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AID CONTRACTING FOR NON-PROCUREMENT PERSONNEL

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Prepared and Presented by
Sterling Institute (DAC)
Washington, D.C.

(Contract AID/OTR-C-1268)



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AID CONTRACTING FOR NON-PROCUREMENT PERSONNEL

Introduction

AID contracting is to be considered in this one-day presentation to assist you in understanding what is done, why it is done, and to allow you to make more effective use of the procurement services that are part of AID.

The material concentrates on direct AID contracting for technical services but the basic principles are applicable to other procurements. First, an overview of the general Federal Government procurement process will be presented--processes AID is committed to use. Second, the process of negotiated AID procurement will be considered in greater detail from the technical and non-procurement staffs point of view--what you can do to help the process operate to serve your needs.

The role of the instructional staff is to present material to explain what the procurement process is, and to answer questions you may have.

The role of the session participant is to pursue an understanding of what is the procurement process and why it is critical that orderly adherence to it is asked--indeed required.

The outline and schedule which follow indicate the topics to be considered. The time for each segment is approximate, but permits you to assess the day's pace. Feel free to ask questions; to learn requires listening, but questions will help all participants focus on areas which need explanation and understanding.

Purpose and Objectives

1. To increase awareness on the part of technical and program personnel of the AID contracting process and the role of the Contracting Officer.
2. To improve the capabilities of technical and program personnel in the contracting process by a better understanding of their role in the process.
3. To provide a forum for the pursuit of procurement improvement through an exchange of viewpoints on the procurement process.

SCHEDULE

0845 - 0915 Introduction by AID SER/CM

0915 - 1100 Topic I. Introduction to and Overview of
the Procurement Process

1100 - 1200 Topic II. The Pre-Solicitation Phase

1200 - 1245 Lunch

1245 - 1345 Topic III. The Solicitation Phase

1345 - 1445 Topic IV. The Selection Phase

1445 - 1545 Topic V. The Award Phase

1545 - 1700 Topic VI. The Contractor Performance Phase

1700 - 1730 A. Summary
B. Completion of Evaluation Form
C. Closing Comments by AID SER/CM

COURSE OUTLINE

0845 - 0915 Introduction by AID SER/CM

0915 - 1100 TOPIC I. AN OVERVIEW OF THE PROCUREMENT PROCESS

- I. Environment in Which Federal Government Contracting Occurs
 - A. Public Policy and Contracting Procedures
 - B. External Forces That Impact on the Federal Government Procurement Process
 1. Congress enactments
 2. General Accounting Office
 3. Federal Courts decisions
 4. Office of Management and Budget
 5. General Services Administration - FPR
 6. Executive departments and agencies
 7. ASBCA, et al.
 8. Small Business Administration
 9. EEO, et al.

- II. Basic Laws Controlling Procurement
 - A. Armed Services Procurement Act of 1947
 - B. Federal Property and Administrative Services Act of 1949, AID
 - C. Foreign Assistance Act of 1961, as amended.
 - D. Basic Procurement Regulations
 1. Armed Services Procurement Regulation
 2. Federal Procurement Regulations, AID

3. AID Procurement Regulations

III. Procurement Responsibility and Authority

A. Definitions

1. Procuring Activity

"'Procuring activity' means the organizational element of an executive agency which has responsibility to contract for the procurement of personal property and nonpersonal services (including construction)." (FPR 1-1.205), in AID, SER/CM, SER/MO/PU and most missions.

2. Contracting Officer

"'Contracting Officer' means an official designated to enter into or administer contracts and make related determinations and findings." (FPR 1-1.207)

3. Procurement

"'Procurement' means the acquisition (and directly related matters), from non-Federal sources, of personal property and nonpersonal services (including construction) by such means as purchasing, renting, leasing (including real property), contracting, or bartering, but not by seizure, condemnation, donation, or requisition." (FPR 1-1.209)

4. Professional Services Contracts

Contracts for nonpersonal technical or professional services with a firm or organization.

5. Personal Services Contracts

Contracts for the performance of personal services under the direct control and supervision of the Government outside the United States.

B. Responsibility of Contracting Officer (see FPR 1-3.801-2).

1. As the representative of the U.S. Government to enter into contracts, grants, and other agreements which obligate the Government
2. As having the authority to execute contract modifications
3. As a participant in all discussions with contractors (or potential contractors) when contractual action will be discussed
4. As responsible for the pre-award contract planning process and integration of effort leading to contract award
5. As responsible for preparing and executing the formal contract, including its negotiation and provisions
6. As responsible for administering contracts

C. Responsibility of Other Personnel

1. Role of the Contract Specialist or Negotiator, see page 79.
2. Role of technical and program personnel
 - a. Establish requirements
 - b. Technical direction as provided by contract terms
 - c. Technical surveillance of contractor performance

- d. Lacks authorization to undertake contractual actions
 - 3. Role of Auditors and Legal Counsel
 - 4. Role of host government participants
 - a. Collaborate in program design
 - b. Collaborate in contract implementation
 - c. Provide counterpart participants
 - d. Provide logistic support
 - e. Accept contractor performance
 - D. Importance of the Team Concept in Requirements and Procurement Planning and Execution
 - 1. Communities-of-interest with a common goal
 - 2. Responsible authority structure and lines of communication
- IV. Legal Considerations in Government Contracting
 - A. Appropriation Statutes and the Obligation of Appropriated Funds
 - B. Agency in Government Contracts
 - 1. Authority to contract
 - 2. Ratification of actions of others
 - 3. Liability of Government agents
- V. Formal Advertising (FA) vs. Negotiated Procurement
 - A. Preference for FA
 - B. Process in Brief
- VI. Negotiation, Competitive and Noncompetitive
 - A. Statutory Permissibility

1. Title III, Federal Property and Administrative Services Act of 1949
2. Foreign Assistance Act Sec. 633
3. Executive Order 11223

B. Regulatory Permissibility

"If the use of formal advertising is not feasible and practicable, purchases and contracts for property and services may be negotiated in accordance with the detailed requirements and procedures set forth in Part 3 of this chapter." (FPR 1-1.301-3)

C. Negotiation Defined

1. By regulation

"'Negotiation' means the procedure for making contracts without formal advertising." (FPR 1-1.218)

2. By the dictionary

The Random House Dictionary of the English Language (Unabridged, 1967) provides three definitions of negotiate appropriate to this course: (i) to deal or bargain with another or others, as in preparation of a treaty or in preliminaries to a business deal; (ii) to arrange for or bring about a discussion and settlement of terms, and (iii) to manage; transact; conduct. It further defines negotiation as mutual discussion and arrangement of the terms of a transaction or agreement.

3. By tradition among buyers and sellers

Broadly conceived, negotiation is a process of bargaining between two parties, each with its own viewpoints and objectives, which are seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern.

D. Initiation of Negotiated Procurement

1. Determination of appropriate permissive circumstance

2. Compliance with requirements for appropriate determinations and findings
- E. Solicitation Document Preparation
1. Presolicitation conference applicability
 2. Request for Proposals (RFP)
 - a. Inclusions
 - b. Responsibility for preparation
- F. Solicitation and Submission of Proposals
1. Maximizing competition
 - a. Importance of the solicitation document
 - b. Competition in small purchases
- G. Evaluation and Award of Contract
1. Determining responsiveness
 2. Determining responsibility
 3. Impact of the requirement on the proposal evaluation and source selection process
 4. Award of contract from among those types (or their combinations) found in FPR 1-3.4

1100 - 1200 TOPIC II. THE PRESOLICITATION PHASE

- I. Preparation of the PIO/T
 - A. Responsibility for Initiating
 - B. Representative Items to be Included in a PIO/T
 1. Realistic independent government cost estimate
 2. Clear and descriptive scope of work, including performance times and project evaluation standards
 3. Names and addresses of suggested sources
 4. Factual sole source justification, if a non-competitive procurement is recommended (Ref. AID PR 7-3.101-50)
 5. Criteria to be applied in the evaluation of proposals
 6. Other supportive documents, as applicable
 - C. Scope of Work
 1. Importance of clarity
 2. Retaining the integrity of the requirement
 3. Understanding (as precisely as possible) what it is the Scope of Work is to achieve
 - D. Independent Government Cost Estimate
 1. Purpose - to establish realistic cost or pricing objectives
 2. Credibility
 - a. Largely dependent on requirement at hand and prior experience with same or like services, tasks or items
 - b. Cost-information base
 - 1) Previous costs
 - 2) Past or current estimates

- 3) General (or specific) knowledge of private sector cost factors
 - 4) Estimator's knowledge
3. Essential elements for consideration
 - a. Direct salaries (limited to \$138.00 per day)
 - b. Benefits
 - c. Travel and transportation
 - d. Equipment and supplies
 - e. Overhead and general and administrative
 - f. Subcontracting
 - g. Fixed-fee or profit
 4. AID form 1420-18, Offeror's Cost Analysis
 5. Importance of realistic cost estimates
 - a. To the government
 - b. To the private sector
 - c. To satisfying the requirement

1245 - 1345 TOPIC III. THE SOLICITATION PHASE

- I. Development of the Solicitation Document
 - A. Examples of Information Provided to Offerors
 - Proposal Format
 - Proposal Content
 - Evaluation Factors and Importance
 - Proposal Evaluation Techniques
 - Weighted Qualification Criteria
 - Authority to Obligate Government
 - Type of Contract
 - B. Solicitation "Schedule" and Conditions (including scope of work and delivery requirements)
 - C. "General Provisions"
- II. Solicitation of Sources
 - A. Basic Objectives in Solicitation
 - 1. To inform (about the requirement)
 - 2. To specify (situational specifics)
 - 3. To encourage (competition to maximum practicable extent)
 - 4. To require (responses in consonance with specified format for submission)
 - B. Techniques to Encourage Knowledgeable Responses
 - 1. Presolicitation conference
 - 2. Bidders conference
 - 3. Postsolicitation/preproposal conference
 - 4. Postproposal/preaward conference
 - C. Importance of Competition Commensurate with the Procurement

1. Creating an environment where the buyer is able to generate conditions for solicitation which induce the seller community to confidently contend for award of contract
 2. Erroneous notions of competition
- D. Small Business as a Source (AID presentation)

- I. Proposal Evaluation and Source Selection
 - A. Basis of Proposal Evaluation Established in the Pre-Award Phase and Included in the RFP
 - B. Establishing a Justifiable Competitive Range (or Zone of Consideration)
 - C. Requirement for Written Justification of Evaluation Results
 - 1. Importance to external organization requests (i.e., Congress, General Accounting Office, and higher levels with AID organization)
 - 2. As a basis for effective debriefing of unsuccessful offerors
 - D. AID Procedures:
 - 1. Architect-Engineer services
 - a. Establish file of evaluated firms
 - b. Select three best qualified and discuss project
 - c. Prepare independent cost estimate
 - d. Negotiations with first choice firm done by Procurement
 - 2. Research Advisory Committee actions
 - a. Proposals invited in publicized areas for investigation
 - b. Research Advisory Committee reviews proposal and recommends acceptance, modification, or rejection
 - c. Negotiation with research entity by Procurement after AID Administrator approval

II. The Negotiation Process: The Core Considerations

A. The Why of Negotiation

1. Question and/or explore reasonableness and soundness
2. Discuss probable performance capacity of contender

B. The When of Negotiation

1. After initial offers
2. As allowed by solicitation document

C. The Who and With Whom of Negotiation

All responsible offerors within a competitive range

Team Leader - Contracting Officer

Team Members - Others, includes, e.g., Technical Staff, Audit, Legal

D. The What-To-Negotiate and Sequence of Negotiation

1. Requirements - scope of work
2. Cost to perform, fee, price
3. Contract provisions, the terms and conditions

E. The How of Negotiation

1. Factors to consider
2. Negotiation plan
3. Who is responsible

1445 - 1545 TOPIC V. THE AWARD PHASE

I. Selection and Award of Contract Type

A. Differing Connotations of "Contract Types"

1. Compensation arrangements
2. Form and structure
3. End purpose

B. Basic Regulatory Prescriptions Bearing on Contract Type Selection

1. "Contracting officers, acting within the scope of their appointments...are the exclusive agents of their respective agencies to enter into and administer contracts on behalf of the Government in accordance with agency procedures." (FPR 1-3.801-2(a))
2. "The selection of contract type is generally a matter for negotiation and requires the exercise of judgment." (FPR 1-3.403(a))
3. "Although no absolute rules can be laid down, there are many factors which should be considered in the use of an appropriate type of contract...." (FPR 1-3.403(a))

C. Contract Types: Fundamentals of the Compensation Arrangement

1. Cost-reimbursement contracts

(Cost-Plus-Fixed-Fee, Cost, Cost Sharing, Cost-Plus-Incentive Fee, Cost-Plus-Award Fee)

- a. Common characteristics
- b. Essentials of the CPFF contract

2. Fixed-price contracts

(Firm Fixed-Price, Fixed-Price with Escalation, Fixed-Price Incentive, Fixed-Price Redeterminable)

- a. Common characteristics

- b. Essentials of the FFP contract
- 3. Letter contracts
 - a. Conditions for use
 - b. Advantages and disadvantages
- 4. Other types
 - Level of Effort, Requirement and Completion, Indefinite Quantity, Purchase Orders
- 5. "Non-contractual" agreements
 - a. Basic agreement
 - b. Basic ordering agreement
 - c. PASAs, RASAs
- 6. Grants - Cooperative Agreements
- 7. Institutional Development Agreements

- I. Contract Administration and the Role of the Technical Staff
 - A. Responsibility for Contractor's Technical Performance
 - 1. Cost effective emphasis
 - 2. Dealing with appropriate alternatives in achieving goals
 - 3. Interface with the Contract Specialist and/or Contracting Officer
 - 4. Limitations in authorizing changes to on-going contracts
 - B. Suggested Duties of the Technical Staff (Project Manager)
 - 1. Work in conjunction with Contract Specialist
 - 2. On-site inspections of project progress
 - 3. Review contractor's submitted invoices for reasonableness and certify that payment sought is commensurate with technical progress achieved and reported.
 - 4. Accept work under contract and certify that all scope of work requirements have been met.
 - C. Role of Host Country
 - 1. Participate in project or program design
 - 2. Assign counterpart professional or technical staff
 - 3. Assist contractor as provided in contract with logistic support and other efforts
 - 4. Review contractor performance and with AID ultimately be satisfied acceptability of product.
- II. Performance Measurement

A. Progressing Information Systems Permitting Effective Monitoring and Surveillance

1. Characteristics

- a. Task or work package oriented
- b. Cost, schedule and performance reporting by discrete packages
- c. Tailoring the system to provide what (not more than) is needed

2. Problem areas

- a. Change control
- b. Planned versus actual versus reported levels of achievement
- c. Timely monitoring for effective surveillance
- d. Progress report validation and verification

B. AID Performance Evaluation Procedures

III. Contract Modifications Environment

A. Factors That May Result in Contract Performance Troubles

- 1. Inadequate procurement planning
- 2. Unexamined technical data packages
- 3. Hastily constructed Statements of Work
- 4. Inconsistencies between provided specifications and other expressed scopes of work
- 5. Lack of communications between U.S. Government, host government, and contractor personnel
- 6. Performance definition left to post-award interpretation
- 7. Unilateral direction without regard for contractual coverage (informal commitments by technical staff)

8. Indigenous overruns through unrealistic cost estimating

B. Language of Contract Changes

1. Scope of work

2. Change order

3. Supplemental agreement

4. Constructive Change

IV. Contract Administration Responsibilities of Contracting Officer

A. Authorize Changes and Modifications

B. Resolve Disputes

C. Terminations

D. Close Out

V. Remedies for Nonperformance

A. Contracting Officer, Technical Officer Conference

B. Management Conferences (AID, Contractor, Host Country)

C. "Show Cause" "Cure" Letters

D. Termination for Convenience

1700 - 1705 Summary of Course and Review of Objectives

1705 - 1715 Completion of Evaluation Forms

1715 - 1730 AID SER/CM Closing Remarks and Adjournment

REFERENCE READINGS

<u>Ref. No.</u>		<u>Page</u>
1	"The Role of Contracting in Carrying Out AID Programs," November 1973, H. Dwelly and J. Sewell	1
2.	"Technical Services Contracts and Contract Administration," August 1972, H. C. Weitzen	15
3.	U.S. Government Memorandum, "Recycling of Contract Periods and the June 30 Rush," J. F. Campbell, 20 August 1973	75
4.	U.S. Government Memorandum, "Approval of Salaries and Consultant Fees," J. F. Campbell, 12 April 1972	77
5.	AID Manual Order No. 1403.1	79
6.	AID Manual Order No. 205.9	81
7.	Foreign Assistance Act of 1961, as Amended, Part III, Chapter 1, Section 615	91
8.	AID Manual Order No. 1423.9	93
9.	Memorandum, "Audit Report 74-003, Report on Review of AID/W Voucher Processing," J. F. Campbell, 3 Jan. 1974	97
10.	AID PR, Subpart 7-3.1, "Use of Negotiation."	99
11.	Federal Procurement Regulations:	
	a. Subpart 1-1.4 Procurement Responsibility and Authority	101
	b. Part 1-3 Procurement by Negotiation (Excerpts)	104
12.	Extracts from Project Monitor Procurement Handbook (HB 1700.5), published by Law Enforcement Assistance Administration, January 9, 1973	117
13.	"Writing Work Statements (A Précis of Dos and Don'ts," Sterling Institute Colloquia, 1973	131
14.	AID Policy Determination, PD-53, June 27, 1973, "Use of Grants in A.I.D. Programs	135
15.	Work Sheet for A.I.D. Estimate of Project Costs	141

REFERENCE ITEM NO. 1

THE ROLE OF CONTRACTING IN CARRYING OUT AID PROGRAMS

The U.S. foreign assistance program involves transfer of resources - capital, material and technical - to the less developed countries (LDCs). In a broad sense each individual transfer, of whatever type, involves one or more contracts (agreements) of one sort or another. There are agreements covering simple and not-so-simple cash grants. Commodity programs involve PL-480 agreements and/or program loan or grant agreements with subsequent purchase and shipping contracts handled mostly through commercial channels of trade. Capital assistance programs involve project grants and loans implemented via contracts for engineering and construction services and equipment supply. Technical assistance programs, once carried out mostly by direct-hire AID personnel or PASA employees from other U.S. Government agencies, have now come to be carried out largely through the services of technical experts contracted for individually or from education or other institutions or private firms. On June 30, 1973, AID had 1323 contracts or grants outstanding for technical services. During FY 1973, AID obligated \$208,000,000 in contracts or grants for technical services. While the overall size of the AID program has declined somewhat during the past few years, the number and value of contracts for technical services has constantly increased!

This paper deals with ways for contracting to carry out technical assistance projects and is intended primarily to provide guidance to Project Managers or others responsible to implement TA projects.

Prior to August 1972, each regional bureau in AID/W had a staff of contract and PASA officers and was individually responsible to contract for technical services to carry out programs in its areas of concern. This resulted in frequent duplication and contractors sometimes charged AID with presenting "many faces" as far as contracting practices were concerned. In August 1972, all responsibility for AID direct contracting for technical services was centralized and located in the Office of Contract Management (SER/CM) in AID/W's Bureau for Program and Management Services. Also included in SER/CM is responsibility for negotiating and issuing PASAs, for executing grants with individuals or institutions and for management of AID's excess property utilization program. Pursuant to this centralization, all contracting authorities (except for capital projects, loan-financed technical assistance and administrative actions such as housing, leases, etc.) previously delegated to missions through the regional bureaus were cancelled and, on October 1, 1973, replaced, where

appropriate, with new delegations from the Director of the Office of Contract Management. SER/CM representatives also participate in AID's review and approval of all host country contracts including those under capital projects.

Thus, regional bureaus and central technical offices no longer have PASA or contracting staffs of their own or authority to sign or independently approve PASAs, grants to intermediaries, or contracts. Authority has been delegated to most mission directors to negotiate and sign direct contracts for services costing up to \$25,000 and greater amounts have been delegated where needed if legal and contracting staffs are present or available. Host country contracts approved by missions are subject to SER/CM post review and comment including those for capital assistance as well as for technical services. It should be emphasized, however, that all requirements for contract/PASA/grantee services originating in the field and requiring AID/W action must be transmitted to the cognizant regional bureaus which are responsible for carrying out AID programs. They, in turn, will obtain needed services from SER/CM.

There are essentially four means by which AID may obtain competent technical services to carry out a technical assistance project. They are:

- (1) Direct-hire employment;
- (2) Assignment from another U.S. Government agency under a PASA;
- (3) Contracting with a private individual, firm or institution; or
- (4) Under a grant agreement to an individual, firm or institution.

We will discuss further the latter three of these, all of which require the project manager to initiate a PIO/T as the first step toward recruitment. Instructions for preparing a PIO/T are set forth in M.O. 1352.1 and will not be detailed here except to emphasize the importance of both the timely and careful preparation of this key document. Nothing will delay the selection and contracting process more than failure to include all of the essential data in the PIO/T from the very beginning. Primarily, the PIO/T must include a scope of services which is contractible.

in that it spells out clearly the nature and duration of the services required. All funding and administrative support data must also be included at the risk of technicians reporting for duty without a clear understanding of their duties and of the logistic support they are to receive and from where.

Procedures for obtaining services via the latter three methods set forth above are outlined in some detail below.

A. PASA Personnel (See M.O. 243.1)

If project authorities are convinced that the technical expertise desired for a project is most appropriately available from another U.S. Government agency, they so indicate on the PIO/T. Technical personnel in AID/W are in frequent contact with their counterparts in other agencies so that they are often able to identify specific qualified individuals who are available. Responsibility for finalizing selections and budgeting and administrative arrangements and for issuing PASAs lies with the Participating Agency Staff in the Office of Contract Management. These PAS Officers are also responsible for on-going administration and ultimate close-out of each PASA. Their duties are, of course, carried out in close collaboration with, and as a service to, project officers or other technical personnel in the regional or technical bureaus and the field.

B. Contracting (See M.O. 1400 series)

During the last few years, as AID has progressively reduced its direct-hire staff, it has looked increasingly to non-governmental institutions and to commercial firms and private individuals to implement technical assistance activities under contract/grant arrangements. Several types of contractual arrangements are utilized. They are:

1. AID Direct Contracts - Most frequently AID contracts directly for the services required to carry out technical assistance projects. In such cases, contractors are normally selected competitively based on evaluations of their relative technical competence, ability to perform the particular project, and reasonableness of cost. Non-competitive selection can be used only when there is clear justification based on public exigency, sole source, etc. (For detailed guidance see AIDPR 7-3.101-50.) AID direct contracts adhere to

U.S. Government contracting procedures and regulations. They spell out as fully as possible the services the contractor is to provide and set forth in some detail the conditions for his performance and the support he will receive from the mission and host government or institution. These contracts are signed and administered by duly authorized U.S. Government contracting officers, technically directed by AID project personnel; and funded, paid and audited by mission and/or AID/W staff.

In sum, direct AID contracts require active participation and direction by AID employees at almost every point. The role of the host country individuals is largely that of providing technical counterparts and local support. Then, hopefully, local personnel will be recipients of the technical knowledge transferred with little need to deal with the administrative mechanisms and costs involved in the transfer.

2. Host Country Contracts - (A Policy Determination (PD) and Guidelines are under development in AID/W.) Contracts entered into directly between a host government or institution and a U.S. non-governmental supplier and financed by AID provide another means of transferring resources to the LDCs. Host country contracts (subject to numerous AID approvals) have been extensively used to implement capital assistance projects but, until recently, only infrequently to provide technical assistance. However, such contracts do not involve the U.S. Government as a direct party and, thus, are seen as a means toward reducing official AID involvement and maximizing host country participation in all aspects of agreed upon projects for transferring technical knowledge. The role of the AID Project Manager (with specialized AID/W assistance as necessary) in such arrangements is:

- a. To insure that the project is thoroughly planned and set forth in detail in a project agreement in the first place;
- b. To insure that the host government or institution has the requisite capabilities and experience to negotiate and administer the contract and project;
- c. To provide guidance to the host country or institution in locating and selecting a qualified contractor;
- d. To insure that AID's contract review and approval responsibilities are carried out; and
- e. To monitor project programs and participate with the contractor, the host government and other AID representatives in annual evaluations of project progress and contracting performance.

3. OPEX Contracts (See OPEX Guidelines) - Operational Expatriate contracting arrangements have been developed and used almost solely by the Africa Bureau and missions in an effort, in part, to place the furnishing of U.S. technical assistance in Africa on a footing similar to that of European donors in the area. The idea is for host governments or institutions to contract directly with U.S. technicians and to pay and support them on the same basis as it customarily would expatriate staff members from Europe or anywhere else. Separately, AID agrees to fund "topping off" payments to the U.S. technicians at levels necessary to attract them to the assignment. Payments usually are made through intermediate contractors hired by AID to administer the arrangements and, as well, to assist the benefiting countries or institutions in locating, recruiting and supporting qualified technicians.

4. Triangular Arrangements - (Guidelines are under development in AID/W.) Use of direct contracts has the advantage of permitting AID to closely manage the U.S. inputs to a technical assistance project but it requires significant manpower and what is sometimes viewed as a comparatively intrusive official U.S. presence. Use of host country contracts permits a significantly reduced U.S. profile but requires the LDC recipients to deal intimately with contractors regarding the often vexing administrative problems (salaries, allowances, logistic support, etc.) of contracts as well as with the substance of the intended technology transfer. AID has had limited experience with varying contractual arrangements which attempt to attain the best of both worlds. Current trends in AID emphasizing approaches to technical assistance in which contract technicians and their LDC counterparts work in a collegial joint problem-solving relationship (in contrast to a tutorial approach) have led to an intensified search for the most appropriate contracting arrangements.

"Triangular contracting" is one approach which may be appropriate when it is desirable for the host government or institution to contract directly, but there is a real danger that administrative problems will arise resulting in personal antipathies detrimental to the successful execution of the project. Triangular arrangements involve (a) agreements between AID and the aid recipient under which the purposes, scope and objectives of a project and the amounts of and conditions with respect to financing to be provided by the parties are set forth; (b) a contract between the aid recipient and the supplier of the technical assistance; and (c) a financing agreement between AID and the supplier of the technical assistance.

In circumstances where project managers find that triangular contracting arrangements would be highly desirable, they should seek guidance and assistance from AID/W, SER/CM before proceeding. Formal Guidelines are currently being developed, but they may not be issued for some time to come.

G. Grants to Intermediaries - Contracts of one form or another are used when AID and an eligible LDC agree to a technical assistance project and then seek out a contractor to undertake the project. However, if an individual, firm or institution presents to AID an activity in which it is involved or which it wishes to initiate and convinces AID that the U.S. foreign assistance program would be served by supporting that activity, a grant may be made to fund the activity. Since the activity was originally conceived and planned by the grantee, close AID technical direction normally is not appropriate. Nevertheless, the grantee is obligated to expend the AID funds to carry out the project as originally proposed and accepted (with modifications, if any) by AID. Thus, project managers would be unlikely to initiate projects involving grants to intermediaries although, once the project is approved, a PIO/T must be prepared and sent to CM requesting that a grant agreement be negotiated and signed. Subsequently, the CM grant officer will administer the agreement in accordance with its terms and the project manager will monitor technical progress. (See Policy Determination #53)

Attached hereto are the following:

1. General Reminders for AID Services Contracting
2. A listing of the types of contracts most commonly used in AID. This listing includes references to the Federal (FPR) and AID procurement regulations or manual orders where sample formats and clauses can be found. This will serve as guidance to contracting officers in the use of these contract types and as information to technical and program personnel as to the most common types available and the circumstances for their use.
3. A flow chart for Mission-issued PIO/Ts requesting contracts/PASAs.
4. A statement concerning the new AID Procurement Regulation regarding Permissible non-competitive negotiation of contracts.
5. Organization Chart for AID/W Office of Contract Management (SER/CM).

11/13/73

GENERAL REMINDERS FOR AID SERVICES CONTRACTING

1. Procurement Requests (PIO/Ts) must be complete and must include "descriptions of required services" sufficiently detailed for contracting. (See M.O. 1352.1 - particularly page 5 covering contents of Block 19)
2. Contractors (individuals, firms or institutions) will be selected competitively unless the PIO/T is accompanied by a well reasoned source justification and a duly signed waiver. Competitive selection does not necessarily involve publication although, when time permits, formal advertising of requirements is preferred. (AIDPR 7-3.101-50)
3. Project planning must include sufficient time for PIO/Ts to reach AID/W, for regional bureau clearance and for SER/CM selection of a contractor, negotiation and award of a contract. SER/CM normally requires 60 to 90 days.
4. Negotiation of costs with contractors is solely the responsibility of the contracting officer. Project managers should discuss only technical matters with potential or on-going contractors/grantees. Technical personnel should themselves estimate costs and develop project budgets but potential contractors should never know in advance what funds are budgeted or available for an activity. AID internal documents containing funding information should never be shown to or discussed with contractors. (See M.O. 1403.1, Paragraph III)
5. Technical personnel should make no promises to a contractor which may be construed as a commitment. Only a Contracting Officer has the authority to make a commitment binding the U.S. Government.
6. Contracts funded by AID may be signed or, if host country contracts, approved only by officers having duly delegated authority to contract at the appropriate level.
7. Whenever possible, originators of procurement requests (PIO/Ts) should identify activities capable of being carried out by small businesses or by businesses owned by socially or economically disadvantaged individuals. Agency policy requires that a fair share of AID contracts be set aside for such businesses.
8. All contracts, whether negotiated in AID/W or in the field, should be supported by a Negotiator's Memorandum recording the circumstances of and the participants in the negotiations, the rationale for the form and terms of the contract, and the basis for the price and funding terms agreed upon.

9. Cost-type contracts should not include provision for recovery of indirect costs (overhead, G&A, etc.) as fixed percentages of one or more direct costs. To do so represents use of a "cost-plus-percentage-of-costs" element which is illegal in U.S. Government contracting. It is permissible to use fixed percentage overhead rates only for contracts with educational institutions. Fixed amounts for indirect costs may be used only when the contract defines each element of direct costs. Normally, cost-type contracts with commercial firms should include a provisional overhead rate subject to re-determination after audit.

10. SER/CM negotiates current overhead rates with most contractors with which AID does business. These rates or similar data from other U.S. Government agencies are available upon cabled request to AID/W.

CONTRACT FORMATS IN GENERAL USE BY A.I.D.

1. SF-147, Order for Supplies or Services

Commonly referred to as a "Purchase Order", this form is for use in procuring supplies or services estimated to cost \$2,500 or less. Instructions for its use are set forth in FPR 1-3-6 and AIDPR 7-3.6. A sample of the form is illustrated in FPR 1-16.901-147.

2. Basic Ordering Agreement for Engineering Services*

This is a basic ordering agreement for the procurement of expert architectural/engineering services. The Basic Ordering Agreement establishes the type of work which can be performed, limitations on use, method of payment and price schedule. Actual projects are initiated by PIO/T which will result in Task Orders being issued pursuant to the Basic Ordering Agreement. A more complete description of its use can be found in M.O. 1425.1. A general discussion of this contract type is contained in FPR 1-3.410-2. The contract forms are illustrated in M.O. 1422.1, Appendices 1, 2, 3 and 4. Contract clauses are set forth in AIDPR 7-7.51; cover pages in 7-7.16.954-1 and -2.

3. Basic Ordering Agreement for Participant Training*

This format is used to provide training services from educational and training institutions. The Basic Ordering Agreement establishes the terms and conditions under which training programs will be performed; Task Orders issued pursuant to the Basic Ordering Agreement specify the actual training program and obligate the funds therefor. PIO/Ps should be forwarded AID/W. A general discussion of this contract type is contained in FPR 1-3.410-2. The contract forms are illustrated in M.O. 1422.1, Appendices 5, 6, 8 and 9.

*This format is primarily intended for use by AID/W.

Contract clauses are set forth in AIDPR 7-7.52; Cover Pages in 7-16.956-1, 2 and 3.

4. Contract for Participant Training

This format is used to implement specific training projects with educational and training institutions on a cost-reimbursement basis. The contract forms are illustrated in M.O. 1422.1, Appendices 10, 11 and 12. Contract clauses are set forth in AIDPR 7-7.53, Cover Pages in 7-16.957-1 and -2.

5. Cost Reimbursement Type Contract

This format is used to procure services (except from educational institutions) of all types including studies, program implementation, research and development, etc. A general discussion of cost type contracts is contained in FPR 1-3.405. The contract forms are illustrated in M.O. 1422.1, Appendices 13, 14, 15 and 16. Contract clauses are set forth in AIDPR 7-7.50; Cover Page in 7-7.16.952.

6. Fixed Price Technical Services Contract

Again, a format for use in procuring services of all types but only those cases where the technical requirements and cost elements can be defined sufficiently to arrive at a firm fixed price. For a general discussion M.O. 1422.1, Appendices 17, 18, 19 and 20. Contract clauses are set forth in AIDPR 7-7.54; Cover Page in 7-16.958.

