts, textiles, grain milling and flour processing including baking, brick manufacture, tire recapping, simple pharmaceuticals, furniture manufacture, automobile and truck repair, leather processing and shoe manufacture, and craft industries relating to urban development and tourism. He is also current on developments across the border in Afghanistan; on specific industries in which Pakistan entrepreneurs are interested in considering Afghan operations; and on possibilities of using West Pakistan technicians to train Afghans.

His capability and record of accomplishment are well known to AID. The following officials in particular are knowledgeable about him: Mr. Arthur Thivierge and Mr. William Wolffer, USAID, Lahore, Pakistan; Mr. Case Zondag, USAID, Afghanistan.

Prior to his service in Pakistan, Mr. Sproull had wide domestic and international experience both in management consulting and in the development and management of productive enterprises.

From 1959-61, under contract to Development and Resource Corporation of New York he was Sugar Project Supervisor for the Khusestan Development Service, Ahwaz, Iran, in charge of establishment of a plantation, mill and refinery for the Plan Organization of Iran. This included responsibility for all contract administration, budgeting and planning.

Both prior to and subsequent to his Iranian experience he was with the Boeing Company, Seattle. As Asian sales manager for a Boeing division he became widely acquainted with the industrial development of Asia from Pakistan to Japan.

During the 1950's he worked with West Coast engineering and production firms. During this period he constructed two lumber mills, three veneer plants, two complete plywood plants, and

one hardboard mill. He also assisted in planning, financing and production of seven other mills.

During the 1950's, except for a period of military service, he was employed by Montgomery Ward and Company as Methods Engineer.

Mr. Sproull is a Registered Professional Engineer, and a member of the American Chemical Society and Society for Advancement of Management. He has several patents to his credit. He holds a B.S. degree in chemical engineering from the University of Illinois and has done two years post-graduate work at Northwestern University in industrial engineering, cost accounting and management.

During his service in Iran, Mr. Sproull learned Farsi, which will enable him to become linguistically operational In Afghanistan with relative speed.

Field Staff

Financial-Management Expert

HAROLD FRIEDLAND

Mr. Friedland is a dynamic and personable businessman with a strong background in industrial management, marketing, and management consulting.

From 1966-68 Mr. Friedland was Marketing Advisor, under USAID contract, to the Investment Advisory Center in Karachi, Pakistan. In this work he administered and directed the activities of the marketing department to define, plan and implement projects. He conducted on-the-job and seminar training of Pakistani counterparts in principles and methods of pre-investment analysis, project development and implementation, and in analysis and presentation of findings. He also provided guidance to clients of the center in the following areas: market definition, market potential demand projections, competition, foreign exchange savings, import substitution, export potential, utilization of local resources, product line selection, and distribution and pricing. His responsibilities also included regional economic studies with Iran and Turkey. Representative products with which he worked were tires, gas appliances, steel, contraceptives, hand tools, lamp filaments, static electric equipment, cigarettes, industrial air conditioners, asbestos cement products, PVC pipe and razor blades.

From 1968 to the present Mr. Friedland has been General Manager of the Automotive Division of Republic Corporation, Los Angeles, reporting to the Group Executive Vice President. He has complete profit and loss responsibility for two manufacturing companies, with approximately \$4 million in annual sales. He directs and controls product development, marketing, manufacturing, and accounting and administrative functions of approximately 200 employees. In addition he reorganized one of the two companies, which was unprofitable, to the breakeven point and is now concentrating on improving its production efficiency and developing new product lines. As part of this process he has negotiated a long-term contract to manufacture and private label a complete line of transmission filters for a major new customer. He has also provided assistance on corporate level on acquisition analysis and corporate planning.

From 1953 to 1966 he was employed with management consulting firms. His last posts were as Manager for Marketing Studies and Manager of the Industrial Research Division of Chilton Research Services, Philadelphia, Pennsylvania.

With Chilton he designed and directed over 100 studies in such functional areas as: product awareness and usage, market definition and penetration, advertising effectiveness, channels of distribution, sales analysis and potential, purchasing behavior and buying influence. He interpreted findings into action recommendations for executives of client firms. The market areas included soft goods, pharmaceuticals, appliances, farming, machine tools, data communications, beer, power tools and electronics. He also served as marketing consultant to ten Chilton magazine publishers in industrial and technical fields.

In earlier management consulting assignments typical projects included:

- Analysis of competitive marketing organizations and policies in the poly-vinyl chloride products field as a basis for modifying the marketing organization and policies of a chemical company.
- Development and installation of a complete system for production, material and inventory control for a manufacturer of light-metal products.
- Analysis of the marketing and purchasing functions for a distributor of hardware and electrical supplies.
- Analysis of the sales activities and profitability by size of account for a stationery products manufacturer.
- Designing and executing a study to evaluate new product ideas and modifications and to determine features to be incorporated in future models of electric ranges.
- Acting as internal management consultant over a wide range of activities of a vertically integrated textile company.

Mr. Friedland has taught marketing and market research as a member of the faculty of several schools including the Drexel Institute of Technology, Graduate School of Business. He holds a BBA in industrial management (1953) from City College of New York, where he was a member of the Beta Gamma Sigma Honor Society. He has fulfilled MBA requirements (except for preparation of a thesis) at Wharton Graduate Division, University of Pennsylvania, where he held a B-plus average and a full tuition scholarship in his second year. He has also studied engineering mechanics at Drexel Institute of Technology.

