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FOIA Requester Service Center
U.S. Trade and Development Agency
1101 Wilson Boulevard, Suite 1100
Arlington, VA 22209-3901
Fax: (703) 775-4037 (cover sheet = "FOIA REQUEST")
Email: FOIA@ustda.gov
[USTDA Public Access Link](#)

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February 2, 2023

VIA EMAIL

Re: Freedom of Information Act ("FOIA") request 2017-008:

Thank you for your FOIA request to the U.S. Trade and Development Agency ("USTDA"), dated January 16, 2017, in which you asked for:

"I request:

- 1) *a digital/electronic copy of the USTDA Handbook.*
- 2) *A copy of the table of contents of the USTDA Handbook.*

By USTDA Handbook, I mean the primary general handbook for the agency that is typically called the USTDA Handbook. For example, the EEO Policy is found in Chapter 15 of the USTDA Handbook."

In accordance with FOIA, USTDA has conducted a reasonable search for the requested records. All responsive records are being released in their entirety and are enclosed. No other responsive records were found.

This constitutes the USTDA's final response to your FOIA request. If you choose to appeal, please submit the appeal in writing, describing the issue and basis for the appeal, within ninety (90) days from receipt of this letter. The appeal should include the request number written in the subject line above and be addressed to: FOIA Appeal Authority, U.S. Trade and Development Agency, 1101 Wilson Blvd, Suite 1100, P.O. Box 12268, Arlington, VA, 22209. Additionally, you may seek dispute resolution services from the FOIA Public Liaison or the Office of Government Information Services at the National Archives and Records Administration.

Thank you again for your inquiry. There is no charge for processing this FOIA request. If you would like to modify your request, please do so, and we will consider it. This is a final action on your request. If you would like to appeal this decision you may do so. Submit your appeal to USTDA's Chief FOIA Officer, Sam Kwon at skwon@ustda.gov. If you have any questions you may send an email to foia@ustda.gov or call (703) 875-4357 and ask to speak with FOIA Associate Natasha Schultz or with me. Please do not hesitate to contact us if you have any questions about this letter

Sincerely,

John Mantini

John C. Mantini
Attorney Advisor



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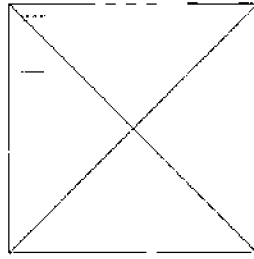
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Sincerely,

John Mantini
John C. Mantini
Attorney Advisor



TDA Handbook

Program and Administrative
Policies and Procedures

of the

U.S. Trade and Development Agency

Drafted and Compiled:
October 21, 1998

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INDEX

1 INTRODUCTION AND OVERVIEW

1 Purpose of the Handbook

The TDA Handbook is designed to be a user-friendly reference tool for TDA staff and management. It defines and explains the administrative and program procedures and policies which enable the agency to fulfill its mission.

1 Using the Handbook

The Handbook is contained in the "Common to All" folder of TDA network file server. Information can be accessed in the hard-copy and electronic data files by using the volume's index or table of contents. Hard-copy (date-stamped) updates will be added to each employee manual on a periodic basis. These updates will also be included on the network system. Policy updates will be discussed and noted at staff meetings.

Chapters 1 through 14 treat the policy and program issues pertinent to the agency. Chapters 1 through 3 explain the mission, history and authorities of the agency. Chapters 4 and 5 provide an overview of TDA's program instruments, and of the policy and operational basis for project funding decisions. Chapters 6 through 12 treat TDA's program instruments in detail. Chapter 13 deals with TDA evaluation and audit of program activities. Chapter 14 defines the non-project responsibilities of program personnel.

Chapters 15 through 20 deal with the day-to-day administrative and procedural systems which allow the agency to function effectively. Chapters 15 and 16 deal with personnel and ethical issues. Chapters 17 and 18 treat office and travel procedures. Chapter 19 outlines TDA information management procedures and policies, and Chapter 20 provides guidelines for financial management and contracting. Throughout, reference is provided to models and formats for key documents also maintained in the common-to-all folder on the network server related to TDA programming and administration.

TDA encourages all employees to review the Handbook on a regular basis and to familiarize themselves with its contents. TDA supervisors should use the program and policy chapters (1-14) of the Handbook as a training tool to assist new staff. TDA Administrative and Management staff will use the administrative chapters (15-20) as an instruction aid to keep the office functioning efficiently and to implement regulatory requirements.

1 Overview of TDA

TDA is an independent agency of the United States Government whose mission is to assist the U.S. private sector in exporting goods and services to capital development projects in developing and middle-income countries. It supports U.S. foreign policy through development assistance and trade facilitation, and supports the U.S. domestic economy by facilitating export-based employment.

TDA carries out its mandate by funding Definitional Missions, feasibility studies, orientation visits (reverse trade missions), technology symposia, conferences, training programs, and other planning services associated with major project development and implementation in developing and middle-income countries.

TDA supports priority projects in host country development plans, when TDA's participation in those projects is likely to produce significant U.S. exports, and when those exports would not have occurred without TDA's intervention.

TDA's emphasis on host country development priority helps to increase the likelihood that the project will actually go forward. TDA works closely with the U.S. private sector to ensure that its programs continue to support export development and related jobs.

TDA's activities cover a wide range of industrial sectors. These include, but are not limited to:

- transportation
- telecommunications
- energy development
- minerals development
- educational technology
- information technology
- food processing
- environmental management
- industrial development

TDA's activities are carried out by a Washington, D.C.-based staff of professionals and support personnel. Regional Directors and Country Managers both serve as program officers, and are responsible for project identification, appraisal, recommendation, execution, oversight and follow-up. The Administrative Staff handles contracting, financial and personnel matters and manages the information management and production requirements of program operations.

TDA activities are conducted in close coordination with other federal agencies, most notably the Departments of State and Commerce, the Export-Import Bank, the Overseas Private Investment Corporation, the Agency for International Development, and the Department of Treasury, as well as other specialized technical and regulatory agencies. The U.S. and Foreign Commercial Service, part of the Department of Commerce, provides the critical in-country support and delivery system for TDA's program.

TDA also maintains close contact with multilateral and regional development lending institutions, such as the World Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian and African Development Banks. This affords an exchange of important project information and

keeps TDA apprised of critical project opportunities for U.S. companies. TDA has in place certain trust funds within these banks to facilitate U.S. private sector participation in bank-funded projects.

All TDA projects must meet the following fundamental selection criteria:

- They must be a development priority of the host country.
- They must present a realistic opportunity for substantial exports of U.S. goods and services to the project or industry.
- There must be reasonable assurance that financing for project implementation will be available so that substantial procurement will be open to U.S. firms.
- TDA's role must be essential to achieving the anticipated U.S. export outcome.

While TDA may support planning activities for both public and private projects, and also implements a variety of other export enhancement and promotion activities (see Chapter 4 for an overview, and Chapters 6 - 12 for program details), the TDA process for implementing Public Sector Grants is illustrative.

TDA invites foreign governments to apply for grant assistance for planning studies of major public sector projects for which there are plans to allocate substantial resources for foreign goods and services. Any country classified as "friendly" by the Department of State and which is eligible for U.S. bilateral assistance may apply. The eligibility of middle-income nations which may have already "graduated" from U.S. development assistance programs is determined by TDA on a case-by-case basis.

Official requests for TDA assistance may be made directly to TDA in Washington by the host country project sponsor (either public or private sector), or through the in-country American Embassy. U.S. companies often bring these projects to the attention of TDA, and are encouraged to do so; however, before TDA will formally consider a project, the host country project sponsor must make an official request or application to TDA. All requests ultimately require the endorsement of the U.S. Embassy or consulate. TDA's application review process is described in more detail in Chapter 6.

Under its established review process, if TDA determines that the project meets certain criteria and has potential for future funding, it may send a Definitional Mission (DM) of technical specialists to the country to investigate the project and make a recommendation on possible TDA action.

If TDA concurs with the recommendation it will execute a Grant Agreement with the host country project sponsor, which authorizes the project sponsor to hire a U.S. company to carry out a Feasibility Study (FS). A company or expert which participates in the DM is excluded from later participating in the feasibility study. Only U.S. companies may compete for the Feasibility Study contract, and they submit their bids directly to the host government. The host country project sponsor (now the Grantee) then makes its selection based on international competitive procedures. When the project sponsor has evaluated the bids, it then enters into negotiation with the top rated firm and executes a

contract. The contract is subject to approval by TDA, and must include several standard provisions and a clause in which the contractor agrees to supply project information to TDA for a specified period of time after the study is completed.