7. Cost Reimbursement Contract with Educational Institutions

This format is for use when procuring services from an educational institution. Contract clauses are set forth in AIDPR 7-7.55; Cover Page in 7-16.951.

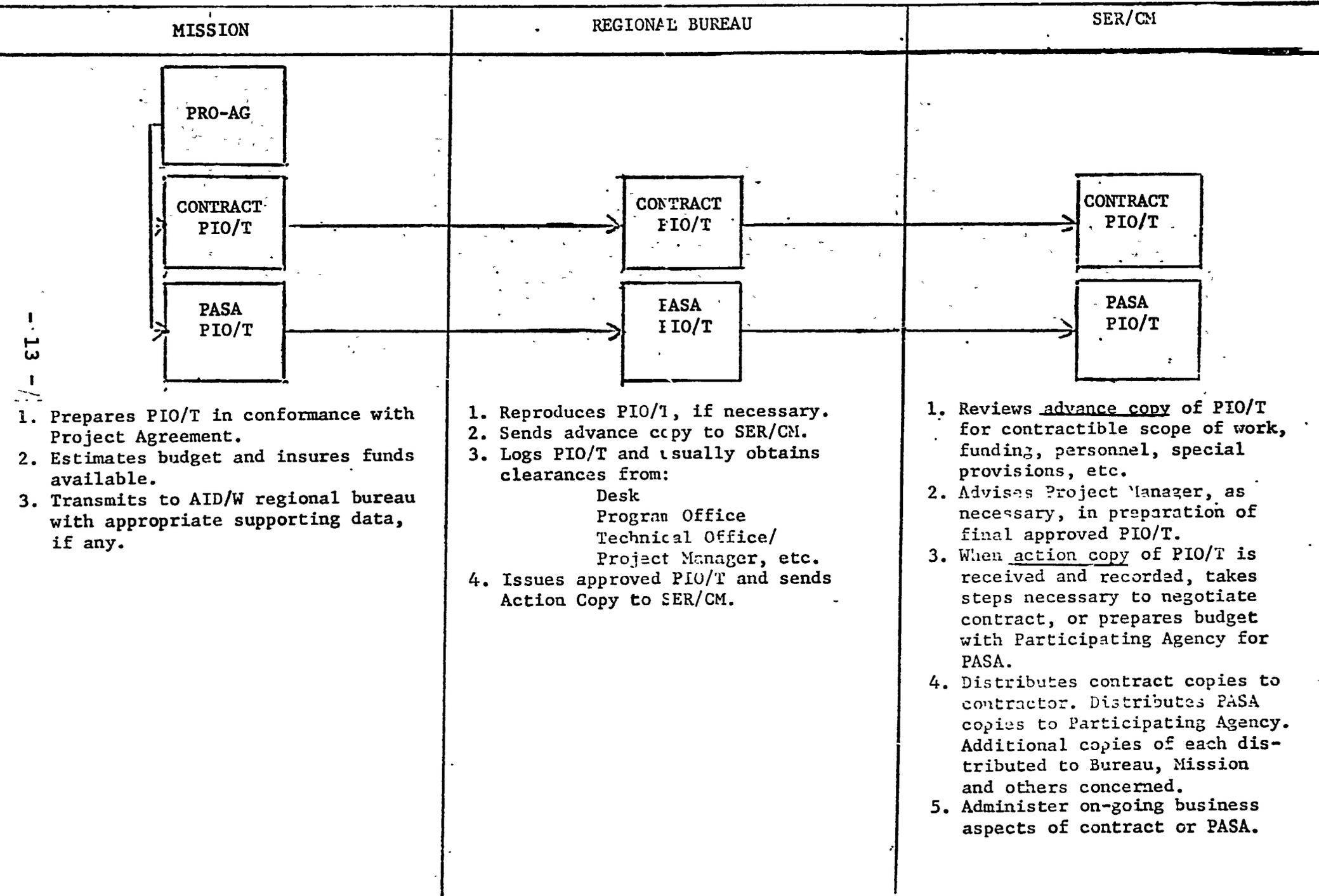
8. Personal Services Contract

This format is used to obtain the services of an individual, and establishes an employee-employer relationship. Instructions for use of this type of contract, and the contract forms are set forth in M.O. 417.5.

<u>FORMAT</u>	<u>FORM NO.</u>	<u>ILLUSTRATION</u>	<u>REFERENCE</u>
1. Order for Supplies or Services (Purchase Order)	SF 147	FPR 1-16.901-147	FPR 1-3.6
2. Basic Ordering Agreement for Engineering Services	1420-13 A, B, C and D	M.O. 1422.1, Appn. 1,2,3 and 4. AIDPR 7-7.51, 7-16. 954-1,-2.	M.O. 1425.1 FPR 1-3.410-2
3. Basic Ordering Agreement for Participant Training	1420-27 A, B, C,D and E	M.O. 1422.1, Appn. 5,6,7,8 and 9 AIDPR 7-7.52, 7-16. 956-1,-2,-3	FPR 1-3.410-2
4. Contract for Participant Training	1420-27 F,C&H	M.O. 1422.1, Appn 10, 11, 12 AIDPR 7-7.53, 7-16.957-1,-2	FPR 1-3.405
5. Cost Reimbursement Type Contract	1420-41 A,F, C,D	M.O. 1422.1, Appn 13, 14, 15, 16. AIDPR 7-7.50, 7-16.952	FPR 1-3.405
6. Fixed Price Technical Services Contract	1420-42 A,I,C,D.	M.O. 1422.1,Appn 17,18,19,20 AIDPR 7-7.54, 7-16.958	FPR 1-3.404
7. Cost Reimbursement Contract with Educational Institutions	1420-23 A,I,C, D	AIDPR 7-7.55, 7-16. 951 (may appear in M.O. 1422.1 as Appn. 21)	FPR 1-3.405
8. Personal Services Contract	1420-36,37,38	M.O. 417.5	M.O. 417.5

MISSION INITIATED

CONTRACT/PASA PIO/T FLOW



THE NEW A.I.D. PROCUREMENT REGULATION (AIDPR NOTICE 73-1) REGARDING
PERMISSIBLE NONCOMPETITIVE NEGOTIATION OF CONTRACTS

A.I.D. Procurement Regulations (7-3.101-50) formerly set forth policy and procedures for noncompetitive procurement. Problems were encountered because the AIDPR was confusing about what one must do to justify obtaining proposals from only one contractor. What was meant by "formal solicitation", "consideration of as many sources as is practicable" and "files will include appropriate explanation and support" were terms difficult to understand and to apply uniformly. The vagueness of the documentation requirements often caused over-reaction and generated adverse criticism of A.I.D.'s contracting policies and procedures. The revision of AIDPR 7-3.101-50, Noncompetitive Negotiations, clearly specifies the circumstances where proposals may be obtained from a single contractor and the minimum documentation required.

The circumstances now generally are:

- 1 - Architect-Engineer Services which have special procedures.
- 2 - Personal Services Contracts, Overseas Contracts less than \$25,000 and contracts with state and local governments. These do however, require consideration of other sources and at least informal solicitation.
- 3 - Contractors who have exclusive or predominate capability.
See 7-3.101-50(c) for additional details - much justification is required.
- 4 - Unsolicited Research and Development Proposals certain kinds of contract extensions, sole source (not preferred sources) and impairment of foreign assistance objectives.

(See AID Procurement Regulation Notice 73-1 and AID Procurement Regulation Amendment 16. Amendment 16 should be distributed by early December)

AGENCY FOR INTERNATIONAL DEVELOPMENT

**TECHNICAL SERVICES CONTRACTS
AND CONTRACT ADMINISTRATION**

For use during session of Mr. H. C. Weitzen

INDEX

- Exhibit 1 - A.I.D. General Notice - Improper Disclosure of Funding Data to Contractors.
- Exhibit 2 - M.O. 1352.1 - Technical Assistance: Preparation of the Project Implementation Order/Technical Services (PIO/T).
- Exhibit 3 - Sample of PIO/T for procurement of services by contract.
- Exhibit 4 - Sample of PIO/T to provide additional funding for continuation of services under existing contract which involves different fiscal year funding.
- Exhibit 5 - Sample of Amendment of PIO/T for Contract Services.
- Exhibit 6 - Sample of PIO/T for procurement of services through another Government Agency.
- Exhibit 7 - Sample of PIO/T providing for continuation of Participating Agency services in the following fiscal year.
- Exhibit 8 - PASA Agreement.

EXHIBIT 1

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ASSISTANT
ADMINISTRATOR

A.I.D. General Notice
A/CME

JAN 10 1969

SUBJECT: Improper Disclosure of Funding Data to Contractors

All employees whose duties in any way relate to the contracting process are reminded of the provisions of Manual Order 1403.1, paragraph III-D, which prohibits the disclosure to prospective contractors of the amount of funds tentatively earmarked for a proposed contract. The provisions of this Manual Order prohibit A.I.D. employees from providing to prospective contractors any correspondence, project documentation, or other data which shows the amount of the proposed funding. Oral disclosure of such information is also prohibited.

Release of such information adversely affects contract negotiations and is improper. The data contained in project agreements and PIO's are confidential procurement information and should not be released to anyone outside the Government except as provided in A.I.D. policies. It is recognized that project agreements and PIO's are unclassified and the information contained therein is available to host countries. The assistance of Host Governments in not releasing such information should be requested.

While the documentation referred to in the preceding paragraph does not bear any security classification, the Agency requests that funding data contained in such documents be treated in the same manner as Limited Official Use. For this reason all personnel directly or indirectly involved in the contracting processes of this Agency should handle the funding information with extreme care. Circumstances relating to the possible divulgence of such funding data in whole, in part, or in substance will be investigated when there is reason to believe that such divulgence may have taken place in violation of Agency regulations.

All personnel are reminded further that premature or unauthorized release of procurement information to contractors will subject them to disciplinary actions (in accordance with Manual Order 445.1) and to possible criminal prosecution under the conflict of interest, fraud or conspiracy laws of the United States.

DISTRIBUTION:

A.I.D. List H, Position 8
A.I.D. List B-1, Position 8

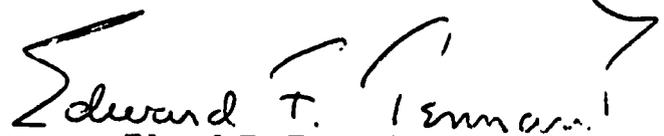

Edward F. Tennant
Acting

EXHIBIT 2

AGENCY FOR INTERNATIONAL DEVELOPMENT

MANUAL TRANSMITTAL LETTER	DATE January 14, 1971	NO. 12:215
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MATERIAL TRANSMITTED:

M.O. 1352.1 - Technical Assistance: Preparation of the Project
Implementation Order/Technical Services (PIO/T)

The following changes are included in this revision:

1. The instructions for completing the PIO/T have been revised to reflect changes as indicated in 3. below, and to clarify other sections.
2. The reproduction/distribution procedure has been revised to (a) eliminate the multilith plate and (b) provide that the Management Office of each Bureau or Office has responsibility for establishing and maintaining its own distribution list for PIO/Ts within its cognizance.
3. Form AID 1350-1 has been revised to:
 - a. Retitle some blocks and add new blocks specifying clearances and distribution, the completion date of services, and the funding period, on page 1.
 - b. Include the "Special Provisions" which are applicable in most cases.
 - c. Eliminate the "Financial Agreement" (previously page 6).
 - d. Reduce the form from 6 pages to 5.
4. An initial distribution of both hecto masters and worksheets will be made to each Mission.

Affected Offices:

All offices participating in procurement of technical services through a contract or PASA.

SUPERSEDES:

M.O. 1352.1 (TL 12:68)

KEEP YOUR A.I.D. MANUAL UP-TO-DATE.

MANUAL TRANSMITTAL LETTER NO. 12:215

FILING INSTRUCTIONS:

1. Remove superseded M.O. 1352.1 (TL 12:68).
2. File the attached in its place.
3. Write the date and TL number of this manual order in the appropriate place on the Chapter Checklist.
4. Initial the Transmittal Checksheet beside TL number 12:215.

MANUAL ORDER**AGENCY FOR INTERNATIONAL DEVELOPMENT**

SUBJECT Technical Assistance: Preparation of the Project Implementation Order/Technical Services (PIO/T)	EFFECTIVE DATE	ORDER NO. 1352.1
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MANUAL ORDER

AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT Technical Assistance: Preparation of the Project Implementation Order/Technical Services (PIO/T)	EFFECTIVE DATE	ORDER NO
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SUPERSEDES		
M.O. 1352.1 (TL 12:68)		

I. General

A. M.O. 1351.1 - Technical Assistance: Planning for Technical Services Procurement, describes the functions of the PIO/T and policies governing technical services planning. This manual order contains instructions for the preparation of the Project Implementation Order/Technical Services (PIO/T), form AID 1350-1 (Attachment A).

B. Complete and accurate PIO/Ts, in conformance with Agency policies and practice, are indispensable for the successful procurement of technical services, which is a complex process. Every technician who undertakes to prepare a PIO/T must be conversant with the provisions of both M.O. 1351.1 and this manual order, as well as M.C.s 1025.0 - Preparation, Submission, and Processing of Noncapital Project Documentation (PPPs, PROPs, PIPs, PARs, Project Authorizations, and ACSs) to A.I.D./W, 1025.1 - Noncapital Project Paper (PROP) and Preliminary Project Proposal (PPP), and 1025.2 - Joint Project Implementation Plans (PIP).

C. While the A.I.D. technician usually drafts the PIO/T, he is to work closely with a representative of the cooperating country. Cooperating-country participation at this stage helps to assure a clear understanding of the proposed relationship with the contractor or Participating Agency technician(s) regarding the scope of work to be performed; the obligations of the cooperating country, the contractor and/or A.I.D. to provide financial, logistical, and other support; and the planned allocation of costs in relation to the actions to be undertaken.

D. When doubt exists as to the adequacy of the scope of work described on a PIO/T for negotiation purposes, or when A.I.D./W assistance is needed, Missions are to submit five copies of a single-spaced draft PIO/T to A.I.D./W before the Project Agreement is signed. (However, an exception may be made in accordance with M.O. 712.3 - Obligation Concepts - Project Type Assistance.) These draft PIO/Ts will not be issued until A.I.D./W is notified that the Project Agreement has been signed. This helps to provide the firm planning base required to permit prompt issuance of the PIO/T and thus minimize delays in the A.I.D. implementation process.

1. When the Mission is confident that the PIO/T adequately describes the scope of work, it is issued simultaneously with the Project Agreement.

II. Format of the PIO/T

A. The format of a PIO/T, form AID 1350-1, consists of the following:

Section Title	Block No.	PIO/T Page Nos.
Face Sheet	1 through 18	1
Scope of Work	19 through 24	2-4
Logistic Support	25	5

B. The standard PIO Continuation Sheet for PIOs and PA/PRs, form AID 1300-1, properly identified and referenced in the heading blocks, is used to complete any block of the PIO/T for which sufficient space is not provided on form AID 1350-1. The standard Continuation Sheet is also used for any annexes to the PIO/T which the technician may consider necessary or useful. The signature on the face sheet applies to the entire PIO/T, including annexes. Pages are numbered in sequence to include the basic PIO/T form, additional (continuation) sheets as required, and any annexes to which signatures are to apply.

III. Reproduction and Distribution of the PIO/T

A. Reproduction

1. A.I.D./W-Issued PIO/Ts for Contracts

a. The single-spaced draft of the PIO/T may be approved as the final issuance of the PIO/T. Only those pages which are changed substantially during the review and clearance process are retyped.

b. After the PIO/T has been approved (i.e., Block 17 is completed), the original yellow copy is forwarded to AS/PR with form AID 5-18, Printing and Distribution Request. Only the number of copies actually needed are requested. The copies are reproduced on blue paper and delivered to the A.I.D./W Mail Room, AS/CM.

Address inquiries concerning this manual order to A/PROC/RSS.

NO. 1352.1	PAGE NO. 2	EFFECTIVE DATE January 14, 1971	TRANS. LETTER NO. 12:215	A.I.D. MANUAL ORDER
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III.A.

2. Mission-Issued PIO/Ts for Contracts

Mission-issued PIO/Ts are prepared on a hectomaster or other reproducible form, depending on the reproduction facilities available at the Mission. The Mission reproduces, on white paper, enough copies for its own use and sends a maximum of twelve copies of the approved PIO/T to AS/CM, A.I.D./W.

3. PIO/Ts for PASAs

After all necessary clearances have been obtained, but before the PIO/T is approved, the draft PIO/T is submitted to the Bureau PASA officer for negotiation of the PASA in accordance with M.O. 243.1 - Participating Agency Service Agreements (PASAs). The PIO/T, as modified during negotiations, is issued and reproduced as part of the PASA Agreement.

B. Distribution

1. PIO/Ts for Contracts

a. The Management Office of each Bureau and Office is responsible for developing and maintaining on a current basis a distribution list for all PIO/Ts within its cognizance. The A.I.D./W Mail Room, AS/CM, makes distribution in accordance with this list. No changes will be made on the distribution list without the clearance of the appropriate Management Office. In addition to internal Bureau/Office requirements, the distribution list is to include the following recipients:

<u>Office</u>	<u>No. of Copies</u>	<u>Conditions</u>
PPC/PTIS/ARC	2	All issued PIO/Ts
C/ACC/WAB	1	A.I.D./W Allotments
C/FRD/VEB	1	All issued PIO/Ts
AG/AUD	1	All issued PIO/Ts
C/BUD/PBB	1	All issued inter-regional PIO/Ts

b. Space is available on the PIO/T face sheet to specify the distribution to be made, if desired.

2. PIO/Ts for PASAs

PIO/Ts for PASAs are distributed as part of the PASA agreement in accordance with M.O. 243.1.

IV. Scope of Each PIO/T

As many PIO/Ts as are necessary may be used for a project or technical support activity,

provided that the total value of all PIO/Ts for a project or technical support activity does not exceed the funds obligated by the related Project Agreement or the authorization for technical support, including authorized flexibility or other underlying document. (See M.O. 1323.1 - Technical Assistance Activity Description, Review, and Approval.) A separate PIO/T is normally required for each proposed contract and each proposed Participating Agency Service Agreement (PASA).

V. Cooperating-Country Implementation

The following procedure applies when the Mission proposes to designate the cooperating country (or its agent) to contract for the services authorized.

A. The Mission initiates or issues a PIO/T pursuant to the instructions in this manual order.

B. Under Block 21, Special Provisions, the Mission specifically adds the following provisions, as appropriate, to the form:

1. Advance approval of the country contract by an A.I.D. Contracting Officer.

2. Security clearance for any contractor employees who require access to classified and/or administratively controlled material or who will occupy a sensitive position. (See M.O. 610.2 - Clearances of Contractors and Contractor Personnel Under A.I.D.-Financed Contracts.)

3. Such other conditions as the Mission deems necessary to impose upon the country or, through the country, upon the contractor.

VI. Preparation of the PIO/T, Form AID 1350-1 (Attachment A)

A. Instructions for completing the PIO/T, form AID 1350-1, and using the Continuation Sheet, form AID 1300-1, are as follows:

Face Sheet - Blocks 1 through 18

Block 1 - Cooperating Country: Insert the name of the country, region, or interregional program benefiting from the assistance.

Block 2 - PIO/T Number: Insert the complete number of the PIO/T in accordance with instructions in M.O. 1095.2 - Coding of Program Implementation Documents.

Block 3 - Original or Amendment No.: Check the box if this is an original PIO/T, or, if an amendment, insert the number of the amendment. Amendments are numbered consecutively against each original PIO/T, as detailed in paragraph VII.A.1. below.

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VI.A.

Block 4 - Project/Activity Number and Title: Insert the complete number and title of the project as entered on the face sheet of the Project Agreement or other underlying document; add subtitle, if any. For a technical support activity, insert the number and title that was used in the Activity Description and authorizing documentation. (See M.O. 1095.2 - Coding of Projects and Project Documents.) For projects financed by loan funds, the Loan Number and the Disbursement Authorization Number will also be shown in this block.

Block 5 - Appropriation Symbol: Insert the correct Appropriation Symbol as the one used in the related Project Agreement, Activity Description, or Allotment Advice issued for interregional programs, for the A.I.D. funds which are to be charged for the amounts shown in Block 11, Line A, Column (4) below. If the PIO/T is to be financed from more than one appropriation and allotment, insert the word "Multiple" in this block. Indicate in Block 14 whether (1) one specified allotment will be charged for all costs until the funds are exhausted and then another specified allotment will be charged, or (2) each bill will be charged to each of the allotments on a specified percentage or other basis, or (3) all commodities will be charged to one specified allotment and all other costs to a different specified allotment, etc. In cases of multiple funding, a summary PIO/T face sheet is prepared which totals, in Block 11, the funds from all appropriations and allotments used. This face sheet is then supported by separate additional face sheets, distributing by appropriation and allotment the aggregate amount shown in Block 11 (i.e., only one appropriation and allotment symbol is to appear on each face sheet). In preparing the additional face sheets, only Block 1 through Block 7, inclusive, and Block 11, need to be filled in and these sheets are then attached to the summary face sheet. Only the summary face sheet (which shows the total of all U.S. funds, dollars, and local currency committed by the PIO/T) must be signed. Supplemental face sheets, when required, are to be numbered as 1A, 1B, 1C, etc., and included as a part of the completed PIO/T.

Block 6A - Allotment Symbol Charge: Insert the allotment symbol used on the related Project Agreement or Activity Description or other underlying document to indicate the account to which obligations and expenditures for the technical services are chargeable. When more than one allotment is utilized, insert the word "Multiple," and follow the procedure outlined under Block 5 above.

Block 6B - Funds Allotted to: Check the appropriate box to show whether the funds are allotted to A.I.D./W or to the Mission.

Block 7 - Obligation Status: Check "Administrative Reservation" if the services are not funded by a Project Agreement, or other obligating document. Check "Subobligation" if the services are funded by a Project Agreement, or other obligating document.

Block 8 - Funding Period: The PIO/T authorizes funds for a specific time period. Insert here the dates on which funding by this PIO/T begins and ends. If the contract or PASA is incrementally funded (i.e., funds are added at intervals less than the entire term of the contract or PASA), a new or amended PIO/T must be prepared to authorize the additional funds and state the new funding period.

Block 9A - Services to Start: Insert the dates between which actual performance of the services are to start. These dates must realistically reflect (1) the phasing or implementation of other related elements of the activity, (2) the difficulty of procuring commodities or facilities necessary to the performance of the services, (3) for university contractors, the significance of the academic year, (4) relevant climatic conditions (such as a tropical rainy season which may affect the performance of the services), (5) the availability of technicians capable of performing the specialized tasks required, (6) the availability of housing and other logistic support, (7) the leadtime necessary to develop, negotiate, and execute the contract or Participating Agency Service Agreement, and (8) the leadtime between contract execution and the time the technicians arrive in the field.

In the case of a PIO/T which extends or revises the services currently being provided, insert the date the requested extension or revision is to start. In the case of a PIO/T which provides additional funding to an existing contract or PASA but does not necessarily extend the services, the date shown is the date by which the additional funding is to be obligated.

B. Block 9B - Completion Date of Services: Insert the date by which it is expected that all services performed under the contract or PASA are to be completed. This date is not necessarily the end of the funding period specified in Block 8.

Block 10A - Type of Action - A.I.D. Contract: Check this box when A.I.D. is to negotiate and sign the proposed contract or amendment. **Cooperating Country Contract:** Check this box when the cooperating country is to execute the contract or amendment indicating in Block 10B whether the cooperating country is to negotiate and draft the contract with or without A.I.D./W or Mission

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VI.8.

assistance. If necessary, explain using the Continuation Sheet. Participating Agency Service Agreement: Check this box when a Participating Agency Service Agreement is planned or extended. Other: Check this box for special situations not separately identified in this block. Explain on the Continuation Sheet.

Block 10B - Authorized Agent: Insert in this box the name of the Authorized Agent: (1) A.I.D./W, (2) A.I.D./W through _____ (a named U.S. Government agency), (3) Mission, or (4) a named agency of the cooperating country. When an agency of the cooperating country is named indicate (1) "With Mission (or A.I.D./W) Assistance," if the Mission (or A.I.D./W) is to assist in the selection of a contractor, preparation of invitations for bids, analysis of proposals, or drafting and negotiation of the contract, or (ii) "Without A.I.D. Assistance" if the country is to procure the desired technical services independently, subject to the terms and conditions included or referenced in Block 21 of the PIO/T.

Block 11 - Maximum A.I.D. Financing: Block 11 must show the maximum amount of A.I.D. funds which may be committed pursuant to this PIO/T (or amended PIO/T) and which are required to finance the services as well as the related equipment and supplies, if any, to be performed during the funding period specified in Block 8. The requirements for filling in Lines 11A and 11B are identical. Line 11A shows the A.I.D. commitments of U.S.-dollar funds; Line 11B shows the commitment of U.S.-owned local currency funds available for program uses under this PIO/T. (See Section 1512 of the A.I.D. Manual Orders for the identification of U.S.-owned local currency funds and M.O. 1514.1 - Financial Management of Local Currencies, General, for policies and criteria governing the financing or provision in kind of logistic support overseas to A.I.D.-financed services contractors.) If this is an original PIO/T, both the dollar and local currency amounts on Lines A and B are entered in Column (2), Increase, and Column (4), Total to Date. These total figures are then allocated as applicable to Block 19D and Block 20B. However, these amounts may be reallocated in the contract or PASA.

When a PIO/T amendment is prepared to reduce or terminate services under a contract currently being financed by an A.I.D. Letter of Commitment, an application for an amended Letter of Commitment is to be submitted simultaneously and referenced in Block 13 on the PIO/T face sheet.

Block 12 - Cooperating Country Contributions: In accordance with the instructions for Block 11 above, insert on Line 12A the dollar equivalent amount of local currency committed by the cooperating country, for purposes of this

PIO/T, from counterpart or other funds generated as a result of U.S. assistance activities. On Line B of Block 12, insert the dollar equivalent value of financing (to include local currency, contributions in kind plus any dollar financing) which the cooperating country commits for the purposes of this PIO/T from funds other than those reflected by Line A above. (Identify the amounts of currency other than the local currency of the country on the Continuation Sheet.) Also show the conversion rate used in arriving at the dollar value of the local currencies.

Block 13 - Mission References: Insert appropriate references, including identifying numbers to authorizing messages and related PIOs.

Block 14 - Instructions to Authorized Agent: State any special requirements which may bear on the procurement to be effected under the PIO/T. Include, when pertinent, an explanation of timing, exigencies, and of relationships, priorities, or exceptional factors of relevance. Insert also, when appropriate, details on multiple appropriations or allotments. If the PIO/T provides additional funds for continuing services, with no change in the scope of work, then indicate and identify the services by prior-year PIO/T number, by contract or Participating Agency Service Agreement number, or by other appropriate reference. List any suggested sources (i.e., commercial firms, nonprofit or educational institutions) for the procurement of the technical services. If only one source is suggested, justification for a sole source procurement may be required in accordance with FPR 1-3.210 and AIDPR 7-3.101-50.

Block 15 - Clearances: The initiating officer normally signs in Block 15A. The Mission Controller or A.I.D./W funds control officer signs in Block 15B. The project management officer in the Mission, Bureau, or Office signs Block 15C. If appropriate, Block 15D is signed by the individual responsible for coordinating the logistic support. All other appropriate clearances must be shown in Blocks 15E and F; i.e., the Mission, Desk, Contracting Officer, etc.

Block 16 - Signature Block for the Cooperating Country: On each Mission- or A.I.D./W-issued PIO/T under which the cooperating country supplies monetary, logistic, or in-kind support which is not specified in a Project Agreement in the permanent records of the Mission, obtain the signature of the authorized representative of the cooperating country or borrower/grantee. The countersigned copy must be retained in the permanent records of the Mission.

Block 17 - For the Agency for International Development: For a Mission-issued PIO/T, obtain the signature of the Mission Director, or his

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VI.B.

designee, as prescribed by a written delegation of authority.

For an A.I.D./W-issued PIO/T, insert the signature of the Assistant Administrator, or his designee, as prescribed by written delegation of authority. The signature of the Mission Director or Assistant Administrator, or their designee, indicates that all necessary clearances have been obtained and the PIO/T is approved and issued.

Block 18 - Date of Issuance: Insert the date of the signature in Block 17.

Scope of Work - Blocks 19 through 24

Block 19 - Scope of Technical Services: Provide a clear, adequately detailed, concise description of the scope of work. This is a prime requisite for the efficient and satisfactory procurement of the authorized services. The scope of work is to include all of the technical information required to contract or to effect a Participating Agency Service Agreement. When the Mission requires assistance from A.I.D./W in developing an adequate scope of work, consideration is to be given to the submission of a draft PIO/T for A.I.D./W issuance. To guide drafting officers and to encourage uniformity in the presentation of essential details, Block 19 of the PIO/T is subdivided into four sections as follows:

A. Objective for Which the Technical Services are to be Used: Describe briefly the project or activity of which these technical services are a part and the relationship of the services requested in this PIO/T to the project or activity targets and program objectives.

B. Description: Provide a clear, detailed description of the services the contractor or Participating Agency will be required to perform. To the extent possible, define "milestones" or definite phases for the project as set forth in the PROP and/or PIP, and the time by which each phase is to be accomplished. Describe the physical conditions which the technical personnel will encounter in their work. Knowledge of these conditions, in conjunction with other pertinent information supplied in the PIO/T, is necessary to the negotiation of the contract or service agreement. The ability of the contracting parties to anticipate major obstacles will promote orderly completion of the scope of work, maintain satisfactory administrative relationships, and minimize misunderstandings.

C. Technicians

1. (a) Number (b) Specialized Field, (c) Grade and/or Salary, (d) Duration of Assignment:

When possible, the Mission is to provide in this section of Block 19 a listing of technicians by number, fields of specialization, grade and/or

salary, and periods of assignment (man-months). In order to complete these estimates, the Mission may request assistance of A.I.D./W or submit a draft PIO/T, together with an appropriate explanation, for A.I.D./W issuance.

When other personnel requirements exist, such as special experience, physical qualifications, age limitations, and the like, they are to be included in Block 19C. If the Mission or cooperating-country agency will need to review the Bio-Data of the technical personnel, this also is to be stated.

2. Duty Post and Duration of Technicians' Services: Identify where the services are to be performed (i.e., the duty post and period of time the technicians' services will be required). When some services are to be performed at locations other than the principal site, identify the locations and any unusual factors (such as climatic conditions, limited accessibility, etc.), the number of months of technicians' services required at each site, the need for field travel, and other relevant factors (particularly when these might have a significant bearing on costs, the physical requirements of technicians or their willingness to accept the assignment).

3. Language Requirements: Indicate the language(s) and the degree of fluency the technicians are to have in order to perform effectively. Also specify whether language training is to be authorized.

4. Access to Classified Information: Indicate which contractor or PASA employees, if any, will require access to restricted premises or classified material. If such access is necessary, state the level of security clearance that will be required. In this connection, a note also is to be made of the requirements in Block 23.

5. Dependents: Insert a checkmark in one of the two boxes to indicate whether dependents will be permitted to accompany the employees of the contractor or Participating Agency. This determination often will affect the ability of the contractor or agency to recruit necessary personnel.

D. Financing of Technical Services: Insert the amount to be provided under this PIO/T (1) by A.I.D. and (2) by the cooperating country to finance technical services. The amounts shown in Blocks 19D and 20B must total the amounts shown in Blocks 11 and 12.

Block 20 - Equipment and Supplies: Insert here complete information concerning equipment and supplies related to the services described in Block 19 and to be purchased by the contractor or Participating Agency. Specify whether such equipment will be procured in the United States, cooperating country, or a third country. Equipment

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VI.B.

and supplies procured in the cooperating country are to be financed by local currency. A source waiver is needed for any equipment and supplies purchased in a third country except when the cooperating country is in Latin America and the source of equipment and/or supplies is a Latin American country. (See M.O. 1414.1 - Commodity Procurement: Geographic Source Requirements.)

Other commodities for the project are to be authorized under the commodity element of the project/activity through PIO/Cs or purchase orders. (See M.O. 1371.1 - Technical Assistance: Commodity Procurement Actions, Introduction.)

Block 20A - (1) Quantity, (2) Description, (3) Estimated Costs, and (4) Special Instructions: Specify (in commercially recognized terminology) the quantities, categories, and estimated costs of supplies and equipment covered by the PIO/T. Specify, in the "Special Instructions" column, any requirements concerning commodity eligibility, proprietary procurement, shipping, etc.

Block 20B - Financing of Equipment and Supplies: Insert the amount to be provided under this PIO/T (1) by A.I.D. and (2) by the cooperating country to finance the purchase of the required equipment and supplies. The amounts shown in Blocks 19D and 20B must total the amounts shown in Blocks 11 and 12.