Mr. Friedland has a fair speaking knowledge of German and a modest speaking knowledge of Urdu.

Washington Project Manager

SOL H. CHAFKIN

Mr. Chafkin is the President of the American Technical Assistance Corporation, and has participated in or supervised many of the management and economic studies the firm undertakes for private firms and Government agencies in the United States and overseas.

Among the projects directed by Mr. Chafkin was a study of the possibilities of reorganizing the Chambers of Commerce in nine cities in Afghanistan, which included recommendations to increase the Chambers' participation in encouraging industrial investment; a survey of the performance of the private manufacturing sector in East Pakistan and recommendation of techniques to accelerate industrial investment and indigenous entrepreneurship; and an analysis of the Board of Investment of Thailand in all of its activities, including investment promotion, processing of investment applications, servicing of investors, and participation in national industrial planning. He has had supervisory responsibility with respect to all of the projects listed in Section B above under qualifications and experience of the Contractor.

Prior to establishing this Company, he was, for over six years, Vice President for International Operations of Checchi and Company, a firm of economic and management consultants. During this time he took a one year leave of absence to serve as Director of Planning for the Peace Corps, where he installed a multi-year Planning-Programming-Budgeting System. Mr. Chafkin formerly was a senior economist with the U.S. Treasury Department concerned with balance of payments, exchange rates and fiscal problems of foreign countries. He served in the International Cooperation Administration where he coordinated the President's Fund for Asian Economic Development. He has served as a member of mixed government-business task forces in designing programs to encourage American and local investment in developing countries.

Mr. Chafkin has served as economic advisor to U.S. delegations at major international economic conferences. He also was a member of the George Washington University faculty where he conducted a graduate seminar in international development problems.

Mr. Chafkin holds degrees from the City College of New York and the Graduate School of Harvard University.

Mr. Chafkin's languages are Chinese and French.

Deputy Washington Project Manager

WILLIAM H. RUSCH

Mr. Rusch has been a Senior Economic Consultant of ATAC since 1968. His specialties are industrial, investment and trade development.

With ATAC Mr. Rusch has studied at first hand the industrial and investment development policies and organizations of Singapore, Taiwan, and Thailand. This included, particularly with respect to Thailand, study of the relationship of such organizations and their programs to overall national economic development plans and to the operations of relevant ministries such as industry, finance and commerce. In previous employment he had been involved extensively with similar organizations in the Netherlands, Scotland, Liberia, Puerto Rico, and a number of American states.

In both private and Government employment Mr. Rusch has assisted some scores of companies to effect investments through activities ranging from preparation of market surveys to specific actions in locating joint venture partners and breaking bottlenecks such as the securing of building permits.

During the period 1957-67 Mr. Rusch served in the Foreign Service as the Commercial Attache at the American Embassy in London and earlier as Commercial Attache at the Hague and as Chief of the Economic Section of the American Embassy in Monrovia. In the latter post, as Embassy participant in the Joint Liberian-American Commission for Economic Development, he took part in the planning of Liberian industrial growth and of financial and other institutions to assist small local enterprise.

In early employment for six years with the Office of Alien Property Custodian, Mr. Rusch was responsible, as Assistant to the Director of Operations, for supervision of a large number of industrial firms, ranging from small breweries to large mining and shipping companies, all seized from aliens during World War II. This involved study of the operating efficiency and profitability of the companies to determine whether to liquidate the companies or prepare them for sale to the private sector as going concerns, to improve management and operating procedures, or to provide new loans for operating capital. Mr. Rusch also served the Office of Alien Property Custodian as Chief of the Division of Research and Statistics, which among other things, engaged in research on the effectiveness of administration of the agency's \$500 million of assets in business enterprises and other properties.

Mr. Rusch has been a general partner in a wholesale cutlery firm and a member of the board of directors of a coal company.

He is a graduate of Ohio State University and Harvard Graduate School of Business Administration. His languages are Spanish, Dutch and French.

E. INFORMATION ON PRINCIPALS OF FIRM

The four principals of ATAC are the following:

1. Sol H. Chafkin, President, born June 9, 1924, Brooklyn, New York, American Citizen.
2. James M. Pines, Vice President, born September 25, 1926, Peekskill, New York, American Citizen.
3. Albert L. Brown, Vice President, born August 7, 1922, Lowell, Arizona, American Citizen.
4. William H. Rusch, Vice President, born April 8, 1922, Rotterdam, New York, American Citizen.

As indicated in Section D above, Messrs. Chafkin and Rusch will provide Washington management and backstopping of the project.

F. STATEMENT OF AVAILABILITY

All personnel named in this proposal will be available for work on the contract on or about April 1, 1971, and for a period of 60 days after award if required for necessary AID and RGA approvals.