TDA may alternately approve a sole source contract award to a U.S. firm (1) which is demonstrated to be in a unique position regarding the project, based on previous business activity, (2) where no other U.S. firms have a reasonable opportunity to compete for the contract, (3) where the sole source awardee is prepared to cost share significantly in the implementation of the contract and (4) where the sole source awardee agrees to reimburse the TDA funding, contingent upon subsequent success in sales or contracts on the project.

The U.S. contractor submits its invoices to the Grantee for approval and the Grantee (or the contractor) forwards the approved invoices to TDA for processing. Although the Grant agreement is executed between TDA and the Grantee, no TDA funds are ever transferred to the Grantee. Instead, TDA makes scheduled contract payments directly to the contractor after receipt of approved invoices.

TDA may initiate any of a number of post-study follow-on initiatives, ranging from orientation visits to industry trade events designed to ensure that U.S. companies have access to the information on export opportunities generated through the TDA process.

1 MISSION OF THE U.S. TRADE AND DEVELOPMENT AGENCY

The U.S. Trade and Development Agency assists in the creation of jobs for Americans by helping U.S. companies export goods and services to capital development projects in developing and middle-income countries.

1 TDA's Role as an Instrument of U.S. Foreign Policy

TDA is an independent agency of the United States Government. It serves as a primary agency for implementing U.S. trade, economic cooperation and development objectives. The agency is charged with promoting and supporting the economic development of friendly developing and middle income nations, and as such, each TDA activity must further the developmental objectives of the recipient country. To ensure that the project is a developmental priority for the recipient country, TDA requires that the initial request for funding be made by the project sponsor in the host country. This creates a greater likelihood that the project will eventually go forward. A large percentage of TDA projects are "infrastructure" projects, a term which TDA defines broadly, and includes basic facilities needed for the functioning of an economy, such as transportation and communications systems, water and power.

TDA's participation in these projects helps to build and solidify long-term diplomatic and commercial relationships between the U.S. government and private sector and TDA's client countries. These goals are mutually enhancing: good diplomatic relations with TDA's client countries foster trade, and good trade relations can serve as an inducement for those countries to operate at a higher standard in the diplomatic community.

1 TDA's Role in the Domestic Economy

TDA's domestic mission is to help position U.S. companies to compete successfully as suppliers of goods and services for major projects in developing and middle-income countries. With respect to each project it considers, TDA must evaluate the potential for U.S. companies to export goods and services which will be purchased to plan, design, build and operate the project. TDA will not provide assistance where procurement of U.S. technology is likely to occur without TDA intervention, or where U.S. technology is unlikely to be employed regardless of the TDA involvement. TDA only funds activities in industries where the U.S. is likely to be competitive and requires that the project appear to have a realistic potential to create U.S. business. In evaluating the project, TDA must determine and justify a multiplier of U.S. exports for each dollar TDA spends on the project which varies according to region.

Many of the industries which TDA supports have their greatest potential in the overseas market. Successful projects have a beneficial impact on the U.S. economy by creating jobs, advancing technology and improving the U.S. balance of trade. Those exports preserve and generate jobs and income within the United States, enhance the United States' balance of payments and contribute to the growth of the American economy.

See the TDA Annual Report to find detailed information on exports resulting from TDA activities.

TDA is an active member of the Trade Promotion Coordinating Committee (TPCC), a multi-agency effort to rationalize and improve government trade policy. This group has designated TDA as the agency which is responsible for funding all trade-related feasibility studies in the U.S. government.

1 HISTORY AND AUTHORITIES OF THE AGENCY

1 Establishment and Authorities

TDA was established in July of 1980 as an autonomous agency within the International Development Cooperation Agency (IDCA). Under the original enabling legislation, TDA was known as the Trade and Development Program (TDP) and was established by Delegation of Authority by the Director of IDCA. The agency reported to the Director of IDCA for policy guidance. The Director of IDCA also serves as the Administrator of the United States Agency for International Development.

1 Early Legislative History of Section 661

1 Background

The TDA program was originally authorized by Section 661 of the Foreign Assistance Act of 1961, as amended. At the time, Section 661 authorized the use of funds to stimulate development projects involving either U.S. agencies or the U.S. private sector. Section 607(a), which authorized the provision of assistance on a fully reimbursable basis, from an agency of the United States Government to a developing country, was originally administered by TDA, but this function was transferred back to State and USAID pursuant to an Executive Order in 1995.

Funds for feasibility studies were provided to participating foreign entities and to U.S. firms. The early 661 authority was interpreted broadly to permit many of the project planning activities now authorized under the TDA program. These activities include: (1) surveys to identify potential economic development projects; (2) pre-feasibility studies; (3) feasibility studies; (4) design engineering necessary to permit bids for project implementation; (5) construction supervision to ensure contractor adherence to specifications, and (6) reverse trade missions, orientation visits, conferences, and training. (Language of Section 661 may be obtained from the General Counsel's Office.)

1 PL 100-418, The Omnibus Trade and Competitiveness Act of 1988

In 1988, Congress enacted P.L. 100-418, the Omnibus Trade and Competitiveness Act of 1988. This Act affirmed the support of Congress for the Trade and Development Program (TDP), re-authorized funds at a higher level, and established TDA in law as a separate component agency of the International Development Cooperation Agency (IDCA). Paragraph (b)(1) clarified the agency's statute to better conform to the actual activities of the agency, and Paragraph (b)(2)(B) amended Section 661 of the Foreign Assistance Act to further clarify that TDP was not a separate component of AID or any other agency *under* IDCA. The law also authorized and encouraged TDP to spend funds on education and training programs. The language of this bill, which gave TDP

status as a separate agency under IDCA, was an important step in establishing by law, rather than by delegation, the agency's independent status.

1 PL 102-549, The Jobs Through Exports Act of 1992

In 1992, PL 102-549, The Jobs Through Exports Act of 1992 rewrote TDA's 661 authorities to include current activities, and added new authority for the funding of engineering design work. The stated purpose of the agency now is to promote U.S. private sector participation in development projects in developing and middle income countries. That statute also changed the name from the Trade and Development *Program*, to the Trade and Development *Agency*. This law, when considered in the context of other recently enacted laws which affect the operations of TDA, appears to render TDA wholly independent, and sever TDA's reporting relationship to IDCA.

1 Congressional Jurisdiction

1 Senate

TDA's primary oversight and authorizing Committee in the Senate is the Senate Foreign Relations Committee. The Senate Subcommittee with oversight and authorization jurisdiction is the Subcommittee on International Economic Policy, Export and Trade Promotion. The Foreign Operations Subcommittee is the Senate Appropriations Subcommittee responsible for TDA's funding.

1 House

The House International Relations Committee is TDA's primary authorizing and oversight committee in the House, and TDA's Subcommittee is International Economic Policy and Trade. The Foreign Operations Subcommittee is the Appropriations Subcommittee with TDA oversight.

(Consult with the TDA Legislative Director for current Committee memberships.)

1 TDA'S PROGRAM INSTRUMENTS

1 TDA Program Instruments in the Project Planning Cycle

Unfortunately, the mission of TDA is often narrowly understood to be limited to the funding of feasibility studies overseas. While feasibility studies are a significant part of the TDA "tool kit," they constitute only one of many options available to TDA program staff. These mechanisms have a variety of potential impacts, depending on how and when they are applied. They may be initiated at a variety of strategic points in the major project cycle to ensure continuity of U.S. involvement and to reinforce the potential for U.S. sourcing of goods and services.

While the chronology of a capital project's development will vary with its purpose, sector, size and priority, most projects follow a general progression of phases which, for the purposes of TDA planning, can provide a useful outline for action. (A schematic of project development phases appears in figure 4-1)

Time

Fig. 4-1: The Project Planning Cycle

1 Needs Identification (Pre-Project)

Major infrastructure and capital projects have their genesis in perceived obstacles to economic and social development, and in the opportunity to remove those obstacles through capital investment. Host country planners spend considerable time defining project solutions to these problems, and they can benefit considerably from U.S. expertise at this stage.

While TDA does not devote significant resources to the development of projects at the needs identification stage, there may be exceptional cases where TDA is justified in assisting host country planners to ensure that they consider technical solutions which may be provided by the U.S. industry.