Block 21 - Special Provisions: This block spells out certain terms and conditions governing the contract or PASA. If appropriate check the preprinted box(es). If "Other" is checked, specify additional or alternative special provisions which apply, such as conformance with A.I.D. Regulation 1, approval of a cooperating-country contract (paragraph V.B. above), etc.

Block 22 - Reports by Contractor or Participating Agency: Specify progress or other reports required of the contractor or PASA agency, indicating (1) frequency (e.g., quarterly, monthly, ad hoc, and/or final), (2) content and format, (3) language, (4) number of copies, and (5) desired distribution to Mission, A.I.D./W, host government, and project manager. Two copies of each PASA report must be provided to PROC/PAS; two copies of each contractor report must be provided to PPC/PTIS/ARC. The appropriate project activity number is to be indicated on each report. Requirements in this connection are to be analyzed carefully and tailored to the needs of each project. Such reports are used in evaluating both project progress and contractor performance.

Block 23 - Background Information: Insert a listing and description of sources, if any, of pertinent background information which might be useful to the Authorized Agent or of assistance

to a prospective contractor in preparing proposals or bids or, if selected, in actually performing the technical services covered by the PIO/T. Listed sources may include articles, surveys, technical reports, telegrams, airmgrams, memoranda from A.I.D. files, or, when it is known that Post Reports are obsolete or not available, sources of information of the type that normally would be in such reports. Occasionally, the Mission may find it advisable to summarize local conditions and facilities in an attachment to the PIO/T. If necessary, cross-reference Block 19C.4. above.

Block 24 - Relationship of Contractor or Participating Agency to Cooperating Country and to A.I.D.:

A. Relationships and Responsibilities

1. Insert the name of the cooperating-country agency and/or institution for which the proposed technical services are to be provided. Describe, generally, the organizational structure (attaching an organizational chart, if available). Indicate the particular areas within the agency and/or institution which will be the direct points of contact for the technicians. State insofar as practicable, the lines of authority and supervisory responsibility as they may affect the supplier. Identify also, as appropriate, other national or local agencies and institutions which will benefit directly or indirectly from the services to be provided.

2. Indicate the administrative and operational responsibilities of the contractor or Participating Agency and his employees in relation to the Mission. (Identify and explain joint responsibilities or divided ones.)

B. Cooperating-Country Liaison Official: Insert the title and address of the cooperating-country official responsible for maintaining liaison with the contractor or Participating Agency.

C. A.I.D. Liaison Officials: Insert the name, title, and location of the designated A.I.D./W and Mission liaison officials.

Logistic Support - Block 25 Only

Block 25 - Provisions for Logistic Support: A.I.D. policy concerning the provision of logistic support by the cooperating country and Mission to a contractor is set forth in M.O. 1412.2 - Logistic Support Overseas to A.I.D.-Financed Services Contractors.

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VI.B.

Block 25A - Specific Items: Any logistic support that either the Mission or the cooperating country will furnish to a contractor or a Participating Agency must be indicated or listed. The information given must be reliable as well as explicit for both the cooperating country and A.I.D., since both price estimates and contractual commitments by A.I.D. to the contractor or Participating Agency supplying the services and by the supplier to his employees will be based upon it. The PIO/T and the Project Agreement must agree as to the specific items of logistic support to be provided by the Mission and the cooperating country.

Logistic support anticipated from the cooperating country is to be confirmed before submission of the PIO/T and fully specified within it. Cooperating countries are to be aware of, and have accepted, their obligations as stated in this block and are to be in a position to fulfill them. Promised facilities, when possible, are to be approved by the Mission to assure that they are suitable to the anticipated needs of the supplier and are in acceptable condition.

Block 25B - Additional Facilities Available from Other Sources: The fringe benefits of a logistic support nature are to be listed as indicated in the three categories below. They may include the overseas use of U.S. Government other-agency-operated commissary, post exchange, or ship's store facilities; postal, telegraphic, and radio services in the cooperating country; medical, hospital, dental, and dispensary facilities; aviation, marine, and land transportation facilities; and club, dining, and recreational facilities available for use by a contractor, its staff members, or employees and their dependents. Such benefits cannot be unilaterally guaranteed by A.I.D. under the provisions of a contract. PASA personnel are considered U.S. Government employees to the extent permitted by applicable statutes and A.I.D. regulations.

First Category: List those facilities which may be available for the use of A.I.D.-direct contract personnel and their dependents.

Second Category: Indicate specifically those facilities which, although available in the particular cooperating country for the use of some U.S. Government direct-hire employees, will not be available to A.I.D. contractor personnel.

Third Category: List those facilities whose availability for A.I.D. contractor employee use is not yet determined and state whether the Mission intends to exercise its best efforts to obtain such privilege for A.I.D.-direct-contract personnel use.

Block 25C - Comments: Add any necessary explanatory comments.

A. The Continuation Sheet - Form AID 1300-1 (Attachment B)

1. Use this sheet to complete the text of entries carried over from the face sheet or supporting sheets. When the description of technical services in Block 19 is lengthy, use the Continuation Sheet (form AID 1300-1) for the text, making appropriate reference to it on the PIO/T form. When using the Continuation Sheet, indicate in the left margin opposite each entry the block number to which the entry is related.

2. Insert in the upper-right corner of the PIO/T the number of the page and the total number of sheets which constitute the PIO/T (e.g., Page 1 of 10). Continuation Sheets used for justifications which are detached from the PIO/T copies distributed outside of A.I.D. are numbered separately, but excluded from the count of the total number of sheets. For A.I.D. document control, insert in the lower portion of the Mission References block of the face sheet (Block 13), the total number of such detached sheets.

VII. Revision of PIO/Ts

A. Revision of Issued PIO/Ts

1. An amendment to revise an issued PIO/T is prepared in the following circumstances:

a. The amendment does not increase or decrease the amount of funds (Block 11); or

b. Funds are increased or decreased during the same fiscal year as the PIO/T was issued. (See the date in Block 18.)

2. A new PIO/T is issued when there is an increase or decrease in funds in a fiscal year other than the fiscal year of issuance (date in Block 18).

3. Issued PIO/Ts may be revised by preparing (a) a completely new text with all changes underlined or (b) a partially new text showing only the block number and the changes, as follows:

REVISED: (State the text of the revision.)

ADD : (State the additions.)

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VII.A.3.

DELETE : (State the deletions in brief form, identifying, by title, the paragraph or block within which the deletion occurs.)

B. A.I.D./W Revision of Mission PIO/Ts
(Draft and Issued)

1. Changes of the following types do not require Mission clearance:

a. Changes which apply, enforce, or reverse inadequately justified deviations from published Agency policies or procedures.

b. Changes which correct variations from the PIO/T preparation instructions of this manual order.

2. Substantive changes of the following types require Mission clearance:

a. Change in the period (Block 8) during which services are to start.

b. Change in the duration of services or financing.

c. Change in the type of action or Authorized Agent.

d. Increase in A.I.D. financing.

e. Change in host-country financing.

f. Change in instructions to the Authorized Agent.

g. Change in the Special Provisions.

h. Change in the scope of technical or accessory services.

i. Deviations from the terms of the related Project Agreement.

j. Changes in logistic support provisions.

Attachment A - Project Implementation Order/Technical Services, form AID 1350-1 (9-70)
Attachment B - Continuation Sheet, form AID 1300-1 (7-69)

AID 1350-1 (9-70)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT		1. Cooperating Country	Page 1 of Pages		
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES		2. PIO/T No.	3. <input type="checkbox"/> Original or Amendment No. _____		
			4. Project/Activity No. and Title			
DISTRIBUTION	5. Appropriation Symbol		6.A. Allotment Symbol and Charge		6.B. Funds Allotted to: <input type="checkbox"/> A.I.D./w <input type="checkbox"/> Mission	
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input type="checkbox"/> Subobligation			8. Funding Period (Mo., Day, Yr.) From _____ to _____		
	9.A. Service to Start (Mo., Day, Yr.) Between _____ and _____			9.B. Completion date of Services (Mo., Day, Yr.)		
	10.A. Type of Action <input type="checkbox"/> Cooperating <input type="checkbox"/> Participating Agency Other: <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Country Contract <input type="checkbox"/> Service Agreement					
	10.B. Authorized Agent					
	Estimated Financing		(1)	(2)	(3)	(4)
	\$1.00 =		Previous Total	Increase	Decrease	Total to Date
	11. Maximum A.I.D. Financing	A. Dollars				
		B. U.S.-Owned Local Currency				
	12. Cooperating Country Contributions	A. Counterpart				
B. Other						
13. Mission References	14. Instructions to Authorized Agent					
15. Clearances: Show Office Symbol, Signature and Date for all Necessary Clearances.						
A. The specifications in the scope of work are technically adequate			B. Funds for the services requested are available			
C. The scope of work lies within the purview of the initiating office and approved Agency Programs			D.			
E.			F.			
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to			17. For the Agency for International Development		18. Date of Issuance	
Signature and date:			Signature:			
Title:			Title:			

Attachment A to
M.O. 1352.1 (TL 12:215)

AID 1350-1 (9-70) PIO/T	Cooperating Country	PIO/T No.	Page 2 of	Pages
	Project/Activity No. and Title			

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

B. Description

C. Technicians

(1) (a) <u>Number</u>	(b) <u>Specialized Field</u>	(c) <u>Grade and/or Salary</u>	(d) <u>Duration of Assignment (Man-Months)</u>
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(2) **Duty Post and Duration of Technicians' Services**

(3) **Language requirements**

(4) **Access to Classified Information**

(5) Dependents Will Will Not Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$

(2) By Cooperating Country -

AID 1350-1 (9-70)	Cooperating Country	PIO/T No.	Page 3 of Pages
PIO/T	Project/Activity No. and Title		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
-----------------	-----------------	-----------------------	--------------------------

B. Financing of Equipment and Supplies
(1) By AID - \$

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

Attachment A to
M.O. 1352.1 (TL 12:215)

AID 1350-1 (8-70)	Cooperating Country	PIO/T No.	Page 4 of Pages
PIO/T	Project/Activity No. and Title		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

B. Cooperating Country Liaison Official

C. AID Liaison Officials

AID 1350-1 (8-76)	Cooperating Country	PIO/T No.	Page 5 of Pages
PIO/T	Project/Activity No. and Title		

LOGISTIC SUPPORT

25. Provisions for Logistic Support		In Kind Supplied By		From Local Currency Supplied By	
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")		AID	Cooperating Country	AID	Cooperating Country
	(1) Office Space				
	(2) Office Equipment				
	(3) Housing and Utilities				
	(4) Furniture				
	(5) Household Equipment (Stoves, Refrig., etc.)				
	(6) Transportation in Cooperating Country				
	(7) Interpreter Services				
Other:	(8)				
(Specify)	(9)				
	(10)				
	(11)				
	(12)				
	(13)				
	(14)				
	(15)				

B. Additional Facilities Available From Other Sources

C. Comments

AID 1300-1 (7-69) CONTINUATION SHEET FORM SYMBOL TITLE OF FORM	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	<input type="checkbox"/> Worksheet <input type="checkbox"/> Issuance	PAGE ___ OF ___ PAGES
		1. Cooperating Country	2.a. Code No.
		2.b. Effective Date	2.c. Amendment <input type="checkbox"/> Original OR No: _____
		3. Project/Activity No. and Title	

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

EXHIBIT 3

SAMPLE PIO/T for Contract Services

AID 1350-1X (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Aidesia	Page 1 of 5 Pages			
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No. 423-123-3-50001	3. <input checked="" type="checkbox"/> Original or Amendment No. _____			
		4. Project/Activity No. and Title Project Activity No. 66-021 Communications Media (Obtain from PROAG)				
DISTRIBUTION	5. Appropriation Symbol 72-1151004	6.A. Allotment Symbol and Charge 554-50-423-54-69-51	6.B. Funds Allotted to: <input type="checkbox"/> A.I.D./W <input checked="" type="checkbox"/> Mission			
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document		8. Funding Period (Mo., Day, Yr.) From 10/15/72 to 10/14/74			
	9.A. Services to Start (Mo., Day, Yr.) Between 7/15/72 and 10/15/72		9.B. Completion date of Services (Mo., Day, Yr.) 10/14/75			
	10.A. Type of Action <input checked="" type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other					
	10.B. Authorized Agent AID/W					
	Estimated Financing					
	\$1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
	11. Maximum A.I.D. Financing	A. Dollars		\$150,000		\$150,000
		B. U.S.-Owned Local Currency		260,000 Jura		260,000 Jura
	12. Cooperating Country Contributions	A. Counterpart				
B. Other			100,000 Jura		100,000 Jura	
13. Mission References	14. Instructions to Authorized Agent This PIO/T authorizes the procurement of services from a U.S. University for a period of 36 months. Additional funding will be provided at a later date to fully finance the number of months of services requested, if funds are available.					
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.						
A. The specifications in the scope of work are technically adequate		B. Funds for the services requested are available				
C. The scope of work lies within the purview of the initiating and approved Agency Programs		D.				
E.		F.				
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature and date: _____ Title: _____		17. For the Agency for International Development Signature: _____ Title: _____		18. Date of Signature		

AID 1350-1X (9-70)	Cooperating Country Aidesia	PIO/T No. 423-123-3-50001	Page 2 of 5 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 66-021 Communications Media		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used - To improve the educational system for programs in agriculture, health and general community improvements by the development, application, production and use of communications media.

B. Description

1. Conduct an intensive survey of the communications media presently used in the educational system in the community at large to assist teachers, students and the greater body of citizens to understand and derive maximum benefit from the various development programs which the Cooperating Government is undertaking.

2. Draw up a program with respect to the production and demonstration of effective communications media and in training teachers in schools and technical institutions, and others.

3. Supervise the use and maintenance of an AID Audio-visual Mobile Unit for demonstration purposes and train and supervise the training of technicians in the handling and maintenance of this Mobile Unit and its audio-visual equipment.

4. Assist in selecting participants in the Communications Media field for training either in the United States or a third country.

5. Advise and assist the Cooperating Government, as requested, in a general capacity in the Communications Media field.

C. Technicians

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Production Specialist	\$39,600	36
1	Communications Specialist	12,000	24
1	Audio Visual Advisor	11,000	12
2	Advisor in Production and Utilization	8,000	8

(2) Duty Post and Duration of Technicians' Services

Malakia, Aidesia - 3 months at the principal site and 33 months through rural areas of Aidesia.

(3) Language requirements

NA

(4) Access to Classified Information

NA

(5) Dependents

Will

Will Not

Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$ 125,000

(2) By Cooperating Country -

AID 1350-1X (9-70) PIO/T	Cooperating Country Aidesia	PID/T No. 423-123-3-50001	Page 3 of 5 Pages
	Project/Activity No. and Title Project Activity No. 66-021 Communications Media		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
1	Audio Visual Mobile Unit	\$25,000	

B. Financing of Equipment and Supplies
(1) By AID - \$25,000

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

AID 1350-1X (9-70)	Cooperating Country Aidesia	PIO/T No. 423-123-3-50001	Page 4 of 5 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 66-001 Communications Media		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

A. Semi-Annual Progress Reports shall be prepared in English covering the status of the Contractor's work under the contract, indicating the progress made with respect thereto, and including recommendations covering the current needs of the cooperating government. On May 1, 1973, and at the end of each 6 months thereafter, three copies of each report shall be forwarded to AID/W and four copies each to USAID.

B. Within one month after the completion of the contract, a Final Report shall be prepared in English summarizing the accomplishments of the assignment and setting forth specific recommendations for the continued successful progress and improvement of the program in Aidesia. Three copies shall be forwarded to AID/W and four copies shall be forwarded to USAID.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

A feasibility study conducted by a team of university consultants in 1972 is on file in AID/W, Office of Educational Research, and will be made available to the contractor.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities - Contractor will work closely with the Ministry of Information and USAID, but will be under the direct supervision of AID/Aidesia with respect to any matters governing the operations of the project. The Liaison Official of the cooperating country will be responsible for making all arrangements with respect to cooperating country nationals and educational institutions.

B. Cooperating Country Liaison Official - Michael Salino, Ministry of Information

C. AID Liaison Officials

Tom Jones, Contract Representative

AID 1350-1X (9-70)	Cooperating Country Aidesia	PIO/T No. 423-123-3-50001	Page 5 of 5 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 66-021 Communications Media		

LOGISTIC SUPPORT

25. Provisions for Logistic Support A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
(1) Office Space		X		
(2) Office Equipment		X		
(3) Housing and Utilities		X		
(4) Furniture				
(5) Household Equipment (Stoves, Refrig., etc.)				
(6) Transportation in Cooperating Country				
(7) Interpreter Services		X		
Other: (Specify) (8) Operating and Maintenance Cost of Vehicles				X
(9) Teaching and Training Aids				X
(10) Per diem Costs & local travel				X
(11)				
(12)				
(13)				
(14)				

B. Additional Facilities Available From Other Sources

1. USAID will exercise its best efforts to provide exemption from any import, export or other duties, taxes or levies imposed on items imported by Contractor's employees for their own use or consumption.
2. Contractor's employees will be exempted from taxation by the government of the Cooperating Country.
3. PX and APO privileges will be accorded Contractor's employees.
4. Hospital facilities are not available to Contractor's employees.

C. Comments

Necessary training and teaching visual aid materials may be printed in local language at available printing firms in Malaki, Aidesia.

There is available a very good hospital which is owned and operated by the United Kingdom and these facilities would be available to employees on an emergency basis.

EXHIBIT 4

SAMPLE - For Providing Additional Funds to Existing Contract

AID 1350-1X (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Ladosia	Page 1 of 3 Pages		
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No. 423-123-3-50001	3. <input checked="" type="checkbox"/> Original or Amendment No. _____		
		4. Project/Activity No. and Title Project Activity No. 21-000 Sewerage Study			
DISTRIBUTION	5. Appropriation Symbol 72-11-51004		6.A. Allotment Symbol and Charge 554-50-629-54-69-51		
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document		6.B. Funds Allotted to: <input checked="" type="checkbox"/> A.I.D./W <input type="checkbox"/> Mission		
	9.A. Services to Start (Mo., Day, Yr.) Between 10/15/72 and 12/15/72		8. Funding Period (Mo., Day, Yr.) From 1/1/73 To 6/30/73		
	9.B. Completion date of Services (Mo., Day, Yr.) 12/31/73				
	10.A. Type of Action <input checked="" type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other				
	10.B. Authorized Agent AID/W				
	Estimated Financing				
	\$1.00=		(1) Previous Total	(2) Increase	(3) Decrease
			(4) Total to Date		
	11.	Maximum A.I.D. Financing	A. Dollars	\$45,000	\$45,000
		B. U.S.-Owned Local Currency			
12.	Cooperating Country Contributions	A. Counterpart			
		B. Other			
13. Mission References	14. Instructions to Authorized Agent The purpose of this PIO/T is to provide additional funding necessary for the completion of the sewerage project in Ladosia under the contract between Harold P. Polk Co. and AID/W, Contract No. 2-100. (Reference PIO/T 669-246-AA-40060) (Pages 4 and 5 omitted)				
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.					
A. The specifications in the scope of work are technically adequate John A. Smith, Ladosia/ENG 8/15/72		B. Funds for the services requested are available Frank L. Jones, Ladosia/CONT 8/15/72			
C. The scope of work lies within the purview of the initiating and approved Agency Programs Robert E. Rogers, Ladosia/ENG 8/16/72		D.			
E. William R. Roberts, Ladosia/MR 8/17/72		F. James C. Cane, Ladosia/MR 8/18/72			
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature and date: K. Para 9/1/72 Title: Minister of Finance, Ladosia		17. For the Agency for International Development Signature: John Doe, SER/CO Title: Contracting Officer		18. Date of Signature 9/15/72	

AID 1380-1X (9-70)	Cooperating Country Ladosia	PIO/T No. 423-123-3-50001	Page 2 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 21-000 Sewerage Study		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

To make a comprehensive feasibility study of a proposed sewerage project for the Luko Ladosia area in order to meet the criteria established by Section 611 of the Foreign Assistance Act of 1961, as amended, for Development Loan Application purposes.

B. Description

See Contract

C. Technicians

(1) (a) <u>Number</u>	(b) <u>Specialized Field</u>	(c) <u>Grade and/or Salary</u>	(d) <u>Duration of Assignment (Man-Months)</u>
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(2) Duty Post and Duration of Technicians' Services

(3) Language requirements

(4) Access to Classified Information

(5) Dependents Will Will Not Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$45,000

(2) By Cooperating Country -

AID 1950-1X (9-70)	Cooperating Country Ladosia	PIO/T No. 423-123-3-50001	Page 3 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 21-000 Sewerage Study		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. <u>(1) Quantity</u> <u>(2) Description</u>	<u>(3) Estimated Cost</u>	<u>(4) Special Instructions</u>
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See Contract

B. Financing of Equipment and Supplies

(1) By AID - \$

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

EXHIBIT 5

SAMPLE - Amendment to Existing PIO/T

AID 1350-1X (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Aidesia	Page 1 of 3 Pages																																															
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No. 483-024-3-50042	3. <input type="checkbox"/> Original or Amendment No. <u>1</u>																																															
DISTRIBUTION		4. Project/Activity No. and Title Project Activity No. 22-563 Industrial Marketing																																																
		5. App. Symbol 72-1151004	6.A. Allotment Symbol and Charge 554-50-483-54-69-51	6.B. Funds Allotted to: <input type="checkbox"/> A.I.D. <input checked="" type="checkbox"/> Mission																																														
		7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document		8. Funding Period (Mo., Day, Yr.) From <u>10/10/72</u> to <u>10/9/73</u>																																														
		9.A. Services to Start (Mo., Day, Yr.) Between <u>7/15/72</u> and <u>10/10/72</u>		9.B. Completion date of Service (Mo., Day, Yr.) <u>10/9/73</u>																																														
10.A. Type of Action <input checked="" type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other																																																		
10.B. Authorized Agent AID/W																																																		
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Estimated Financing</th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> </tr> <tr> <th colspan="2"></th> <th>Previous Total</th> <th>Increase</th> <th>Decrease</th> <th>Total to Date</th> </tr> </thead> <tbody> <tr> <td colspan="6">11.</td> </tr> <tr> <td rowspan="2" style="text-align: center;">Maximum A.I.D. Financing</td> <td style="text-align: center;">A. Dollars</td> <td style="text-align: center;">\$85,000</td> <td style="text-align: center;">\$15,000</td> <td></td> <td style="text-align: center;">\$100,000</td> </tr> <tr> <td style="text-align: center;">B. U.S.-Owned Local Currency</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6">12.</td> </tr> <tr> <td rowspan="2" style="text-align: center;">Cooperating Country Contributors</td> <td style="text-align: center;">A. Counterpart</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">B. Other</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Estimated Financing		(1)	(2)	(3)	(4)			Previous Total	Increase	Decrease	Total to Date	11.						Maximum A.I.D. Financing	A. Dollars	\$85,000	\$15,000		\$100,000	B. U.S.-Owned Local Currency					12.						Cooperating Country Contributors	A. Counterpart					B. Other				
Estimated Financing		(1)	(2)	(3)	(4)																																													
		Previous Total	Increase	Decrease	Total to Date																																													
11.																																																		
Maximum A.I.D. Financing	A. Dollars	\$85,000	\$15,000		\$100,000																																													
	B. U.S.-Owned Local Currency																																																	
12.																																																		
Cooperating Country Contributors	A. Counterpart																																																	
	B. Other																																																	
13. Revision References	14. Instructions to Authorized Agent The purpose of this amendment is to provide additional funding necessary to conduct training seminars under contract between John Smith Company and AID/W. Contract No. 2-426.																																																	
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.																																																		
A. The specifications in the scope of work are technically adequate		B. Funds for the services requested are available																																																
C. The scope of work lies within the purview of the initiating and approved Agency Programs		D.																																																
E.		F.																																																
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to Signature and date: _____ Title: _____		17. For the Agency for International Development Signature: _____ Title: _____		18. Date of Signature																																														

AID 1380-1X (8-70)	Cooperating Country Aidesia	PIO/T No. 483-024-3-50042	Page 2 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 22-563 Industrial Marketing		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

No Change

B. Description - Amend to Add

Provide specific training to host country employees in the Marketing and Industrial Office, Ministry of Industry, in the preparation of marketing studies and reports. The training will be conducted in a series of 3 seminars consisting of three weeks each seminar.

C. Technicians

(1) (a) <u>Number</u>	(b) <u>Specialized Field</u>	(c) <u>Grade and/or Salary</u>	(d) <u>Duration of Assignment (Man-Months)</u>
No Change			

(2) Duty Post and Duration of Technicians' Services

(3) Language requirements

(4) Access to Classified Information

(5) Dependents Will Will Not **Be Permitted to Accompany Technician**

D. Financing of Technical Services

(1) By AID - \$ 100,000

(2) By Cooperating Country -

AID 1380-1X (9-70)	Cooperating Country Indonesia	PIO/T No. 483-024-3-50042	Page 3 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 22-563 Industrial Marketing		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. <u>(1) Quantity</u> <u>(2) Description</u>	<u>(3) Estimated Cost</u>	<u>(4) Special Instructions</u>
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No Change

B. Financing of Equipment and Supplies

(1) By AID - \$

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

EXHIBIT 6

SAMPLE - PIO/T for Procurement of Services through another Government Agency

AID 1350-1X (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Salam	Page 1 of 6 Pages		
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No. 483-046-2-50004	3. <input checked="" type="checkbox"/> Original or Amendment No. _____		
		4. Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production			
DISTRIBUTION	5. Appropriation Symbol 72-11-51004	6.A. Allotment Symbol and Charge 554-50-483-54-69-51	6.B. Funds Allotted to: <input type="checkbox"/> A.I.D./W <input checked="" type="checkbox"/> Other		
		7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document	8. Funding Period (Mo., Day, Yr.) From 7/1/72 To 6/31/73		
		9.A. Services to Start (Mo., Day, Yr.) Between 6/1/72 and 6/30/72	9.B. Completion date of Services (Mo., Day, Yr.) 6/30/73		
10.A. Type of Action <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input checked="" type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other					
10.B. Authorized Agent AID/W through U.S. Dept. of Agriculture					
Estimated Financing					
\$1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
11.	Maximum A.I.D. Financing	A. Dollars	\$75,000		\$75,000
		B. U.S.-Owned Local Currency			
12.	Cooperating Country Contributors	A. Counterpart			
		B. Other			
13. Mission References	14. Instructions to Authorized Agent The purpose of this PIO/T is to enter into an Agreement with the Department of Agriculture, to conduct a much needed research program in order to increase the grain legume production in Salam. The research program will continue for two years, however funding provided in this PIO/T is for FY 1973 only.				
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.					
A. The specifications in the scope of work are technically adequate		B. Funds for the services requested are available			
C. The scope of work lies within the purview of the initiating and approved Agency Programs		D.			
E.		F.			
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to		17. For the Agency for International Development		18. Date of Signature	
Signature and date: _____		Signature: _____		_____	
Title: _____		Title: _____			

AID 1350-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50004	Page 2 of 6 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

To conduct a Research Survey of the Agricultural Region of Salam in order to determine the best possible means of increasing the growth and production rate
(continued on Page 6)

B. Description

1. A general survey of the agricultural region of Salam will be made by three scientists in order to determine experiment station locations. Local agricultural scientists and administrators will be consulted as to principal problems and recommendations for research center locations.
2. The establishment of one center is anticipated in the first half of FY 1973 and the establishment of another center is anticipated during last half of FY 1973.
3. Scientists will collect varieties of grain legumes currently grown in the country near each of the two locations to be established as experiment stations. An intensive search for information on improvement and breeding with grain legume species will be conducted through searching scientific literature and conferring with scientists that have worked with these crops.
4. A seed multiplication plan will be developed to assure rapid increase of superior varieties and early utilization of available germ plasm.
(continued on Page 6)

C. Technicians

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Agronomist	\$17,000	12
1	Entomologist	16,000	12
1	Pathologist	16,000	12

(2) Duty Post and Duration of Technicians' Services

Northeast Agricultural Region near Asauabad
Northwest Agricultural Region near Otouomi

(3) Language requirements

(4) Access to Classified Information

The three scientists will have access to classified material up to Confidential.

(5) Dependents Will Will Not **Be Permitted to Accompany Technician**

D. Financing of Technical Services

(1) By AID - \$ 75,000

(2) By Cooperating Country -

AID 1380-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50004	Page 3 of 6 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. <u>(1) Quantity</u> <u>(2) Description</u>	<u>(3) Estimated Cost</u>	<u>(4) Special Instructions</u>
-----------------------------------------------	---------------------------	---------------------------------

NA

B. Financing of Equipment and Supplies
(1) By AID - \$

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA Implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

AID 1350-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50004	Page 4 of 6 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

Semi Annual Reports are required to be made to AID/W and the Project Advisory Committee. These reports shall be made in English, with five copies being forwarded to AID/W and 20 copies to the US AID for distribution to the Project Advisory Committee.

In addition to the Semi Annual Reports, a Final Report will be required (30 copies in English) - 10 copies to AID/W and 20 copies to the Project Advisory Committee.

Other reports may be required from time to time, upon request by US AID.

Due Dates of Reports

Semi Annual	-	July 31, 1972 and January 31, 1973
Final	-	January 31, 1973

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

Background information is available in US AID/Salam

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

Scientists will maintain close liaison with US AID/Salam and will work closely with counterpart officials of the cooperating country.

B. Cooperating Country Liaison Official

Mr. Jose P. Argus, Agriculture Specialist, Ministry of Agriculture, Salam.

C. AID Liaison Officials

Mr. Tom Jones, Agriculture Officer, US AID.

AID 1380-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50004	Page 5 of 6 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production		

LOGISTIC SUPPORT

25. Provisions for Logistic Support	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")				
(1) Office Space	X			
(2) Office Equipment	X			
(3) Housing and Utilities	X			
(4) Furniture	X			
(5) Household Equipment (Stoves, Refrig., etc.)				
(6) Transportation in Cooperating Country		X		
(7) Interpreter Services		X		
Other: (Specify)				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

B. Additional Facilities Available From Other Sources

US AID/Salam will exercise its best efforts to obtain commissary, APO and PX privileges to Scientists under this project, while they are stationed in the capital Outgate, Salam.

C. Comments

Salam is primarily a rural country which does not have modern living facilities outside of Outgate, Salam. Scientists conducting much of their research in the areas outside of Outgate, will be quartered in camping facilities furnished by the cooperating country. While in Outgate, however, US AID will furnish living quarters, office space and the use of office equipment.

AID-1900-1X (7-69)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	<input checked="" type="checkbox"/> Worksheet <input type="checkbox"/> Issuance	PAGE <u>6</u> OF <u>6</u> PAGES
CONTINUATION SHEET		1. Cooperating County Salam	2.a. Code No. 483-046-2-50004
FORM SYMBOL		2.b. Effective Date	2.c. Amendment <input checked="" type="checkbox"/> Original OR Not
TITLE OF FORM		3. Project/Activity No. and Title Project Activity No. 14-086 Improvement of Grain Legume Production	

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

19. a. (continued)
of grain legumes by eliminating various diseases and insects which affect the plants. Grain legumes supply a major part of the vegetable proteins available in Salam and the yields are generally low due to inadequate control of insects and diseases which attach the plant. By helping to locate and establish two Experiment Stations, it is anticipated that the growth production, and quality of grain legumes can be substantially increased.
19. b. (continued)
5. Surveys will be made of diseases destructive to various grain legume special and Control measures, including chemical, cultural, and plant resistance, will be investigated.
6. Surveys will be made of insect pests of grain legume in order to determine the effectiveness of native natural enemies of the insects and the possible introduction of promising natural enemies from other countries. The effectiveness of available insecticides for control of insect pests will be determined and new approaches to insect control will be investigated.
7. Studies will be made with respect to cropping sequence, row spacing, plant population, time and rate of planting, and irrigation or moisture variables in combination with fertilizer nutrients used separately and together.

EXHIBIT 7

AID 1380-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50041	Page 2 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 12-174 Agricultural Improvement		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

To assist the Government of Salam in establishing a Ministry of Agriculture.

B. Description

C. Technicians

(1) (a) <u>Number</u>	(b) <u>Specialized Field</u>	(c) <u>Grade and/or Salary</u>	(d) <u>Duration of Assignment (Man-Months)</u>
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(2) Duty Post and Duration of Technicians' Services

(3) Language requirements

(4) Access to Classified Information

(5) Dependents Will Will Not Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$50,000

(2) By Cooperating Country -

AID 1380-1X (9-70)	Cooperating Country Salam	PIO/T No. 483-046-2-50041	Page 3 of 3 Pages
PIO/T	Project/Activity No. and Title Project Activity No. 12-174 Agricultural Improvement		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
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See Block 14.