APPENDIX I

PRELIMINARY TIME CHART FOR PROJECT OPERATIONS

(Lists only actions currently possible to schedule tentatively)

Abbreviations Used:

COP - Chief of Party (ATAC Field Team)
 WPM - Washington (home office) Project Manager
 DWPM - Deputy to above

Month No.	Step No.	Action
I	1	Home Office Backstopping Organized
	2	Field Team Prepares for Travel
	3	Field Team Brought to Washington for Two Weeks <ul style="list-style-type: none"> - Consultation of Field Team and home office personnel with AID - Establishment of preliminary guidelines for field team operations and home office/field relationship
	4	Field Team Moves to Kabul <ul style="list-style-type: none"> - Briefing with USAID/A and general orientation - Field team members assume respective posts
	5	Chief of Party prepares (in consultation with USAID/A) tentative program of visits to appropriate offices, consultations, etc. for ensuing action
II	1	Washington Project Manager visits Kabul (approximately two weeks) <ul style="list-style-type: none"> - Consultation with USAID/A

Month No.	Step No.	Action
II (continued)		<ul style="list-style-type: none"> - Identification with USAID/A of problems requiring immediate attention - Visits by WPM and COP to appropriate offices (with team members and USAID/A officials as appropriate) for familiarization and assessment of current activities and problems - Discussion by WPM with team of means of analyzing problem and developing an overall strategy and specific achievement targets; assignment of responsibilities to team members (to be coordinated by COP) in performance of this task - Discussion with USAID/A of above - Development of system for field team to report progress to USAID/A and ATAC
	2	Field Team becomes fully operational; bi-weekly report preparation begun
	3	Field Team begins problem analysis for development of strategy and specific achievement targets
III	1	Continuance of II (steps 2 and 3)
IV	1	Field Team continues normal operations
	2	COP coordinates preparation of initial paper on complete problem analysis
V	1	<p>DWPM visits Kabul (about four weeks)</p> <ul style="list-style-type: none"> - Intensive review of problem analysis by DWPM with COP, team members, and USAID/A; tentative determination of targets and strategy

Month No.	Step No.	Action
V (continued)		
	2	<ul style="list-style-type: none"> - Draft strategic plan with specific achievement targets <p>WPM visits Kabul (about two weeks - to overlap with last two weeks of DWPM)</p> <ul style="list-style-type: none"> - Review and revision of strategy and targets by WPM with staff - Review and revision of above with USAID/A - Final submission to USAID/A of strategy paper with specific achievement targets
	3	Field Staff continues normal operations
VI		
	1	Continue normal operations (now to include emphasis on implementing strategy to achieve specific targets)
	2	COP prepares first semi-annual report, including evaluation of project progress, and sends to ATAC for comment
VII		
	1	ATAC/Washington comments on semi-annual report, which is completed and submitted to USAID/A and Contracting Officer
	2	ATAC/Washington prepares semi-annual administrative report and submits to same authorities
	3	Continue normal operations
VIII		
	1	Continue normal operations
IX		
	1	Continue normal operations
	2	<p>DWPM visits Kabul (about one week)</p> <ul style="list-style-type: none"> - Review of strategy and progress with COP, team members, and USAID/A

Month No.	Step No.	Action
IX (continued)	3	Identification of further study or action required in field
	4	Identification of further study or action required by home office
	5	Modification and amplification of plans as necessary (with USAID/A)
X	1	Continue normal operations
	2	Implementation matters identified in IX (3 & 4)
XI	1-2	Do.
XII	1-2	Do.
XIII	1	COP prepares draft of semi-annual substantive report
	2	ATAC/Washington prepares and submits to USAID/A and Contracting Officer the following: <ul style="list-style-type: none"> - Annual home office backstopping report - Semi-annual administrative report
	3	WPM arrives at Kabul (about two weeks) <ul style="list-style-type: none"> - Intensive program review with COP and team - WPM and COP complete semi-annual report for submission to USAID/A and Contracting Officer - WPM and COP consider possible changes in strategy and achievement targets with USAID/A
XIV	1	Continue normal operations

Month No.	Step No.	Action
XV	1	Continue normal operations
XVI	1	Continue normal operations
XVII	1	Continue normal operations
	2	DWPM visits Kabul for program coordination and review
XVIII	1	Continue normal operations
XIX	1	COP prepares and submits semi-annual field report
	2	ATAC/Washington prepares and submits semi-annual administrative report
	3	Continue normal operations
XXI	1	WPM visits Kabul for program coordination and review
	2	WPM consults with USAID/A regarding plans for continuance, modification or phase-out of project
	3	ATAC prepares such materials as may be agreed with reference to project continuance, etc.
XXII	1	Continue normal operations
XXIII	1	Continue normal operations
XXIV	1	Continue normal operations
	2	WPM or DWPM arrive as necessary to work with COP and USAID/A in following respects: - make such adjustments as are agreed

Month No.	Step No.	Action
XXIV (continued)		with AID for continuance, modification, or phase-out of project
		- prepare final report and submit draft to USAID/A for review
	3	Team members depart Afghanistan or begin staggered home leaves, depending upon agreement reached with AID
XXV or XXVI	1	Submit final report

PART II

COST PROPOSAL & SUPPLEMENTAL REQUIREMENTS

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R. OFFEROR'S ANALYSIS OF COST PROPOSAL

INSTRUCTIONS TO OFFERORS

1. The "Offeror's Analysis of Cost Proposal" form is a standardized document which an offeror must submit to the Agency for International Development (A.I.D.) in connection with all negotiated procurements. (See AIDPR 7-3.807.2(c).)