1 Project Concept

In the early stages of a major project, there may be considerable leeway as to which basic approach the host country project sponsor may take in project implementation. A number of fundamental technical options may exist which constitute acceptable solutions to the sponsor's problem (for example, whether to implement a rural telephony project through cable or wireless technology). It is not unusual that one or more of these approaches may be widely applied in the U.S. while others may be predominant among foreign competitors. While TDA assistance to the host country sponsor in showing them the broad range of possibilities under implementation in the U.S. is unlikely to result in a direct procurement decision favoring the U.S., it is at this early stage that the basic project path is initiated.

1 Project Feasibility

Having established the broad parameters for the development of the project, the host country project sponsors must undertake appropriate studies to confirm project feasibility and to further define the optimal technical and commercial approach and to determine the costs and benefits of the project under different scenarios. From a procurement point of view, it is during the feasibility study that the optimal technical approach is identified. The technical orientation and background of the engineer who conducts this work can have a subtle (and frequently not-so-subtle) impact on the technical specifications of the study, and consequently on the sourcing of goods and services which will follow.

1 Pre-Project Implementation

If the feasibility study leads to a "go" decision, the post-study period provides a brief interlude during which relationships between the host country sponsor and prospective U.S. suppliers may be enhanced through appropriate measures. It is also during this post-study period that U.S. financial institutions will play a critical role in facilitating the procurement of U.S. goods and services in cases where they are able to provide project financing.

1 Engineering Design

While the engineering design phase of the project is often considered to be part of the implementation phase of the project itself for the purposes of financing, it is strategically important, and for the purposes of TDA involvement, should be viewed as a clearly distinguished phase.

1 Procurement and Implementation

Project implementation may be initiated either through a single award of a turn-key contract to a consortium of qualified bidders, or if the host country sponsor has the technical capability and desire to retain control of the project

management function, through a series of discrete procurements for diverse project components.

1 Overview of TDA's Instruments

The purpose of this section is to provide a brief description of the various instruments available to TDA Program Officers to pursue program objectives, and the situations in which they are most appropriately and effectively used in the major project planning cycle. Procedures for employing these instruments, and program and project criteria are described in detail in Chapters 6-12.

1 Definitional Studies

Definitional Missions and Desk Studies are used by TDA staff to assess the eligibility of prospective projects for TDA funding, or in some cases, as a means of identifying new projects for TDA funding. These are implemented through direct contract award by TDA, and are reserved for small and disadvantaged firms. (See Chapter 12.)

1 Definitional Missions: Project Assessment

A Definitional Mission (DM) is normally launched in a situation where there are significant gaps in data and information supporting a request for TDA funding. TDA sends an expert consulting team to the host country to meet with project sponsors and to investigate in detail the technical and economic premises of the project and the request for TDA funding. While the composition of the DM team will vary with the requirements of the assignment, the consultant must assess the technology involved in the project, the competitiveness of the U.S. industry to supply goods and services to the project, the multifaceted factors which may impact the feasibility of the project and, ultimately, the likelihood that the project will be financed and implemented.

The DM team may spend from two to four weeks on the assignment, including adequate time in the host country to assess the project and meet key project players. The team prepares a recommendation regarding TDA's support of the project, and they prepare or validate the scope of work and budget. The consultant submits a substantive report to TDA which may serve as an informational background document in support of subsequent bidding, should TDA determine to go forward to fund the requested feasibility study or other activity. The report is ultimately available to U.S. industry as a source of market intelligence.

1 Definitional Missions: Project Identification

While most DM's are commissioned in response to specific funding requests, TDA may also use definitional missions to pro-actively identify qualifying projects. Focusing on a specific sector, the DM consultant will visit the target country to meet with host country planners and with U.S. firms to identify a list of priority projects which meet TDA's funding criteria. Normally for the top two or three recommended projects, the consultant will provide detailed terms of reference and budgets adequate to support TDA grant and competitive award requirements.

1 Desk Studies

In certain circumstances, the TDA Program Officer may be comfortable that adequate and reliable information has been provided to support a funding request. A DM to the host country may not be required, and TDA may use Desk Studies to verify the reasonableness of the information and resolve outstanding technical and budget issues. Desk Studies are generally used in cases where a private sector project sponsor has submitted a detailed proposal to TDA. Desk Study contracts are normally small procurements which do not require consultant travel. Since the Desk Study contracts are awarded through limited competition, they can be mobilized and implemented in a relatively short period of time.

1 Feasibility Studies and Related Planning Grants

These studies are financed by TDA to determine technical, economic and financial feasibility of capital investment projects. Basic project data is gathered and analyzed, and sufficient engineering analysis is conducted to derive a project cost estimate which provides the basis for cost benefit analysis. As appropriate, analysis of market, raw materials, operations and financial forecasting are included in the study. Depending on the size, stage and complexity of the project, the pre-feasibility and feasibility study may be combined. (See Chapter 6.)

1 Public Sector Planning Grants

A Public Sector Planning Grant is a principal form of assistance provided by TDA. It normally involves a grant to a developing country for all, or a part of the costs of a feasibility study of a major capital investment project whose financing will be supported with host country sovereign guarantees (that is, the host government will assume the risks associated with the financing of the project). The grant is awarded to the host country project sponsor on the condition that the study contract will be awarded to a U.S. firm.

A Public Sector Planning Grant has two principle purposes: to promote U.S. exports and to assist in the development efforts of the participating country. Consequently, projects eligible for TDA study funding must hold significant potential for U.S. exports, and they must represent a high development priority for the host country.

There are a number of features of this program that applicants should be aware of:

- The TDA program concentrates on friendly middle- and upper-income developing countries which are in a position to implement the kinds of projects which TDA targets, though exceptions may be made for qualifying projects in developing countries;
- TDA normally requires application of standard competitive procurement procedures, unless a compelling case can be made that a non-competitive award is in the host country project sponsor's interest as well as the U.S. commercial interest;
- Where competitive contract award is waived, the sole-source beneficiary is expected to share significantly (usually 50%) in the costs of the study, and if successful in obtaining follow-on business opportunities related to the project, is expected to reimburse TDA up to the full value of the grant;
- TDA requires convincing evidence that the activity has a high development priority with a potential positive impact on U.S. exports of between 50 and 100 times the dollar value of the grant;
- TDA reserves the right of review and approval of various activities financed by the grant including review and approval of the scope of work and the final contract;
- TDA will not finance studies that will lead to projects that are harmful to U.S. producers or workers;
- TDA may also seek some degree of support from the host country grantee, either in the form of a dollar or local currency contribution.

1 Private Sector Planning Grants

Historically major infrastructure and industrial investments in the developing world were made through government-backed financing. Because government funds are normally inadequate to support both social and commercial development financing requirements, many developing countries have initiated policies and regulations which enable development of projects with private financing in sectors where those projects should be commercially viable.

TDA Private Sector Planning Grants are made to private project developers in developing countries to support the costs of feasibility studies of projects to be financed without sovereign guarantees. Because

these grants are normally provided with a sole-source contract award authorization to a U.S. firm, TDA generally requires that the U.S. sole source recipient share in the cost of the study. Additionally, TDA normally expects that the sole source recipient reimburse the value of the grant, if successful, over a period of five years with proceeds from project implementation finance or a percentage of revenue earned.

TDA applies the same basic criteria used in assessing the eligibility of public sector projects, including a confirmation by the host country government that the project is important to the economic development of the country. Because successful project financing is dependent upon the commercial prospects of the project rather than on sovereign guarantees, TDA must ensure that the project is likely to meet the requirements of prospective commercial financing sources.

1 Tied Short-List Study Grants

TDA program staff may encounter situations in which one or more U.S. companies are short-listed to conduct a feasibility study of a major project which would have normally met TDA funding criteria, but which the host country is prepared to fund with its own resources. Where there is an indication that the short-listed foreign competitors are likely to have the support of their governments (often in the form of extra-tender incentives and advocacy), TDA may elect to offer to fund the study in full or in part, if the project sponsors select one of the U.S. bidders to conduct the study. While this mechanism appears to be similar to a tied training grant, its rationale for award and implementation is the same as that of a conventional TDA feasibility study grant. Whereas the tied training grant is conditionally offered to lock in a procurement of U.S. goods or services greater than thirty times its size (see Chapter 9), the only condition for the award of a tied feasibility study grant is the commitment of the project sponsor to use a U.S. company (which TDA anticipates will influence the definition of the project in favor of U.S. supply).