B. Financing of Equipment and Supplies

(1) By AID - \$

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify): This PIO/T authorizes the continuation in FY 1973 of services performed by the Department of Agriculture under PIO/T 483-046-2-40514 and its related Participating Agency Service Agreement and is subject to the same terms, conditions and arrangements except as modified herein.

EXHIBIT 8

AID 1880-1X (9-70) PIO/T ACTION REQUEST	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT		1. Cooperating Country INDIA		APPENDIX A Page 1 of 7 Pages
	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES		2. PIO/T No. 386-368-2-20081		3. <input checked="" type="checkbox"/> Original or Amendment No. _____
			4. Project/Activity No. and Title 386-11-120-368 SOIL AND WATER MANAGEMENT (Central Team)		
	DISTRIBUTION		5. Appropriation Symbol Mixed - See Block 14	6.A. Allotment Symbol and Charge Mixed - See Block 14	6.B. Funds Allotted to: <input type="checkbox"/> A.I.D./W <input checked="" type="checkbox"/> Mission
7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Funds Obligated by ProAg		8. Funding Period (Mo., Day, Yr.) From 7/1/71 to 6/30/72		9. B. Completion date of Services (Mo., Day, Yr.) Est. June 30, 1975	
9.A. Service to Start (Mo., Day, Yr.) DISBURSEMENT July 1, 1971		9.A. Service to Start (Mo., Day, Yr.) _____		9.B. Completion date of Services (Mo., Day, Yr.) Est. June 30, 1975	
10.A. Type of Action <input type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input checked="" type="checkbox"/> Participating Agency Service Agreement		Other:			
10.B. Authorized Agent AID/W through Department of Agriculture		PASA No. NESA(AJ)-16-67 (A8)			
Estimated Financing		(1)	(2)	(3)	(4)
\$1.00 = RS. 7.60		Previous Total	Increase	Decrease	Total to Date
11. Maximum A.I.D. Financing	A. Dollars		273,500		273,500
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	Trust Fund B. Other (\$ Eqv.)		Rs. 680,000 (89,474)		Rs. 680,000 (89,474)
13. Mission References PJO/Ts 70338/ 80313/90065/ 00098/10012 ProAg (#144, Suppl. 5) dtd. 7/21/71 -- FCD: 6/30/74	14. Instructions to Authorized Agent				
	Appropriation	Allotment	Amount		
	72-1121004 72-FI-800	254-50-386-00-69-21 147-50-386-00-69-00	\$273,500 Rs. 680,000 (\$ eqv. 89,474)		
This PIO/T authorizes the continuation in FY 1972 of services per- formed by the Department of Agriculture under PIO/T 386-368-2-10012 and its related Participating Agency Service Agreement and is subject to the same terms, conditions and arrangements, except as modified herein.					
(Continued)					
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances. (See Worksheet PIO/T)					
A. The specifications in the scope of work are technically adequate John J. Young 8/9/71 NESA/ID - AID/W (Project Mgr.)			B. Funds for the services requested are available (Per ref ProAg)		
C. The scope of work lies within the purview of the initiating office and approved Agency Programs			D. A. W. Ford 8/10/71 NESA/SA (Desk) - AID/W		
E. (Approved by appropriate USAID and GOI officials)			F.		
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to		17. For the Agency for International Development		18. Date of Issuance	
Signature and date:		Signature: <i>Russell Little</i>		Aug. 30, 1971	
Title:		Title: Deputy Director, NESA/TECH			

AID 1350-1X (9-70)	Cooperating Country INDIA	PIO/T No. 386-368-2-20081	Page 2 of 7 Pages
PIO/T	Project/Activity No. and Title 386-11-120-368 SOIL AND WATER MANAGEMENT (Central Team)		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used The main objective is to assist the Government of India and the States to develop the technical skills and the operational capability necessary to strengthen the soil and water management activities in India

B. Description

The Soil and Water Management Specialist (Team Leader), Agricultural Engineer (Irrigation-Drainage), Soil Scientist, and Agricultural Engineer (Resources Inventory) will:

- (1) Develop and establish integrated planning techniques at the Center and State levels for programs involving work under different ministries and departments within ministries.
- (2) Identify and define cooperative coordinated programs in soil and water research, resource inventory and soil survey that will assist the GOI in achieving planned targets in agriculture.

(Continued)

C. Technicians

(.) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months) (Under this PIO/T)
1	Soil & Water Mgmt. Spec. (Team Leader)		12
1	Agr. Eng. (Irrig.-Drng.)		12
1	Soil Scientist		12
1	Agr. Eng. (Resource Inventory)		12

(Continued)

(2) Duty Post and Duration of Technicians' Services

New Delhi, with travel to various parts of India via air, train and automobile. Services will continue through 6/30/75, subject to the availability of funds.

(3) Language requirements

None.

(4) Access to Classified Information

Through CONFIDENTIAL.

(5) Dependents Will Will Not Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$270,500

(2) By Cooperating Country - Trust Fund Rs. 680,000
(\$ equiv. 89,474)

AID 1350-1X (8-70)	Cooperating Country INDIA	PIO/T No. 386-368-2-20081	Page 3 of 7 Pages
PIO/T	Project/Activity No. and Title 386-11-120-368 SOIL AND WATER MANAGEMENT (Central Team)		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
	Supplies and Materials	\$2,000	
	Equipment	2,000	
	Total FY 1972 Budget Requirement	4,000	
	Less: Carryover Balance from prior years	1,000	
	Balance provided herein	\$3,000	

B. Financing of Equipment and Supplies

(1) By AID - \$ 3,000

(2) By Cooperating Country -

21. Special Provisions

- A. This PIO/T is subject to AID ~~(procurement)~~ (PASA implementation) regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

AID 1350-1X (B-70)	Cooperating Country INDIA	PIO/T No. 386-368-2-20081	Page 4 of 7 Pages
PIO/T	Project/Activity No. and Title 386-11-120-368 SOIL AND WATER MANAGEMENT (Central Team)		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

Quarterly Report on accomplishments.

Semi-Annual Reports and others as specified by the Assistant Director, Office of Agricultural Development, USAID/I.

Completion of Assignment Report.

Quarterly Report on Accrued Expenditures in the forms to be supplied by USAID/I.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

USAID Technical Library; the Ministries of Agriculture, Irrigation and Power; the Central Water and Power Commission; the Planning Commission; and the State Department of Agriculture will provide necessary background data required by the technicians.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

The technicians will work closely with Center and State officials concerned with the planning and implementation of Soil and Water Management activities in India.

B. Cooperating Country Liaison Official

Concerned officials of the Indian Government Agencies mentioned in Block 23 above.

C. AID Liaison Officials

Assistant Director, Office of Agricultural Development - USAID/India.

AID 1350-1X (9-70)	Cooperating Country INDIA	PIO/T No. 386-368-2-20081	Page 5 of 7 Pages
PIO/T	Project/Activity No. and Title 386-11-120-368 SOIL AND WATER MANAGEMENT (Central Team)		

LOGISTIC SUPPORT

25. Provisions for Logistic Support	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Trust Fund Cooperating Country
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")				
(1) Office Space		X		
(2) Office Equipment & Furniture		X		
(3) Housing and Utilities				X
(4) Furniture	X			
(5) Household Equipment (Stoves, Refrig., etc.)	X			
(6) Transportation in Cooperating Country	X			X
(7) Interpreter Services		X		
Other: (Specify)				
(8) International Travel (Econ. Class)				X
(9) 22 lbs. Excess Baggage				X
(10) Educational Allowance				X
(11) Transportation of IHF, Etc.				X
(12) Per Diem in India				X
(13) Other Costs (Teaching & Demons.)				X
(14)				
(15)				

B. Additional Facilities Available From Other Sources

The following facilities will be authorized to the extent and subject to the rules and regulations applicable to USAID/India direct-hire employees:

- (1) Money Exchange facilities
- (2) Commissary privileges
- (3) State Department Pouch facilities

C. Comments

The Government of India will, for GOI-requested technicians, provide office space, equipment, furnishings and supplies; stenographic, secretarial, translation and interpreting services; and pay the cost of official communications.

USAID may supplement the GOI facilities, where such supplemental facilities are considered necessary by USAID, and provide necessary funds accordingly.

INDIA 386-368-2-30081

386-11-120-368
SOIL AND WATER MANAGEMENT
(Central Team)Block 14 - Continued

AID/W will negotiate and execute an amendment to the PASA with the Department of Agriculture for continuation of the services requested herein. This PIO/T provides additional funds, supplementing funds provided in the referenced PIO/Ts, to finance continued services of the Central Team through June 30, 1972.

Block 19-B - Continued

- (3) Assist in the formulation of a water research program in a national framework plan to systematically determine inter-relationships of soils, crops, fertilizer and water; develop criteria for farm investigation methods systems and layout adapted to Indian conditions; and make provision for consumptive use estimates based on meteorological data for the major irrigated crops in each climatic zone.
- (4) Develop, in selected states, demonstrations of proper soil and water management and provide training for large numbers of Indian technical personnel in techniques of land shaping, irrigation ditch layout and drainage, developing an appreciation of coordinated planning in the field of soil, plant and water relations; and the mechanics of organizing and administering an agricultural area designed to effectively use available water and soil with improved seeds and fertilizers in intensive multi-crop agriculture.

The Agricultural Economist will serve as consultant to the Center and State Governments in the evaluation of the costs and benefits of the application of improved soil and water management practices, especially in the fields of irrigation and drainage, in combination with the other related agricultural practices. His work will be concentrated primarily in the States where the Pilot Projects for Soil and Water Management are located. He will also back-stop the Pilot Project personnel in the States.

The Tubewell Specialist will assist with problems of well design, construction and maintenance. He will also assist with training in these subjects and will advise on equipment and machinery requirements.

The Surface Water Hydrologist will assist with problems concerning peak flow and volume of run-off from watershed, emphasizing analyses of rainfall records, identification of hydrologic site groups, and development of procedures for estimating run-off from rainfall, soil and vegetative cover data in river valley projects.

(Continued)

INDIA 386-368-2-20081

386-11-120-368

SOIL AND WATER MANAGEMENT

(Central Team)

Block 19-B - Continued

The Sedimentationist will assist in developing methods of predicting the volume and distribution of sediment which may be expected in reservoirs and channels under different conditions of watershed management.

The Design Engineer will assist with the hydrologic and sedimentation aspects of the design of small storage reservoir schemes.

Block 19-C - Continued

<u>(1) (a) Number</u>	<u>(b) Specialized Field</u>	<u>(d) Duration - M/M</u> <u>(Under this PIO/T)</u>
1	Agr. Economist	12
1	Tubewell Specialist	6
1	Surface Water Hydrologist	12
1	Sedimentationist	12
<u>1</u>	Design Engineer	9
<u>9</u>		
	<u>Short-Term Consultants</u>	
1	Water Mgt. Res. Specialist (Sprinkler Irrig.)	3
1	Water Mgt. Res. Specialist (Agronomy)	3
1	Soil Correlation Specialist	4
1	Soil Correlation Specialist	1
1	Hydrologist	1
1	Lift Irrigation Specialist	4
1	Watershed Research Specialist	3
<u>1</u>	Drainage Research Specialist	3
<u>8</u>		

(See attached budget, Appendix B)

APPENDIX B

AID-2-3 (6-64) PASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT WITH: Department of Agriculture BUDGET PLAN FOR FY <u>1972</u>	AMOUNT: \$273,500	PASA CONTROL NO.	Page <u>1</u>
		APPROPRIATION 72-1121004	NESA(AJ)-16-67 Amend. #8	of <u>3</u> Pages
		ALLOTMENT 254-50-386-00-69-21	PIO/T NO. India	386-368-2-20081

Position	Class. Grade	FC Grade	Rate	Man Months	Salary	Differential	11 TOTAL	12 Personnel Benefits	21 Int'l.* Travel	22 Transportation of Things	TOTAL
<u>TECHNICIANS</u>											
Soil Consrv. Adv. (Butler)		13/1 13/2	28,039 28,866	7 5	16,359) 12,030)	2,839	31,228	2,271	-	440	33,939
Agr. Eng. Adv. (Pope) EMD 2/6/72		11/4 11/5	22,873 23,611	2 1/4 5	4,289) 11,806)b/	1,413	17,508	1,288	400	730	19,926
Replacement PA-2/72 (Haslem) *		10/5	20,129	5	8,385	838	9,223	670	-	180	10,073
Soils Adv. (Bailey) EMTA 3/14/71		10/4	19,537	8 1/4	13,431)	1,972	21,692	1,578	-	560	23,830
		10/5	20,129	3-3/4	6,289)						
Agr. Econ. (Caldwell)		10/1	17,761	8 1/4	12,210)	1,794	19,738	1,436	-	500	21,674
		10/2	18,353	3-3/4	5,734)						
Agr. Eng. Res. Inv. (Roberts)		10/5	20,129	11	18,447)	2,017	22,191	1,614	-	440	24,245
		10/6	20,721	1	1,727)						

TOTAL	_____
23 Rent, Communications, Utilities	_____
26 Supplies and Materials	_____
31 Equipment	_____
Overhead _____ %	_____

* To be transferred to the Central Team from Mysore after Home Leave in February 1972. HLR travel funded under PIO/T 386-368.1-2-20082 (PASA NESA(AJ)-8-69, Am. #5)

* Estimated Per Diem:

(CONTINUED - Page 2)

GRAND TOTAL _____

APPENDIX B (Contd.)

AID-2-3 (6-64) PASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT WITH: USDA BUDGET PLAN FOR FY 1972	AMOUNT: APPROPRIATION	PASA CONTROL NO. NESA(AJ)-16-67 Amend. #8	Page 2
		ALLOTMENT	PIO/T NO. India-20081	of 3 Pages

Position	Class. Grade	FC Grade	Rate	Man Months	Salary	Differ-ential	11 TOTAL	12 Personnel Benefits	21 Int'l.* Travel	22 Transpor-tation &/ of Things	TOTAL
<u>TECHNICIANS (Contd.)</u>											
Surface Water Hydr. (Vandersypen)ETD 6/30/72	10/4	10/5	19,537 20,129	10½ 1½	17,094 2,515	1,961	21,570	1,569	260	870	24,269
Sedimentationist (Mildner)	10/3	10/4	18,945 19,537	4¼ 7-3/4	6,711) b/ 12,617)	1,933	21,261	1,546	-	470	23,277
Tubewell Spec. (Ellithorpe)ETD 12/10/71	10/2		18,353	5¼	9,556 b/	803	10,359	764	150	470	11,743
Design Engineer PA-10/71		10/1	17,761	9	13,320	1,332	14,652	1,066	750c/	3,450	19,918
<u>CONSULTANTS</u>											
Water Mgmt.Res.Spec. (Sprinkler Irrig.)		10/4	19,537	3	4,884	244d/	5,128	391	150	-	5,669
Water Mgmt.Res. Spec. (Agronomy)		GS-13	20,721	3	5,180	259d/	5,439	414	150	-	6,003
											TOTAL _____
											23 Rent, Communications, Utilities _____
											26 Supplies and Materials _____
											31 Equipment _____
											Overhead _____ % _____
											GRAND TOTAL _____

(CONTINUED - Page 3)

Estimated Per Diem:

- 72 -

AIO-2-3 (6-64) PASA BUDGET PLAN By Object Class	PARTICIPATING AGENCY SERVICE AGREEMENT WITH: USDA BUDGET PLAN FOR FY <u>1972</u>	AMOUNT:	PASA CONTROL NO.	Page <u>3</u>
		APPROPRIATION	NESA(AJ)-16-67 Amend. #8	of <u>3</u> Pages
		ALLOTMENT	PIO/T NO.	
			India-20081	

Position	Class. Grade	FC Grade	Rate	Man Months	Salary	Differ- ential	11 TOTAL	12 Personnel Benefits	21 Int'l.* Travel	22 Transpor- tation ^{B/} of Things	TOTAL
<u>CONSULTANTS (Contd.)</u>											
Soil Correlat'on Spec.			\$85 p/d	4	7,820	663	8,483	626	150	-	9,259
Soil Correlation Spec. (Bartelli)	10/4		19,537	1	1,628	-	1,628	130	150	-	1,908
Hydrologist	10/4		19,537	1	1,628	-	1,628	130	150	-	1,908
Lift Irrigation Spec.	10/4		19,537	4	6,512	407a/	6,919	521	150	-	7,590
Watershed Research Spec.	10/4		19,537	3	4,884	244d/	5,128	391	150	-	5,669
Drainage Research Spec.	10/4		19,537	3	4,884	244d/	5,128	391	150	-	5,669
PASA Inspection Visit			30,728	1	2,560	-	2,560	205	150	-	2,915
USDA/W Backstopping			25,087	2	4,181	-	4,181	334	1,000	-	5,515
					<u>216,681</u>	<u>18,963</u>	<u>235,644</u>	<u>17,335</u>	<u>3,910</u>	<u>8,110</u>	

TOTAL 264,999

- a/ Includes Stateside storage of household effects
- b/ Includes lumpsum payment for estimated one month accrued leave
- c/ Includes \$150 for within-U.S. travel
- d/ Covers only the period after the first 42 days
- e/ Represents U.S. Personnel cost \$36,000; Commodities \$1,000
- f/ U.S. Personnel \$270,500; Commodities \$3,000

23 Rent, Communications, Utilities	-
26 Supplies and Materials	<u>2,000</u>
31 Equipment	<u>2,000</u>
Misc.Contractual Svcs.	<u>1,000</u>
Overhead:	
15% (of \$269,999)	<u>40,500</u>
	<u>(310,499)</u>
Total FY 1972 Requirement	\$310,500
Less: Est. Carryover PIO/T-10012	<u>37,000 e/</u>
BALANCE PROVIDED UNDER THIS PIO/T	<u>\$273,500 f/</u>

*Estimated Per Diem:

AID-2-4 (6-64) PASA	PARTICIPATING AGENCY SERVICE AGREEMENT WITH: Department of Agriculture FUNDING SUMMARY	PASA CONTROL NO. NESA(AJ)-16-67 Amend. #8 PIO/T NO. India 386-368-2-20081	Page 1 of 1 Pages
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APPENDIX C

Soil and Water Management
(Central Team)

STATUS OF FUNDING - AS OF JUNE 30, 1972

Current PASA Funding for FY 1972 Services \$ 310,500

Available from PIO/T-20081	273,500
Carryover from PIO/T-10012	<u>37,000</u>

Prior Year Funding through FY 1971

PIO/T-70061	63,024
PIO/T-70338	133,558
PIO/T-80313	50,000
PIO/T-90065-A1	190,338
PIO/T-00098-A2	75,917
PIO/T-10012	237,700
Carryover (37,000)	<u>200,700</u>

Accrued Expenditure - 6/30/71..... \$ 713,537

TOTAL FUNDING (Central Team) \$1,024,037

UNITED STATES GOVERNMENT MEMORANDUM

August 20, 1973

TO: SEE DISTRIBUTION

FROM: AA/SER, James F. Campbell

SUBJECT: Recycling of Contract Periods and the June 30 Rush

We are seeking additional ways to reduce the volume of contracts and amendments we are required to issue during June of each year. To this end we have made a detailed study of all contracts and amendments produced by our operating divisions for a three month period that had funding termination or contract expiration dates in May or June. It was our purpose to determine if those ending dates could have been different.

A total of 51 contract and grant actions were examined including new contracts and grants as well as amendments. We believe that a representative number of actions from each of the operating branches and their client bureaus were included. In most instances, discussions concerning these actions were held with the cognizant contract, technical, or program officer. The findings and conclusions of this study are of significant importance to all of us in the entire process of developing contract requirements and incorporating them into contract documents.

We found that most of the contracts scheduled to expire and likely to be renewed next May and June could probably have been scheduled to expire in other months. Even though A.I.D. bureaus use minimum funding periods whenever possible to make maximum utilization of their overall funds available, we think the expiration and renewal of the actual contract does not necessarily have to always be June.

Funds obligated by Project Agreement can have expiration dates rescheduled rather easily by providing sufficient funds to permit contract expiration in other months of the year. Obligations by administrative reservation will need funding on irregular periods initially, e.g., ten months instead of twelve, to cause the cycle to change from the present one which is usually June.

We believe that the traditional thinking of June 30 as being the end of the fiscal year has resulted in the selection of this date for funding termination and contract expiration. We have become accustomed to the June 30 date and have accepted, too readily, the fiscal year end date as proper and appropriate for most contracts. We think that if we make an effort to think in terms of April or August or other months for concluding funding and performance periods, that many of the programs could end and/or be extended at that time instead of June.

By eliminating or substantially reducing the May/June ending dates, there would be no heavy requirement to process amendments during those months to renew or extend existing contracts and grants. The critical year end items would be essentially reduced to new contracts for new projects which could not be switched to other months and had to be executed to obligate funds before the end of the fiscal year.

We solicit your comments on this problem and your assistance in working out a solution.

April 12, 1972

MEMORANDUM

TO: AA/ASIA, Mr. Donald G. MacDonald
CO/SA, Mr. Roderic L. O'Connor
AA/LA, Mr. Herman Kleine
AA/AFR, Dr. Samuel C. Adams, Jr.

FROM: AA/SER, James F. Campbell

SUBJECT: Approval of Salaries and Consultant Fees

For a number of years Agency policy has required that we review contractor employees' and consultants' salary increases to assure their reasonableness in terms of Agency regulations. The Agency's concern and policy in these matters are stated in detail in the AID Procurement Regulations (AIDPR) 7-15.205-6 and in M.O. 1423.2. In addition, within the past few months, the directives of the President's Price Commission and Wage Stabilization Board have re-emphasized the importance and necessity for Government agencies to be concerned about salary and wage escalation.

Recently I have been asked to approve payments of a number of salaries in excess of the maximum annual salary level of Foreign Service Reserve Officer, Class I (currently \$36,000). I fully understand that there are projects on which it is necessary to pay high salary rates in order to obtain the required services. However, it is essential that these requirements be kept to a minimum consistent with a project's valid requirements.

In the future, I do not intend to approve requests for high-level salary waivers unless they are absolutely necessary to the project, fully supported and justified in accordance with the Agency policy and regulations.

Fully justified means to me that attempts have been made by A.I.D. project and contract personnel to negotiate lower salaries for contractor personnel or to propose substitution of lower salary personnel where this can be done. It is not sufficient to merely state that contractor personnel have received the salary in past cases. Projects have different requirements for expertise and a salary received on one project, where actually required, shouldn't serve as justification for that level salary or that individual to be required on all future A.I.D. contracts.

Salaries paid to contractor personnel by contractors may be at a high level but contractors do not always charge the full salary rate

to each project, especially in competitive situations where a number of firms have the required expertise. In other cases employees may be engaged by contractors after receipt of an A.I.D. contract under personal employment contracts. Such personal employment contracts will tend to be at the highest level we will permit in our contracts.

All of these situations need to be examined during negotiations and only when

- (i) negotiations have proved that we need a particular expertise, and
- (ii) it cannot be made available to us at less than the highest level of FSR-1

should requests be made for approval of higher salary levels.

MANUAL ORDER

AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT The Respective Roles of Contracting and Other Personnel in the AID-direct Procurement Process	EFFECTIVE DATE November 2, 1966	ORDER NO. 1403.1
	TRANS. LETTER NO 13:138	PAGE NO. 1
	SUPERSEDES O.L.C. 1403.1 (TL 13:88)	

I. Policy

Only a contracting officer, designated to enter into contracts and make the determinations and findings related thereto (or an authorized representative of the contracting officer acting within the limits of his authority), may bind the United States Government to a contract, or direct or authorize a contractor to proceed with work (FPR § 1-1.207, § 1-3.801).

II. General

Preliminary technical discussions with potential contractors should be conducted in such a manner as to preclude the assumption by any potential contractor that a commitment has been made to him. AID employees are responsible for insuring that no unfair competitive advantage is afforded one contractor over any other contractor in competing for Agency contracts. No AID employee is authorized to dilute the Agency's negotiation position prior to or during an "arm's length" negotiation conducted between AID and the contractors with whom it does business. The requirement for preservation of the Agency's negotiation position must be scrupulously observed whether the procurement is to be negotiated with a single, directed source or whether it is to be negotiated on the basis of multiple competitive proposals.

III. Role of Technical Officer

A. Contracting personnel act upon requirements which are formulated by the planning, technical, and research offices of the Agency. Contracting officers are specialists in Government contracting, knowledgeable in regulations, and skilled in negotiation. Although they are not expected to possess an intimate understanding of the technical requirements in a given procurement, they must be sufficiently conversant with those requirements to ensure that they will be met in the Agency's contracts. Contracting officers obtain the information they need on technical requirements by questions and discussions with the planning, technical, and research offices of the Agency.

B. If a contract is to be tenable, the end result which is desired must be described with completeness and exactitude. The scope of the

work must be explicitly stated; otherwise the contracting officer cannot assure terms in a contract by which the desired action can be enforced. If the requiring service cannot provide a point of departure in these terms and deliver to the contracting officer a clear-cut description of the purpose and outline the limits of the scope, results may be disappointing and the possibility of deferring the project until these elements can be given more concrete dimensions should be considered.

C. These same factors point to the need for planning sufficiently in advance so that such requirements may be delivered to the contracting officer in sufficient time for him to work out with the contractor all of the business arrangements and performance conditions which go into a contract.

D. In this connection, discussions with prospective contractors prior to the final selection of the contractor and commencement of negotiations by the contracting officer must be conducted with the greatest discretion. Under no circumstances should the specific amount of funds which the Agency has available to support a contract be made known to a prospective contractor. If there is concern that contractors' proposals would exceed AID funding, then the responsible technical office should establish guidance for: man-hour requirements; the amounts of materials and supplies; the necessary travel and transportation, all of which can be priced and estimated, and which will assist the contractor in quoting within a realistic range.

IV. Duties of the Contracting Officer

A. One of the paramount duties of the contracting officer is to secure competition, irrespective of whether the procurement of supplies or services from sources outside the Government is to be effected by formal advertising or by negotiation. Competitive proposals shall be solicited from all such qualified sources as are deemed necessary by the contracting officer to assure the degree of full and free competition consistent with the procurement of types of supplies and services required to meet the requirements of the Agency (FPR § 1-1.302-1).

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B. Adequate price competition is spelled out in Subpart 1-3.807 of the Federal Procurement Regulations. While the lowest price or lowest cost to the Government is properly the deciding factor in source selection in many instances, award of a contract properly may be influenced by the proposal which promises the greatest value to the Government in terms of possible performance and other factors. This means that a contract may be awarded to a higher-cost offeror if: (1) the requiring office can adequately demonstrate that the superior technical capability of the higher offeror is essential to accomplishment of Agency program objectives, and (2) the contracting officer is satisfied that the higher costs are reasonable in relation to the superior technical capability of such higher offeror.

C. When the nature of the services to be contracted for does not lend itself to price competition, e.g., architect/engineer contracts, competition is still present on the basis of excellence, availability of personnel, and other elements less tangible than price.

D. The technical office has a continuing responsibility to assist the contracting officer in this effort to obtain competition and negotiate a contract. Basically, this commences with adequate drafting of the statements of work and specifications. The technical office can frequently assist by identifying additional technically competent sources for the solicitation of proposals.

V. Collaborative Efforts

A. It is desirable for the technical office to involve the contracting officer at the earliest possible time when the project begins to take form. Meetings to discuss contract matters with prospective contractors should be preceded by sufficient advance notification to all parties, including the contracting officer, to permit advance arrangements for the attendance at such meetings. Discussions of contract problems with contractors after the contract award, or as to technical problems with contractual implications, shall not be held by technical personnel without arranging for attendance by contracting personnel.

B. Once a meeting with a contractor has been agreed upon and the issues have been made known to all involved parties, an internal AID meeting should take place between technical and contracting personnel, with the Country Desk representative and such other personnel in attendance as may be necessary, to establish an AID position or line of inquiry to be followed in the meeting with the contractor. If differences of opinion arise among AID personnel in the meeting

with the contractor, such differences should never be discussed in the meeting with the contractor. AID personnel shall adjourn to resolve privately any such differences of opinion, and resume discussions with the contractor only when the AID position is consolidated. The AID individual designated to chair meetings with a contractor should be selected prior to the meeting with the contractor. Depending upon the issues to be discussed, whether primarily technical or primarily contractual, the chairman should be designated from either the technical office or the contracting office.

C. Coordination between technical and contracting offices in the procurement process and the performance of their respective functions will be facilitated by observance of the precautions described above. These guidelines are sufficiently flexible to permit full cooperation on procurement problems between technical and contracting personnel whether their respective efforts are carried out on a strictly formal basis or pursued informally by means of telephone discussions and short informal meetings.

REFERENCE ITEM NO. 6

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MANUAL ORDER

AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT Office of Contract Management	EFFECTIVE DATE February 1, 1973	ORDER NO. 205.9
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	SUPERSEDES M.O. 205.9 (TL's 2:264 and 2:277)	

I. General

A. Mission

The Office of Contract Management (SER/CM) is the central staff office concerned with contracting, small business, Participating Agencies, and U.S. Government-owned excess personal property and private-sector-donated personal property activities in AID. (Contracting and purchasing for administrative and technical-support-funded activities are performed by the Office of Management Operations. See M.O. 205.6 - Office of Administrative Services.)

B. Structure

The Office of Contract Management is headed by a Director who reports to the Assistant Administrator for Program and Management Services. The Director is assisted by a Deputy Director who acts for the Director in his absence and as the Director otherwise determines. SER/CM consists of the Office of the Director, Small Business Office, Participating Agency Staff, Regional Operations Division, Central Operations Division, Support Division, and Excess Property Division. (See Attachment A.)

II. Office of the Director

A. Directs the development and maintenance of policies, procedures, standards, and regulations governing AID-direct as well as AID-financed technical assistance contracting, and directs the contracting function needed by AID/W Staffs, Offices, and Bureaus, including negotiating and executing contracts, agreements, and grants 1/ financed by AID.

B. Provides advice and assistance to overseas Missions on all aspects of contracting.

C. Encourages the participation of U.S. small business in services, contracting, and export supply activities of the Agency, and implements the AID requirements pertaining to commodity marking and labeling.

1/The term "grant," as used in this manual order, excludes grants under the provisions of §214 of the Foreign Assistance Act of 1961, as amended (FAA).

D. Coordinates Participating Agency agreements and programs with appropriate AID/W Staffs, Offices, and Bureaus for all activity involving AID with other Government agencies.

III. Small Business Office (CM/SB)

The Small Business Office assists American business, particularly small, independent enterprises, to participate equitably in furnishing commodities and services financed by AID; and administers the AID "Marking Program" to assure that AID-financed projects and commodities are identified as American aid, as required by the FAA. The Small Business Office prepares and maintains a worldwide, Agency-wide system of importer listings (the "Colombia Plan") for use in negotiated commodity transactions under program loans and grants, and dollar-financed commodity procurement under sector and intermediate credit institution loans. It also prepares and maintains by annual revisions, a comprehensive listing of interested U.S. small producers, including the commodities they produce or sell (the "Reverse Colombia Plan"). CM/SB, headed by a Special Assistant who reports to the Director, Office of Contract Management, also includes the Resources Branch and the Publications Branch.

A. Special Assistant for Small Business

1. Supervises preparation and maintenance of a system of importer listings ("Colombia Plan") and comprehensive listing of interested U.S. small producers ("Reverse Colombia Plan") for use throughout the Agency.

2. Formulates policy and procedures contained in AID Regulation 1 (M.O. 1456.1), particularly with respect to procedures on competitive bidding, solicitation of bids and quotations, and commodity marking as prescribed in Sections 201.22, 201.23, 201.24, and 201.31(d).

3. Keeps the Senate and House Small Business Committees advised of AID efforts to assist U.S. small business firms by appearing before such committees and by consultation with the committee staffs.

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III.A.

4. Maintains liaison with the Department of Commerce and the Small Business Administration with respect to small business activities.

5. Promotes and assists participation of U.S. suppliers, particularly small businesses, in AID-financed programs by taking part in export panel discussions, by making presentations to export trade and industry groups, and through meetings with senior officers of U.S. industrial firms. Counsels small businesses on problems involved in export sales.

6. Assists Missions in developing procedures to comply with the small business requirements in Section 602 of the FAA and by furnishing guidance and assistance on procurement problems.

7. Advises on Small Business functions and procedures in accordance with requirements in both Federal and AID Procurement Regulations (FPR and AIDPR).

8. Advises on implementation and procedures for minority business enterprise programs in accordance with Section 8(a) of the Small Business Act. Represents Agency on Inter-Agency Task Force on Procurement for Minority Businessmen.

B. Resources Branch (SB/RB)

The Resources Branch is the primary point of contact within AID for American and foreign business firms regarding inquiries concerning participation in AID-financed procurement programs and waivers of publication of proposed commodity procurement based on special commercial relationships. The Branch is also the primary point of contact within AID for architectural, engineering, management consulting, urban and regional planning consulting, and construction firms (most of them U.S. firms) concerning registration of their interest in performing services under AID-financed contracts, and for Missions and AID/W Offices with respect to identification of firms potentially capable of performing services required for specific projects. SB/RB also:

1. Participates in preparation and maintenance for use throughout the Agency of a worldwide system of importer listings ("Colombia Plan") and comprehensive listing of interested U.S. producers, including the commodities they produce or sell ("Reverse Colombia Plan").

