

PDKAS905

AID 1350 1 (3-87)	AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Nicaragua	Page 1 of 9 Pages
		2. PIO/T No. 524-0301-3-0653606	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title 524-0301, Economic Growth & Development (Buy-in 597-0011, Regional Technical Aid Center)	

LAC/DR/EHR
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LAC/DR/EHR

DISTRIBUTION	5. Appropriation Symbol 72-110/1037 (070-65-524-59-01)		6. Budget Plan Code LESO-90-35524-IG-15	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Project Assistance Completion Date (Mo., Day, Yr.) 9/30/91	
	9. Authorized Agent M/OP/OS/LAC		10. This PIO/T is in full conformance with PRO/AG No. N/A Date	
	11a. Type of Action and Governing AID Handbook <input checked="" type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> Other		11b. Contract/Grant/Cooperative Agreement/ PASA/RSSA Reference Number (If this is an Amendment) LAC-0011-C-00-6081-00	

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. <u>2</u>)					
Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
			\$5,200,000		\$5,200,000
	B. U.S.-Owned Local Currency				

13 Mission References	14A Instructions to Authorized Agent Authorized agent is requested to modify contract with Aguirre International to provide funding for the RTAC-II primary textbook program and a feasibility study for a university textbook program in Nicaragua. The \$5,200,000 in this PIO/T, added to the \$8,818,164 previously obligated will make a total of \$14,018,164 available to the contract to date. Project Authorization Amendment No. 1 and AIDAR section 706.302.70(b)(3)(i) waiver are as attachments 3 and 4. The balance of \$333,674 under the original contract will be incrementally funded at a later date, pending availability.
	14B. Address of Voucher Paying Office M/FM/PAFD/AID/W

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.			
A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.	Phone No. X78044	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.	Date 4/8/90
	Date 6/6/90		
	LAC/DR/EHR, AVollbrecht LAC/DR/EHR, LGarza		LAC/DR, Elena Brineman
C. LAC/DR/EHR, JCarney LAC/DR/EHR, EWarfield	Date	D. Funds for the services requested are available	Date
LAC/DP/EPBrockie	Date 6/8/90	PFM/PAFD: FUNDS RESERVED BY: Initials: H. Spence / For Lana Benth Date Posted: _____	

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature Terrence J. Brown Date _____
Title _____	Title Director, LAC/DR

*See HB 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

ATTACHMENT 1

The Authorized Agent is requested to modify Contract No. LAC-0011-C-00-6081-00 with Aquirre International, as detailed below. Reference is made to specific sections of the contract where modifications are to be made.

Contract Schedule Changes

A. Section B, Services and Costs - In article 2, Estimated Cost and Financing, paragraph (a) is modified to read: The total estimated cost for performance of the work required hereunder is \$13,613,994. The fixed fee is \$404,170. The total cost plus fixed fee for the performance of this contract is \$14,018,164.

B. Section B Services and Costs - In article 2, Estimated Cost and Financing, paragraph (b) change the obligated sum of \$8,818,164 to \$14,018,164.

C. Section B, Services and Costs - In article 3. Budget, paragraph (b) Itemized Budget is revised to read as follows:

<u>Category</u>	<u>Budget Amount</u>
Salaries and Waqes	1,059,778
Fringe Benefits	287,603
Tech. Assist. & Trng.	613,740
Travel and Transportation	592,402
Moving and Allowances	328,282
University Textbook Program	4,516,000
Primary Textbook Program	4,000,000
Other Direct Costs	1,309,777
Indirect Costs	875,798
Subcontract Expenses	30,614
TOTAL ESTIMATED COST	<u>13,613,994</u>
Fixed Fee	404,170
TOTAL ESTIMATED COST PLUS FIXED FEE	14,018,164

D. Section B, Services and Costs - In article 2, Estimated Contract and Financing, paragraph (c) is revised as follows:

"(c) Of the total amount of funds currently obligated in paragraph (b) above, \$4,326,466 is obligated against the University textbook program and \$4,000,000 is obligated against the Primary Textbook Program of the Itemized Budget set forth in paragraph E. (4) (a)-(d) below. Administration and use of these funds shall be in accordance with the procedures detailed in Section C.4, paragraph E, of the Contract Schedule".