2. Use of this form is mandatory for all negotiated procurements for which written cost or pricing data is required under FPR 1-3. 807-3, and may be used in other procurements at the discretion of the Contracting Officer.

3. The offeror must also submit the supplementary data as detailed in the footnotes on the reverse side.

4. By submission of this proposal, the offeror grants to the Contracting Officer or his authorized representative, the right to examine, for the purpose of verifying the cost or pricing data submitted, those books, records, documents, and other supporting data which will permit adequate evaluation of such cost or pricing data, together with the computations and projections used therein. This right may be exercised in connection with any negotiations prior to contract award.

5. The footnotes on the reverse side, in addition to detailing the required supplemental data, provide information which will be of use in completing the "Cost Proposal" below.

		MAN-MONTHS	ESTIMATED COST
I. Salaries 1/			
A. U.S. Personnel			
Home Office Professional (Attachment 1)		11	\$ 25,700.00
Home Office Nonprofessional			\$
Field Staff Professional (Attachment 1)		72	\$150,000.00
Field Staff Nonprofessional			\$
Total U.S. Salaries			\$175,700.00
B. Cooperating or Third Country Nationals			
Field Staff Professional			\$
Field Staff Nonprofessional			\$
If these salaries will be paid in U.S. dollars, enter the amount here:			
If these salaries will be paid in local currency, enter the amount and currency below			
Amount:	Currency:		\$
II. Consultants 2/			
Consultant Fees (Domestic) (Attachment 1)		4	\$ 7,800.00
Consultant Fees (Overseas)			\$
Total Consultant Fees			\$ 7,800.00
III. Fringe Benefits (Payroll Costs) 3/ (Attachment 2)			
IV. Overhead 4/			
	BASE	RATE	
Home Office (On-campus) (Attachment 3)	\$ 25,700.00	% 69.0	\$ 17,733.00
Field Staff (Off-campus)	\$150,000.00	% 44.0	\$ 66,000.00
Total Overhead			\$ 83,733.00
V. Travel and Transportation 5/ (Attachment 4)			
U.S. Travel (Personnel and Dependents)			\$ 1,725.00
International Travel (Personnel and Dependents)			\$ 23,735.00
Other Personnel Travel			\$
Transportation of Household Effects, Baggage & Vehicles			\$ 16,500.00
Storage of Household Effects & Vehicles			\$ 10,000.00
Other (Describe)			\$ 4,500.00
Total Travel & Transportation			\$ 56,460.00
VI. Allowance 6/			
Category			\$
Post Differential @ 20% of Field Staff Salaries			\$ 30,000.00
Quarters			\$
Temporary Lodging			\$
Education 3 children @ \$1,000.00/yr./child			\$ 6,000.00
Educational Travel			\$
Supplemental Post			\$
Separate Maintenance			\$
Per Diem (Attachment 4)			\$ 8,405.00
Total Allowances			\$ 44,405.00
VII. Other Direct Costs 7/ (Specify) (Attachment 5)			
			\$
			\$
Total Other Direct Costs			\$ 3,000.00
VIII. Equipment, Vehicles, Materials and Supplies 8/			
Equipment (Title in cooperating country)			\$
Equipment (Title retained in A.I.D.)			\$
Material and Supplies			\$
Vehicles			\$
Freight			\$
Total Equipment, Vehicles, Materials and Supplies			\$
IX. Participant Training 9/			
Number of Participants:			\$
Training (Tuition, Fees, etc.)			\$
Travel and Subsistence			\$
Total Participant Training			\$
X. Subcontracts 10/ (Specify)			
			\$
			\$
Total Subcontracts			\$

XI. General & Administrative Rate ^{11/}			ESTIMATED COST
Base:	Rate	N/A %	\$
XII. Subtotal (Estimated Cost Exclusive of fixed Fee or Profit)(Items I - XI)			\$ 393,880.00
III. Fixed Fee or Profit ^{12/}			
Base:	285,915.00	Rate 10.00 %	(see page 15)
			\$ 28,591.00
XIV. Grand Total (Items XII & XIII)			\$ 422,471.00

If more space is required and for items XV thru XX where additional information is necessary, please use separate sheet. Indicate item number to which answer applies and staple to form.

XV. Has any government agency performed an audit of your organization within the past 12 months?
 Yes No OEO Contracts No. B89-444 & B99-4926; DCAA, March, 1970, Report No. 602-01-0-0074; AID Ind 399/S; AID, Nov., 1970

XVI. Will you require the use of any government property in performing this contract?
 Yes No (If yes, specify) USAID/A

XVII. Will the source of all commodities procured under this contract be the United States? ^{13/}
 Yes No (If not, list the exceptions.) N/A

XVIII. Have you performed any contracts for A.I.D. or other government agencies in the past ten years?
 Yes No (If yes, identify by Agency and contract number.) (Attachment 6)

XIX. Will you require an advance payment or a Federal Reserve Letter of Credit (to be filled in by educational institutions and nonprofit organizations only).
 Yes No (If yes, in what amount?)