2. Considers, and either approves or denies, requests for publication waivers based on special commercial relationships, in accordance with Section 201.24(c)(1) of AID Regulation 1.

3. Maintains the Small Business mailing list (lodged with the Government Printing Office), on a current basis, by deleting old and adding new subscribers as requested, and changing

addresses and the commodity group numbers in which subscribers are interested.

4. Advises potential suppliers and answers Congressional inquiries on AID Regulations and procedures and how suppliers can participate in AID-financed procurement. Services, through appropriate channels, foreign business requests for assistance in establishing commercial trade relationships with American business firms. Investigates and initiates appropriate action regarding complaints of improper procurement practices from suppliers, Congressmen, and foreign importers.

5. Maintains the Contractors' Index on a current basis. This includes the development, in consultation with the Office of Engineering, of standard questionnaire forms for use in each of the fields of architects/engineers, management consultants, urban and regional planning consultants, and construction contractors, to reflect the background and qualification of individual firms; makes the appropriate questionnaires available to interested firms for completion and return; and processes the data through the information system maintained by SEP/CM, which, together with the questionnaire form and supplemental information contained in brochures, constitutes the Contractors' Index.

6. Identifies and prepares a list from the information reflected in the Contractors' Index, at the request of Missions and AID/W Offices, of the firms which are potentially qualified to perform the services required for specific AID-financed projects.

7. Advises business firms and members of the Congress, on behalf of constituents, how they may register in the Contractors' Index and how the selection of contractors is made for AID-financed projects.

8. Maintains and distributes to AID Missions and AID contracting officers the firms debarred or suspended by the U.S. Government from contracting with the U.S. Government agencies.

9. Administers the AID Marking Program, formulating and establishing applicable policies and procedures, granting waivers when justified, and initiating appropriate corrective and preventive action on reported violations.

10. Screens all Project Implementation Orders (PIO's) for technical and professional services in excess of \$2,500 for which AID/W has authorized the Contracting Agent to determine potential small business participation. This involves the identification of small business and minority small business enterprises capable of performing the services and the recommendation of set-asides for exclusive participation by small business or to be awarded to the Small Business

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III.B.10.

Administration for subcontracting with a minority enterprise under Section 8(a) of the Small Business Act.

11. Maintains central file of contractor evaluation reports. Monitors submission of evaluation reports and advises cognizant Contracting Officer of delinquent reports.

C. Publications Branch (SB/PB)

The Publications Branch is the primary point of contact within AID, for private foreign importers, foreign governments, the U.S. business community, Missions, AID/W Offices, members of the Congress, and other U.S. Government agencies, concerning AID-financed commodity procurement opportunities appearing in the AID Small Business publications. SB/PB also:

1. Participates in the preparation and maintenance, for use throughout the Agency, of a worldwide system of importer listings ("Colombia Plan") and comprehensive listing of interested U.S. producers, including the commodities they produce or sell ("Reverse Colombia Plan").

2. Receives, from private foreign importers, foreign governments, AID contractors, and Missions, notifications of proposed AID-financed purchases for publication in accordance with the small business provisions of the FAA.

3. Publishes timely and informative notices, to U.S. producers, of projected procurement opportunities under AID-financed loans and grants.

4. Screens the notifications submitted for eligibility under the covering implementing document and AID general policies, for completeness of specifications (consulting with other AID Offices and other agencies when necessary), and for the eligible source and waiting period for receipt of bids or offers.

5. Logs and maintains a control record, by country, of all submissions received and records the ultimate disposition of the submissions.

6. Edits and prepares submissions for publication in the AID Small Business Circulars and arranges with the Government Printing Office and the Office of Management Operations for their publication and mailing.

7. Returns, to private foreign importers, foreign governments, AID contractors, and Missions with appropriate advice, submissions which are ineligible or incomplete and as a result require the establishment of new bid deadline dates.

8. Furnishes to American business firms, on request, copies of Invitations for Bid and

specifications on proposed purchases which have been published in AID-Financed Export Opportunities.

9. Furnishes to American business firms, on request, copies of award information which has been published in Procurement Information Bulletins.

10. Maintains and controls all permanent official records of Small Business publications.

11. Maintains and issues Emergency Procurement Publication Waivers issued both by Small Business and Missions.

IV. Participating Agency Staff (CM/PAS)

A. General

Monitors the program under which other U.S. Government agencies participate with AID in carrying out the U.S. Foreign Assistance Program. As such, it performs the following functions:

1. Establishes, reviews, and revises policies and procedures relative to AID Participating Agency relations, in coordination with affected AID Offices, and prepares necessary guideline handbooks and Participating Agency Notices.

2. Maintains close liaison with the Regional Bureaus and Staff Offices and provides them with guidance or assistance as needed in matters relating to overall interagency relations.

3. Acts as chairman of AID/Participating Agency meetings concerned with improving AID Participating Agency relationships and administrative operations.

B. General Agreements

1. Initiates and takes the lead in discussions as to the content, format, and procedures for the signing, modification, or updating of General Agreements pursuant to which other U.S. Government agencies participate in AID programs.

2. Makes all necessary arrangements for the signing or amending of a General Agreement.

3. Interprets all provisions of General Agreements, calling upon other AID Offices as needed.

C. Participating Agency Support Program (PAS?)

1. As appropriate, arranges to provide other agencies with workload forecasts as a basis for their budget projections each fiscal year.

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IV.C.

2. Undertakes budget review action, including determination of data to be requested from other agencies in support of their budget proposals, and an analysis of agency submissions.

3. In conjunction with other Bureau for Program and Management Services (AA/SER) Offices, such as Office of International Training (SER/IT), Office of Engineering (SER/ENG), and Office of Financial Management (SER/FM), determines the level of central services required to support AID programs and objectives for which technical implementation is carried out by Participating Agencies. Concerned technical offices, such as Office of Labor Affairs (OLAB), Bureau for Technical Assistance (AA/TA), and Bureau for Population and Humanitarian Assistance (AA/PHA), are consulted as required in determining related program support costs attributable to these offices.

4. Administers the funds allotted to SER/CM for PASP's, including a review of expenditures against budget agreements and adjustment of funds in terms of program needs during a fiscal year.

D. Participating Agency Service Agreements (PASA's)

1. All technical services other than training (authorized by PIO/T's) which are obtained through other Government agencies participating in the AID program are governed by Participating Agency Service Agreements (PASA's), except for those obtained from the Department of State and services of a general, continuing nature furnished through Participating Agency Support Programs.

2. Responsible for negotiation of all PASA's based on approved PIO/T's. This activity includes:

a. Negotiating PASA budgets with other agencies within funding limits approved by sponsoring AID Offices.

b. Insuring that the content of all PASA's conforms to AID Regulations.

c. Maintaining data and records on PASA personnel and dependents so as to be able to advise as to their status, home leave dates, next assignments, etc. Such information is also essential for budgetary preparations.

d. Signing all PASA's on behalf of AID, obtaining countersignatures from agency representatives, and insuring the proper distribution of all PASA documents to interested parties.

e. Serving as a focal point for dealing with the field or other agencies on PASA matters.

f. Keeping technical, program, and staff offices, as well as Missions, informed regarding PASA activities within their area of program jurisdiction or support responsibility, and assuring the proper coordination and clearance of all activities relating to PASA operations.

g. Maintaining AID's central file for all PASA's and preparing periodic reports on their amount, number, and status.

V. Regional Operations Division (CM/ROD)

This Division, within formal delegations of authority and related regulatory and procedural instructions, is responsible for performing contracting services, including agreements and grants, as required to implement projects approved by the AID Regional Bureaus and Missions. This Division is organized geographically and consists of the Africa, Latin America, Asia, and Supporting Assistance Branches. Each Branch serves the corresponding Regional Bureau, with functions and responsibilities as follows:

A. Furnishes advice, when requested, to Mission and Regional Bureau Program and Technical Offices on the feasibility of proposed contracting, including the analysis of projected costs as required for program planning purposes.

B. Reviews proposed direct AID contract actions and provides advice to Regional Bureaus to insure that such actions are designed to the greatest extent possible to foster competition and are in accordance with good business practices and standards.

C. Assures that selections of contractors for direct contracts conform to the provisions of applicable Federal and AID Regulations and procedures.

D. Conducts negotiation of price, terms, and conditions of AID/W contracts and grants, and amendments thereto. May call upon other AID/W Offices for advice and assistance, as appropriate.

E. Executes AID/W contract and grant actions, within delegated authority and in accordance with statutory and procedural regulations.

F. Prepares, assembles, and files complete documentation and justification for all contract actions taken.

G. Discharges Contracting Officer responsibilities with respect to contract administration, including settlement of audit issues, termination claims, disputes, and response to contractor inquiries, etc.

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V.

H. Visits Missions, if requested by Regional Bureaus, to assist in resolving specific issues which may arise in the planning, implementation, and administration of foreign assistance activities when contract services are involved.

VI. Central Operations Division (CM/COD)

The Central Operations Division includes the PHA Branch, TA Branch, and Other Programs Branch. Subject to delegations of authority, the Division provides contracting services and assistance to AID/W Technical Bureaus and Staff Offices, and negotiates and executes AID-direct nonregional contracts, agreements, and grants. The branches function as follows:

- A. Furnish advice, when requested, to the AID/W Technical Bureaus and Staff Offices on the feasibility of proposed contracts to implement their programs, including the analysis of projected costs, as required for program planning purposes.
- B. Review proposed procurement actions and provide advice to technical offices to insure that such actions are designed to the greatest extent possible to foster competition and are in accordance with good business practices and standards.
- C. Assure that selections of contractors conform to the provisions of applicable Federal and AID Regulations and procedures
- D. Conduct negotiation of price, terms, and conditions of AID/W contracts, grants, and agreements, and amendments thereto. May call upon other AID/W Offices for advice and assistance as appropriate.
- E. Execute contract, grant, and agreement actions within delegated authority and in accordance with statutory and procedural regulations.
- F. Prepare, assemble, and file complete documentation and justification for all contract actions taken.
- G. Discharge Contracting Officer responsibilities with respect to contract administration, including settlement of audit issues, termination claims and disputes, and response to contractor inquiries, etc.
- H. Visit prospective contractor/grantee facilities for determination of management and financial responsibility and, as necessary, provide administrative guidance and recommendations.

VII. Support Division (CM/SD)

The Support Division includes the Policy Branch, Review Branch, Support Services Branch, Overhead

and Special Costs Branch, and an Insurance Consultant. The Division develops policy and procedures to be followed by the Agency in the execution of all direct contracts, agreements, and grants, as well as AID-financed technical service contracts; conducts prereview and post-review of selected contracts; plans and schedules contracting workloads; prepares and maintains statistical data on contract activities; monitors the administration of executed contracts; negotiates indirect cost rates and Institutional Policy and Procedure Agreements with educational institutions; and provides advice and assistance concerning insurance and bonding policies and procedures under AID-financed contracts.

A. Policy Branch (SD/POL)

- 1. Develops policy standards, regulations, procedures, and practices for contracts, agreements, and grants financed directly by AID, with particular emphasis on the AID Procurement Regulations and pertinent manual orders.
- 2. Issues policy and instructional documents to implement approved AID contracting policies, including those for grants and agreements.
- 3. Develops AID policy and guidelines relative to borrower/grantee contracting for technical assistance.
- 4. Serves as the AID representative to various interagency committees concerned with Government contracting.
- 5. Provides advice and assistance concerning the development and maintenance of the AID Capital Projects Guidelines.
- 6. Provides policy advice and assistance to Missions and Bureaus on contracting matters.

B. Review Branch (SU/RLV)

- 1. Reviews and monitors AID-financed contracts to determine compliance with Federal and AID Regulations and contract policies, and with good business practices in the negotiation of direct contracts and the approval of AID-financed borrower/grantee contracts for capital assistance and technical assistance. Depending upon circumstances, reviews may be conducted prior to contract signing or on a postaudit basis.
- 2. Reports the results of such reviews, with recommendations, to appropriate authorities.
- 3. Examines AID/W and Mission administration of contracts with particular concern for

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VII.B.3.

fulfillment of contract provisions, and responsiveness to program needs and changes during the life of the contract.

4. As a result of reviews, makes recommendations pertaining to contract policy and procedure changes to the Chief, SD.

5. Takes action required for performance of special projects as from time to time assigned by the Chief, SD.

C. Support Services Branch (SD/SUP)

1. Coordinates with other Offices and Bureaus, especially the Bureau for Program and Policy Coordination (AA/PPC), in order to plan for and schedule proposed contract actions and workload.

2. Receives, assigns, and monitors the progress of PIO/T's through the operating divisions; prepares a monthly report on the status of each contract, grant, agreement, or PASA action resulting from these PIO/T's.

3. Monitors the administration of contracts and grants to insure timely submission of reports, final audits, and closeout of contracts and grants.

4. Prepares summary reports of Agency-wide contracting statistics.

5. Monitors and administers central control files and reproduction facilities.

6. Receives and distributes all incoming mail for CM/SD, CM/ROD, and CM/COU.

7. Processes security clearances for contractor personnel where required.

D. Overhead and Special Costs Branch (SD/OSC)

1. Negotiates and establishes indirect cost (overhead) rates for AID-direct and borrower/grantee contracts, grants, and other agreements with non-Federal organizations.

2. Negotiates institutional policy, procedures, and cost agreements with firms and institutions for use in conjunction with AID-funded contracts, grants, and other agreements with non-Federal organizations.

3. Maintains a central repository of personnel policies and practices of university contractors.

4. Represents AID on the Interagency Coordinating Committee created and chaired by the

Office of Management and Budget. This committee coordinates cost policies and practices among all Government agencies and considers questions on cost policy proposed by representatives from universities and industry. Also represents AID on the Cost Accounting Standards Board.

5. Performs special projects, such as solving special cost problems, as assigned by SER/CM.

E. Insurance Consultant (CM/SD)

1. Formulates uniform policy regarding insurance and bonding requirements, standards, and procedures for inclusion in the AID Procurement Regulations and pertinent manual orders.

2. Reviews insurance policies submitted by contractors as required by the terms of their contract and makes recommendations to Contracting Officers.

3. Serves as AID's participant in discussions with other Government agencies and the insurance industry on insurance and bonding matters.

4. Renders advisory assistance to Agency personnel regarding insurance and bonds.

VIII. Excess Property Division (CM/EPD)

The Excess Property Division is the staff office with responsibility for management of activities concerned with the acquisition and utilization through AID of U.S. Government-owned excess personal property and private-sector-donated personal property which become available to the less-developed countries and other eligible recipients for the purpose of contributing to their development efforts. CM/EPD consists of the Office of the Chief, Logistics Service Branch, Washington Liaison Branch, and a number of domestic and overseas AID Field Offices.

A. Office of the Chief (EPD/OC)*

1. Manages the development and establishment of policies, procedures, plans, and programs directed toward maximum effective utilization of U.S. Government-owned excess property and donations of property from private sources.

2. Supervises the activities of the Logistics Service Branch and exercises control over the Washington Liaison Branch, the AID Field Offices, and related AID storage and rehabilitation facilities.

*Located at New Cumberland, Pennsylvania.

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VIII.A.

3. Formulates necessary controls to assure optimum CM/EPD operational performance.

4. Assures that policies, procedures, and programs developed will be practical and effective.

5. In coordination with SFR/FM, develops Advance Acquisition Program (Section 608) current-year and budget-year fund requirements, workload projections, and manpower requirements.

6. Reviews and analyzes activities which generate receipts to or result in disbursements from the Section 608 Revolving Fund.

7. Negotiates and executes agreements with domestic field activities of the military departments for the provision to AID of Section 608 Program logistical services.

B. Logistics Service Branch (EPD/LSB)*

The Logistics Service Branch is the central control point for Advance Acquisition Program (Section 608) operations. Specifically, EPD/LSB:

1. Maintains stock record accountability for and financial inventory controls over the Section 608 inventory worldwide.

2. Assures that the amount of the domestic Section 608 inventory held at any one time shall not exceed the statutory limit, and domestic and/or foreign Section 608 inventory shall not exceed the dollar ceiling established by the Chief, CM/EPD.

3. Directs acquisition of excess property for the Section 608 inventory on a worldwide basis.

4. Develops and implements programs and procedures which are designed to facilitate acquisition of Section 608 property by eligible recipients.

5. Prepares and circulates to eligible recipients of AID excess property announcements describing items currently available.

6. Receives, processes, and takes appropriate action on requests for excess property and funded orders submitted by eligible recipients.

7. Directs and controls all inland and ocean transportation of Section 608 property--from acquisition to delivery to the recipient.

8. Directs and controls the rehabilitation, storage, and packing, crating, and handling

*Located at New Cumberland, Pennsylvania.

of Section 608 property by AID Field Offices and related AID storage and rehabilitation facilities.

9. Directs disposal of Section 608 inventory items which are determined to be beyond economical repair or unlikely to be needed by eligible recipients within a reasonable period of time.

10. Maintains a stock of operating manuals and spare parts catalogs for mechanical items in the Section 608 inventory and assures that such manuals and catalogs are available to recipients by the time of arrival of those items which they have ordered.

11. Assists authorized recipients in solving their spare parts problems.

12. Acts on and maintains a record of recipient complaints.

13. Obtains certifications required by Section 607(b) of the FAA.

C. Washington Liaison Branch (EPD/WLB)

The Washington Liaison Branch is the interface between CM/EPD and all AID/W elements; the headquarters of other Federal agencies, including the Department of Defense, the military departments, the General Services Administration (GSA), and the Department of Health, Education, and Welfare (HEW); foreign embassies in the United States; registered Voluntary Agencies; and private sector property donors. This interface assures optimum utilization by AID of U.S. Government-owned excess property or property donated to AID. Specifically, EPD/WLB:

1. In coordination with the Chief, CM/EPD, develops and establishes policies and procedures governing the acquisition and utilization of U.S. Government-owned excess property under the Advance Acquisition Program (Section 608), the Non-AID-Financed Program (Section 607(a)) under the FAA, the Direct Acquisition Program pursuant to the Federal Property and Administrative Services Act of 1949, as amended, and property donated to AID by the private sector.

2. Reviews and analyzes proposed legislation and determines its impact upon AID's programs for acquisition and utilization of excess property. Assists in the preparation of material to be used in testifying on excess property before Congressional committees.

3. Prepares CM/EPD's responses to Congressional inquiries concerning procedures and programs for acquiring excess property and private inquiries concerning such property.

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VIII.C.

4. Briefs Mission, Embassy, foreign government, and registered Voluntary Agency officials visiting Washington on AID's excess property programs.

5. Acts on behalf of the Chief, EPD/OC, in negotiating with the military departments and GSA interagency memoranda of understanding as to providing logistical services for support of the Section 608 Program.

6. Prepares and coordinates AID/W Section 607(a) Determinations and AID/W Excess Property Transfer Agreements.

D. AID Field Offices

The domestic and overseas AID Field Offices have the responsibility within their respective geographical areas for carrying out the many functions which require continuing personal contact and technical knowledge in support of AID's excess property programs. Specifically, AID Field Offices:

1. Representing AID in their area for excess property matters, maintain continuing contact with Federal officials, GSA Regions, and commanders of Department of Defense installations.

2. Serve as the technical representative of the Chief, EPD/OC, in guaranteeing the maintenance of quality assurance standards at all stages of the programs from preacquisition through rehabilitation, final acceptance, in storage, and preshipment checks and inspections.

3. Investigate reports of unsatisfactory Section 608 equipment, and collect information necessary to determine the cause in order to make sound decisions for proper corrective action.

4. Monitor the generation of availabilities by holding activities and, upon discovery of desirable availabilities, report them to EPD/LSB.

5. Continually evaluate the capability of rehabilitation facilities in their area in order to give prompt recommendations for production planning as required by EPD/LSB.

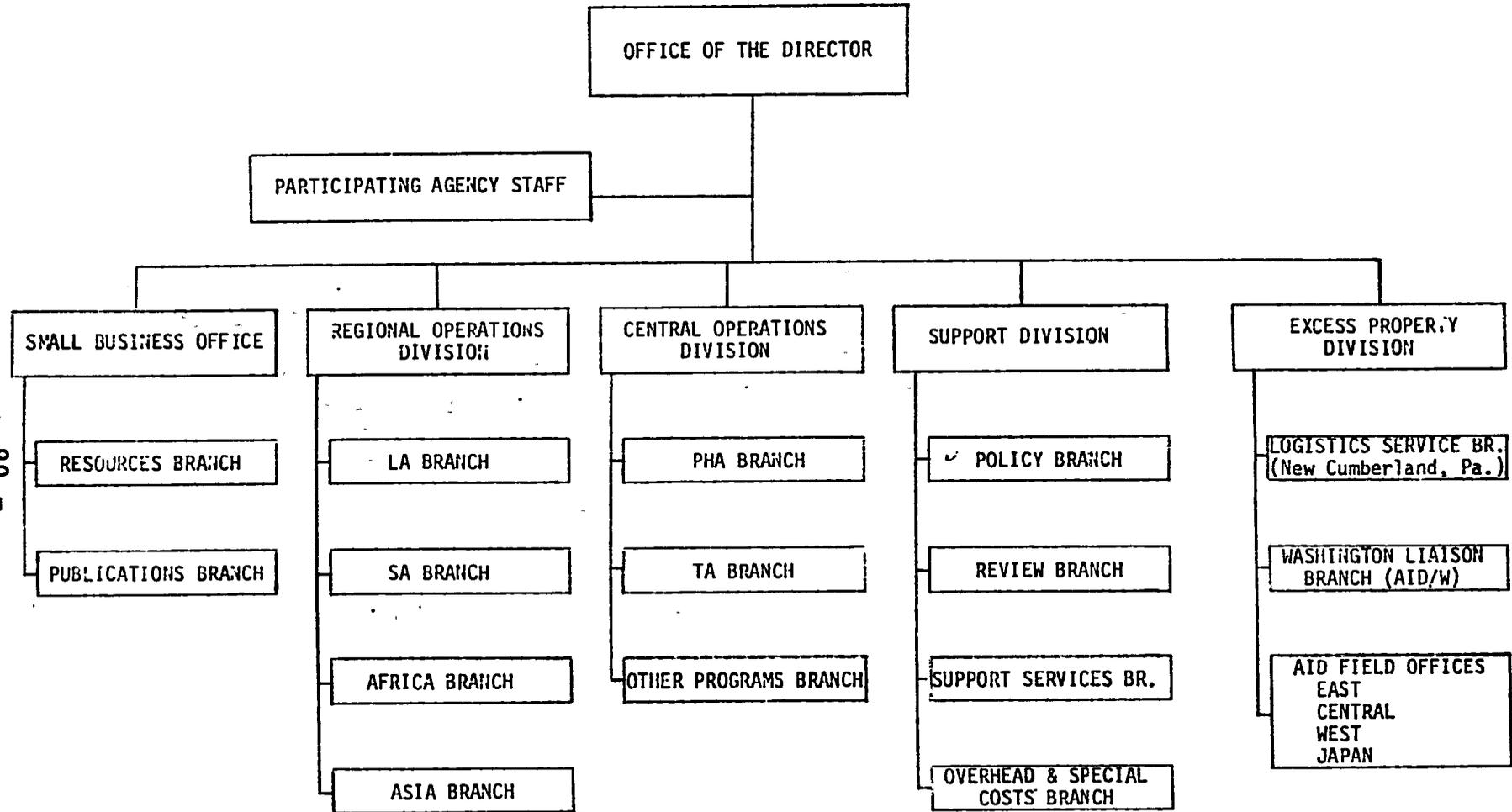
6. In overseas areas, negotiate and execute agreements with Federal agencies for the provision to AID of Section 608 logistical services.

7. Monitor items in storage for maintenance of condition and recommend, as indicated, the purging of unsuitable items from the Section 608 inventory.

8. Within their area, conduct inspections and execute certifications required by Section 607(b) of the FAA.

Attachment A--Organizational Chart

OFFICE OF CONTRACT MANAGEMENT



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A.I.D. MANUAL ORDER

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PAGE NO. A-1

NO. 205.9 Attachment A

REFERENCE ITEM NO. 7

FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, PART III,
CHAPTER 1, SECTION 615.

Sec. 615. CONTRACT AUTHORITY.--Provisions of the Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

MANUAL ORDER

AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT Contract Administration	EFFECTIVE DATE	ORDER NO.
	September 13, 1972	1423.9
	TRANS LETTER NO	PAGE NO.
	13:511	1
SUPERSEDES M.O. 1423.9 (TL 13:246) and M.O. 1423.10 (TL 13:215)		

I. Purpose

This manual order assigns the various responsibilities for the administration of all A.I.D.-direct contracts and task orders for the purposes of (a) successfully achieving contract objectives within the contract amount, in a timely manner, and in accordance with the contract terms and conditions; and (b) providing an evaluation process that will be the basis of a record of each contractor's performance to enable consideration of any weaknesses in past performance before any new contract is signed.

II. Definition

A. Contract administration is the process by which A.I.D. assures that the contracting parties perform the contract in accordance with its terms. It includes those actions taken within the framework of applicable law, policy, and regulations, from the signing of a contract until all contractual obligations have been satisfactorily completed.

B. Although the contractor is responsible under the terms of his contract for timely and satisfactory performance, it is A.I.D. policy to monitor the contractor, the cooperating government, and A.I.D. performance so as to minimize the possibility of substandard performance or costly delays. It is therefore necessary to establish and maintain a system of communication with the contractor, the cooperating government, and A.I.D. which will enhance the administration process and provide a record of past contractor performance.

III. Responsibilities

A. Responsibility for monitoring a project and administering its related contracts is shared by the:

1. Project Manager in a Mission (when the project is being carried out in the country where the Mission is located) or in A.I.D./W (when a project is regional or worldwide).

2. Contracting Officer in a Mission (when the contract is negotiated in the field) or in A.I.D./W (when the contract is negotiated in Washington).

B. The specific roles of the Project Manager and the Contracting Officer are outlined below:

1. The Project Manager is the focal point for project administration. He is responsible for integrating and coordinating the activities of the particular project to which the contract contributes. (See M.O. 1305.1.1 - Project Management Handbook--Technical Assistance.) In his role he must take steps to insure that the contract inputs are being utilized to the extent required to attain the outputs called for in the scope of work that the contractor has undertaken. In discharging his management role the Project Manager is responsible for:

a. Providing appropriate technical direction, advice, and guidance to the contractor.

b. Recommending action to be taken by the Contracting Officer, with respect to contractor proposals, modifications, personnel, etc.

c. Participating in the review and evaluation of contractor performance and advising the Contracting Officer of the results by means of the Contractor Performance Evaluation Report, form AID 1420-43 (Report Control Symbol U-1423/1). See Attachment A.

d. Being familiar with the terms of the contract; A.I.D. policies, regulations, and procedures; and reporting noncompliance promptly to higher authorities for proper action.

e. Immediately informing the Contracting Officer when a situation arises which may require that the Contracting Officer take action (e.g., amendment, extension, termination, etc.).

f. Advising the Contracting Officer as soon as it is apparent that delivery or performance dates will not be met.

Address inquiries concerning this manual order to CM/SD.

NO. 1423.9	PAGE NO. 2	EFFECTIVE DATE September 13, 1972	TRANS. LETTER NO. 13:511	A.I.D. MANUAL ORDER
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III.B.

2. The Contracting Officer, after the contract is negotiated and signed, is primarily responsible for issuing approvals and authorizations called for in the contract. He has certain responsibilities which cannot be delegated. In addition to issuing approvals, these are:

- a. Pricing and executing amendments to the contract.
- b. Making decisions involving questions of fact under the "Disputes" clause of the contract.
- c. Interpreting contract provisions.
- d. Issuing termination notices.
- e. Making decisions which change or modify contractual rights.

3. Both the Project Manager and the Contracting Officer, in the performance of their duties, rely on the advice of the functional specialists such as the Office of General Counsel regarding legal questions of contract interpretation or administration, the Office of Financial Management regarding financial management of the contract and processing contractor vouchers and other payment claims, the Office of Auditor General regarding the audit of any expenses financed under the contract, the Office of Engineering regarding engineering requirements, etc.

IV. Contractor Performance Evaluation Report, Form AID 1420-43 (Report Control Symbol U-1423/1)

A. Purpose

1. This report is used to (a) advise the Contracting Officer of the contractor's performance and to provide the Contracting Officer with a basis for taking action, in consultation with the Project Manager, to avert or correct problems arising under the contract, (b) to provide Contracting Officers and Project Managers with a means of evaluating contractors under consideration for other A.I.D. contracts, and (c) to establish and update the Agency's central contractor evaluation file.

2. The central file, located in the Small Business Office, Office of Contract Management (CM/SB), A.I.D./W, constitutes the only official record of the contractor performance evaluation reports available to A.I.D./W or Mission Contracting Officers and Project Managers for their use in evaluating contractors under consideration for other A.I.D. contracts. Before signing any new contract the A.I.D./W or Mission Contracting Officer is to contact CM/SB for information on the evaluation of past performance of the prospective contractor.

B. Applicability of the U-1423/1 Report

The U-1423/1 Report applies to all A.I.D.-direct contracts and task orders, regardless of duration, except the following:

1. Contracts for normal administrative services by Mission contracting offices and the Office of Management Operations (SER/MO). Examples of administrative services are those provided by interpreters, janitorial or maintenance workers, etc.
2. Contracts for Interpreter/Escort Services.
3. Task Orders issued under Basic Ordering Agreements with educational institutions when the price paid for training is published in a catalog.

C. Reporting Periods

1. The initial report covers the first 6-month period of contractor performance from the date the contract is signed. The U-1423/1 Report is due within 30 days after the end of that period.
2. Thereafter, annual reports are prepared as part of the regularly scheduled project evaluation process (M.C. 1026.1, Supp. II, p. 24) and are submitted at the same time as the Project Appraisal Report (PAR).
3. A final report is due within 30 days after the completion date of the contract. This report provides a summary evaluation of the whole period of contractor performance.

4. If any contract is for a period of 6 months or less, the U-1423/1 Report is prepared and submitted within 30 days following the completion date of the contract.

D. Preparation and Distribution

1. The Project Manager prepares the U-1423/1 Report, which covers the same evaluative factors as the Performance Analysis Worksheet on contractor performance. (See M.C. 1026.1, Supp. I.) This worksheet is prepared as part of the backup material for the annual project evaluation process and is reflected in the PAR. For the report submitted in conjunction with the PAR, the Project Manager needs only to transcribe the entries made on the Performance Analysis Worksheet to the U-1423/1 Report.

2. The initial report reflects the Project Manager's judgment based on observation and contractor progress reports. The final report is a synthesis of preceding evaluations and an overview of total performance.

A.I.D. MANUAL ORDER	TRANS. LETTER NO. 13:511	EFFECTIVE DATE September 13, 1972	PAGE NO. 3	NO. 1423.9
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IV.D.

3. After completing the U-1423/1 Report, the Project Manager retains a copy of the Official Project File, forwards one copy to the A.I.D./W Project Support Officer assigned to the project, and forwards two copies to the Contracting Officer who signed the contract. The Contracting Officer signs both copies sent to him, forwards one copy to A.I.D./W, SER/CM/SB, and retains one for the contract file. By signing the report the Contracting Officer acknowledges receipt and review of the report.

E. Central File Maintenance

The CM/SB is responsible for maintaining the Agency's official central file of Contractor Performance Evaluation Reports (U-1423/1).

Attachment A--Form AID 1420-43, Contractor Performance Evaluation Report

Report Control Symbol U-1423/1 TRACTOR PERFORMANCE EVALUATION REPORT	INSTRUCTIONS: A. PROJECT MANAGER: Complete original and three copies in accordance with M.O. 1423.9; detach two copies and make appropriate distribution; forward original and one copy to Contracting Officer. B. CONTRACTING OFFICER: Review and sign form; retain copy for Contract File; forward original to CM/SB, A.I.D./W.
PERIOD COVERED FROM: _____ TO: _____ TYPE OF REPORT <input type="checkbox"/> INITIAL <input type="checkbox"/> ANNUAL <input type="checkbox"/> FINAL	

A. GENERAL INFORMATION

1. NAME OF CONTRACTOR	2. CONTRACT NO/TASK ORDER NO.	3. CONTRACT DURATION	4. CONTRACT AMT. (CUM)
5. PROJECT TITLE	6. PROJECT NO.	7. COUNTRY	

B. CONTRACTOR PERFORMANCE RATING

1. EVALUATION FACTORS	CHECK, IF SIGNIFICANT	PERFORMANCE AGAINST PLAN (✓)			
		NA	NEG.	AS PLANNED	SUPERIOR
a. Understanding project purpose					
b. Planning to achieve purpose					
c. Staff of proper size					
d. Timely arrival of personnel					
e. Technical qualifications of personnel					
f. Responsiveness to A.I.D. Directions					
g. Adherence to scope of work					
h. Adherence to work schedule					
i. Contractor's home office support					
relations with cooperating country nationals					
local staff training and utilization					
effective administration of participants					
m. Management of commodities					
n. Timely submission of required reports					
o. Candor and usefulness of required reports					
p. Other (specify) _____					

2. OVERALL EVALUATION	(✓) Check one →														
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">UNSATISFACTORY</th> <th colspan="3">SATISFACTORY</th> <th colspan="2">OUTSTANDING</th> </tr> <tr> <td style="width:10%;">1</td> <td style="width:10%;">2</td> <td style="width:10%;">3</td> <td style="width:10%;">4</td> <td style="width:10%;">5</td> <td style="width:10%;">6</td> <td style="width:10%;">7</td> </tr> </table>	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		1	2	3	4	5	6	7
UNSATISFACTORY		SATISFACTORY			OUTSTANDING										
1	2	3	4	5	6	7									

3. If any factor is rated "negative" or if overall rating is unsatisfactory, describe underlying circumstances. Use additional sheets, if necessary.