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E. Section C, Workstatement - In article 2, Purpose and Objectives of Activity, the text is revised as follows:

"The purpose of RTAC II is to increase the availability and use of U.S. technical books and materials in Spanish to university students and development professionals in Central America, and to provide Spanish language primary school textbooks to Nicaraguan primary school students.

The Primary Objectives are:

- A. Co-Publish U.S. university textbooks with principally Mexican publishers so that the text will be available in Spanish and distribution of Spanish language university textbook/technical materials at affordable prices through bookstores (approximately 500,000 books over the life of the project).
- B. Provide Spanish language primary school textbooks to the Ministry of Education in Nicaragua (approximately 4,000,000 books over the life of Project).
- C. Provide technical assistance and services to university bookstores, the Nicaragua Ministry of Education, and AID Missions as follows:
 1. Provision of a book procurement service for USAID Missions and other approved development organizations in the region.
 2. Strengthening the infrastructure for publishing/distributing technical materials in Spanish in each country.
 3. The expansion of on-line access to U.S. educational and technical information in each country.
 4. The provision of technical assistance to the Nicaragua Ministry of Education in the selection, modification and distribution of primary textbooks.

F. Section C, Work Statement, In article 4, Major Tasks to be Completed, paragraph E, subparagraph E.(4) is revised as follows:

E. (4) The following Itemized Sub-Budget detailing the status of the University Textbook Program and the Primary Textbook Program line items of the Itemized Budget in Section B of this contract is for the purpose of tracking and

administering funds obligated specifically for the University Textbook Program and Primary Textbook Program of this contract:

(a) Total Textbook Program	\$8,516,000
(1) University Textbook Program (from Itemized Budget)	4,516,000
(2) Primary Textbook Program (from Itemized budget)	4,000,000
(b) Total Textbook Funds Obligated to Date	\$8,326,466
(1) University Textbook Program	4,326,466
(2) Primary Textbook Program	4,000,000
(c) Total Funds Expended Directly by Contractor	\$189,534
(1) University Textbook Program	189,534
(2) Primary Textbook Program	- 0 -
(d) Total Obligated Textbook Program Funds Retained by A.I.D. for Direct Disbursement of Subcontractors	- 0 -

G. Section C, Work Statement - In article 5. Program Requirements A. Program Components, paragraph 1 is revised to read University Textbooks and a final paragraph is added, as follows:

The Contractor shall conduct a feasibility study, at the direction of the AID/W RTAC-II project officer, to determine the feasibility of implementing the university textbook program in Nicaragua. The Contractor shall identify qualified personnel to coordinate the study and conduct the surveys necessary to accomplishing the feasibility study. The study shall examine textbook demand at the major Nicaraguan universities, the feasibility of their participation and the best mode for implementation of the university textbook program, if the study indicates it be implemented. A plan to implement the feasibility study shall be prepared by the Contractor for review and approval by the AID/W RTAC-II project officer prior to implementation of the study.

H. Section C, Work Statement - In article 5. Program Requirements A. Program Components, a new paragraph 2., Primary School Textbooks for Nicaragua is added, as follows:

"2. Primary School Textbooks for Nicaragua
This component of RTAC-II will provide up to 4,000,000 textbooks to the Nicaragua Ministry of Education (MED) for use in the primary schools of Nicaragua. The textbooks will be

selected from existing textbooks, modified editorially by a MED appointed textbook committee, printed in Mexico, delivered to Nicaragua and distributed to the primary schools within Nicaragua. The primary textbooks need not be U.S. authored. The majority of these textbooks will be in Spanish, while some will be in the Miskito language for use in Atlantic coastal area of Nicaragua.

The Contractor, in implementing this component, shall work with the MED and USAID Nicaragua and shall be responsible for the overall implementation following selection of the textbooks by the MED. The Contractor shall negotiate and subcontract with publishers delivery dates, payments, packing of the books including boxes and wrapping materials, familiarization training of Nicaraguan teachers in the use of the new textbooks with provision of additional training support, if determined necessary.