1 Financial Packaging

A financial strategy component is normally included in any TDA-funded feasibility study. In some specific cases, however, additional financial technical assistance may be required to ensure that all prospective sources of funding which would allow procurement of U.S. goods and services have been considered, and that project sponsors understand how to access those financial resources. TDA may fund these tasks as extensions of existing feasibility study contracts or as stand-alone contracts to financial specialists.

1 Conceptual Design

Engineering design is normally broken into a series of phases each of which leads to a more precise definition of the specifications of the project. While exact definition of each of the phases seems to vary depending on the sector, they normally correspond to the following definitions.

- **Conceptual Design:** Preliminary design criteria are finalized for the facilities plan, and preliminary facilities layouts are prepared.
- **Preliminary Design:** The site plan is finalized, and equipment requirements are defined. During this stage, the design is detailed enough to enable the drafting of a construction cost budget.
- **Final Design:** Detailed contract plans and final specifications for equipment are developed. The plans and specifications developed during this phase become the official documents upon which subsequent bidding is based and upon which project construction is managed.

TDA may, in specific cases, provide funding for conceptual design of major projects which hold particular promise for U.S. sourcing of goods and services.

Some trade-offs do exist, however, in funding the conceptual design phase of project development. Conceptual design entails a significantly higher investment of funds than a feasibility study. Thus while conceptual design enables more detailed specification of goods and services for a prospective project and thereby increases the probability of U.S. sourcing of procurements, it also ensures that the export multiplier (incremental U.S. export return on TDA investment) will be less. TDA weighs the costs and benefits of conceptual design requests on a case by case basis, subject to the availability of funds.

1 Orientation Visits

TDA provides funding for visits to the U.S. for senior host country decision makers associated with major projects. Foreign officials have an opportunity to study site applications of U.S. technology relevant to their specific project requirements and to meet with representatives of U.S. companies which might ultimately offer goods and services to the project.

Orientation visits may be implemented at different stages in the major project cycle depending upon TDA's specific trade objective. A visit funded prior to feasibility work on a project is normally intended to provide decision-makers with an introduction to broad technical approaches which may have a bearing upon the U.S. ability to compete for the project at later stages. TDA will frequently

include an orientation visit in a feasibility study grant as a means of reinforcing the technical findings of the study with concrete illustrations of U.S. applications.

Visits can also be conducted directly prior to project tendering in order to emphasize specific U.S. companies and systems which will enter into direct competition for the project. These programs often serve the complementary function of sensitizing U.S. new-to-export companies to specific market opportunities overseas which they might not otherwise have considered. A business briefing is frequently held in one or more of the U.S. cities visited. These briefings provide the opportunity for the project sponsors to describe their projects to a larger audience of U.S. companies than can be visited (See Chapter 7.)

1 Project Conferences

When a country, region or sector offers numerous near- to medium-term project opportunities of interest to the U.S. industry, TDA may elect to sponsor a project conference at which these projects are presented by the touring project sponsors and at which U.S. business people may hold preliminary meetings with many project sponsors at a single venue. One or more contractors may be selected to organize the event, and to prepare a supporting compendium of project summaries. Conference contractors are generally selected from the IQC list of contractors. These events often serve as the starting point in the U.S. participants' follow-on overseas marketing initiatives. (See Chapter 8.)

1 Project Briefings

When a feasibility study is completed and host country project sponsors express their intent to move the project to implementation, TDA may fund a business briefing to bring together potentially interested U.S. parties to learn more about the project. The purpose of the briefing is to help move the project forward with U.S. export content. Host country technical and policy officials present the findings of the study (with the support of the U.S. study contractor), and provide detail on the next steps in the tendering process (including detail on likely specifications). A professionally diverse U.S. corporate audience is invited (engineers, developers, financiers, and suppliers) with the expectation that not only will they benefit directly from the presentations, but will meet potential partners with whom they might mount comprehensive proposals. (See Chapter 8.)

1 Technology Symposia

Technology symposia are generally held when the participating country is in the early planning stages of a major project investment and is interested in U.S. technology, or where TDA program staff would like to promote technology which the sponsor may be unaware of. They may also target groups of countries where

similar projects are in the planning stages. These workshops typically involve technical presentations by U.S. specialists, reports by participating country officials on their project investment plans and technology needs, and in some cases, visits to the project sites. In addition to the technical exchange of information, TDA hopes that technology symposia may lead to definitional or pre-feasibility studies, and direct contracts between U.S. companies and foreign participants. (See Chapter 8.)

1 Tied Training Grants

TDA has authority to offer grants in support of short-listed U.S. companies on a transaction-specific basis. These most frequently take the form of grants to cover the cost of training of local personnel by the successful U.S. company on the installation, operation and maintenance of technology specific to the proposal. Training grants are particularly effective in the sense that the funds are only spent if the short-listed U.S. firm is selected. (See Chapter 9.)

1 Technical Assistance

1 Technical Assistance Grants

In cases where a specific major project has not yet been initiated, but where there is strong promise in the medium term for U.S. exports because of inevitable growth in a particular host country sector, TDA may on a case by case basis provide broad technical assistance to help host country planners start to focus their thinking and direction in subsequent project planning. This may include assistance, in rare cases, with definition of standards or master plans. Because of the general nature of these activities, they are rarely employed by TDA without the intent to follow on with more detailed, project-specific initiatives which would have a clear U.S. export impact.

TDA may also provide assistance in specific problem areas to host country planners and project sponsors. This may include help in developing project procurement documents, or assistance in bid evaluation procedures.

1 Technical Advisors

TDA may fund the costs of Technical Advisors which are assigned to key host government ministries or offices which will be responsible for numerous upcoming near- and medium-term projects of particular interest to U.S. exporters. These assignments may vary in length, depending upon the requirements of the host country planning agency, and TDA's objectives. The Technical Advisor works closely with the host agency planning staff to support the project planning process and to serve as an

advocate and resource for U.S. technology and approaches. (See Chapter 10.)

1 Trust Funds

TDA has made grants to the World Bank, the International Finance Corporation, the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), the Inter-American Investment Corporation (IIC) and the African Development Bank (ADB) for U.S. consultant trust funds for consultancies and studies of projects destined for funding by those institutions. Under these programs, U.S. consultants may be recruited for bank studies which hold potential for significant U.S. exports. These consultancies enable TDA to insert a U.S. point of view in early project development and to gain information on pipeline projects which will be of interest to U.S. exporters. (See Chapter 11.)

1 Schematic Summary of TDA Instruments in the Project Cycle

In summary, TDA possesses a variety of options for influencing the U.S. export outcome for major capital projects at any point in the project development cycle. Figure 4-2 outlines some of the most common approaches TDA program staff have taken. Since TDA operates in an ever-evolving trade environment, and because agency management places a premium on responsiveness and creativity in achieving program objectives, this schematic will evolve with the addition of innovative program approaches.

Fig. 4-1. TDA Instruments in the Project Planning Cycle

1 TDA'S POLICY FRAMEWORK

1 Eligibility for TDA Programs

1 Country Eligibility

Countries eligible for TDA planning assistance must be developing or middle-income countries which plan to allocate substantial resources for procurement of foreign goods and service for major development projects. Countries which are ineligible to receive bilateral U.S. foreign assistance are also ineligible to receive TDA assistance unless appropriate executive or legislative waivers are in place. TDA staff should consult with the General Counsel for any questions regarding the eligibility of particular countries.

1 Nationality, Source and Origin Requirements

The purpose of TDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the pre-feasibility, feasibility, and implementation stages of a project.

1 Nationality

Except as TDA may otherwise agree, the contractor for TDA funded activities must be either a U.S. firm or a U.S. consultant. Prime contractors may utilize U.S. subcontractors, but the use of host country subcontractors is limited to 20% of the TDA grant amount.

Accordingly, only a U.S. firm or U.S. consultant may submit proposals on TDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the TDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the TDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

In general, foreign subsidiaries of U.S. firms are *not* eligible for TDA assistance.

Interested U.S. firms and consultants who submit proposals must meet TDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the TDA-financed activity. These nationality

provisions apply to whatever portion of the Terms of Reference is funded with the TDA grant.

1 Nationality Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. consultant" is (a) a U.S. citizen whose principal place of business is in the United States, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder) whose principal place of business is in the U.S.