C. SIGNATURES

1. PROJECT MANAGER		2. CONTRACTING OFFICER	
PRINTED NAME		TYPED NAME	
SIGNATURE		SIGNATURE	
MISSION/OFFICE SYMBOL	DATE	MISSION/OFFICE SYMBOL	DATE REVIEWED

January 3, 1974

MEMORANDUM

TO: AG, Mr. John L. Ganley

FROM: AA/SER, James F. Campbell

SUBJECT: Audit Report 74-008, Report on Review of AID/W Voucher Processing

In response to your November 14 memorandum concerning the subject Audit Report, this is to advise you of the action being taken on Recommendation No. 7 by the Office of Contract Management, SER/CM. A response covering Recommendations 1 through 6 and that part of Recommendation 7 for which the Office of Financial Management, SER/FM, is responsible, is now being prepared and will be sent to you when it is ready.

Recommendation No. 7 stated that "SER/FM should require administrative approval of personal services contract vouchers by responsible A.I.D. officials and SER/CM should assure that this requirement is specified in personal service contracts."

To accomplish this, I request the Directives Staff, Office of Data Management, by copy of this memorandum, to revise the Personal Services Contract Format attached to M.O. 417.5 (A.I.D. Form 1420-36 (12-70) to:

(1) Insert a new block entitled "Project Officer" on the cover page just below the block entitled "Program Office" and immediately to the left of the block entitled "Estimated Completion Date."

(2) Insert a new definition "n." in General Provision 1, "Definitions," as follows:

"n. 'Project Officer' shall mean the A.I.D. official to whom the Contractor reports, and who is responsible for monitoring the Contractor's performance."

(3) Insert an additional sentence in General Provision 11-a-(1)-(a), "Payment," as follows:

"All claims for compensation will be accompanied by, or will incorporate a certification signed by the Project Officer covering days or hours worked, or authorized travel or leave time for which compensation is claimed."

SUBPART 7-3.1 USE OF NEGOTIATION

Subpart 7-3.1—Use of Negotiation

§ 7-3.101 General requirements for negotiation.

→ **§ 7-3.101-50 Exceptions to normal negotiation procedures.**

Competition should be obtained in negotiated procurements whenever possible. However, there are four types of exceptions to normal negotiation procedures which authorize departures from ordinary competitive practices as follows:

(a) The requirements of FPR 1-3.101 for the solicitation of proposals from the maximum number of qualified sources consistent with the nature of and requirements for the supplies or services to be procured shall be deemed satisfied when the selection of the contractor for Architect-Engineer services has been made pursuant to the procedures prescribed in AIDPR Subpart 7-4.2.

(b) Negotiation without the solicitation of proposals from more than one offeror may be undertaken for the types of contracts listed below. In each of these cases, however, consideration of as many sources as is practicable, including informal solicitation to the maximum extent practicable, is required. In each case the contract file will include appropriate explanation and support.

(1) Procurements to be performed by the contractor in person.

(2) Procurements by an overseas procuring activity which do not exceed \$25,000.

(3) Procurements from State or local governmental agencies.

(c) Negotiation without solicitation of proposals from more than one offeror or informal solicitation may be undertaken for contracts for which one institution or firm has exclusive or predominate capability by reason of experience, specialized facilities or technical competence to perform the work within the time required and at reasonable prices. In such a circumstance, the initiating technical office may recommend, for approval by the contracting officer, that a proposal be solicited only from this one institution or firm. This recommendation shall be in writing and will be contained in a separate document entitled "Justification for Noncompetitive Procurement" which shall set forth full and complete justification for the selection. Specifically the "Justification" shall explain

← with particularity the exclusive or predominant capability the proposed contractor possesses which meets the requirements of the procurement, shall cite any other circumstances which operate to make competitive negotiation impracticable and shall reflect the degree of consideration which has been given to other sources in the particular field and the reasons they lack the capability of the proposed contractor. The following illustrations represent factors which should be considered, as appropriate, in preparing the "Justification":

(1) What capability does the proposed contractor have which is important to the specific effort and makes him clearly more desirable than another firm in the same general field?

(2) What prior experience of a highly specialized nature does he possess which is vital to the proposed effort?

(3) What facilities or equipment does he have which are specialized and vital to the effort?

(4) Does he have a substantial investment of some kind which would have to be duplicated at Government expense by another source entering the field?

(5) If time schedules are involved, why are they critical and why can the proposed contractor best meet them?

(6) Does the proposed contractor have personnel considered predominant experts in the particular field?

Each "Justification" shall contain, in the first sentence of the document, an appropriate recommendation (e.g., "I recommend that we negotiate only with the (*name of entity*) for the (*item or services being procured*).").

(d) Negotiation without solicitation of proposals or informal solicitation and without consideration of other competitive sources may be undertaken for the types of contracts listed below. In each case the contract file will include appropriate explanation and support.

(1) Contracts based on unsolicited research and development proposals to be awarded to a qualified offeror upon the appropriate determination by the cognizant Assistant Administrator pursuant to AIDPR 7-4.5301.

(2) Contract amendments which provide for the continuation of activities or assistance which in the judgment of the contracting officer are designed to meet a goal which is the same as or substantially similar to the goal stated in the original contract.

(3) Procurements for which the contracting officer determines that the prop-

SUBPART 7-3.1 USE OF NEGOTIATION

erty or services can be obtained from only one person or firm (sole source of supply). See FPR 1-3.210(a) (1).

(4) Procurements for which the Assistant Administrator having primary responsibility for the program (this authority is not delegable except to his chief deputy) makes a written determination, with supporting findings (including the degree of consideration, if any, given to other sources in the particular field) that procurement from another source would impair foreign assistance objectives and would be inconsistent with fulfillment of the foreign assistance program. A copy of the determination and findings shall be included in the contract file.

§ 7-3.102 Factors to be considered in negotiating contracts.

Location in a surplus or scarce labor area refers to United States locations only.

§ 7-3.102-50 Adaptability to overseas conditions.

In addition to the factors set forth in FPR 1-3.102, A.I.D. will consider the adaptability of the prospective Contractor and its employees to employment and residence in the overseas location or locations where work is to be performed.

47.541-2

FPR

37 10-4-72

Subpart 1-1.4—Procurement Responsibility and Authority

[32 F.R. 16491, 12/1/67.]

[¶66,049]

§ 1-1.400 Scope of subpart.

This subpart deals with the procurement responsibility and authority of the head of the procuring activity and contracting officer as defined in §§ 1-1.206 and 1-1.207, and with the selection and designation of contracting officers.

[¶66,049.10]

§ 1-1.401 Responsibility of the head of the procuring activity.

The head of the procuring activity is responsible for the procurement of personal property and nonpersonal services (including construction) to the full extent that responsibility has been assigned to his activity.

[¶66,049.20]

§ 1-1.402 Authority of contracting officers.

Contracting officers are authorized to enter into and administer contracts for

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¶66,048.50 FPR 1-1.322

personal property and nonpersonal services (including construction) on behalf of the Government and make related findings and determinations within the limitations of the authority delegated to them. In the exercise of such authority, they are subject to the requirements in § 1-1.403 and any further requirements, consistent with the Federal Procurement Regulations, imposed by the contracting agency.

[¶66,049.30]

§ 1-1.403 Requirements to be met before entering into contracts.

No contract shall be entered into unless all applicable requirements of law, Executive orders and regulations have been met. The term "regulations" includes those issued by any regulatory agency whether or not incorporated or referenced in the Federal Procurement Regulations.

[¶66,049.40]

§ 1-1.404 Selection, designation, and termination of designation of contracting officers.

Contracting officers shall be selected, designated as such, and their designations terminated as provided in agency procedures. Such agency procedures shall conform to the provisions of this § 1-1.404.

[¶66,049.41]

§ 1-1.404-1 Selection.

In selecting individuals to serve as contracting officers or in positions which include authority to act as contracting officers, consideration shall be given to experience, training, education, business acumen, judgment, character, reputation, and ethics. In considering experience, training, and education, the following shall be evaluated:

(a) Experience in the field of procurement involved (e.g., supply, construction, etc.) gained in a Government or non-Government procurement office, or otherwise;

(b) Formal education or special training, including Government conducted or sponsored courses, in pertinent

fields, such as business administration, law, accounting, engineering, architecture, or related fields; and

(c) Knowledge of applicable laws, Executive orders, and regulations.

[¶66,049.42]

§ 1-1.404-2 Designation.

Designation of individuals to act as contracting officers may be accomplished by delegation of authority to individuals or to positions. In the latter case, unless otherwise provided by the agency, any individual authorized to serve in such a position is a contracting officer. In either case, however, the instrument of designation shall include, or make specific reference to, any limitations on the scope of authority to be exercised, other than those contained in applicable laws, regulations, or directives. Appropriate records shall be maintained, whether designation be made by name or by reference to organizational title or position designation.

[¶66,049.43]

§ 1-1.404-3 Termination of designation.

Unless otherwise provided in the instrument designating an individual as a contracting officer (e.g. stipulation of a specified term or a specific purpose), the designation shall remain effective until the contracting officer is reassigned, his employment is terminated, or his designation is revoked. No revocation shall operate retroactively.

[¶66,049.44]

§ 1-1.404-4 Assignment of duties to contracting officers.

In the assignment of duties, including execution and administration of contracts, consideration shall be given to the ability, training, and experience of the contracting officer. Duties involving contracts of large dollar value and complexity shall be given only to personnel with commensurate experience, training, and ability.

[Paragraph 66,049.50 begins on page 47,541-5.]

[¶166,049.50]

§ 1-1.405 Ratification of unauthorized contract awards.

Execution of otherwise proper contracts made by individuals without contracting authority, or by contracting officers in excess of the limits of their delegated authority, may be later ratified. To be effective, such ratification must be in the form of a written document clearly stating that ratification of a previously unauthorized act is intended and must be signed by a person authorized to ratify such acts. Generally such ratification may be made only by an official on whose behalf the contract was made and then only (1) if he could have given authority to enter into the contract before it was awarded and (2) if he still has power to do so at the time of ratification.

Number 342-113
9-15-71

47,691

**PART 1-3—PROCUREMENT BY
NEGOTIATION**

[¶66,184]

§ 1-3.000 Scope of part.

This part prescribes policies and procedures which shall be observed by executive agencies in connection with procurement by negotiation. As directed by statute (see § 1-2.102(c)), agencies shall not negotiate pursuant to section 3709 of the Revised Statutes, but shall comply with the negotiation requirements of Title III of the Federal Property and Administrative Services Act of 1949 (hereafter referred to in this Part 1-3 as "the Act"), unless otherwise authorized by law.

[31 F.R. 348,
effective 1/12/66.]

Subpart 1-3.1—Use of Negotiation

[¶66,187]

§ 1-3.100 Scope of subpart.

This subpart deals with the nature and use of negotiation as distinguished from formal advertising (see Part 1-2), and with limitations upon that use.

[¶66,188]

§ 1-3.101 General requirements for negotiation.

(a) No procurement in excess of \$2,500 shall be made by negotiation if the use of formal advertising is feasible and practicable under the existing conditions and circumstances even though such conditions and circumstances would otherwise satisfy the requirements of Subpart 1-3.2.

(b) No contract shall be entered into as a result of negotiation unless or until the following requirements have been satisfied:

(1) The contemplated procurement comes within one of the circumstances permitting negotiation enumerated in Subpart 1-3.2;

(2) Any necessary determinations and findings have been made (see Subparts 1-3.2 and 1-3.3);

(3) Such clearance or approval as is prescribed by applicable agency procedures has been obtained; and

(4) The prospective contractor has Government Contracts Reports

been determined to be responsible in accordance with Subpart 1-1.12.

(c) Whenever property or services are to be procured by negotiation, proposals shall be solicited from the maximum number of qualified sources, including small business concerns (see § 1-1.702(b)(3)), consistent with the nature of and requirements for the supplies or services to be procured, in accordance with the basic policies set forth in this Part 1-3, to the end that the procurement will be made to the best advantage of the Government, price and other factors considered. Proposals shall be supported by statements and analyses of estimated costs or other evidence of reasonable prices and by such information concerning other vital matters as is deemed necessary by the contracting officer (see § 1-3.807). Unless award without written or oral discussion is permitted under § 1-3.805-1(a), negotiation shall thereupon be conducted in accordance with § 1-3.805, with due attention being given to the factors in § 1-3.102 and any other appropriate factors.

(d) Negotiated procurement shall be on a competitive basis to the maximum practical extent. When a proposed procurement appears to be noncompetitive, the procuring activity is responsible not only for assuring that competitive procurement is not feasible, but also for acting whenever possible to avoid the need for subsequent noncompetitive procurements. This action shall include both examination of the reasons for the procurement being noncompetitive and steps to foster competitive conditions for subsequent procurements, particularly as to the availability of complete and accurate data, reasonableness of delivery requirements, and possible breakout of components for competitive procurements.

[36 F.R. 17419, effective
8/30/71.]

[¶66,189]

§ 1-3.102 Factors to be considered in negotiating contracts.

During the course of negotiations, due attention shall be given to the following and any other appropriate factors:

(a) Comparison of prices quoted and

FPR 1-3.102 ¶66,189

consideration of other prices for the same or similar property or services, with due regard to production costs, including extra pay shift, multi-shift and overtime costs, and any other factor relating to the price, such as profits, cost of transportation, and cash discounts.

(b) Comparison of the business reputation, capacity, and responsibility of the respective persons or firms who submit offers.

(c) Consideration of the quality of the property or services offered, including the same or similar property or services previously furnished, with due regard to conformance with specification requirements.

(d) Consideration of delivery requirements.

(e) Discriminating use of price and cost analyses.

(f) Investigation of price aspects of any important subcontract.

(g) Individual bargaining, by mail or by conference.

(h) Consideration of cost sharing.

(i) Effective utilization in general of the most desirable type of contract.

(j) Consideration of the size of the business concern.

(k) Consideration as to whether the prospective supplier requires expansion or conversion of plant facilities.

(l) Consideration as to whether the prospective supplier is located in a surplus or scarce labor area.

(m) Consideration as to whether the prospective supplier will have an adequate supply of qualified labor.

(n) Consideration of subcontracting, with the extensive use of small business subcontractors being considered a favorable factor.

(o) Consideration of the existing and potential workload of the prospective supplier.

(p) Consideration of broadening the industrial base by the development of additional suppliers.

(q) Consideration of whether the contractor requires Government furnished property, machine tools, or facilities.

[¶66,190]

§ 1-3.103 Dissemination of procurement information.

(a) Synopses of proposed procurements and contract awards shall be prepared and publicized in the Department

¶66,190 FPR 1-3.103

of Commerce "Synopsis of U.S. Government Proposed Procurement, Sales, and Contract Awards," in accordance with the requirements of §§ 1-1.1003 and 1-1.1004.

(b) Promptly after making awards in any procurement in excess of \$10,000, the contracting officer normally shall give written notice to the unsuccessful offerors that their proposals were not accepted. Upon request, unsuccessful offerors whose offered prices were lower than those of the contractor which received the award shall be furnished the reasons why their proposals were not accepted; but in no event will an offeror's cost breakdown, profit, overhead rates, trade secrets, or other confidential business information be disclosed to any other offeror.

(c) Classified information shall be furnished only in accordance with agency regulations governing the handling of classified information.

[¶66,191]

§ 1-3.104 Disclosure of mistakes after award.

When a mistake in a contractor's proposal is not discovered until after award, the authority to correct mistakes contained in § 1-2.406-4 may be utilized in accordance with the limitations and procedures set forth therein.

Subpart 1-3.2—Circumstances Permitting Negotiation

[¶66,194]

§ 1-3.200 Scope of subpart.

Subject to the requirements and limitations prescribed in Subparts 1-3.1 and 1-3.3 and in this Subpart 1-3.2, or as otherwise provided by law, procurement may be effected by negotiation under any one of the exceptions contained in sections 302(c)(1) through 302(c)(15) of the Act (see §§ 1-3.201 through 1-3.215). Each negotiated contract shall contain a reference to the authority under which it was negotiated.

[¶66,195]

§ 1-3.201 National emergency.

(a) Authority. Section 302(c)(1) of the Act (41 U.S.C. 252(c)(1)) provides

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that purchases and contracts may be negotiated if "determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress." At present, a state of national emergency exists by reason of Presidential Proclamation No. 2914 of December 16, 1950 (3 CFR).

(b) *Determination.* The Administrator of General Services has determined, pursuant to section 302(c) (1) of the Act, that it is necessary in the public interest during this period of national emergency that contracts be negotiated by executive agencies to assist labor surplus areas and small business concerns and to further the Balance of Payments Program.

(c) *Application.* (1) The authority of this section of the Act, shall be used, in accordance with the foregoing determination, to negotiate contracts in furtherance of the policies for assistance to labor surplus areas as are stated in the Office of Civil and Defense Mobilization Defense Manpower Policy No. 4 (Revised). (See Subpart 1-1.8.)

(2) The authority of this section of the Act shall also be used, in accordance with the foregoing determination, to negotiate unilateral set-aside contracts with small business concerns, where small business joint set-aside determinations pursuant to Subpart 1-1.7 are not feasible, when it is determined by the contracting officer to be in the interest of (i) maintaining or mobilizing the Nation's full productive capacity, (ii) war or national defense programs, or (iii) assuring that a fair proportion of the total purchases and contracts for property and services for the Government are placed with small business concerns.

(3) The authority of this section of the Act shall be used, in accordance with the foregoing determination, to negotiate contracts for U.S. end products or services, as provided in Subpart 1-6.8 of this chapter, in furtherance of the U.S. Balance of Payments Program.

[32 F.R. 5622,
effective 6/15/67.]

[¶166,196]

§ 1-3.202 Public exigency.

Pursuant to the authority of section 302(c) (2) of the Act (41 U.S.C. 252(c) (2)), purchases and contracts may be

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negotiated without formal advertising if "the public exigency will not admit of the delay incident to advertising."

(a) *Application.* In order for this authority to be used, the need must be compelling and of unusual urgency, as when the Government would be seriously injured, financially or otherwise, if the property or services to be purchased or contracted for were not furnished by a certain time, and when they could not be procured by that time by means of formal advertising. This applies irrespective of whether that urgency could or should have been foreseen. For example, this authority may be used when property or services are needed at once because of a fire, flood, explosion, or other disaster.

(b) *Limitations.* (1) Every contract negotiated under this authority shall be supported by a determination and findings justifying use of the authority. The determination and findings shall be prepared in accordance with Subpart 1-3.3 and signed by the contracting officer.

(2) When purchase action under this authority is based on telephone or other oral offers, a written confirmation of the accepted offer shall be obtained and made a part of the purchase case file. In addition, a record shall be established in such cases which shall contain, as a minimum, the following information with respect to each offer: name and address of each offeror quoting, description of item, unit price, delivery time, and discount terms offered. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded and made a part of the purchase file.

[¶166,197]

§ 1-3.203 Purchases not in excess of \$2,500.

Pursuant to the authority of section 302(c) (3) of the Act (41 U.S.C. 252(c) (3)), purchases and contracts may be negotiated without formal advertising if "the aggregate amount involved does not exceed \$2,500."

(a) *Application.* Contracts or purchases aggregating \$2,500 or less shall be made under the authority of this § 1-3.203 rather than under any of the other sections in this Subpart 1-3.2. In arriving at the "aggregate amount involved," there must be included all property and

FPR 1-3.203 ¶166,197

services which would properly be grouped together in a single transaction and which would be included in a single advertisement for bids if the procurement were being effected by formal advertising. Procurements aggregating more than \$2,500 shall not be broken down into separate procurements of less than \$2,500.

(b) *Procedure.* Purchases and contracts aggregating not more than \$2,500 shall be made in accordance with Subpart 1-3.6.

[¶66,198]

§ 1-3.204 Personal or professional services.

Pursuant to the authority of section 302(c)(4) of the Act (41 U.S.C. 252(c)(4)), purchases and contracts may be negotiated without formal advertising if "for personal or professional services."

(a) *Application.* This authority shall be used only when all of the following conditions have been satisfied:

(1) If personal services, they are required to be performed by an individual contractor in person (not by a concern); if professional services, they may be performed either by an individual contractor in person or a concern;

(2) The services are of a professional nature, or are to be performed under Government supervision and paid for on a time basis; and

(3) Procurement of the services is authorized by law and is effected in accordance with the requirements of applicable law.

(b) *Limitations.* This authority shall not apply to the procurement by negotiation of any types of services authorized under any other provisions of this subpart. (For instructions regarding contracts for professional engineering, architectural, and landscape architectural services and delegations of authority under section 15 of the Public Buildings Act of 1959 (40 U.S.C. 614), see Federal Property Management Regulations (§§ 101-17.402(c) and 101-17.501 of this title).)

(2) Use of authority of this § 1-3.204 for professional engineering, architectural and landscape architectural services for any public building or public improvement (exclusive of bridges, roads, sidewalks, sewers, mains, or similar items) the construction cost of which is estimated to be \$200,000 or more, shall

¶66,198 FPR 1-3.204

be subject to prior clearance with the General Services Administration.

[31 F.R. 8116,
effective 7/18/66.]

[¶66 199]

§ 1-3.205 Services of educational institutions.

Pursuant to the authority of section 302(c)(5) of the Act (41 U.S.C. 252(c)(5)), purchases and contracts may be negotiated without formal advertising if "for any service to be rendered by any university, college, or other educational institution."

(a) *Application.* The following are illustrative of circumstances with respect to which this authority may be used:

(1) Educational or vocational training services to be rendered by any university, college, or other educational institution in connection with the training and education of personnel, and for necessary material, services, and supplies furnished by any such institution in connection therewith.

(2) Experimental, developmental, or research work, (including services, tests and reports necessary or incidental thereto) to be conducted by any university, college, or other educational institution; and reports furnished in connection therewith.

(3) Analyses, studies, or reports (statistical or otherwise) to be conducted or prepared by any university, college, or other educational institution.

[¶66,200]

§ 1-3.206 Purchases outside the United States.

Pursuant to the authority of section 302(c)(6) of the Act (41 U.S.C. 252(c)(6)), purchases and contracts may be negotiated without formal advertising if "the supplies or services are to be procured and used outside the limits of the United States and its possessions." This authority shall be used only for the procurement of property or services which are actually purchased from sources outside and used outside the limits of the United States and its possessions, such as property or services (including construction) for overseas installations or for the use of overseas personnel.

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[¶ 66,201]

§ 1-3.207 Medicines or medical supplies.

Pursuant to the authority of section 302(c)(7) of the Act (41 U.S.C. 252(c)(7)), purchases and contracts may be negotiated without formal advertising if "for medicines or medical property."

(a) *Application.* This authority shall be used only for such supplies as are peculiar to the field of medicine, including technical equipment, such as surgical instruments, surgical and orthopedic appliances, X-ray supplies and equipment, and the like.

(b) *Limitations.* (1) Every contract negotiated under this authority shall be supported by a determination and findings prepared in accordance with Subpart 1-3.3 and signed by the contracting officer.

(2) Whenever the probable cost of property to be purchased by negotiation under this authority will exceed \$10,000, suitable advance publicity of the proposed purchase shall be given for a period of at least 15 days wherever practicable. The requirement of "suitable advance publicity" shall be deemed to be complied with if circulation of notice of intent to negotiate is made to business concerns engaged in the manufacture and/or sale of the products involved, including qualified concerns known to have current interest in selling such products to the Government. When desirable, publication of the intention to negotiate through newspapers or other similar media may be used to supplement circularization.

[¶ 66,202]

§ 1-3.208 Property purchased for authorized resale.

Pursuant to the authority of section 302(c)(8) of the Act (41 U.S.C. 252(c)(8)), purchases and contracts may be negotiated without formal advertising if "for property purchased for authorized resale."

(a) *Application.* This authority shall be used only for purchases for resale through commissaries or other similar facilities, and ordinarily only for purchases of articles with brand names or of a proprietary nature as required by patrons of the selling activities.

(b) *Limitations.* (1) Every contract negotiated under this authority shall be supported by a determination and findings prepared in accordance with Sub-

part 1-3.3 and signed by the contracting officer.

(2) Whenever the probable cost of property to be purchased by negotiation under this authority will exceed \$10,000, suitable advance publicity (see § 1-3.207 (b)(2)) of the proposed purchase shall be given for a period of at least 15 days, whenever practicable. When exercising this authority, regardless of the probable cost, competitive proposals shall be solicited from all such qualified sources of supply as the contracting officer deems necessary to assure full and free competition, consistent with the type and character of the procurement.

[¶ 66,203]

§ 1-3.209 Subsistence supplies.

Pursuant to the authority of section 302(c)(9) of the Act (41 U.S.C. 252(c)(9)), purchases and contracts may be negotiated without formal advertising if "for perishable or nonperishable subsistence supplies."

(a) *Application.* This authority may be used for the purchase of any and all kinds of subsistence supplies.

(b) *Limitation.* When exercising this authority, competitive proposals shall be solicited from all such qualified sources of supply as the contracting officer deems necessary to assure full and free competition, consistent with the type and character of the procurement.

[¶ 66,204]

§ 1-3.210 Impracticable to secure competition by formal advertising.

Pursuant to the authority of section 302(c)(10) of the Act (41 U.S.C. 252(c)(10)), purchases and contracts may be negotiated without formal advertising if "for property or services for which it is impracticable to secure competition."

(a) *Application.* The following are illustrative of circumstances with respect to which this authority may be used:

(1) When property or services can be obtained from only one person or firm (sole source of supply).

(2) When competition is precluded because of the existence of patent rights, copyrights, secret processes, control of basic raw material, or similar circumstances (however, the mere existence of such rights or circumstances does not in and of itself justify the use of this authority).

(3) When bids have been solicited pursuant to the requirements of Part 1-2, and no responsive bid has been received from a responsible bidder.

(4) When bids have been solicited pursuant to the requirements of Part 1-2 and the responsive bid or bids do not cover the quantitative requirements of the invitation for bids, in which case, negotiation is permitted for the remaining requirements.

(5) When the contemplated procurement is for electric power or energy, gas (natural or manufactured), water, or other utility services or when the contemplated procurement is for construction of a part of a utility system and it would not be practicable to allow a contractor other than the utility company itself to work upon the system.

(6) When the contemplated procurement is for training film, motion picture productions, or manuscripts.

(7) When the contemplated procurement is for technical nonpersonal services in connection with the assembly, installation, or servicing (or the instruction of personnel therein) of equipment of a highly technical or specialized nature.

(8) When the contemplated procurement is for studies or surveys other than those which may be negotiated under the authority cited in §§ 1-3.205 or 1-3.211.

(9) When the contemplated procurement involves maintenance, repair, alteration, or inspection and the exact nature or amount of the work to be done is not known.

(10) When the contemplated procurement is for stevedoring, terminal, warehousing, or switching services, and when either the rates are established by law or regulation, or the rates are so numerous or complex that it is impracticable to set them forth in the specifications of a formal invitation for bids.

(11) When the contemplated procurement is for commercial transportation, including time, space, trip, and voyage charters, except for such transportation services as are furnished by common carriers (for which negotiation is authorized under § 1-3.215 and section 321 of the Transportation Act of 1940, 49 U.S.C. 65, and including services for the operation of Government-owned vehicles, vessels, or aircraft.

(12) When the contemplated contract is for services related to the procurement of perishable subsistence, such as protective storage, icing, processing,

packaging, handling, and transportation, and it is impracticable to advertise for such services a sufficient time in advance of the delivery of the perishable subsistence.

(13) When it is impossible to draft for an invitation for bids adequate specifications or any other adequately detailed description of the required property or services.

(14) When the contemplated procurement is for parts or components being procured as replacement parts in support of equipment specially designed by the manufacturer, where data available is not adequate to assure that the part or component will perform the same function in the equipment as the part of component it is to replace.

(15) When the contemplated procurement involves construction where a contractor or group of contractors is already at work on the site, and it would not be practicable to allow another contractor or an additional contractor to work on the same site or when the amount is too small to interest other contractors to mobilize and demobilize.

(b) *Limitations:* The authority cited in this § 1-3.210 shall not be used under the circumstances described in paragraphs (3) and (4) of § 1-3.210(a) where "Small Business Restricted Advertising" has been used. However, it may be used in the case of partial set-asides unless in the judgment of the contracting officer the failure to obtain sufficient responsive bids on the non-set-aside portion was caused by the existence of the set-aside. Every contract negotiated under this authority shall be supported by a determination and findings justifying use of the authority. The determination and findings shall be prepared in accordance with Subpart 1-3.3 and signed by the contracting officer.

[¶ 66.205]

§ 1-3.211 Experimental, developmental, or research work.

Pursuant to the authority of section 302(c)(11) of the Act (41 U.S.C. 252 (c)(11)), purchases and contracts may be negotiated without formal advertising if "the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of property for experimentation, development, research, or test."

(a) *Application.* The following are illustrative of circumstances with respect to which this authority may be used:

(1) When the contemplated contract relates to theoretical analysis, exploratory studies, and experimentation in any field of science or technology.

(2) When the contemplated contract is for developmental work and calls for the practical application of investigative findings and theories of a scientific or technical nature.

(3) When the contemplated contract is for such quantities and kinds of equipment, supplies, parts, accessories, or patent rights thereto, and drawings or designs thereof, as are necessary for experimentation, development, research, or test.

(4) When the contemplated contract is for services, tests, and reports necessary or incidental to experimental, developmental, or research work.

(b) *Limitations.* This authority shall not be used for contracts for quantity production, except that such quantities may be purchased under this authority as are necessary to permit complete and adequate experimentation, development, research, or test; accordingly, research or development contracts which call for the production of a reasonable number of experimental or test models, or prototypes, shall not be regarded as contracts for quantity production. In order for this authority to be used, a determination and findings justifying use of the authority must be prepared in accordance with Subpart 1-3.3.

[31 F.R. 1150, effective
1/28/66.]

[¶ 66,206]

§ 1-3.212 Purchases not to be publicly disclosed.

Pursuant to the authority of section 302(c)(12) of the Act (41 U.S.C. 252(c)(12)), purchases and contracts may be negotiated without formal advertising if "for property or services as to which

the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed."

(a) *Application.* This authority may be used for purchases or contracts classified "Confidential" or higher, or where, because of other considerations, the contract should not be publicly disclosed.

(b) *Limitations.* In order for this authority to be used, a determination and findings justifying use of the authority must be prepared in accordance with Subpart 1-3.3.

[¶ 66,207]

§ 1-3.213 Technical equipment requiring standardization and interchangeability of parts.

(a) *Authority.* (1) Pursuant to the authority of section 302(c)(13) of the Act (41 U.S.C. 252(c)(13)), purchases and contracts may be negotiated without formal advertising if "for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest."

(2) This § 1-3.213 provides authority only to employ negotiation as distinguished from advertising and does not constitute authority to make purchases of equipment. Authority for the latter must be elsewhere derived.

(b) *Application.* (1) This authority may be used for procuring additional units and replacement items of specified makes and models of technical equipment and spare parts by negotiation in order to assure standardization of equipment and interchangeability of parts

where, in special situations or in particular localities, such standardization and interchangeability is determined necessary in the public interest. Examples of situations where this authority may be used are:

(i) Where, in special situations or in particular localities, it has been found necessary to limit the variety and quantity of parts that must be carried in stock.

(ii) Where standardization of technical equipment is necessary in special situations or in particular localities so that parts may be available and interchanged among items of damaged or worn equipment.

(iii) Where, in special situations or particular localities, technical equipment is available from a number of suppliers which would have such varying performance characteristics (notwithstanding detailed specifications and rigid inspection) as would prevent standardization and interchangeability of parts.

(2) Consideration shall be given to the following and other pertinent factors before making a determination to procure specified makes and models under the authority of this § 1-3.213:

(i) The practicability of interchanging parts and cannibalizing equipment.