The Contractor will take delivery of the textbooks from the publisher and arrange transportation of the textbooks from Mexico to Nicaragua. The textbooks will be placed in secure, temporary storage areas from which the Contractor will distribute the textbooks to the designated primary schools in the quantities determined appropriate for each school by the MED. The Contractor will develop a detailed textbook delivery and distribution plan for approval by the RTAC-II Project Officer in AID/W prior to the transport of the first textbooks from Mexico to Nicaragua.

The Contractor shall hire a coordinator to be based in Nicaragua and an accountant, to be based in Mexico City, for up to ten months and fifteen months respectively to supplement the RTAC-II staff based in Mexico City. The coordinator shall be responsible for the daily implementation and monitoring activities of the primary school textbook component in Nicaragua, to include contractor liaison between USAID Nicaragua and the MED, as well as textbook storage and distribution logistics within Nicaragua. The receipt and distribution of the textbooks in Nicaragua shall be carried out by the Contractor utilizing local hire staff. The Contractor shall be responsible for customs clearance.

The Contractor shall also provide technical services to the MED as determined necessary to successfully implement this primary textbook component of RTAC-II. Travel will be provided by the contractor for MED representatives to Mexico City to review editorial modifications and provide final approval to print the books.

The U.S. office of the Contractor shall coordinate with USAID Nicaragua and AID/Washington project monitoring staff to see that the administrative and support needs of the Mexico City and Nicaragua field staffs are met.

I. Section C, Work Statement - In article 5. Program Requirements paragraph B. Project Staffing, the first paragraph is revised as follows:

"The Contractor shall locate the project office in Mexico City utilizing a full time field staff of five with U.S. project backstopping from the contractor's home office, supplemented by consultants who shall provide a variety of technical assistance. The five-person field team shall consist of a Project Director, Contract Administrator, Field Operations Specialist, Administrative Assistant and an Accountant, all based in Mexico City. The Contractor shall also hire a coordinator, based in Managua, Nicaragua, for the implementation of the Primary School Textbook component.

J. Section F, Deliveries or Performance - In article 5, Personnel Requirements, the first sentence of the introductory paragraph is revised as follows:

"The following is a description of personnel requirements and of the personnel to be provided by the contractor. Qualifications of personnel and position descriptions are provided for each of the contractor field staff positions (Project Director, Contract Administrator, Field Operations Specialist, Administrative Assistant, Accountant, and Nicaragua Primary Textbook Program Coordinator).

K. Section F, Deliveries or Performance - In article 5., Personnel Requirements, paragraph (f) is added as follows:

(f) Accountant

- 1. REPORTS TO: Project Director
- 2. FUNCTIONS:

The Accountant shall be responsible for maintaining an adequate system of accountability for all components of RTAC-II. Initial efforts shall be directed to the development of accounting procedures for the Primary Textbook program from publisher through end-user in Nicaragua. He or she shall also assume the accounting function for the university textbook program component.

3. RESPONSIBILITIES FOR STAFF MEMBERS:

NONE

4. Employed BY:

Contractor

5. LANGUAGE CAPABILITY:

FSI 3 - Spanish

6. QUALIFICATIONS:

He or she will have a minimum of five years experience as an accountant with previous experience with U.S. Government, preferably AID accounting procedures. He or she shall be prepared to spend approximately one-third of his/her time traveling throughout Latin and Central America.

(g) Nicaragua Primary Textbook Component Coordinator

1. REPORTS TO: Project Director and other staff persons if responsibility is so delegated

2. FUNCTIONS:

The Nicaragua Primary Textbook Coordinator shall be responsible for liason by the RTAC-II program with USAID Nicaragua and Nicaragua Ministry of Education representatives in the implementation of the Primary Textbook program. He/She shall be responsible for arranging textbook customs clearance, logistics of textbook storage and distribution, and any other in-Nicaragua activities related to program implementation as directed by the Project Director.