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

1 Non-Nationality Exclusions

1 Barred Companies

Companies which have been officially suspended or debarred under the Federal Acquisition Regulations (FAR) from competing for U.S. Government contracts as a result of unlawful activities may

not participate in TDA-funded contracts, awarded either directly by TDA or through host country award.

1 Misrepresentation

A firm will become immediately ineligible for TDA funding or support if, in pursuit of a commercial opportunity, it intentionally or inadvertently represents that TDA assistance will be forthcoming, without prior approval from TDA.

1 Definitional Study Exclusion

A firm or individual consultant which carries out a definitional mission or desk study for TDA on a proposed project is not eligible to participate in the TDA-funded feasibility study of that project.

1 Source and Origin of Goods

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the TDA Grant Agreement must have their source and origin in the United States, unless TDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific TDA approval.

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a TDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

1 Source and Origin of Goods Definitions

“Source” means the country from which shipment is made.

“Origin” means the place of production, through manufacturing, assembly or otherwise.

1 Typical Project Sectors

TDA supports project planning activities in any of the key sectors which support and sustain economic development in the developing and middle income countries, and which typically are implemented through major infrastructure or capital projects. Projects of interest to TDA tend to emphasize technologies in which the United States is competitive on a quality and price basis.

Principal sectors and projects of interest include, but are not limited to:

- Energy: Power Generation; Power Transmission, Distribution and SCADA; Oil Refineries; Gas Pipelines; LNG...
- Transportation: Airports; Rail and Urban Transit; Ports...
- Environment: Water; Wastewater; Municipal Waste; Hazardous Waste; Industrial Waste Minimization...
- Industry: Process Industries; Petrochemical; Mining and Minerals; Metallurgical; Pulp and Paper; Automation/MIS...
- Telecommunications: Network development and management; cellular and wireless; rural telephony; satellite communications...

1 Ineligible Activities

The kinds of projects TDA would typically *not* support for a variety of reasons:

- Marketing trips, plans and or strategies for individual companies seeking to expand to foreign markets...
- Planning studies supporting the sale of consumer goods sold typically through retail distribution networks...
- Activities restricted or prohibited by the participating country or restricted or prohibited by U.S Law or regulation...
- Activities involving the manufacture or sale of hard spirits or the construction or operation of gambling facilities...
- Activities involving or leading to the export of items that are embargoed, restricted or on a list of sensitive exports...
- Military or police activities...
- Export processing zones...
- Activities which will have an unfavorable net impact on U.S. employment or U.S. producers...
- Planning services leading to projects which compete directly with U.S. exports ...
- Planning services leading to projects simply involving mergers, corporate consolidations or the purchase of an existing company unless it can be demonstrated that the activity involves a significant capital expansion of substantial benefit to the developing country...

1 Project Eligibility and Funding Criteria

TDA's project eligibility criteria provide a framework for the consistent appraisal of diverse projects in light of TDA's mission. This framework is one which TDA has applied successfully in a environment of heavy competing demand for TDA's services and support. Its principal attractions are that it is well-founded and relatively simple. It nevertheless clearly and logically subsumes a complex

variety of issues representing the range of requests for TDA support which normally come under consideration.

TDA applies four principal criteria in determining whether to support a request for assistance in the form of a feasibility study or other advocacy activities.

1 Development Impact

Eligible TDA projects must be high on the list of development priorities of the participating country and of special importance in the country's development plan. Even where the project will be developed in the private sector without public sovereign guarantees, the project should be endorsed by the host country government as being consistent with national economic development priorities.

While these will vary with the stage of development of the project, some indications that a project corresponds to a development priority include:

- Project concept responds to a crucial economic or social problem.
- The project appears on the responsible Ministry's priority projects list, in the host country's 5-year plan (or an equivalent official planning document) or on other official priority project lists.
- Host country project sponsor has clearances from central Government financial or planning authorities (e.g., Ministry of Finance, Ministry of Planning).
- Commitments have been made by relevant authorities for financing, off-take, and other relevant guarantees.

1 Financing

While there are thousands of prospective projects around the world whose sponsors seek validation through commitments of financing, only a fraction of these prospects will, in fact, receive that validation. Without financing, a project cannot move forward and there can be no exports. Consequently, in following its export-driven mission, TDA focuses its resources on those projects which appear to have the highest likelihood of financing or for which financing is in hand.

The nature of these financing commitments may vary to some extent with the development stage of the project, and the public or private nature of the financing plan. Normally, TDA would expect that the sponsor of the prospective project has discussed financing with relevant financial institutions, and that the financial institutions have given a preliminary indication that they concur that financing *may* be available *if* studies verify expected results under specific conditions.

Applicants to TDA may see a “chicken or egg” element to this requirement (“How can I get an expression of interest from the financial community without a feasibility study?”). However, if the project is truly a development priority, key financial players are likely to be aware of the project, and express at least conditional interest in providing financing when the time is appropriate.

With the increasing number of “limited recourse” finance projects for which TDA is asked to provide feasibility study funding, TDA staff must become increasingly involved in assessing the prospects of private financing for a prospective project. Rather than confirming that the host country government will provide sovereign guarantees to back up project financing, it becomes all the more important that TDA, in its due diligence review of a prospective project, examine the strength of the project from the point of view of technical, commercial, performance and political risks. These are the same factors the underwriters of project finance will ultimately consider in their own due diligence reviews.

1 Export Multiplier

Eligible projects must hold the potential for substantial procurement of U.S. goods and services through direct contracts with U.S. companies, and TDA’s support must directly stimulate incremental U.S. exports. TDA uses an export multiplier factor (on a “rule of thumb” basis) which limits its grant activities to projects which have potential to provide returns of U.S. exports of goods and services of more than 50 to 100 times TDA’s investment. This multiplier varies with the region, sector, and in some cases, the funding mechanism.

In reviewing a prospective project, TDA normally assesses the *incremental* U.S. export impact of the proposed activity for only the individual project in question. Frequently, a project applicant will seek to justify TDA support of a project which does not meet the expected export multiplier with the assertion that the project, when successfully implemented, will serve as a model for numerous other projects which cumulatively will satisfy TDA’s export criterion. Because project “spin-offs” are normally highly speculative due to the number of factors which may ultimately influence their implementation, these would not normally provide adequate justification for TDA support. Nevertheless, there may be occasions in which a clear link may be made between the proposed TDA-funded activity and the prospect for procurement of significant U.S. goods and services in subsequent projects (i.e., most frequently where the first part of a uniform network or system will be implemented with all subsequent investments conforming to the initial technology). While in such circumstances, the projected export multiplier is best conservatively estimated based on procurement during the project immediately at hand,

credible future spin-off exports may justify accepting a lower than normal near-term multiplier.

1 Facilitative Role

Planning services must *incrementally* facilitate and lead to project implementation. TDA will not provide assistance where procurement of U.S. goods and services is likely to proceed without TDA intervention, or where U.S. goods and services are unlikely to be employed regardless of the occurrence of TDA financial planning services (e.g., where U.S. goods and services required for project implementation may not be internationally competitive).

A key element of this “additionality” is the degree and nature of foreign competition for the specific procurements under the project. While it is often difficult to ascertain precisely which measures foreign competitors are pursuing in targeting major projects, the following points can provide a framework for evaluation of the competitive situation.

- Evidence that foreign companies are actively marketing their services to project sponsors or in the sector.
- Past successes of foreign companies in the sector which position them for the upcoming project.
- Official advocacy support of foreign companies by their own governments (personal, reverse missions, grants, financing, etc.). This includes competition faced by U.S. companies from competitors' state enterprises.

1 Other Factors in TDA's Project Funding Decision

1 Diplomatic and Policy Initiatives

While TDA would expect to apply its standard criteria to projects which will be financed from annually appropriated funds, there may be circumstances in which special initiatives may be funded through interagency funds transfers. The State Department, for example may determine that it is in the U.S. economic and security interests to ensure that funds are expeditiously and effectively invested in the reconstruction of infrastructure ravaged by war, or in the economic foundations which support the transformation of a centrally planned economy to a market economy. While such investments may be critical to the successful rebuilding of an economy and of ultimate commercial benefit to the United States, specific priority projects which TDA may be asked to support may not strictly meet the agency's funding criteria. In such cases, TDA may balance its normal funding criteria against larger diplomatic or policy considerations.