(ii) The probability that future procurement of the selected item of equipment can be affected at reasonable prices.

(iii) Whether the standardization will appreciably reduce the variety and quantity of parts that must be carried in stock.

(iv) The value of similar equipment and its supporting parts on hand.

(v) Possible savings in training personnel.

(vi) Whether the standardization will adversely affect existing specifications and standards.

(vii) The degree to which the current design of the specified make and model has been changed from the design of equipment of the same make and model already in the supply system.

(3) Standardization approval under this authority shall be for a stated period of time which bears a reasonable relationship to the life of the equipment.

(c) *Justification.* (1) In arriving at a determination that standardization of equipment and interchangeability of its parts are necessary in the public interest, such standardization must be in fact fully justified as genuinely "necessary in

the public interest." It is not sufficient that it merely be generally desirable. Nor is an arbitrary or perfunctory conclusion sufficient. Facts must clearly show the compelling reasons why it is necessary, as for example:

(i) Substantial savings possible through standardization (estimated annual savings to be indicated when possible).

(ii) Minimizing potential breakdown of a specifically identified service or function which might endanger life, property or the orderly conduct of vital Government functions.

(2) The term "in special situations" precludes application of the authority to generally prevailing or generalized conditions. The law assumes that it will be necessary to employ the authority only under unusual or abnormal conditions.

(3) The term "particular localities" has reference to remote locations which are not only remote in the sense of physical distance from large metropolitan areas, but remote from available stocks of replacement parts and, possibly, related service facilities. For example, it is not enough to conclude that standardization is required of a motor vehicle in Alaska because of remote location if in fact replacement parts of various vehicle makes are readily available. It must be shown expressly, and not by inference, (i) that the location involved is inaccessible because of stated conditions, such as the absence of a connected road system, or (ii) that there are not available within stated reasonable distances, adequate stocks of replacement parts or personnel and facilities necessary to perform required services, and that there are circumstances which make it impractical to maintain at the location such stocks and furnish such service for more than a particular number of makes of vehicles. Most using activities within the United States (excluding Alaska) could not be considered to meet these requirements. However, there may be cases where, because of extremely unusual conditions, standardization at a particular location within the United States may be necessary in the public interest.

(d) *Limitations.* (1) This authority shall not be used for initial procurement of equipment and spare parts which ultimately will be standardized, or for the purpose of selecting arbitrarily the equipment of certain suppliers; nor shall it be used unless and until the agency head

has determined that:

(i) The equipment constitutes technical equipment;

(ii) Standardization of such equipment and interchangeability of its parts are necessary in the public interest; and

(iii) Negotiation is necessary in special situations or in particular localities in order to assure required standardization of equipment and interchangeability of parts.

(e) *Determination and findings.* (1) In order for this authority to be used, a determination and findings justifying use of the authority must be prepared in accordance with Subpart 1-3.3.

(2) The following example of findings and determinations is illustrative of the type and amount of information which may be considered sufficient to justify negotiation under section 302

(c) (13) of the Act:

DEPARTMENT OF THE INTERIOR

FINDINGS AND DETERMINATIONS UNDER SECTION 302(C) (13) OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Findings

In accordance with the requirements of sections 302(c) (13) and 307 of the Federal Property and Administrative Services Act of 1949, 68 Stat. 377, as amended, I make the following findings:

1. The Alaska Road Commission has stated that it has a requirement for 25 _____

_____ trucks as set forth in (letter) or (req-
(Make and
type)
type) dated _____ and has sub-
mitted, by letter dated _____; signed by
_____, information in justifica-
(Name and title)
tion for such purchase under section 302(c)
(13), as described or included in the findings
set forth below.

2. The trucks in question are required for
use at _____, Alaska. This lo-
(District or area)
cation is accessible only by _____
(Indicate: i.e. "boat"
or "boat and air" etc)
_____ and for several months
each year is accessible only by _____
The Government's operations which consist
of _____, require the use
(General description only)
of trucks of this type. The location pres-
ently has _____ of these trucks with stocks
of spare parts determined necessary from
experience to maintain these trucks in proper
operational efficiency. There are also _____
trucks of other manufacture with required
stocks of spare parts which will gradually be
eliminated by standardization. No commer-
cial supply or service centers are maintained
at this remote location or within approx-
imately _____ miles thereof.

3. It is impractical to provide service and repair facilities for numerous makes of vehicles and to maintain stocks of parts necessary to keep the various makes in operating condition. Each make of vehicle usually requires additional special equipment for proper servicing and repair. This results in added cost, housing, and related administrative expense. Similarly each additional make requires the maintenance of separate stocks of spare service and repair parts which require additional bins, storage, and clerical and administrative expenses. The annual savings in cost estimated to result from the maintenance of reduced stocks of parts made possible by standardizing on these trucks is _____.

4. (State other factors and details as applicable.)

5. Under these circumstances the Alaska Road Commission regards the standardization and interchangeability as necessary in the public interest.

Determinations

1. Based upon the foregoing findings, I hereby determine, with the meaning of section 302(c) (13) of the Federal Property and Administrative Services Act of 1949, that:

A. The equipment described is technical equipment;

B. Negotiation is necessary, in the situation and in the locality described, in order to assure standardization of the equipment and interchangeability of parts; and

C. Such standardization and interchangeability is necessary in the public interest.

2. Upon the basis of these findings and determinations, I hereby authorize the negotiation of a contract (or contracts) for procurement of the equipment described in these findings pursuant to section 302(c) (13) of the Federal Property and Administrative Services Act of 1949.

Secretary of the Interior.

[¶66, 208]

§ 1-3.214 Negotiation after advertising.

Pursuant to the authority of section 302(c) (14) of the Act (41 U.S.C. 252(c) (14)), purchases and contracts may be negotiated without formal advertising if "for property or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or some part of the requirements) or have not been independently arrived at in open competition."

(a) *Application.* This authority is designed to cope with cases where bids received after advertising are too high, although not actually identical or apparently collusive, and cases of indicated

possible collusive bidding. Indications of possible violation of antitrust laws or collusive bidding are to be reported in accordance with Subpart 1-1.9. Where, after advertising, some of the bids do not appear reasonable, and the reasonable bids do not cover the full quantity required, the contracting officer may, at his discretion, accept the reasonable bids. Negotiation for the balance of the quantity required is subject to the requirements of § 1-3.214(b).

(b) *Limitations.* This authority shall not be used unless it has been determined in accordance with Subpart 1-3.3 that the bid prices, after formal advertising for the property or services, are not reasonable or were not independently arrived at in open competition. Also, after such determination has been made and after rejection of bids, no contract shall be negotiated under this authority unless:

(1) Notification of intention to negotiate and reasonable opportunity to negotiate have been given to each responsible bidder which submitted a bid in response to the invitation for bids; and

(2) The negotiated price is the lowest negotiated price offered by any responsible supplier.

[¶66, 209]

§ 1-3.215 Otherwise authorized by law.

(a) Pursuant to the authority of section 302(c)(15) of the Act (41 U.S.C. 252(c)(15)), purchases and contracts may be negotiated without formal advertising if "otherwise authorized by law." This provision preserves the authority to negotiate contracts conferred by other legislation. The following are typical examples:

(1) Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

(2) Small Business Act (15 U.S.C. 631).

(3) Section 321 of the Transportation Act of 1940 (49 U.S.C. 65). (This law permits negotiation for transportation services when the services required can be procured from any common carrier. This authority shall not be used to eliminate competition from companies which are not common carriers when the services may also be performed by such companies.)

(b) When negotiating pursuant to

¶66, 209 FPR 1-3.215

other statutory authority:

(1) The law so authorizing should be cited in the purchase or contract instrument.

(2) The requirements of section 304 of the Act shall apply. These pertain to the covenant against contingent fees, examination of records, and various aspects of cost-type contracting.

(c) Other statutory authority of an agency to procure "without advertising" or "without regard to section 3709 of the Revised Statutes" is construed to authorize negotiation pursuant to section 302(c)(15) of the Act and without regard to the advertising requirements of sections 302(c) and 303 of the Act.

[31 F.R. 348,
effective 1/12/66.]

Subpart 1-3.3—Determinations, Findings, and Authorities

[¶66, 212]

§ 1-3.301 General.

(a) The determinations and supporting findings referred to in this Part 1-3 are documents required to justify the use of the authority to (1) enter into contracts by negotiation, (2) make advance payments under negotiated contracts, (3) determine the kind of contract to be used, (4) determine the estimated cost of, and fees to be paid under, cost-plus-a-fixed-fee contracts, (5) waive a requirement for the submission and certification by contractors or subcontractors of cost or pricing data, or (6) omit the Examination of Records clause from negotiated contracts with foreign contractors and foreign subcontractors, where agencies desire to omit such clause under the authority of section 304(c) of the Act (41 U.S.C. 254(c)).

(b) Determinations and findings ordinarily shall be made only with respect to individual purchases or contracts. However, where class determinations and findings are made, they shall not be construed to authorize the procurement by negotiation of supplies or services within the class which feasibly and practicably could be procured through formal advertising (see § 1-1.301-2).

(c) Pursuant to section 307 of the Act (41 U.S.C. 257), the determinations and decisions provided in Title III of the Act to be made by the agency head, and the written findings in support of the determinations required by §§ 1-3.211 through

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1-3.214 and paragraphs (a), (b), and (d) of § 1-3.302, shall be final.

[34 F.R. 6844, effective 5/29/69.]

[¶66,213]

§ 1-3.302 Determinations and findings required.

In addition to the determinations and findings required by Subpart 1-3.2, the following determinations in connection with the negotiation of contracts are required to be made in writing, supported by written findings as specified in § 1-3.305:

(a) The determination required by section 304(b) of the Act (41 U.S.C. 254 (b)) as to estimated cost of, and fees to be paid under, cost-plus-a-fixed-fee contracts (see §§ 1-3.401, 1-3.405-4, and 1-3.405-5(c)(2));

(b) The determination required by section 304(b) of the Act that the use of a cost or a cost-plus-a-fixed-fee contract or an incentive-type contract is likely to be less costly than other methods or that it is impracticable to secure property or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract (see §§ 1-3.404-4 and 1-3.405-1);

(c) The determination required by section 303(b) of the Act (41 U.S.C. 253(b)) that it is in the public interest to reject all bids;

(d) The determination required by section 305(c) of the Act (41 U.S.C. 255 (c)) that the making of advance payments would be in the public interest (see § 1-3.405);

(e) The determinations required with respect to waiving a requirement for the submission of cost or pricing data and the certification thereof (see § 1-3.807-3 (b)) and for the inclusion of the clauses required by §§ 1-3.814-1 through 1-3.814-3 in contracts with foreign governments or agencies thereof.

(f) The determinations required by section 304(c) of the Act (41 U.S.C. 254(c)) and Subpart 1-6.10 with respect to omitting the clause specified in § 1-7.103-3 or § 1-7.602-7 from contracts with foreign contractors or subcontractors regarding the right of the Comptroller General of the United States to examine the contractor's records when it is determined (1) that the omission will serve the best interests of the United States,

or (2) that the public interest will best be served by the omission.

(1-3.302(f) amended 38 FR 6670, 3/12/73, effective 5/15/73.)

[34 F.R. 6844, effective 5/29/69.]

[¶66,214]

§ 1-3.303 Determinations and findings by the head of the agency.

The determinations and written findings in support thereof, required by §§ 1-3.211 through 1-3.213 and 1-6.1004, may be made only by the head of the agency, except that the authority to make the determinations and findings required by § 1-3.211 may be delegated by the head of the agency to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000.

[34 F.R. 6844, effective 5/29/69.]

[¶66,215]

§ 1-3.304 (Reserved)

[¶66,216]

§ 1-3.305 Form and requirements of determinations and findings.

(a) The form of determination and findings required shall be sufficient to satisfy the requirements of the applicable provisions of law and of this Part 1-3, and shall be in such form as may be prescribed in agency instructions.

(b) Each determination and findings required by Subpart 1-3.2 and § 1-3.302 shall be signed by the official making the determination and findings and shall set out enough facts and circumstances to clearly justify the specific determination made. Each determination and findings required to negotiate either an individual contract or a class of contracts under §§ 1-3.202, 1-3.207, 1-3.208, 1-3.210, 1-3.212 through 1-3.214, and for the procurement of property or supplies under § 1-3.211, shall set forth enough facts and circumstances to clearly and convincingly establish that the use of formal advertising would not have been feasible or practicable.

[¶66,217]

§ 1-3.306 Procedure with respect to determinations and findings.

Determinations and findings for authority to negotiate required by §§ 1-3.202, 1-3.207, 1-3.208, and 1-3.210 through 1-3.214 shall be signed by the appropriate official prior to issuance of a request for proposals. Any modifications of such determinations and findings subsequently found to be necessary will not require cancellation of the request for proposals if the determinations and findings as modified support negotiation under any one of the authorities cited in Subpart 1-3.2. Where the facts continue to support the negotiation but under an authority for which a determination and findings is not required, cancellation of the determination and findings will not require cancellation of the request for proposals.

[¶66,218]

§ 1-3.307 [Reserved]

[¶66,219]

§ 1-3.308 Preservation of data.

(a) The originals of all determinations and findings required by this Part 1-3, and copies of supporting documents, shall be preserved and available in the files of the agency for a period of at

least six years following the date of the determination.

(b) A copy of each determination and findings required by Subpart 1-3.2 and by (b) and (d) of § 1-3.302 shall be filed with the General Accounting Office copy of the contract in connection with which the determination and findings is made.

(c) In any case where a purchase or contract is negotiated under § 1-3.201

and 1-3.207 through 1-3.214, data with respect to negotiation shall be preserved in the files of the agency for a period of six years following final payment on such purchase or contract. Such data shall be sufficient to show:

- (1) The reason and basis for use of negotiation;
- (2) The extent of competition secured; and
- (3) Other essential information bearing on the actual negotiations.

(d) Where in other cases of negotiation, the requirements of paragraphs (a) and (c) of this 1-3.308 are not applicable, final data shall nevertheless be made a part of the file to support the action taken. This includes the informal records required with respect to purchases resulting from oral offers.

REFERENCE ITEM NO. 12

Extracts from Project Monitor Procurement Handbook
(HB 17 0.5), published by Law Enforcement Assistance
Administration, January 9, 1973

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SECTION 5. STEPS IN THE PREPARATION OF THE SOW.

1. GENERAL. It is impractical to define every action and aspect in the preparation of SOWs, to cover every eventuality and every contingency that may arise in the course of LEAA contracting activities. However, certain chronological steps have been developed as general guidance for preparing work statements. These steps are to be utilized, as applicable to the particular project and the scope of the work involved. For example, when there is no requirement for a work breakdown structure, the steps involving this aspect are irrelevant.

Note also that the preparation of a formal SOW begins after the Administration has approved the program formulation analysis, the project selection, and the decision to solicit contractual support rather than award a grant (see Chapter 1, Procurement Life-Cycle Flow Diagram, Pre-Solicitation Phase). Following these approvals, the Project Monitor begins the formulation of the SOW, working on it continually until it meets all of the requirements described herein for an acceptable SOW.

2. STEP-BY-STEP PROCEDURES.

- a. Review Requirements Documents. The program-requirements documents are to be collected and carefully analyzed, and the overall basic objectives are to be isolated and defined. The assembly and preparation of these definitions provide the foundation for the general description of the purpose and scope of the work in the SOW. This step is to include an identification and documentation of the statutory justification for the planned procurement. The initial contact and teaming of the procurement representative and the Project Monitor are to take place at this time, if it is not already accomplished.
- b. Review Regulatory Directives. A review of the LEAA regulations, policy directives, and administrative memorandums that apply to the types of items under consideration is recommended. In some cases, a bibliography citing all regulatory material may be compiled for use by the SOW team of authors. The procurement organization may assist the Project Monitor in this effort.
- c. Obtain and Review Specifications. When applicable to the procurement, a specification or similar technical requirement document should be obtained and reviewed for inclusion in the SOW. There are three basic types of specifications used in government contracts: performance specifications, design specifications, and purchase descriptions.

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- (1) Performance Specifications. Here the specifications contain performance characteristics desired for the item, e.g., the item must weigh no more than 20 pounds. In such specifications the specific configuration of the item, the detailed design, or exact measurement, is not stated. The specification merely states the overall requirements allowing each contractor to design his own item to meet the requirements. Such specifications are used extensively in development contracts and are also frequently used in manufacturing contracts where competition is desired between different contractors' equipments, which may vary in detail but still all meet the general performance requirements of the government.
- (2) Design Specifications. Here the specifications contain precise measurements, tolerances, materials, in-process and finished-product tests, quality control and inspection requirements, and other detailed information. The information furnished is sufficiently detailed to insure that all items manufactured to the specifications are exactly the same. The most common form of design specifications are detailed manufacturing drawings containing such full information. The government uses such specifications to obtain standardization, interchangeability of spare parts, and complete uniformity of product even though different contractors manufacture the items.
- (3) Purchase Descriptions. Here the specifications identify the item by a brand name with the optional use of an "or equal" statement to allow competition. Such specifications are used to procure items on the commercial market. This type of specification, if properly used, may assist in obtaining competition in the purchase of standard articles.

In practice it is rare to find a government specification which fits completely into one of the above categories. Most specifications contain a combination of detail requirements, performance requirements, and brand-name descriptions of components.

- d. Prepare Work Breakdown Structure (WBS). If the nature and scope of the procurement indicates the necessity for a WBS, a preliminary program breakdown structure is prepared by the Project Monitor. Although only the Project Monitor can begin the development of the WBS, he will eventually have to consult with other affected groups within LEAA—e.g., financial management and procurement—to ensure that these requirements are integrated with the purely technical requirements.
- e. Identify and Assemble Team. In conjunction with the procurement representative, the Project Monitor identifies the

organizations and personnel that participate in preparing the SOW. The number of participants may vary markedly, from the Project Monitor and procurement representative alone on simple procurements to a significant representation of LEAA organizations for complex, developmental or product-improvement procurements involving inter-group coordination. The Project Monitor assembles the team and determines team members' areas of responsibilities. The team is composed of individuals who are identified largely as a result of the analyses made by the Project Monitor and procurement representative in the preceding steps.

- f. Prepare a Background Statement. The Project Monitor prepares a draft, broad, nontechnical statement of the work to be performed and briefs the team on the project's objectives. When agreement has been achieved that this general definition of the work to be performed is correct, this statement serves as an agreed baseline for "scoping" the job and laying the basic groundwork for preparing task outlines. Included in this effort are the analysis of other projects and contracts, which are interrelated with this SOW, to determine their interdependencies. This assists in placing the contemplated work in relation to LEAA overall objectives. If there are data from previous projects that have led to this SOW, or if they are applicable to it, this information is developed. All of these aspects contribute to the preparation of the background statement for the SOW. This gives all prospective bidders, as well as LEAA, clear and mutual understanding of the overall objectives.
- g. Schedule and Conduct Task Outline. In very simple procurements, the Project Monitor with the advice and counsel of the procurement representative, may prepare the task statements; in others, several disciplines may be required and the Project Monitor makes this determination. In any event, team members, as required (cost analysts, technicians, scientists, attorneys, et al) are to be assigned responsibility for researching and preparing draft outlines of tasks which fall within their purview. The ultimate responsibility for the task outline, the task statements, and the total SOW rests with the Project Monitor.
- h. Task Schedule Planning.
 - (1) Definitive Tasks. As the separate tasks' elements become more definitive, the Project Monitor begins developing the period(s) of performance. Each task is assessed in terms of its objective, its importance to the project, the resources required, and the type of work involved; an estimated period of time is set against each task. Tasks that may be conducted concurrently, or those which require sequential performance, are appropriately scheduled.

Simple bar charts (or PERT) may be employed (see Chapter 2, paragraph 3 "Planning for Management Control"), and, as the task-schedule structure takes shape, the overall period of performance for the entire contractual effort may be planned as an aggregate of the separate tasks. This overall period of performance is matched against the parent-project objectives with respect to the timely achievement of results.

- (2) Task Phasing. The nature of some procurements may be such that it is inappropriate to plan specific task schedules; in that case, the Project Monitor plans to use a phasing technique for sequential stages of work. Projects requiring application of advanced technology frequently lie beyond proven, state-of-the-art applications and may entail special planning techniques (see Special Considerations, Section 7 in this Chapter). Feasibility studies, design studies, "breadboard" modeling, and prototyping may make up a total work effort and may be divided into individual phases. Each of these phases is completed and the work approved by LEAA before the contractor is permitted to proceed to the next phase. Phasing also permits precise establishment of milestone objectives, which may be used to evaluate the contractor's progress. The Project Monitor is, therefore, able to assist the contractor to adhere to specified goals, to identify unproductive effort, and to stop or redirect the contractor's efforts as required.
- (3) Team Meetings. The Project Monitor and procurement representative conduct team meetings, as necessary, to ensure that there is complete technical and management coordination and that a consensus is reached on the task scheduling for the SOW.
 - i. Schedule of Deliverables. After the tasks are scheduled or phased, the schedule for deliverables is prepared. This schedule is stated in precise terms—describing the items to be delivered, both during the period of performance and at completion of the contract. Precise instructions concerning the types, quantities, times, and places of delivery are included. Normally, deliveries to LEAA are FOB destination (i.e., prices include shipping costs). The schedules may be expressed either in terms of periods from the date of contract award, or in calendar dates when there are other projects or program elements dependent upon the deliveries. If government property is to be furnished to the contractor, the property is similarly scheduled for delivery to the contractor and possibly return from the contractor. The Project Monitor is responsible for ensuring that the property is programmed for his project and he must, therefore, determine that the property is or can be made available at the scheduled times.

- j. Cost Estimating. Although the SOW does not contain cost data, the information that is developed during its preparation is used as a basis for estimating the cost of the project. Man-hour calculations by discipline and skill levels, prevailing labor rates, factors and fees (as estimated by price analysts or contract auditors), and other direct costs that are believed to be necessary may be applied to derive an aggregate, estimated-total, contract cost. This step is vital in the preparation of the SOW because, if the total estimated cost exceeds funds available for the project, the Project Monitor must accommodate this eventuality by initiating action at this time to increase funding. Alternatively, he goes back to steps "f" and "g," revises the scope of work and/or individual tasks downward, and brings the estimated costs into line with available funds. This process is, in reality, an iterative one in which the Project Monitor continually compares the work desired and its attendant estimated costs with funds authorized.
- k. Data Requirements Description. The Project Monitor, with the assistance of the procurement representative, defines in exact terms the report and data requirements to be levied on the contractor. These address the progress reports of costs, man-loading, milestone accomplishment, and other data items that the Project Monitor considers necessary to implement his information, performance-measurement, and project-management-control systems. Chapter 2 of this Handbook contains additional information concerning the types, frequency, and numbers of reports that may be required. The Project Monitor and procurement representative must keep in mind that the contractor may well charge for rendering reports; thus, they are to constantly balance the degree of need for data against the cost of receiving such data. After the required reports are identified, the Project Monitor defines these reports in precise terms, in a "Data Requirements Description." LEAA inputs, such as GFE, are similarly defined. In many cases, the contractor's performance may hinge on LEAA-furnished data and/or approval actions. Consequently, the SOW is to spell these out clearly, and LEAA is to adhere to the requirements meticulously.
- (1) Type of Contract. While the description of the type of contract to be awarded is not formally a part of the SOW, it is clear that all of the decisions and information developed as a result of preparing the SOW bear directly on the Contracting Officer's decision regarding the type of contract to be used. The SOW provides the rationale for this decision; the direct relationships among the type and scope of work, the individual tasks, and the types of deliverables are overriding influences on whether a cost-reimbursement contract or a firm-fixed-price contract is appropriate. Chapter 3 of this Handbook contains guidelines related to selecting the appropriate type of contract.

- m. Format. The Project Monitor now assembles his files of input material and prepares the first draft of the SOW. Elaborate attachments are not used for relatively simple projects. The Data Requirements Descriptions, the Delivery Schedules, and the specifications may be incorporated into the body of the SOW in a clear and logical sequence. In more complex procurement actions, these items may be better compiled into separate sections for inclusion in the Request for Proposal (RFP) (see Chapter 5). The Project Monitor and the procurement representative exercise their judgment as to the best technique for incorporating the material into the SOW. Section 8 of this Chapter provides further detailed guidance on formatting the SOW.

SECTION 6. EVALUATION, REVIEW, AND APPROVAL.

1. EVALUATION. It is helpful for the Project Monitor, who has primary responsibility for formulating the SOW, to routinely evaluate the quality of the work statement as preparation progresses. In any case, he keeps in mind the main criteria needed to judge whether the material in the SOW is correctly included.
- a. Criteria. These criteria are encompassed in the following four questions that may be used as tests for applicability:
- (1) Does this information tell the contractor what he is required to do?
 - (2) Is this information necessary to assist the contractor in understanding what is required of him?
 - (3) Will the contractor and LEAA be able to negotiate reasonable pricing parameters for these items (tasks, services, etc.)?
 - (4) Will the tasks, when accomplished, produce results consistent with project objectives?
- b. Checklist. The following checklist provides a method, for the Project Monitor (and all contributing authors), of keeping salient features of their objectives in mind while preparing the SOW, and of evaluating it prior to its inclusion in the Request for Contract Action (RCA).
- (1) Is the SOW sufficiently specific to permit the contractor to identify, and LEAA to evaluate, the manpower and resources needed to accomplish it?
 - (2) Are the specific duties of the contractor stated in such a way that he knows what is required and to permit LEAA

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to determine that the requirements have been met before signing the acceptance report?

- (3) Are sentences written so that there is no question of whether the contractor is to be obligated (that is, "the contractor shall do this work," not "this work will be required")?
- (4) Are the proper reference documents shown? Are they really pertinent to the task? Fully or partially? Are they properly cited?
- (5) Are specifications or exhibits applicable? If so, are they properly cited? (Use the latest available revisions or issue of each document).
- (6) Is general information separated from direction, such that background information and suggested procedures are clearly distinguishable from contractor responsibilities?
- (7) Is there a date for the key things the contractor is to do and for each thing he is to deliver? If elapsed time is used, does it specify calendar days or work days?
- (8) Are proper quantities shown?
- (9) Are extraneous material and cross-references to contract clauses and general provisions removed?
- (10) Are all requirements reviewed to ensure compatibility with the Data Requirements Descriptions?

2. REVIEW. A practical means of reviewing the SOW is to ask knowledgeable and experienced associates to read and critique the SOW prior to submission for approval. When other Project Monitors and other procurement representatives are requested to provide their comments, it is often possible to discover ambiguities, inconsistencies, and other deficiencies before seeking Administration approval in the RFP process and, more importantly, before transmittal to prospective sources. The main test is always "Is it clear?" and cold readings by others in the review process point up those aspects not immediately discernible to authors intimately associated with the preparation of the SOW.
3. APPROVALS. The Project Monitor is prepared to brief his approving authority and the Source Evaluation Board on the Request for Contract Action in general, and the SOW in particular.

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SECTION 7. SPECIAL CONSIDERATIONS.

1. NON-COMPETITIVE PROCUREMENT. Although the ideal procurement is said to be achieved under competitive conditions, there are occasions where the best interests of the LEAA are served by non-competitive contracts. The SOW itself provides no indication of this circumstance and is written so that regardless of a complete competitive environment, limited sources sought, or non-competitive the SOW stands up as a definitive, clear, and objective statement of the work to be done.

2. WORK STATEMENTS FOR PRODUCTS BEYOND THE STATE-OF-THE-ART. Work statements may have to be developed which describe a desired result where the Project Monitor lacks specific knowledge of the current technological advances in the field. In such cases, he is well advised to make some preliminary investigations. First, queries to LEAA organizations are made to gain in-house knowledge that may be available. Subsequently, there are various means of obtaining additional information before preparing a work statement. Industrial surveys by letter or personal contact are undertaken to determine whether, in fact, what is thought to be new is not already developed and may, possibly, be an off-the-shelf-item. Modification(s) of such items may be precisely what the Project Monitor needs, rather than launching a wholly new development effort. Contacts with or informative sessions sponsored jointly by LEAA and industrial or other national associations may also provide valuable information. Any sessions which LEAA either sponsors or co-sponsors to discuss LEAA requirements are advertised by the Contracting Officer in the Commerce Business Daily.

If these surveys and sessions reveal, however, that the item (or studies, etc.) desired is, in fact, unknown, or pressing the state-of-the-art, the work expended in preliminary investigations into industry, universities, laboratories, and/or other activities often provides very valuable insights as to how best to structure the SOW to get the desired result at competitive and reasonable costs.

3. TWO-STEP FORMAL ADVERTISING. The Project Monitor, in concert with the procurement representative, also considers the development of a SOW that could be used to solicit technical responses to be followed by a solicitation of a cost proposal from respondents deemed technically qualified. This two-step procurement action results in a firm-fixed-price contract being awarded to the lowest bidder, and is only used when the SOW firmly states well-defined contract tasks and specifies the minimum results required from the contractor's efforts. The two step method of procurement is further described in paragraph 10F, Section 3, Chapter 5 and in Subpart 1-2.5 of the Federal Procurement Regulations (title 41 of Code of Federal Regulations).

SECTION 8. MODEL WORK STATEMENT.

1. GENERAL FORMAT. SOWs will vary from detailed descriptions for complex developmental projects, or equipment improvements, to statements of performance requirements or objectives for feasibility studies, management improvement studies, professional services, data, etc. In any event, the general format and headings to be used for LEAA SOWs are as follows:
 - a. Introduction (objective)
 - b. Scope
 - c. General Background (information, constraints, and reference documents)
 - d. Applicable Documents (a list of dated specifications and other government documents that are incorporated by their reference in specific task requirements.)
 - e. Tasks/Technical Requirements
 - f. Reports, Data, and other Deliverables. Attachments as appropriate.

A sample statement of work is included in Exhibit 4-1.

2. LEAA STATEMENT OF WORK CONSIDERATIONS.

- a. Introduction (Objective). The introduction gives a brief overview of the specialty areas and leads up to why this particular project is being pursued. The overall requirement that needs fulfillment, the present difficulties or deficiencies that do not permit the requirement to be met, and the determinations that must be made to solve the problems are to be outlined briefly, in fully understandable terms. Quite often an understanding of the value of the objective may be reinforced by including an explanation of the payoff that this project is to have to future LEAA objectives. In framing the objective, think clearly about how the results are to be used. The stated objective is to be consistent with the funds planned and/or with the minimum requirements.
- b. Scope. This section provides, in concise form, an overall picture of the desired work program. The scope outlines the various phases of the program and ties down the overall limits of the program in terms of specific objectives, time, and any special provisions, or limitations. It is to be consistent with the detailed requirements. This section is also to describe, in a clear-cut statement, what the "product" of the effort is to be. Don't overextend the magnitude expected, or an overrun may be the result.

- c. General Background. Include any background information, explanations, or constraints that are necessary to understand the requirements. Discuss how the procurement arose; indicate its relationship to previous, concurrent, and future operations; and relate details that reveal its purpose and significance. Statements on the importance of the new work may also be included. Techniques that have previously been tried and found ineffective are to be included. Frequently it is best to leave the writing of the background to the last. The listing of applicable technical reports should be entered here. Any such listing in this paragraph is for information only and is not contractually obligatory. All contractually applicable documents must be cited in the text of the appropriate task and in the Applicable Documents List within the SOW. If such documents are not available from the sources listed in the LEAA General Provisions (Article 23, "Copies of Specifications and Standards") reference is to be included as to where they may be requested. Normally, non-standard documents are furnished with the SOW and the RFP.
- d. Tasks/Technical Requirements.
- (1) This paragraph defines the work to be accomplished and indicates the main steps and actions that the contractor is required to perform to properly conduct the program. These main steps constitute the work phases (recommended approach). The technical leadership provided by LEAA in planning and establishing the contractual program appears here. This paragraph should not reflect the attitude that there is only one approach to the problem. It may indicate that an approach is suggested, but new or unique ideas supported by available data are acceptable and encouraged. This paragraph also gives known specific phenomena, methods that could contribute to a solution, possible correlation with existing knowledge, use and installation environments anticipated for the ultimate equipment, and such other factors - including a bibliography of available relevant information - as would tend to assure that the bidder/contractor would conduct a fully effective program.
 - (2) If the work encompasses several areas or lends itself to diversion into tasks, this is indicated. The essential procedures (that is, theoretical analyses, computer modeling, design, fabrication and assembly, tests, verification, training, formulation of final recommendations, etc.), with indications of the scope of each, constitute the bulk of this paragraph. In some cases, the Project Monitor may wish to indicate the percent of the total effort each phase is to receive. If there are existing specifications with paragraphs that define what LEAA wants to have the contractor do in terms of tests, etc.,

use these specifications (incorporated by reference, as appropriate) rather than composing original paragraphs. Specify those considerations that may guide the contractor in his analysis, design, or experimentation on the designated problem. These include user characteristics (if any) or other factors the contractor is expected to consider in performing under the contract. Definitions may also be included or can be identified in a separate section.