XX. Is there any overtime included in this cost proposal?
 Yes No (If yes, explain the amount and what it will be used for.)

XXI. What is the average number of days per year used in the calculation of the above cost proposal for:
 Vacations 15 Holidays 8 Other (explain)
 Sick Leave 15 Home Leave

This proposal, with the supplementary data, is submitted for use in connection with RFP No. 5 or the proposal titled "Industrial Development" and reflects our best estimates, as of this date, in accordance with the Instructions to Offerors and Footnotes.

NAME AND TITLE	SIGNATURE	DATE
Sol Chafkin President FIRM	<i>Sol Chafkin</i>	January 20, 1971
American Technical Assistance Corporation		

FOOTNOTES

In addition to the cost analysis on this form, the offeror is required, in good faith, to submit with this form the additional data, supporting schedules, and substantiation which are reasonably necessary for the conduct of an appropriate review and analysis in light of the facts of this particular procurement. In order to obtain a reasonable and equitable contract price, it is essential that there be a clear understanding of: (a) the existing, verifiable data; and (b) the judgmental factors applied in projecting from known data to the estimated price. In short, the offeror's estimating process should be clear to the negotiator.

The footnotes below include questions and explanations of the items of the Cost Analysis. The supplementary data should include all the following information, where applicable, as well as any other pertinent facts.

- Salaries (U. S. Personnel and Cooperating or Third Country Nationals)
 - An individual is considered a professional if he is engaged in an occupation requiring advanced training in some liberal art or science, usually involving mental rather than manual work and who is qualified in his field by the standards of the profession. Examples are: professors, teachers, engineers, economists, scientists, and research associates. The nonprofessional category includes those not considered professional such as graduate or undergraduate assistants, secretaries, clerks, technicians, administrative aides, research assistants, and trainees.
 - What are the position titles in each category? How many months are anticipated in each position? What is the anticipated salary for each position? Will each position involve work under this contract on a full-time basis? If not, what percentage of each position's time will be used for work under this contract?
- Consultants — In what fields is the need for consultants anticipated? How many consultants are needed? How many man-days are anticipated for each consultant? What is the anticipated fee per man-day for each consultant?
- Fringe Benefits — Which fringe benefits are included in this amount? What is the rate of each fringe benefit? Are fringe benefits included in your established personnel procedure? (Enclose a copy, if available, of your established personnel procedure concerning fringe benefits, allowances, leave, etc.)
- Overhead — What costs are included in the overhead pool? Which direct costs are included in the overhead base? What were the rates established by the most recent government audit?
- Travel and Transportation — Indicate how many round or one-way trips to where, an estimate of how many dependents will be traveling, and the anticipated weight of household effects which will be shipped and/or stored, etc.
- Allowances — A.I.D. employs the "Standardized Government Travel Regulations" or "Standardized Regulations (Government Civilians Foreign Areas)" as applicable, in establishing the rates of, and criteria for, travel and overseas allowances. If the allowances used in the cost analysis exceed the rates permitted by these Regulations, explain. Indicate which allowances are applicable, and how much of each is anticipated, (i.e., educational travel for four dependents, 20 days per diem).
- Other Direct Costs — Enumerate all other direct costs, such as medical examinations, communications, etc.
- Equipment Vehicles, Materials, and Supplies — List the types of equipment, materials, and/or vehicles in each category which will be purchased for use under the contract, and the cost of each.
- Participant Training — Where will participants be trained? In what fields will they be trained? What is the tuition per participant? What do the fees cover? How much travel is involved? Where? How much is allowed for subsistence?
- Subcontracts — What type of work will be subcontracted? Approximately what percentage of the total scope of work is it? Whom will you subcontract with? What is the anticipated amount of each subcontract?
- General and Administrative Rate — Show, in detail, the process by which you arrived at the General and Administrative rate.
- Fixed Fee or Profit — Show, in detail, the process by which you arrived at the fixed fee or profit.
- Source Certificate — The following conditions should apply to any commodity procurement financed under the proposed contract by U.S. dollars:
 - The source of the commodity shall be the United States, and the commodity shall have been mined, grown, or through manufacturing, processing, or assembly produced in the United States. The term "source" means the country from which a commodity is shipped to the cooperating country or the cooperating country if the commodity is located therein at the time of purchase. If, however, a commodity is shipped from a free port or bonded warehouse in the form in which it is received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse.
 - A produced commodity purchased in any transaction will not:
 - Contain any component from countries other than Free World countries, as defined in A.I.D. Geographic Code 899.
 - Contain components which were imported into the country of production from such Free World countries other than the United States; and
 - such components were acquired by the producer in the form in which they were imported; and
 - the total cost of such components (delivered at the point of production) amounts to more than 10 per cent, or such other percentage as A.I.D. may prescribe, of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by A.I.D.).
 - Exception for Printed or Audio-visual Teaching Materials — The geographic source of teaching materials (printed or audio-visual) procured with funds charged against A.I.D. appropriations, may, to the extent necessary, be progressively expanded to include the aid receiving country, Code 901 countries, and Code 899 countries, in addition to the United States when:
 - Effective use of the printed or audio-visual teaching material depends on their being in the local language.
 - Such materials are intended for technical assistance projects or activities financed by A.I.D. in whole or in part.
 - Other funds, including U. S.-owned or -controlled local currencies, are not readily available to finance the procurement of such materials.