3. RESPONSIBLE FOR STAFF MEMBERS:

He/she will supervise local labor as needed and deemed appropriate.

4. EMPLOYED BY:

Contractor

5. LANGUAGE CAPABILITY

Spanish - native fluency

6. QUALIFICATIONS:

He/She shall have appropriate experience working with logistical arrangements for movement of commodities, preferably in Central America. He/she must be able to communicate effectively and supervise laborers.

L. Section F, Deliveries or Performance - In article 6, Level of Effort, paragraph (a) is revised as follows:

"(a) AID's design, and the subsequent inclusion of the Nicaraguan Primary Textbook Component and a university textbook program feasibility study in Nicaragua, require that an estimated 414.10 total person months of effort will be required to achieve the goals, purposes, and outputs of the project, as set forth in Section C of this contract. A breakdown of such estimated level of effort is as follows:

<u>Position</u>	<u>Number of Person Months</u>
Project Manager	5.70
Admin/Finance Assist.	11.40
Project Director	57.00
Contract Administrator	57.00
Field Operations Specialist	57.00
Admin. Assistant	57.00
Accountant	15.00
Coordinator(Nicaragua)	10.00
Assist.Coordinator/ Feasibility Study Coord.	8.00
Secretarial	72.00
Office Assistance	<u>64.00</u>
TOTAL	414.00

M. Section H, Special Contract Requirements - In article 6. Procurement and Subcontracting paragraph (e) is revised as follows:

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"(e) It is anticipated that the contractor shall purchase the following items of nonexpendable equipment:

<u>Items</u>	<u>Units</u>
Micro Computers and related equipment	10
Photocopying Machine	1
Typewriters	2
Vehicle (station wagon)	1
Forklift	1
Hydraulic Pallet Mover	1
Hand Trucks (Dollies)	10

NB. Items to be purchased for the Nicaragua Primary Textbook component include: one microcomputer, one forklift, one hydraulic pallet mover, and ten hand trucks.

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REVISED BUDGET

<u>CATEGORY</u>	(1) CURRENT BUDGET 9/86-9/91	(2) REVISED TOTAL CONTRACT BUDGET 9/86-9/91	(3) TOTAL OBLIGATED TO DATE	(4) AVAILABLE THIS PIO/T	(5) CUMULATIVE TOTAL AVAILABLE TO CONTRACT
1. PERSONNEL	\$1,036,516	\$1,185,104	\$911,190	\$148,588	\$1,059,778
2. FRINGE BENEFITS	\$291,723	\$326,651	\$252,675	\$34,928	\$287,603
3. INDIRECT COSTS	\$863,356	\$982,641	\$756,513	\$119,285	\$875,798
4. TECH. ASSISTANCE & TRAINING	\$559,521	\$635,657	\$537,571	\$76,169	\$613,740
5. TRAVEL & TRANSPORTATION	\$261,140	\$592,402	\$261,140	\$331,262	\$592,402
6. MOVING & ALLOWANCES	\$331,073	\$344,073	\$315,282	\$13,000	\$328,282
7 OTHER DIRECT COSTS	\$921,896	\$1,309,777	\$921,896	\$387,881	\$1,309,777
8. SUBCONTRACT EXPENSES	30,614	\$30,614	\$30,614	\$0	\$30,614
9. UNIVERSITY TEXTBOOK PROGRAM	\$4,516,000	\$4,516,000	\$4,516,000	\$0	\$4,516,000
10. PRIMARY TEXTS PROGRAM	\$0	\$4,000,000	\$0	\$4,000,000	\$4,000,000
TOTAL COST WITHOUT FEE	\$8,811,838	\$13,922,919	\$8,502,881	\$5,111,113	13,613,994
11. FIXED FEE @ 8%	\$340,000	\$428,886	\$315,283	\$88,887	\$404,170
TOTAL RTAC-II COST	\$9,151,838	\$14,351,804	\$8,818,164	\$5,200,000	\$14,018,164

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Agency for International Development
Washington, D.C. 20523

PROJECT AUTHORIZATION
(AMENDMENT No. 1)