1 Environmental Issues

A prospective project's expected impact on the environment is a paramount issue which will impact its eligibility for TDA funding. Prior to committing its funds to a prospective project, TDA will ensure that it identifies, through its due diligence process, all foreseeable environmental consequences of the proposed project, including indirect effects and any areas of controversy. It will further ensure that an appropriate environmental assessment is part of the scope of work of any TDA funded feasibility study. Such an assessment would include a description of the affected environment; a comparison evaluation of the environmental impact of alternative solutions, including the proposed implementation plan; and an analysis of the significance of environmental consequences of the proposed implementation plan, including short and long-term effects and the impact of any irretrievable commitment of resources.

Conversely, in the case of projects which are intended to remediate or prevent environmental degradation in the host country, TDA may make special provision to balance the weight of other eligibility criteria (particularly export potential) against that of the economic and social benefits of the proposed project.

1 U.S. Labor, Export Markets, and Related Activities

Foreign Operations, Export Financing and Related Programs Appropriations legislation restricts U.S. foreign assistance from being used to provide:

"(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area...

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights..."

"...direct assistance for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity..."

Program staff should consult the TDA General Counsel for changes to these and other legislative provisions affecting TDA operations.

1 Leveraging TDA Funding

In recent years, TDA has provided funding for studies on both public and private sector projects, including joint ventures in which U.S. companies plan to take equity. In order to leverage its limited funds, TDA requires cost-sharing and reimbursement of TDA funding for feasibility studies on many projects. These concepts are explained below.

1 Cost Sharing

In almost all private sector projects and in some public sector projects, TDA requires cost-sharing, i.e., TDA only partially covers the cost of the feasibility study. In order to understand how this works, it is necessary to understand how TDA determines the “cost” of a study.

In most private sector projects, the U.S. firm involved in the project submits a proposal to TDA, which contains, among other things, a detailed budget for the feasibility study. If the project appears promising, TDA hires its own consultant to evaluate the project, usually through a Desk Study (see Chapter 12). The Desk Study may alter the Terms of Reference for the study or make other changes (daily rates, for example) that may increase or decrease the study budget. Ultimately, the Desk Study Final Report will recommend to TDA an appropriate budget for the study, broken down by categories of cost. It is typically this budget that is used by TDA as a basis for calculating its contribution to the study and the cost-sharing to be required of the contractor.

There is no absolute standard for the percentage of feasibility study costs that TDA will cover; in some projects TDA has contributed as little as 20%, while in others the contribution has been as much as 80% of the study cost. In calculating its contribution, TDA looks at a number of factors, including, among other things, the size of the U.S. firm, the potential follow-on benefit to the firm as supplier to or investor in the project, the costs the firm has already incurred in developing the project, and the risks associated with the project. Generally, TDA is more likely to set its funding level based on “out of pocket” costs, such as travel, interpreters, and subcontracts, as opposed to “in-house” costs, such as the direct labor of the U.S. firm’s staff participating in the study. The cost sharing commitment is set forth in a Letter Agreement between TDA and the U.S. firm (see below), and written Certification that the cost-sharing commitment has been met must be submitted by the U.S. firm at the conclusion of the study.

In many cases, U.S. participants other than the firm that has submitted the proposal (e.g., potential equipment suppliers to the project) may contribute part of the cost-sharing. This may be considered part of the U.S. firm’s cost-sharing.

In a smaller number of projects, the host-country project sponsor may also provide a cost-sharing contribution. In such cases, that contribution may be taken into consideration by TDA in determining TDA's level of contribution, but it will normally not be permitted to be included as part of the U.S. firm's cost-sharing contribution.

1 Reimbursement (Success Fee)

In appropriate cases, TDA may require the firm conducting the study to reimburse the TDA funding, in whole or in part, if the project is implemented and the firm reaps a substantial economic benefit. Reimbursement, through a success fee, is usually linked to either a percentage of revenue generated by the U.S. firm (typically applied when the U.S. firm is expected to supply goods and services during implementation of the project) or the first drawdown of financing for the project (typically applied when the U.S. firm is expected to take an equity position in the project). The reimbursement/success fee commitment will be set forth in the Letter Agreement between TDA and the U.S. firm.

1 Letter Agreement with TDA

In projects involving cost-sharing and/or reimbursement, TDA and the U.S. firm enter into a Letter Agreement setting forth the details of the arrangement. This Agreement must be in place before TDA will sign the Grant Agreement with the host country project sponsor. While each such arrangement is individually negotiated, TDA has developed model Letter Agreements, which generally serve as the basis for negotiations. Regional staff tailor the model to the circumstances of the specific project, in consultation with the General Counsel. Model Success Fee/Cost Share Letter Agreements based on finance-based or revenue-based successes are provided in the common-to-all network folder).

As regards cost-sharing, the Letter Agreement generally sets forth a TDA contribution defined by an overall cost contribution (e.g., TDA will cover up to a specified *dollar amount* of the total cost of the study and the U.S. firm will cover a specified dollar amount). An agreed upon budget including agreed upon daily rates for a U.S. firm's staff time (for purposes of calculating the firm's cost-share contribution) is attached to the Letter Agreement, as is a model statement of expenditures, which the firm must submit with its final invoice, certifying that it has met the cost-share requirement.

1 Clearances and Coordination

While less a project criterion than a procedure, TDA has traditionally sought clearance for its activities from both the U.S. Embassy in the host country, and from other trade and technical agencies which would have a direct interest in the technical or policy implications of the activity

1 U.S. Embassy Clearance

The role of the U.S. Embassy team in the advocacy initiative is crucial. TDA works closely with the U.S. and Foreign Commercial Service (FCS) in countries where they are posted, and with the State Department Economic Section in Embassies where there is no FCS. In many countries, the U.S. Ambassador takes a direct interest in TDA programs, and may sign grant agreements and undertake other advocacy initiatives on TDA's behalf.

As the front line for USG bilateral involvement in the host country, the Embassy commercial team serves as a preliminary screen for prospective projects, and they provide liaison services in supporting communications with host country project sponsors and supporting other administrative functions related to the project. Because the Embassy team should take a leading role in defining a U.S. trade strategy for the host country, it is imperative, at minimum, that the U.S. Ambassador and his or her trade team concur with the proposed TDA initiative.

1 Interagency Coordination

It is also important that all relevant federal trade and functional agencies have the opportunity to review the proposed activity to screen for problems regarding existing foreign and trade policy or technical agreements with the host country. The objective of such clearance is to ensure that the USG is not placed in the position of advocating an outcome which contradicts an official policy regarding the country or the technology. TDA assessment of the prospective project is also likely to benefit from the insights and opinions of functional agency technical staff regarding the technology under consideration and its application.

1 TDA Internal Coordination

TDA program review of prospective projects and development of new program activities will also benefit from frequent interaction and communication among TDA staff in management, program and evaluation functions, to share past experiences with a particular technology or results of similar projects. Such interaction not only assists program staff to avoid duplicating costly mistakes, but also ensures that new approaches of merit are disseminated throughout the agency.

1 TDA PLANNING GRANTS: TYPICAL PROGRAMMING STEPS

1 Public Sector Planning Grants

1 Sources of TDA Funding Requests

A prospective project funding request may come into the TDA project pipeline through a variety of sources:

- An informal inquiry from a U.S. firm with a prospective commercial opportunity in a particular country;
- As a result of a TDA-financed Definitional Study sent to a country to identify potential projects;
- The consequence of a Technology Workshop or Technology Orientation Visit;
- As the result of a direct inquiry to TDA from a country or ministry interested in procuring TDA services;
- A country inquiry processed through U.S. Embassy channels;
- A contact made or information obtained by a TDA officer while on overseas travel.
- Through USG interagency channels (e.g., from Commerce, OPIC or EX-IM).
- Pursuant to a Statement of Understanding or Protocol between the U.S. and a developing country.

1 Initial Screening and Preliminary Internal Application Review

Occasionally, TDA will receive fully completed applications from U.S. project proponents containing necessary background material and documentation without any previous inquiry or contact between a TDA officer and the participating country. In these instances, the reviewing officer will proceed to Section 6.1.2.4 (and Preliminary Internal Application Review).

More frequently, there are a series of informal contacts involving TDA, representatives from the participating country, U.S. project proponents, Embassy officials and, on occasion, representatives from other federal agencies. This early identification and development process does not occur in an orderly and sequential fashion. The following sections deal with *elements* of the process rather than a series of sequential steps.