Geographic Code 899 is defined as "any area or country in the Free World, excluding the cooperating country itself, when used as a possible source of A.I.D.-financed purchases. Geographic Code 901 is defined as "any area or country in the Free World, excluding the cooperating country itself and the following developed countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany (Federal Republic), Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, South Africa, Spain, Sweden, Switzerland, and the United Kingdom.

ATTACHMENT 1

MANPOWER AND SALARY SCHEDULE

1. Home Office Professional

<u>Position</u>	<u>Man-Months</u>	<u>Rate/Month</u>	<u>Cost</u>	<u>% of Full Time</u>
President	3	\$3,000	\$9,000	12 %
Project Manager	4	2,375	9,500	17 %
Short Term Advisors	<u>4</u>	1,800	<u>7,200</u>	17 %
TOTAL	11		\$25,700	

2. Field Staff Professional

<u>Position</u>	<u>Man-Months</u>	<u>Rate/Month</u>	<u>Cost</u>	<u>% of Full Time</u>
Senior Industrial Economist	24	\$2,166	\$52,000	100.0 %
Investment Consultant and Financial Management Expert	<u>48</u>	2,124	<u>102,000</u>	100.0 %
TOTAL	72		\$154,000	

3. Consultants

<u>No. & Field</u>	<u>Man-Months</u>	<u>Rate/Month</u>	<u>Cost</u>
(Number and fields to be determined by USAID/A in course of Contract)	4	\$1,950	\$7,800

ATTACHMENT 2

Cost of Fringe Benefits

American Technical Assistance Corporation

F. I. C. A.	--	2.0%
Workmen's Compensation	--	0.1%
Health	--	2.0%
Unemployment Insurance	--	0.5%
Vacation, Sick and Holiday Leave	--	12.8%
Life and Disability Insurance	--	0.6%
Pension Plan		<u>8.0%</u>
Total		26.0%

Attachment 3

Practice Followed by the American Technical Assistance Corporation in Determining Overhead Rates

The method employed by the American Technical Assistance Corporation in calculating the overhead rate is based upon standards and procedures outlined for the company by the Defense Contract Audit Agency after an overhead review. In addition to all allowable office expenses, overhead also includes a percentage of direct salaries paid to staff, related to the proportion of staff time not billed directly to specific contracts. The total of non-billable staff time (which includes time spent in project exploration, staff training, proposal preparation, office administration, and similar matters) and office expenses is then taken as a percentage of all directly billable salaries for the overhead period. The field overhead is projected as a percentage of the allowable home overhead pool of accounts based on the number of personnel in the field. Fringe Benefits are included in ATAC's overhead unless otherwise indicated.

The most recent DCAA audit of ATAC's overhead rate was March, 1970 at which time the rate of 84.57% was approved. Our projected overhead for the first 6 months of 1971 is 92.8% as indicated on the attached sheet.

ATTACHMENT 5
OTHER DIRECT COSTS

<u>Category</u>	<u>Cost</u>
1. Communications	\$1,100
2. Medical examinations, shots, etc. - 8 @ \$75/person	600
3. Books, Documents, etc.	100
4. Printing (home office)	200
5. Contingencies	<u>1,000</u>
TOTAL	<u><u>\$3,000</u></u>

Attachment 6

List of Government Contracts

American Technical Assistance Corporation

Agency for International Development
Contract No. AID-306-715 (1967)-Afghanistan

Agency for International Development
Contract No. AID/ea-30 (1968-69)-Indonesia

Agency for International Development (Prime Contractor)
S. M. Cantor (Sub-Contractor)
Contract No. AID/csd 2158 (1968-69)-FPC/Chile

Agency for International Development (Prime Contractor)
American Institute for Free Labor Development (Sub-Contractor)
Contract No. AID/la-259 (1969)-Colombia, Ecuador

Agency for International Development (Prime Contractor)
S. M. Cantor (Sub-Contractor)
Contract No. AID/nesa-399-S (1969-71)-India Nutrition

Agency for International Development-USAID/India
Contract No. AID/386-1420 (1969)-Commodity Survey

Agency for International Development-USAID/India
Contract No. AID/386-1448 (1969)-India Export

Agency for International Development-USAID/Costa Rica
Contract No. AID 515-190P (1969-70)

Agency for International Development (Prime Contractor)
MELPAR (Sub-Contractor)
Contract No. AID P101T498-210-3-90043

Agency for International Development
Contract No. AID/LA-633 (1970)-AIFLD Evaluation/Latin America

Agency for International Development-USAID/Pakistan
Contract No. AID-391-2762 (1969-70)

List of Government Contracts

Office of Economic Opportunity
Contract No. OEO-2487 (1967)-Neighborhood Health Centers

Office of Economic Opportunity
Contract No. OEO-4124 (1967)-Vista Appalachia

Office of Economic Opportunity
Contract No. OEO-4220 (1967-68)-Threshold

Office of Economic Opportunity
Contract No. OEO B99-4690 (1968)-Vista Impact

Office of Economic Opportunity
Contract No. OEO B99-4926 (1969-70)-OEO/Western Region