- (3) The writer should be sure that limits of environment, test durations, data recording and so forth, are specified. Criteria governing the number of designs; performance; hardware size; number of tests, etc.; and constraints such as budget, environment, producibility, and risk levels are included in the definitization of the work to be done by the contractor.
- (4) When the burden of definition is placed on the offeror, clearly impose the requirement such that he understands that he provides this definition in the bid (if this is what is wanted) or later on in the contractual program (if this is the intent). Any specific limitation such as "not desired" or "previously tried" techniques are stated. If there is a primary area with a secondary contributing or limiting area, these are defined. Experimental or installation environments (known or anticipated), scientific or technical personnel, or other resources are indicated). When the bidder provides definitions or plans, the SOW stipulates that these are subject to LEAA approval.
- (5) A description is given of any end item that is the subject of development. It firmly and clearly defines the required work for such tasks as those listed below.
 - (a) Review of current literature to establish a basis for further research, analysis, investigation, or experimentation.
 - (b) Search for new ideas through investigation of various phenomena.
 - (c) Paper or theoretical analysis of ideas in relation to requirements, ultimate use, and trade-off capabilities.
 - (d) Computational analysis and formulation of mathematical model.
 - (e) Experimentation to evolve methods of instrumentation.

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- (f) Derivation of a basic equipment design or experimental assemblies.
 - (g) Test and evaluation.
- (6) If the state-of-the-art is such that one or more specific methods of approach to the solution are to be followed, this section indicates the desired approach. If no specific approach is primarily warranted, and one is to be determined on the basis of the selected contractor's technical proposal, this need not be mentioned, and this section includes a statement of criteria on which a choice of alternative approaches will be based.
- (7) Scientific and Technical Information (STINFO). Insert the following, if applicable: "The contractor shall search the existing sources of STINFO to determine the current state-of-the-art to avoid duplication of effort and conserve scientific and technical resources."
- e. Data Requirements Description. The contract data or reporting requirements may be included in the body of the SOW, or attached as a separate section, depending on the judgment of the Project Monitor and procurement representative.
 - f. Schedule of Deliverables. This may be associated with the task descriptions in paragraph "d," placed separately in the body of the SOW, or attached separately - depending on the nature and complexity of the scope of work and identifiable tasks.
 - g. Special Considerations. A paragraph outlining any special interrelationships between the contractor and other agencies, or contractors, for use of government-furnished or loaned property must be clearly stated. Any other specific directions relative to technical work (not administrative matters) for the contractor to follow are included here. If a test program is involved, for example, the contractor's maintenance and safety responsibilities are to be outlined; however, care is to be taken not to duplicate any of the special provisions, or general provisions, of the contract. This paragraph might also provide instructions to the contractor relative to the possible utilization of government expertise; for example, the availability of LEAA assistance in determining the state-of-the-production art and the practical availability of new technology.

WRITING WORK STATEMENTS

(A PRÉCIS OF DOS AND DONT'S)

Work Statement Writing Technique. A work statement specifies what the contractor agrees to do, and also what the Government agrees to do. After contract award, it becomes the standard against which contractor performance is measured. Careful and exact spelling out of this mutual agreement will avoid misunderstanding. Some things to bear in mind are as follows:

1. Use Active Rather Than Passive Voice. Say "The contractor will conduct a hydrotest," rather than "a hydrotest will be conducted." The former statement leaves no room for doubt.

2. Spell Out Carefully All Obligations of the Government. If Government Furnished Equipment is to be provided, the nature, condition, and availability of the equipment should be stated. If approval actions are to be made by the Government, provide for a time limit. Remember that any provision which takes control of the work away from the contractor, even temporarily, must be covered by a contingency reserve (pad) if the contractor is to protect himself. Do not build in these contingencies.

3. Close All the Loopholes. Perhaps one of the most expensive problems in contracting is the problem of loopholes. Contractors and inspectors go by the letter of the work statement. What the writing intended is beside the point. In one instance, an engineer intended to have some damaged roof edges repaired and repainted. He wrote "match existing" but did not specify "repaint." The contractor who did the work matched the existing metal flashing strip, but refused to paint the new flashing. The inspector could only agree with the contractor, since the engineer had not described what was intended.

4. Describe the Complete Requirement. To be legal and binding, an agreement must be complete. Not only for reasons of legality, but for every practical application it is necessary that the details be complete. You will find that there are many details and that it is easy to overlook some. Essentially, for every piece of deliverable hardware, for every important action there is not only the "what" but the "when" and "where." If it is necessary to omit a quantity or time and to specify that something will be done "as necessary" specify whether the judgment is to be made by the contractor or by the Government. Where expensive

services such as "technical liaison" are to be furnished, do not just say "as required." Provide a ceiling on the amount, or work out a procedure that will assure reasonableness and Government control, such as "will be furnished by the associate contractor when requested in writing by the prime and countersigned by a designated representative of the contracting officer."

5. Do Not Use "Catch-Alls." A "Catch-all" paragraph is sometimes intentionally included. The intent is to pretend that anything else the Government may think of later was already included in the work statement. This is tempting, because it makes changes unnecessary. All you have to do is reinterpret the existing words. But it is a trap for two reasons: first, it forces the contractor to pad his estimate and, second, it gives the contractor a chance to out maneuver you and to include (and get paid for) things you do not want. Changes do require effort, but it is worth it. In the long run, being as specific as possible is both the easiest and the most economical way.

6. Do Not Infer, Or "Back Into" A Requirement. "Shut the door as you go out" may be considered more polite than a direct request to leave; however, indirection is singularly inappropriate in work statements. Do not say, "you must have firemen standing by when you static fire the qualification," and thereby inform the contractor that he has to static fire some motor. This admonition may sound unnecessary, but it is surprising how many times a person who is well versed in a subject will assume that his reader understands the main objectives, and hence "back into" a requirement while explaining details.

7. Do Not "Sole Source" Your Work Statement. The work statement specifies a requirement of the Government and is supposedly impartial concerning who can do it. In keeping with this philosophy, the work statement itself should contain no reference to sources. Say "The contractor will" not "The XYZ Company will."

8. Include Procedures. Some unknown quantities will always exist. The easy out is to use "when required" or "as necessary," "maximum possible use of existing," "where feasible," and similar meaningless words. This practice speeds up the writing, but catches up with you, first when you try to estimate the job and again during performance of the contract. Very often you can get an immediate decision, if you try, on number (such as number of specimens to be tested) or date due, instead of writing, "as required." When immediate decisions cannot be made, it is usually possible to include a procedure by which the decision will be

made. This does not have to be complicated. It can be merely a statement such as "as approved by the contracting officer" or "at the contractor's discretion" or "the contractor shall submit this report each time a category 'B' failure occurs."

9. Do Not Overspecify. The ideal situation is to specify results required and let the winning contractor find the best method of getting there. In any case, you cannot tell him exactly how to do it and then make him responsible for the results.

10. Eliminate Extraneous Material. The following two questions can be used to judge whether material should be in a work statement:

- (a) Does it tell what the contractor is to do?
- (b) Is it necessary in order to determine what the contractor is to do?

Material that does not pass this test should generally be left out of the work statement.

USE OF GRANTS IN A.I.D. PROGRAMS

Under its legislation and delegations of authority, A.I.D. is responsible for the administration of a number of programs specifically designed to provide support for institutions or organizations in the United States and abroad. The support is usually documented in the form of a grant. The major programs of this kind which are specifically provided for by statute are the program of assistance to American Schools and Hospitals Abroad, under Section 214 of the Foreign Assistance Act of 1961, as amended; the program of assistance for research and educational institutions in the United States, under Section 211(d) of that law, to strengthen their capacity to carry out programs concerned with the economic and social development of less developed countries; and the program for assistance to organizations dealing with the problems of population growth, under Section 291.

In addition to programs of support for domestic and overseas institutions specifically identified by statute, there are programs and instances of relationships between A.I.D. and the outside organizations under other, more general authorities, where the use of grants is appropriate. General support for organizations providing assistance to less developed countries on the direct request of the recipients to the organizations is provided within the terms of the governing law. Examples include support for the International Executive Service Corps, and Volunteers for International Technical Assistance, administered by the Bureau for Population and Humanitarian Assistance; support for technical assistance activities of the Comparative Development Studies Center at the State University of New York at Albany, administered by the Bureau for Program and Policy Coordination; support for regional agriculture research centers, administered by the Technical Assistance Bureau; and support for various organizations with region-wide interests or programs by the regional bureaus.

The use of grants in A.I.D. programs has increased substantially in recent years. As a result of working with this new program mechanism, we have experienced a need for clearer and more uniform policy and guidelines on circumstances which make such grants appropriate. There have been no authoritative criteria to identify situations which call for a grant as opposed to those which call for a contract. The format and standard provisions of the contract generally were used as the starting point in

Address questions about this Policy Determination to SER/CM/SD/POL.

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drafting and negotiating each new grant. Special procedures were adopted for some classes of grant, such as those under Section 211(d) and for American Schools and Hospitals. There is reason to believe that the typical grant instrument accordingly has contained more operational restrictions than such instruments need.

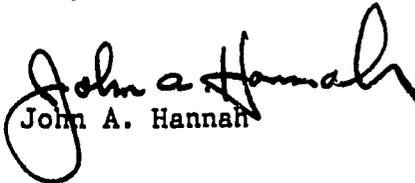
A Working Group on Instruments For Increased Use of Non-Government Organizations, one of the groups established to expedite implementation of the A.I.D. Reform Plan, was requested to review the Agency's experience on these matters and to make recommendations on future policy and procedure. The attached Policy Determination is the result of the Working Group's analysis. It has been reviewed by my Advisory Council and is being issued to guide the Agency's future utilization of grants as a program instrument. It provides a policy base and suggests the criteria which should determine the respective utilization of grants and contracts.

There is no general A.I.D. grant program. The needs and circumstances of each of the separate grant programs differ and call for grant conditions and procedures that are appropriate to the situation, subject to the general standards described in this Policy Determination.

The Policy Determination is confined in its scope to grants for technical assistance activities other than grants to foreign governments, foreign government agencies, and international organizations having membership consisting primarily of foreign governments. However, this statement of policy is a relevant guide for grants to international organizations having membership consisting primarily of foreign governments when such grants are made for institution-building purposes.

Implementation

The Policy Determination is prospective in effect and not intended to invalidate existing grants or contracts. It will apply to new relationships and to relationships under existing grants or contracts at the point at which it is proposed to commit additional resources in support of those relationships. Responsibility for review of the application of the policy to existing relationships will rest with the AID/W office having program responsibility for the relationship. That office will, with the pertinent grant officer, review the project's purposes and the relationships established in the grant document, including the approval and reporting requirements imposed on grantees, and take appropriate action to conform the instruments and the relationships they establish to these policies.


John A. Hannah

Attachment:

Policy Determination on the Use of Grants in A.I.D. Programs

DISTRIBUTION:

AID List M, Position 9
AID List B-6, Position 9
AID List C-2

POLICY DETERMINATION

Use of Grants in A.I.D. Programs

SCOPE

This is a statement of policy with respect to grants for technical assistance activities other than grants to foreign governments, foreign government agencies, and international organizations having membership consisting primarily of foreign governments. However, this statement of policy is a relevant guide for grants to international organizations having membership consisting primarily of foreign governments when such grants are made for institution-building purposes.

DEFINITION

A grant is an agreement under which A.I.D. funds are given to support the programs or activities of the recipient. A grant is to be distinguished from a contract, which is an agreement under which the recipient of A.I.D. funds is committed to perform a service or provide goods. A grantee is not so committed although he is not entitled to the granted funds unless he complies with the conditions of the grant.

USE OF GRANTS

Contracts represent the normal legal relationship for the procurement of goods or services by A.I.D. Their administration and use is regulated in some detail by the Federal and A.I.D. Procurement Regulations.

Grants should not be used as substitutes for contracts, thereby rendering inapplicable the carefully defined rules and procedures set forth in the Procurement Regulations.

Grants shall not be used to provide for the performance of projects over which A.I.D. plans to exercise a substantial degree of operational control. Nor shall grants be used to discharge responsibilities of the U.S. Government under international agreements because of A.I.D.'s lack of ability as a grantor to enforce performance by a grantee.

Grants may be used where specifically authorized by statute or where their use will enhance the purposes of the Foreign Assistance Act. In particular, grants may be used:

1. to support or intensify the activities of independent organizations which contribute to the achievement of the Foreign Assistance Act objectives; or
2. to develop the independent capacity, integrity, and quality of the grantee as an entity whose function is for the economic or social betterment of underdeveloped countries.

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In either event the nature of the activity to be supported and the characteristics of the organization to be supported must justify the diminished level of managerial control which, under this Policy Determination, is to be retained by A.I.D. in grant relationships.

It is appropriate to use grants when emphasis is placed on promotion of the independent capacity, integrity and quality of the entity or the programs supported, rather than on specific work and the manner in which it is performed or the day-to-day activities of the entity as a part of the U.S. Government's foreign assistance program. Insofar as they distribute funds or services or goods, grantees do so as part of their own programs. If the A.I.D. purpose is to obtain goods or services to pursue an assistance program arranged by A.I.D., then a contract, not a grant, is the appropriate form of agreement to formalize the arrangement.

PRUDENT MANAGEMENT

Self-restraint in the imposition of program control by A.I.D. officials is an essential feature of grant activities. If prudent management requires that A.I.D. retain a substantial degree of operational control over a program, then a contract and not a grant should be used.

However, the fact that A.I.D. decides to make a grant does not relieve it of the obligation to exercise prudent management of public funds. Grants must include provisions which assure that A.I.D. retains proper fiscal control over grant funds. Prudent management in the case of a grant normally requires:

- (1) provision of adequate information to the prospective grantee on A.I.D. grant procedures;
- (2) ascertainment of technical and managerial competence and financial responsibility of prospective grantee;
- (3) reduction to writing of the purposes to be promoted by the grant and of all understandings between A.I.D. and the grantee;
- (4) maintenance of contact and liaison with the grantee, including receipt, review and analysis of at least annual substantive reports on operations and accomplishments;
- (5) establishment of any limitations on expenditure of the granted funds;
- (6) provision for adequate record-keeping and financial reporting;
- (7) audit;
- (8) evaluation of program effectiveness;

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(9) provision for claiming and receipt of refunds equivalent to amounts, if any, misapplied, or spent in violation of the conditions by a grantee;

(10) provision for termination.

Care should, however, be taken to avoid the imposition of requirements for program approvals, reports and/or restrictions that go beyond the needs of prudent management and that are inconsistent with reasonable program and management flexibility for the grantee.

LEGAL CONSTRAINTS

Because of the variety of programs and legislative authorizations under which grants are made and administered, it is not possible to make sweeping statements as to the applicability of various types of legislative restrictions to all kinds of grants, and General Counsel advice should be sought on what is required for particular types of grants when they are contemplated. In addition to prudent management, the following other legal requirements are of general applicability to the foreign assistance program and must be given consideration to determine whether they apply in each case, and whether the mechanism to be employed is that of a contract or grant:

- (1) U.S. flag carrier preference;
- (2) equal opportunity (see A.I.D. Regulation 9 which applies specifically to grants);
- (3) avoidance of benefit to officials;
- (4) source-origin requirements for procurement;
- (5) use of available U.S.-owned foreign currency;
- (6) for capital assistance projects, prior completion of plans and cost estimates and A.I.D. approval of contracts and contractors;
- (7) restrictions against assistance to certain countries,
- (8) program description and legal commitment on the part of A.I.D. sufficient to support the obligation of funds;
- (9) compliance with applicable standards for determining reimbursability of costs;
- (10) maintenance of objective standards and avoidance of favoritism in the selection of contractors and grantees.

However, unlike contracts, grants are not normally subject to the Federal and A.I.D. Procurement Regulations.

GRANT ADMINISTRATION FUNCTIONS

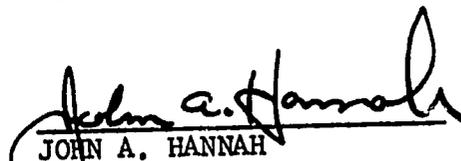
Normally, A.I.D. administers its grants through an officer (generally called the "project officer") who is concerned with the substantive program and policy aspects of the grant, including evaluation, and an officer (generally called the "grant officer") who is concerned with the business and fiscal side. The grant is signed by the grant officer, or another officer authorized to do so, and signature of a grant officer is required to revise the grant or agree to any binding promise or obligation by the Government. Other officers who play a significant role in connection with grants are those responsible for disbursement and audit and for appropriation control.

The precise split of functions among A.I.D. offices and officers will vary among programs. The A.I.D. offices involved must take positive steps to assure that there is no confusion and misunderstanding on the part of any grantee about the responsibility and authority of the A.I.D. officials or offices with which the grantee and its personnel are to deal. A.I.D. officers must also see to it that unnecessary administrative burdens, delay, or red tape are not imposed on grantees. Appropriate offices should insure that Agency procedures and practices result in prompt disbursements to grantees, and timely response to grantee inquiries.

The substantive office is responsible for determining the program need for a grant-type relationship. Where there is a question of the application of the policy described herein or the final form of document to be used--grant or contract--the final determination will rest with the Assistant Administrator for Program and Management Services with concurrence of the General Counsel. The selection of grantees, in accord with reasonable standards, is also generally the responsibility of the substantive office. The Bureau for Program and Management Services, with advice from the Auditor General, will assist the substantive office by conducting preaward fiscal and management appraisals, as appropriate, and will explain to potential grantees what will be required of them in these regards. Processing of the necessary internal A.I.D. budget and authorization papers is generally within the responsibility of the substantive office. The grant officer handles the formal preparation and clearance of the grant document and its execution, and, except as otherwise provided in the document, formal notifications to the grantee, approvals, modifications, final negotiation of financial items, and maintenance of official grant files.

None of these functions can be performed in a vacuum. They overlap, and what is done by the office with substantive responsibility has consequences for the matters within the grant officer's cognizance and vice versa. A close and cooperative working relationship must be maintained between them.

6-27-73
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JOHN A. HANNAH

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Sterling Institute

(DAC)

WATERGATE • 2600 VIRGINIA AVENUE, N.W. • WASHINGTON, D.C. 20037

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Attachment B

March 21, 1975

Mr. L. E. Stanfield, Contracting Officer
Central Operations Division
Office of Contract Management
Washington, D. C. 20523

Re: AID Contracting for Non-Procurement Personnel Training Program

Dear Mr. Stanfield:

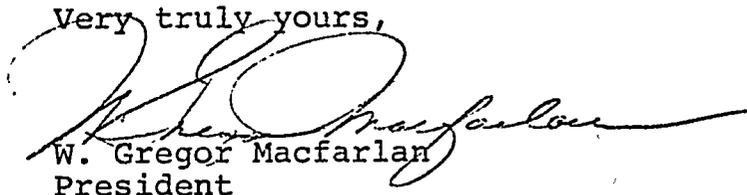
In accordance with the terms and conditions of Article IV (Reports) of Contract No. AID/otr-C-1268, the following are submitted as attachments hereto:

- Attachment A provides the interim report for the final two-day session of the referenced training program.
- • Attachment B provides the final report for the entire training program.

As required by Article IV, seven (7) copies of both Attachments A and B are included [five (5) for forwarding to SER/PM/MD, and two (2) for the Contracting Officer]. Two (2) additional copies of Attachment B are included for forwarding to the AID Technical Reference Center.

We are grateful to have had the opportunity of conducting the AID Contracting for Non-Procurement Personnel Training Program. Should there be any additional information that you require concerning our performance, or the attached reports, we would welcome the opportunity to provide it.

Very truly yours,


W. Gregor Macfarlan
President

STERLING INSTITUTE (DAC)

WGM:mjl

Enclosures

March 21, 1975

ATTACHMENT B

AID CONTRACTING FOR NON-PROCUREMENT PERSONNEL

(FINAL REPORT)

I. An overview of all contract activity throughout the term of the contract

From its inception in October 1973 as a one-day training course, AID Contracting for Non-Procurement Personnel evolved into a program of two dimensions: on the one hand, a one-day training experience for the relatively new Agency professional employee; on the other, a two-day training experience for the more seasoned Agency professional. For both the one and two-day courses the overall student population represented a composite of functional, non-procurement positions within the Agency. Project/technical officers, financial and administrative personnel, management development personnel, commodity management officers, desk country staff, research project officers-- a population of disparate functional interests brought together to increase the awareness of each that their respective roles and responsibilities have a direct/indirect (and therefore decisive) impact on the AID procurement process.

Over the twenty sessions that were conducted (five one-day and fifteen two-day) the primary objectives were:

1. to increase awareness on the part of technical and program personnel of the AID contracting process and the role of the Contracting Officer;
2. to improve the capabilities of technical and program personnel in the contracting process by a better understanding of their role in the process; and
3. to provide a forum for the pursuit of procurement improvement through an exchange of viewpoints about the procurement process.

Training program materials were developed, prepared and presented with these objectives in mind. Initially, the one-day course was designed to induce awareness and understanding via the transmission of information through a lecture-conference classroom environment. During the first three sessions it was determined that a broader learning experience, one that would incorporate PIO/T and Host Country

logistic support role-playing exercises, would enhance the value of the program for more experienced personnel, as well as providing a strong baseline for classroom student interaction.

Two role-playing exercises were incorporated into the course curriculum. With the addition of these materials, it was determined that more time would be required to complete the course; thus the decision to retain a one-day, basic curriculum for the relatively inexperienced and to expand that curriculum into a two-day format for the more experienced.

With the exception of two sessions (a two-day course conducted for the AID/MIDS class at Syracuse University in July 1974, and a one-day course conducted at the Universal North Building in Washington, D. C. in August 1974) the entire training program was conducted under the aegis of SER/PM/MD at its location in Rosslyn, Virginia. An aggregate of approximately 350 students completed the training program. The student group per class numbered between fifteen and twenty.

Sterling Institute (DAC) was responsible for developing, preparing and providing curricula materials for both the one and two-day courses. This was done in conjunction with the guidance and extremely cooperative assistance of SER/CM personnel. Additionally, Sterling Institute (DAC) conducted (presented) both courses. But it is important to note that SER/CM personnel were in virtually constant attendance to deal, as appropriate, with the details of AID-specific policy and procurement/contract management practices.

The Sterling Institute (DAC) Principal Instructor for seventeen of the twenty sessions was David A. Conrad. His Alternate for those sessions, and the Principal Instructor for the other three, was W. Gregor Macfarlan. Both Messrs. Conrad and Macfarlan participated in the development and preparation of program materials.

Course performance administration was under the cognizance of SER/PM/MD. Required interim-session reports by Sterling Institute (DAC) were forwarded to the same office.

II. An evaluation of the degree of achievement of stated training goals

The primary objectives (goals) of the training program are specified in the first part of this final report. The quantitative

data (evaluations and narrative comments) compiled from individual student critique sheets indicate that the established objectives (goals) were met. More often than not with considerable satisfaction for the individual student. All student critique sheets, submitted after each class for review to SER/CM and then to SER/PM/MD for tabulation and forwarding to Sterling Institute (DAC), were examined most carefully. After its review and consideration of individual student comments, each session's evaluation sheets were returned to SER/PM/MD, where they now constitute an aggregate data bank for continuing review and analysis.

What follows represents more than just a random sampling and provides a reasonable baseline for a highlights-evaluation understanding of how the one and two-day curricula were accepted and evaluated. (A detailed examination may be undertaken, of course, by reviewing the individual student critique sheets in the possession of SER/PM/MD.)

For the one-day course, the following student assessments represent response to the August 15, 1974 and December 13, 1974 sessions--these were selected because of the calendar distance between them and the fact that two different instructors were utilized:

• August 15, 1974 (Mr. Conrad)

1. Overall evaluation of course: Excellent (7); Good (5); Satisfactory (2); Fair (1)
2. Achievement of course objectives: Yes (12); In Part (3)
3. Reference materials for instruction and study: Excellent (5); Good (9); Satisfactory (1)
4. Contractor's instructor: Excellent (8); Good (6); Satisfactory (1)
5. Useful inputs by SER/CM personnel: Yes (12); No Comment (3)
6. Adequate allocation of time to various topics: Yes (11); No (4)

• December 13, 1974 (Mr. Macfarlan)

1. Overall evaluation of course: Excellent (6); Good (8); Satisfactory (1)

2. Achievement of course objectives: Yes (11); In Part (4)
3. Reference materials for instruction and study: Excellent (3); Good (8); Satisfactory (3); No Comment (1)
4. Contractor's instructor: Excellent (7); Good (6); Satisfactory (2)
5. Useful inputs by SER/CM personnel: Excellent (1); Good (6); Satisfactory (7); Fair (1)
6. Adequate allocation of time to various topics: Yes (9); No (5); No Comment (1)

For the two-day course, the following student assessments represent response to the October 16-17, 1974 and February 24-25, 1975 sessions-- these were selected because of the calendar distance between them and the fact that two different instructors were utilized:

• October 16-17, 1974 (Mr. Conrad)

1. Overall evaluation of course: Excellent (9); Good (5)
2. Achievement of course objectives: Yes (13); No Comment (1)
3. Reference materials for instruction and study: Excellent (9); Good (4); No Comment (1)
4. Contractor's instructor: Excellent (11); Good (3)
5. Useful inputs by SER/CM personnel: Yes (14)
6. Adequate allocation of time to various topics: Yes (14)

February 24-25, 1975 (Mr. Macfarlan)

1. Overall evaluation of course: Excellent (9); Good (3); Fair (1)
2. Achievement of course objectives: Yes (12); In Part (1)
3. Reference materials for instruction and study: Excellent (5); Good (5); Satisfactory (1); Poor (1); No Comment (1)

4. Contractor's instructor: Excellent (10); Good (3)
5. Useful inputs by SER/CM personnel: Excellent (6);
Good (6); No Comment (1)
6. Adequate allocation of time to various topics: Yes (6);
No (5); No Comment (2)

From these provided data, it will be noted that students responded to the question concerning achievement of stated course goals: Yes (48); In Part (8); No Comment (1). [There was a selection designator titled "No" (the course did not achieve its objectives). Among these students, none selected it.]

As with virtually any new training program, even the most carefully and experienced calculations of curricula needs and timing cannot fully take into account several unknowns: how will a heterogeneous student population react to material outside of its functional fields; what constitutes an optimum student data package; what will actual classroom experience require in terms of teaching flexibility; how will the use of reasonably open-ended class discussion techniques affect the time frames of a program that has little time to spare. Each of these was a concern at the outset of the program, and continued to be throughout each of the sessions.

Accommodation to need was reflected in the modification of program curricula to introduce role-playing exercises and, while retaining the one-day course, expanding its curriculum into a complementary two-day offering. The reference materials portion of the student text was expanded after the first few sessions to introduce AID Procurement Regulations data and several other items. Over the sessions, in recognition of information needs tied to the generation of AID policy, handouts were interspersed with basic course materials (viz., personal services contracting, non-competitive procurement review based action, grants, cooperative agreements and contracts).

It is our judgment, reinforced by overall student comments, that the training objectives (goals) of increasing awareness, improving capabilities, and providing a participative forum for student interaction were substantially achieved. Were we to do it all over again, particularly having the light of experience and hindsight to guide us, we would suggest some adjustments in time frames, the strengthening of certain areas of course content, and a more revealing integration of course outline content and reference materials.

III. Recommendations for continuing contract/procurement management training within AID

Given a continuing training program in AID contracting for non-procurement personnel based on the same objectives (goals) as specified for the recently completed series of sessions, we suggest that the basic curricula is sound, experienced, and has been tested to the extent of substantial student acceptance.

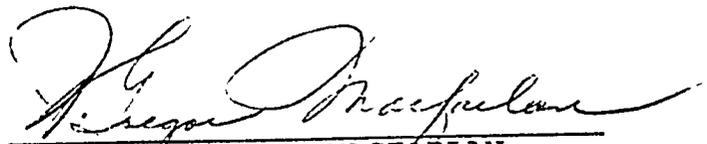
We do recommend the following for AID consideration:

1. A technical updating and editing to reflect changes (relatively minor in nature) that have occurred since the materials of the one and two-day courses were developed over a year ago.
2. The inclusion of three or four illustrative foldout flow charts that depict the more comprehensive aspects of the A.I.D. contract/commodity management process (i.e., the basic phases of this process; the essentials of the A.I.D. negotiation process; and a definitive chart that provides a convenient course breakdown structure for student reference and review).
3. A strengthening of A.I.D.-specific material coverage (for the last half-day of two-day program) to the extent of providing subtopic outline indentures thereunder.
4. A more balanced allocation of time-frame distributions and material taught between the opening hours of 9:15 to 11:00 A.M. of the first day of the two-day course and the closing hours of 3:00 to 5:00 P.M. of the second day of the two-day course, to assure that A.I.D.-specific segments of the final half-day are given appropriate emphasis and time.
5. The integration of course outline content and reference materials via a page reference coding device within the course outline itself.
6. The continued participation of SER/CM personnel as "on-site" visitors and participants in the program. This kind of involvement is an active expression of interest and increases the credibility of the course for attending students.
7. Retain the student evaluation form as presently constituted. Perhaps a minor adjustment or two, but in both scope and size it provided highly instructive and useful information.

8. The two role-playing exercises could be shored up. Not necessarily changed, but better designed to elicit more specific responses from teams and individuals.
9. The reference materials section on Technical Services Contracts and Contract Administration is fine, as well as other parts of the reference readings that relate to the AID Manual. But there should be, of course, a conscious and careful decision to reform and update this section of the student text.
10. There are numerous reasons why pre-session distribution of materials to assigned attendees is a troublesome area. Among them: the probability that early distribution will not cause students to prepare in advance; the factor of student substitution before a session convenes, without course materials being transferred from one student to another; and the chance that those provided pre-session materials will misplace them, or forget to bring them to class.

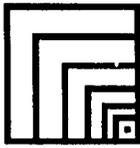
Pre-session distribution, despite its administrative requirements and headaches, should be considered--if it can be done with reliability. For in a program of short duration and high content, any reasonable opportunity for a head start is a plus. If this were done, then a pre-session information and direction page should be added to the student materials package.

11. The ability to absorb information is directly related to the media used for its transmission. Equally as important is the factor of time within which the learning process must occur. A one or two-day course must do its job in a short period of time. These are factors that need constant attention in striking a reasonable balance between what would be desirable to include in the program and what can be included from a practical consideration of only so much time to do the job.



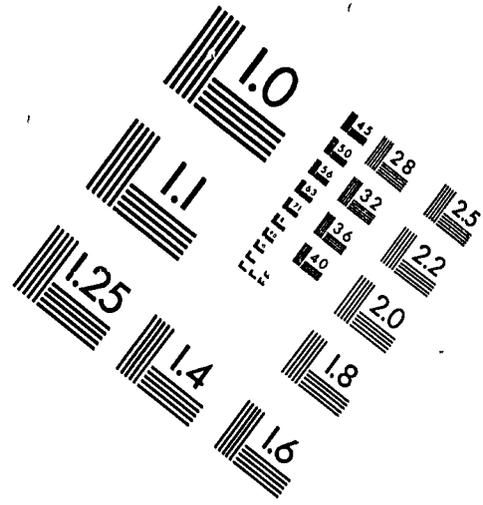
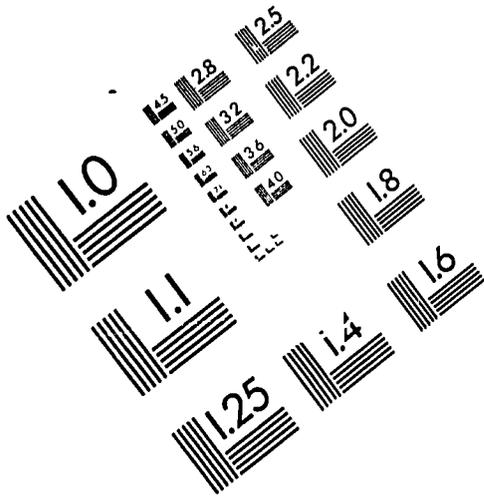
W. GREGOR MACFARLAN
PRESIDENT

STERLING INSTITUTE (DAC)

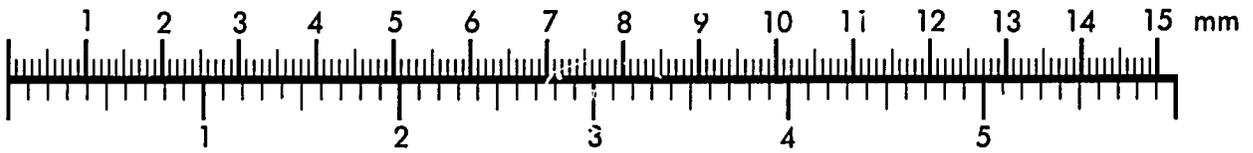


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