Name of Country: Central American Regional
Name of Project: Regional Technical Aid Center - II (RTAC-II)
Number of Project: 597-0011

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, the Regional Technical Aid Center - II (RTAC-II) Project was authorized on August 22, 1986 (the "Authorization"). The Authorization is hereby amended as follows:

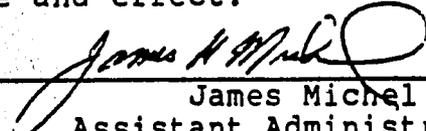
a. Paragraphs 1 and 2, are deleted and the following are hereby substituted in lieu thereof:

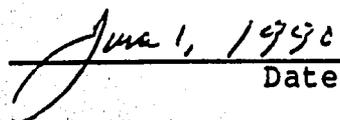
"1. Pursuant to Sections 106 and 531 of the Foreign Assistance Act of 1961, as amended, the Regional Technical Aid Center - II (RTAC-II) Project for the Central American Region, involving planned obligations of not to exceed Seventeen Million United States Dollars (US \$17,000,000) in grant funds over a five year period from the date of authorization, ("Grant") are subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of project is five years and one month from the date of initial obligation.

2. The project ("Project") consists of financing the provision of affordable Spanish language textbooks to Central American university students and Nicaraguan primary school students, technical assistance to university bookstores, and pamphlets and booklets to private and public institutions throughout the region.

b. The text of Section 4. is hereby amended by substituting in lieu of the number \$5,000,000 the number \$9,000,000.

3. Except as expressly modified or amended herein, the Authorization remains in full force and effect.


James Michel
Assistant Administrator
Bureau for Latin America and
the Caribbean


Date

Agency for International Development
Washington, D.C. 20523

JUN 1 1990

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, LAC

FROM: LAC/DR, Terrence J. Brown

SUBJECT: Nicaragua---Immediate Provision of Textbooks under
the Regional Technical Aid Center II Project
(RTAC-II)(597-0011)

Action Requested: The following actions are requested to permit immediate implementation of A.I.D program activities in Nicaragua under the RTAC-II project:

- 1) Amend the project authorization to: a) increase the authorized funding level from \$12 million to \$17 million; b) to provide Spanish language primary textbooks and teachers' guides for Nicaragua and to conduct a feasibility study for the implementation of the Central America RTAC-II textbook project in Nicaragua
- 2) AIDAR section 706.302.70(b)(3)(i) waiver of competitive contracting procedures to permit immediate signing of an RTAC-II contract amendment to enable the procurement and distribution primary education textbooks and materials.
- 3) A waiver of source, origin and nationality requirements to allow procurement of goods and services from A.I.D. Geographic Code 941.

Background: RTAC-II project implementation began in 1986 and currently provides the LAC Bureau Central American missions affordable and accessible textbooks to university students, as well as non-commercial educational pamphlets for distribution to a wide range of host country institutions and individuals.

The RTAC-II contractor, Aguirre International, signed a contract in September 1986 to implement the RTAC-II project. Competitive contracting procedures were waived by the AA/LAC at that time, based on impairment of foreign assistance objectives under AIDAR 706.302.70(b)(3)(i). A mid-term evaluation recently concluded that the project had exceeded all of its planned outputs, was highly visible and contributed to fostering U.S. political, economic, and educational objectives. The evaluation strongly recommended expansion of the project into other Latin American countries.

Discussion: The Nicaraguan Vice-Minister of Education requested immediate A.I.D. assistance to replace existing primary school textbooks which he states are highly politicized in content. (See Attachment I, Belli/Carney letter, dated April 28, 1990.) An A.I.D. task force visited Nicaragua and was informed by the outgoing Sandinista Vice-Minister that the existing primary textbooks were pedagogically unsound and urged their early replacement. LAC Bureau staff reviewed several recommended immediate impact activities for implementation in Nicaragua within 90 days and determined that provision of primary textbooks is a high priority with the GON and is feasible. President Bush has repeatedly informed the American and Nicaraguan people that he considers it very important to provide development assistance as rapidly as possible. Early action on the delivery of these 4,000,000 textbooks to 750,000 primary students in Nicaragua will serve the immediate educational needs of these Nicaraguan students, as well as political interests of both Nicaragua and the United States.