Office of Economic Opportunity
Contract No. OEO B99-4879 (1969)-Vista Volunteers

Office of Economic Opportunity
Contract No. OEO B89-4444 (1968-70)-Mid-Atlantic/CAP

Peace Corps
Contract No. PC-80-1543 (1969)-Information Inventory

Peace Corps
Contract No. PC-80-1555 (1969-70)-Latin America

U.S. Treasury Department
Contract No. dated March 31, 1967-Export Study

U.S. Treasury Department
Contract No. 4-68 (1967-68)-Indonesia Export Additionality

U.S. Treasury Department
Contract No. 14-68 (1968)-Tourism

Appalachian Regional Commission
Contract No. 68-16 (1968)-Health Program Funding

G. EQUAL OPPORTUNITY CLAUSE 41

ATAC agrees to comply with the provisions of Clause 41 (Equal Opportunity) of the General Provisions, as revised by the attached Equal Opportunity Clause.

Equal Opportunity clause.

EQUAL OPPORTUNITY¹

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of

September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's non-compliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

¹ On and after Oct. 14, 1968, the term "race, color, religion, sex, or national origin" is substituted for the term "race, creed, color, or national origin," as provided by Executive Order No. 11375, Oct. 13, 1967 (32 F.R. 14303).

H. PERSONNEL POLICIES

1. Staff are entitled to up to 15 days of sick leave in any calendar year, pro-rated for those entering Company employment during the year. Unused sick leave will not be compensated for nor can it be accumulated or carried over to later years. Staff are expected to call in, as soon as possible, when they are to be absent. Sick leave includes time for illness and for medical appointments.
2. Salaries are customarily reviewed six months after commencement of employment and semi-annually thereafter, in the absence of specific commitments. The Company will continue to follow its present policy of regular increases based on performance and subject to its financial position.
3. Professional staff received 15 working days of vacation and non-professional staff received 10 days each year, pro-rated for those entering or leaving employment during the year. Vacation can be taken at any time that does not interfere with Company commitments and may be carried over for one succeeding year. Staff will be compensated for up to 15 days of unused vacation leave, at daily salary rates computed on 260-day working year basis, on termination of employment by action of the Company.
4. Professional staff will be given at least three weeks notice of termination of employment and other staff will be given

at least two weeks notice. They are expected to give the Company equal notice of their intention to leave the Company's employment.

I. BASIS FOR SALARY COMPUTATION

ATAC bases the computation of salaries and wages on 260 working days per year, or 2080 working hours per year. Each individual's salary or wage is arrived at through negotiation prior to entering the company's employment. Salaries or wages are customarily reviewed on a semi-annual basis, in the absence of specific commitments. The company plans to continue its present policy of regular increases based on performance and its internal financial position.

J. FIXED FEE

ATAC's procedure for determining the fixed fee on a Cost Reimbursement contract is to take 10% of the total direct salaries, total overhead, and total fringe benefits.

K. DESCRIPTION OF INSURANCE COVERAGE

1. The Company has a plan for group life insurance, group disability insurance, health insurance, and a pension plan. In addition, all employees are covered by accident insurance and overseas insurance when necessary. Workmen's compensation insurance is carried as required under Government contracts.

2. It is expected that the Company will be reimbursed indirectly (under "Fringe Benefits") for the costs associated with the Company's insurance coverage. Those costs are determined as a percentage of the proposed direct salaries equal to the ratio of each year's total insurance costs to the total direct salaries for that year. The proposed insurance costs consist of the following individual percentage of direct salaries:

2.0%	-	FICA
0.1	-	Workmen's Compensation
0.5	-	Unemployment Insurance
2.0	-	Health Insurance
0.6	-	Life and Disability Insurance
<hr/>		
5.2%	-	Total Cost of Insurance

L. TRAVEL AND REIMBURSEMENT POLICY

ATAC personnel are reimbursed for all necessary travel costs in accordance with the standard requirements of U.S. government contracts. All actual transportation costs are reimbursed as incurred, however, reimbursement is not to exceed the cost of economy class commercially scheduled transportation by the most expeditious route unless such method of travel is not available.

ATAC personnel are reimbursed for expenses in addition to transportation on a per diem basis in accordance with U.S. government contract procedures. Payment for per diem in the United States is at a rate of \$25.00/day, or \$6.25/quarter-day whichever is less. The per diem rate for foreign travel is set at the allowable rate for the specific country while the individual is actually in that country.