1 Briefing Prospective Applicants

It is frequently necessary to provide background and explanatory information about the TDA program, alternative instruments of assistance and TDA's program criteria to prospective applicants. TDA has prepared a

number of brochures, fact sheets and other resources for public information. These include:

- The TDA Primer
- TDA's Annual Report
- Regional Brochures
- Regional Monthly Report Project Summaries
- TDA Briefs
- TDA Internet Home Page

At this early stage in the project development process, it is essential that the prospective participant fully understands the basic goals of the TDA program and the primary criteria for provision of assistance. (Chapter 5 contains important guidance in this respect and is not repeated in this section.) However, experience has indicated that it is particularly important to clarify the following program criteria at an early stage in the project development process. Accordingly, it is essential to underscore the following policies in early discussions with prospective participating countries:

- TDA provides grants for project planning and related services, from the point of concept up to, but not including, project implementation.
- TDA's Public Sector Grants are given on a conditional basis with the proviso that the TDA-financed planning activity be awarded to an American firm.
- TDA will grant finance planning services only if, in TDA's judgment, the grant will lead directly to additional U.S. exports and only if the grant is related to the development priorities of the participating country. (TDA will not finance planning services if it appears that a U.S. firm would receive the contract for the final project in any case or if it appears unlikely that a U.S. firm would receive the award in any case.)
- TDA normally requires competitive bidding procedures, though the competitive award requirement may be waived in certain circumstances (See Section 6.1.7). Any U.S. firm which benefits from a sole source grant award will normally be expected to share in a significant portion of the costs of the activity, and will be expected to reimburse the cost of the study on a proportional basis if the activity results in sales for that company.
- TDA receives copies of the feasibility studies it funds and makes volumes (which are not judged in grant and contract negotiations to be proprietary) available to U.S. companies through the National Technical Information Service, to ensure that they are aware of the export opportunities that these projects offer.

1 Formal Applications

TDA does not require that an application form be completed by the project sponsor in order to initiate the funding review process. In most cases, a letter of request from the senior host government official of the sponsoring agency is adequate to initiate TDA consideration of a prospective project. In such cases, and in cases where TDA or other U.S government officers directly identify a significant opportunity for the U.S. industry, the project's eligibility for funding may be established with specific questions via the U.S. Embassy in the host country during the preliminary screening process, and, if warranted, through the commissioning of a Definitional Mission to review the project in detail.

Where a project is initiated by a U.S. company, TDA normally expects that the company will have adequate knowledge of the project to be able to provide comprehensive information to support TDA's eligibility review. To ensure that this information treats all key elements relevant to TDA's review, TDA has developed *Feasibility Study Proposal Model Formats* for both public and private sector projects (available in Common-to-All network folder).

1 TDA Guidance to Applicants

During the early project development process, it is often possible to steer the design of a project in a direction that substantially enhances the likelihood of later funding and avoids the disappointment and embarrassment of a subsequent negative response. In some cases it will be clear that the activity is sharply inconsistent with TDA policy, and the prospective applicant should be so informed. In other instances, the activity may fall in a "gray zone" with some attractive elements and some disadvantages, and it may be necessary to proceed to a formal application and full scale review before a final determination can be made.

It is important that the Program Officer, in discussing the prospective project with the applicant at this preliminary stage clearly lay out the potential problems regarding the project's prospects for TDA support in as comprehensive, candid and unambiguous a manner as possible. The Program Officer should also carefully record this discussion in the Officer's notes for future reference. This may include key points of the discussion (major TDA objections, conditions for further TDA review or further steps the applicant needs to take before submitting the proposal to TDA or other salient issues). It is not unusual for a significant period of time to pass between an initial inquiry and the formal application for TDA's assistance. Clear documentation of the preliminary meeting will ensure the Officer will not have to rely on memory to verify that key issues raised in the first meeting have been adequately addressed. This is particularly important

since the Program Officer is likely to have discussed many other prospective projects in the interim.

Where a project clearly does not qualify for TDA support, it is incumbent upon the Program Officer to be direct (while courteous) in communicating the project's ineligibility, since an enthusiastic project proponent may be inclined to translate a Program Officer's vaguely framed objections into an invitation to continue to pursue TDA support.

1 Preliminary Policy Questions

Preliminary Review involves a judgment regarding the following fundamental questions:

- Are there negative foreign policy, political, social or environmental issues which could influence the outcome of the project?
- Are there potentially problematic sectoral or industrial policy implications which should be considered at an early stage?
- Will the project involve significant exports from the U.S.?
- Is the final project likely to be financed from sources which will support U.S. sales?
- Does the ultimate project appear generally consistent with the country's development priorities?
- Would TDA assistance appear to make a difference? (e.g. broadly speaking, is the U.S. industry competitive; would the U.S. be unable to obtain the contract without TDA support?)

The responses to these questions will give the Program Officer a preliminary sense as to the prospective project's eligibility for TDA support and a basis for determining whether further assessment is worthwhile.

1 "Short List" Situations

Frequently a project opportunity may arise in the context of a "short list" situation, thereby short circuiting the sequential project cycle and requiring a quick review and response. While the policy considerations are the same, the bidding, clearance and approval procedures may be quite different. (Short list procedures are described in Section 6.2 of this Chapter.)

1 Embassy Clearance and Coordination

It is TDA policy to fully coordinate all public or private sector grant applications with the U.S. Embassy in the participating country and to obtain formal clearance at key stages in the project cycle. Program Officers should inform the Embassy of inquiries that do not come through

Embassy channels and which, in the judgment of the Program Officer, have reasonable prospect of later materializing as a formal application. Information cables or faxes should a) alert the Embassy that a tentative contact has been established, and b) request background information that may be useful in dealing with the application. Follow-up briefing messages may be warranted in the case of large and/or policy sensitive projects.

1 Congressional Contacts

Occasionally during early project development, TDA Program Officers will need to deal with congressional inquiries regarding the potential of TDA support for a constituent or the status of a particular activity. These contacts are handled by the Director, Deputy Director or Legislative Director. In case a Program Officer is contacted directly by Congressional Staff he or she must write a brief memo to the file detailing the nature and purpose of the contact, with copies to the TDA Director and Legislative Director.

1 Internal Application Processing

The following procedures apply to the initial handling and processing of applications:

- Copies of all applications and documentation involving possible future commitment of funds, whether in cable or letter form, must be distributed to the Director/Deputy Director and the Program Office;
- The Program Office is responsible for ensuring that project data has been forwarded to the Project Information System for entry in the PIMS database, and inclusion in the prospective project list.
- The Program Officer establishes a Working file for the project, if not already established.

1 Detailed Project Review and Approval

This section deals with the processing of a Public Sector Grant application from receipt and distribution of the application through internal review and final approval by the TDA Director.

1 General Considerations

The following considerations apply to the review of applications to TDA:

1. It is TDA policy to process all applications with the greatest speed allowed by due diligence and the responsible expenditure of Federal funds.

2. Because of the large number of applications for assistance and the constraints on TDA work force levels, it is essential that TDA staff concentrate on those activities most likely to obtain ultimate approval and those which will have the largest impact on development and on U. S. exports.
3. Normally, a Preliminary Policy Review (described in Section 6.1.2.4) has taken place prior to receipt of application for assistance. If this is not the case, it is essential to first evaluate the application from the perspective of these critical policy concerns. Early identification of critical policy issues is an important Program Officer responsibility.
4. In a few instances, funding requests will contain sufficient information to process the request when supplemented by discussions with State, Embassy and other involved federal officials. If the *Feasibility Study Proposal Model Format* has not been followed, it is strongly recommended that the Program Officer in charge use it as a working check list to review the wide variety of factors that should be considered prior to approval of the grant. (See Models available in Common-to-all network folder.)
5. In most instances it will be necessary to seek expert technical guidance involving such matters as U.S. export competitiveness or the feasibility of employing a particular technology. There are a variety of instruments available to assist TDA officers in the review process ranging from consultation with experts in other federal agencies to the procurement of advisory services from consulting firms. These instruments, including Definitional Missions and Desk Studies, are discussed in greater detail in Chapter 12 although this listing is by no means exhaustive. It is the ultimate responsibility of the TDA Program Officer to identify and utilize effective methods for evaluating the soundness of a grant proposal.