The RTAC-II project was designed to make university textbooks available to Central American university students at affordable costs. Project implementation in Nicaragua could not be considered until now. It is believed that the need for affordable university textbooks exists in Nicaragua. The RTAC-II midterm evaluation strongly recommended expansion to other countries citing the very positive benefits accruing to all parties participating. As noted in the evaluation, students in other Central American countries feel the availability of affordable, quality textbooks has benefitted not only the students, but also the image of the United States. A start up of the university textbook activities in Nicaragua will be examined through a feasibility study to be conducted by the RTAC-II contractor during the next two to four months.

The original RTAC-II Project Authorization contains waiver of source, origin, and nationality requirements to allow procurement of services and commodities from AID Geographic Code 941 countries in an amount not to exceed \$5,000,000. The Spanish language primary textbooks to be procured for Nicaragua are available only from publishers based in Latin America and source, origin, and nationality requirements need to be waived to allow for the additional procurement of these services and commodities from AID Geographic Code 941 countries. Total level of procurement for Nicaragua from Code 941 countries is estimated at \$4,000,000.

The Aguirre International contract is an available and efficient mechanism to utilize for the procurement of Nicaraguan primary and university textbooks. This firm has established an excellent reputation for delivery performance as the RTAC-II contractor. Approval of the competition waiver is essential. Competitive procurement procedures would require at least 6 months, thus making contracting impossible for this fiscal year. The additional time for doing a competitive contract would preclude the objective of obtaining the textbooks as an immediate, tangible show of U.S. support to Nicaragua on one of the GON's highest priorities and thereby impair our foreign assistance objectives as enunciated by the President. It is our considered opinion that competitive procurement would not find other firms with a higher level of skills required for this procurement than those of Aguirre International. Upon your approval of the waiver, LAC/DR will proceed jointly with OP/OS/LAC in the amendment of the Aguirre RTAC-II Contract No. 6081. The Agency Competition Advocate has been consulted as required by this authority and has ruled that this waiver of the competitive process is appropriate.

Authority: Delegation of Authority No. 400 delegates to regional assistant administrators the authority to amend project authorizations if the amendment does not present significant policy issues and does not require issuance of waivers that may only be approved by the Administrator. Also the A.I.D. Acquisition Regulations (AIDAR) provide you with the authority to waive competitive contracting procedures where compliance with competitive procedures would impair foreign assistance objectives and would be inconsistent with the fulfillment of the foreign assistance program, [AIDAR section 706.302.70(b)(3)(i)]. Delegation of Authority 40S delegates to regional assistant administrators the authority to waive U.S. source origin, and nationality requirements to permit procurement of goods and services from Geographic Code 941 when the cost does not exceed \$5.0 million per transaction.

Recommendation One: That you approve an amendment to the RTAC-II Project Authorization to increase the authorized level from \$12 million to \$17 million to implement the RTAC-II textbooks program and include the provision of Spanish language primary school textbooks and educational materials in Nicaragua, by signing below and on the attached Project Authorization Amendment No.1.

Approved: _____

Disapproved: _____

Date: _____

JHM

6/1/90

Recommendation Two: That based upon impairment of foreign assistance objectives, you authorize a waiver of competition to add textbooks for Nicaragua to the Regional Technical Aid Center II (RTAC-II) Project. Your approval would permit us to amend the contract with Aguirre International pursuant to the authority of AIDAR 706.302.70 (b)(3)(i).

Approved: _____

Disapproved: _____

Date: 6/1/90

Recommendation Three: That you approve an increase from \$5,000,000 to \$9,000,000 to the waiver of source, origin, and nationality requirements to allow procurement of services and commodities from any country included in AID Geographic Code 941 because neither the suppliers of nor the commodities required (primarily Spanish language textbooks) are available from countries included in the required AID Geographic Code.

Approved _____

Disapproved _____

Date 6/1/90