M. OVERHEAD POOL

American Technical Assistance Corporation

Overhead Breakdown By Account
For 6 Months Ended June 30, 1971

<u>Accounts</u>	<u>Total 6 Month Protection</u>
Accounting	\$ 3,600
Admin. Services Allocation	9,000
Books & Periodicals	300
Depreciation	1,920
Dues & Subscriptions	300
Equipment Rentals	600
Insurance & Hospitalization	7,800
Legal	1,800
Office Supplies	9,000
Printing	900
Postage	900
Recruiting	3,000
Rent	19,200
Repairs & Maintenance	900
Reproduction	4,200
Taxes Other	900
Telephone	6,000
Travel	1,800
Taxes Payroll	12,000
Payroll - Admin.	21,255
Payroll - Support	22,902
Payroll - Bid & Proposal	10,800
Payroll - Holiday	6,934
Payroll - Sick Leave	2,400
Payroll - Business Devel.	3,600
Payroll - Training & Indoct.	1,800
Vacation Accrual	19,200
Outside Sec'y Service	1,800
Auditing	3,000
Employee Benefits	700
Pension Contribution	<u>24,000</u>
Total Projected Overhead	\$202,511

$$\text{Provisional O.H. Rate} = \frac{\text{Total Projected Overhead}}{\text{Total Direct Salaries}} = \frac{\$202,511}{218,210} = 92.8\%$$

N. CONTRACTOR POLICIES

ATAC does not maintain any internal policies which are not covered by or are at variance with the General Provisions, for Cost-Reimbursement Contracts for Technical Services Overseas, AID-1420-12 (2/70).

O. CERTIFICATE OF NONCOLLUSION

The following certification is in accordance with the requirements of Section 1-1.317 of the Federal Procurement Regulations:

(a) By submission of this bid or proposal, the bidder or offeror certifies in connection with this procurement that:

(1) The price in this bid or proposal has been independently arrived at without collusion with any other bidder or offeror or with any competitor;

(2) Unless otherwise required by law, the price in this bid or proposal has not been knowingly disclosed and will not be knowingly disclosed prior to opening, in the case of a bid, or prior to award, in the case of a proposal, directly or indirectly to any other bidder or offeror or to any competitor; and

(3) No attempt has been or will be made to induce any other person or firm to submit or not to submit a bid or proposal.

(b) The person signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification.

Offeror: American Technical Assistance Corporation

By: Sol H. Chaikin

Title: President

Date: 20 January 1971

P. REPRESENTATION AND AGREEMENT

By American Technical Assistance Corporation
(Prospective Contractor)

in connection with a proposal submitted to the Agency for International Development
for providing technical services to the Royal Government of Afghanistan to
(proposed contract work)
encourage new private enterprise development.
dated 20 January 19 71.

PROPOSED CONTRACTOR REPRESENTS: (Check appropriate boxes)

(a) that he has, has not, employed or retained any company or person (other than a full-time bona fide employee working solely for him) to solicit or secure this contract, and (b) that he has, has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for him) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (a) and (b) above as requested by the Contracting Officer. (NOTE: For interpretation of the representation, including the term "bona fide employee" see Code of Federal Regulations, Title 41, Chapter I, Subpart 1-1.5).

Name of Firm or Individual (type or print)	Full Name of All Partners (type or print)
American Technical Assistance Corporation	NONE
Business Address (type or print)	
1725 Eye Street, N. W. Washington, D. C. 20006	
By (signature in ink)	
(type or print name under signature)	
<i>Sol H. Chafkin</i> Sol H. Chafkin	
Title (type or print)	
President	

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Q. CERTIFICATE OF CURRENT COST OR PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data* submitted to the Contracting Officer or his representative in support of a proposal to provide technical services to the Royal Government of Afghanistan to encourage new private enterprise development **

are accurate, complete and current as of the date of execution of this certificate.

FIRM American Technical Assistance Corporation
NAME Sol H. Chafkin
TITLE President

20 January 1971 ***
(Date of Execution)

*For definition of "cost or pricing data," see FPR 1-3.807-3.

**Describe the proposal, quotation, request for price adjustments, or other submission involved, giving appropriate identifying number (e.g. RFP No. _____).

***As a general rule, this date should be the date when the contract price was agreed to. It is not intended that personal knowledge of the Contractor's negotiator limits the responsibility of the Contractor if the Contractor had available at the time of the agreement information showing that the negotiated price is not based on accurate, complete, and current data. Contractors are expected to make a reasonable check to ascertain whether the concern had any information not personally known to the Contractor's negotiator at the time of the agreement and which, in accordance with FPR 1-3.807-3, should be disclosed to the Contracting Officer for his consideration. Contractors are not expected to make a complete recheck of all data or develop a new cost estimate after the date of agreement and prior to execution of the contract. However, execution of a Certificate of Current Cost or Pricing Data is not intended to relieve a Contractor of the responsibility for disclosing circumstances or events, happening subsequent to the date of certification but known to the Contractor prior to the date of contract execution, which could reasonably be expected to have a significant bearing on cost under the proposed contract.

REF 1-3.807-4

S. CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause.) By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NON-SEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

American Technical
CONTRACTOR Assistance Corporation

BY *Sol Chafkin*
Sol Chafkin
TITLE President

DATE January 20, 1971

T. EQUAL OPPORTUNITY IN EMPLOYMENT

The bidder (or offeror) represents that he (X) has, () has not, participated in a previous contract or subcontract subject to the Equal Opportunity clause herein, or the clause originally contained in section 301 of Executive Order 10925, or the clause contained in section 201 of Executive Order 11114; that he (X) has, () has not, filed all required compliance reports; and that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards.

American Technical
Assistance Corporation

Bidder or Offeror

BY

Sol Chafkin
Sol Chafkin

DATE

January 20, 1971

FPR 1-12.805-4(b)