1 Factors for Consideration in Provision of Grant Assistance

Following are a listing of the principal policy, program and project factors which should be taken into account in reviewing an application for grant assistance. Because of the breadth and complexity of the TDA program, this listing is not exhaustive, and it is the ultimate responsibility of the Program Officer to evaluate the merit of the particular proposal. The following questions are intended to stimulate a careful analytical review rather than impose a rigid decision framework:

1. Project Specific Considerations
 - a) On the basis of preliminary information, does the ultimate capital activity appear to be based on solid technology? (Check functional Federal agencies, Commerce, industry associations and trade groups)
 - b) On the basis of preliminary information, is there a reasonable indication that the ultimate activity would be financially viable? (Check Ex-Im, OPIC, Multilateral Banks, AID/country desk, industry associations. Check comparable TDA activities in other countries)
 - c) On the basis of preliminary and tentative information, is there reason to assume adequate market demand to support the ultimate activity? (Check Commerce, Ex-Im, OPIC, Multilateral Banks, trade associations, U.S. Embassy, AID mission)
 - d) Is there reasonable indication that capital financing would ultimately be available? (Check Ex-Im, OPIC, Multilateral Banks, U.S. commercial banks)
 - e) Is there sufficient reason to assume that if the feasibility study is successful, the participating country will proceed to project implementation? (Check Embassy, Commercial Attaché, discuss with representatives of functional, planning and finance ministries.)
2. Sectoral/Industry Considerations
 - a) Does the ultimate activity lie in a sector or industry normally eligible for TDA assistance? (Refer to Chapter 5 of this Manual, consult with Director/Deputy Director/Regional Director)
 - b) Is the U.S. normally competitive in this particular industry or sector? (Check TDA Evaluations, past TDA Definitional Studies, Commerce, trade associations and industry groups.)
 - c) Would the final activity directly or indirectly compete with U.S. exports or be harmful to other U.S. producers or involve a relocation of an existing U.S. facility overseas? (Check trade associations and industry groups, Commerce, State.)
3. Development Impact
 - a) Is the ultimate activity high on the participating country's list of development priorities? (Check State, Embassy, AID, country officials in the functional, planning and finance ministries.)

- b) Is there a sound independent case that the ultimate activity will have a positive impact on development (e.g., provides basic capital or social infrastructure, stimulates economic growth, reduces unemployment, etc.)? (Refer to the country's development plan, AID Country Development Strategy Statement, World Bank country studies, host country officials.)

4. Impact on U. S. Exports

- a) Is there supporting evidence to demonstrate that the final project will have a net positive impact on U.S. exports and that TDA assistance will lead to an increment in U.S. exports that would not otherwise have taken place? (Check with Commerce, Embassy, trade associations, industry groups, Chamber of Commerce.)
- b) Could financing for the feasibility study be obtained from other USG sources? (Check with Ex-Im, OPIC, & AID)
- c) Is the estimated impact on U. S. exports sufficient to warrant TDA assistance? What is the projected dollar value of raw materials, machinery and equipment, services, technology, etc. from the United States? (Check with Commerce, Ex-Im Bank, OPIC, trade associations, industry groups.)
- d) Calculate the Export Multiplier ratio (the ratio of the cost of the grant to the anticipated increment in U.S. Exports).

5. Other Considerations

- a) Are any of the anticipated U. S. exports listed as sensitive, requiring special clearance? (Check Commerce, State).
- b) Is the participating country fully aware of TDA procedures and policies regarding competitive procurement, selection of a U. S. contractor, and the conditions and requirements contained in the Grant Agreement?
- c) Is the preliminary cost estimate for the feasibility study roughly in line with established standards for the industry?
- d) Will the participating country agree to share in the total cost of the project by absorbing a portion of the dollar and/or local currency costs?(Host country sponsor).

- e) If the contract is to be through sole source award, is the U.S. beneficiary prepared to share in costs and reimburse the value of the grant if the project is successful? (U.S. sole source beneficiary).
- f) Does the project involve any special environmental considerations? (Check EPA, Multilateral Banks).
- g) Are there potential beneficial ripple effects from the activity involving enhanced U.S. access to related market opportunities? (Check Commerce, Industry groups).

1 Internal Coordination

As the project moves through the review stage toward final approval, it is essential that the responsible Program Officer keep the Director/Deputy Director and Program Office fully and currently informed regarding progress and issues that may arise. Toward the end of the fiscal year, it is particularly important to coordinate with the financial officer in the Program Office to ensure that adequate funds are available to permit final obligation when needed.

1 Technical Assistance to Assist in Review

Usually, the TDA Program Officer will require outside technical assistance and will engage the services of a consultant to conduct a Definitional Mission or a Desk Study. In the case of a Definitional Mission, the consultant will normally visit the project sponsors in the host country to confirm basic project data, review the project approach, make recommendations regarding the eligibility of the project for TDA support and generally develop the terms of reference and budget for the proposed study. A desk study may be more appropriate where detailed information about the project has been provided, and this information needs to be reviewed to confirm project eligibility.

A detailed overview of Definitional Mission and Desk Study initiation, implementation and management is provided in Chapter 12.

In addition, TDA officers may frequently rely on a wide range of informal contacts in industry and government to provide supplemental information regarding a proposed activity.

1 Interagency Coordination

It is TDA operating policy to coordinate with other U.S. Government agencies prior to processing Action Memoranda as follows:

1. The U.S. Embassy in the participating country. (Clearance in all cases should apply to policy and broad substance.)
2. The State Country Desk. (Clearance in all cases should apply to policy and broad substance.)
3. Any federal agency with a particular technical interest in the activity from either a policy perspective or as a potential implementing agent, e.g. the Army Corps of Engineers in a dam construction project. (Review and coordination would normally be limited to technical matters of jurisdictional interest.)
4. Agency for International Development for activities in countries with a functional AID mission. (Review and coordination.)
5. The Export Import Bank or the Overseas Private Investment Corporation in instances where there is the possibility that these financing agencies might finance the activity. (Review and coordination.)
6. The Department of Commerce. (In cases including policy areas under Commerce jurisdiction.)

1 Action Memoranda

Action memoranda are internal decision documents (usually drafted by Regional Directors and Country Managers) to obtain TDA management approval for TDA projects. An action memorandum will specify a recommended amount of funds to be committed and other information to justify the proposed project.

Once an action memorandum is signed by the Director, a copy of the memorandum is given to the Project Information Specialist for fiscal data and to have funds reserved by the Finance Office before further action is taken.

1 Policy

It is TDA operating policy that an Action Memorandum be prepared and approved:

- prior to any verbal or written commitment to provide TDA funds, except in the case of minor adjustments to existing agreements;
- in instances involving a significant adjustment - increase or decrease - in level of funding for an existing commitment;

- when TDA has expended funds to conduct a Definitional Mission or Desk Study, even if the recommendation is not to fund the proposed activity.

1 Contents

The TDA Action Memorandum for Public Sector Planning Grants would normally contain the following material:

A. Summary

A summary section will review all of the key issues related to justification of the recommendation for funding, including:

1. One sentence recommendation on TDA funding amount and nature
2. Grantee.
3. Brief description of the project.
4. Estimated total cost of the proposed TDA activity.
5. Competed or sole source (Name of the U.S. company (ies) and location of business, if sole source).
6. Cost share or reimbursement provisions.
7. Likely sources of project financing.
8. Estimated incremental U.S. exports.
9. Nature of foreign competition.
10. Other critical information which may have a bearing on TDA management's decision.

B. Project Description

A description of the project which will be defined by the TDA-funded activity, including:

1. Estimated total cost.
2. Economic, financial and technical prospects.
3. Other project fundamentals.
4. Review of TDA's interest in the project/sector, prior experience in the sector and how the project fits into the regional strategy.
5. Potential for replication, if successful.

C. Developmental Priority

A statement on the national development priority of the project, which might include:

1. A description of actions taken to demonstrate host-country commitment to the project.
2. A review of the host government's infrastructure development activities and goals, and annual budget allocations (if any) for the project.
3. A description of the host-country sponsor(s) and other agencies that might share responsibility or carry potential authority for the project and that agency's capability and past track record on project implementation.

D. Justification for TDA Involvement

An explanation of why TDA funding is needed:

1. Special circumstances that warrant TDA involvement.
2. Likely outcome without TDA involvement.

E. Implementation Financing

A discussion of financing options for project implementation, including:

1. An analysis of the financial plan (e.g. debt-equity structure) and financing options, which reflects discussions with officials from potential financing institutions (including, where appropriate, multilateral lending institutions, OPIC and the U.S. Eximbank).
2. A description of the external borrowing authority of the host-country sponsoring agency, where applicable.
3. Assurance that there will be a procurement process open to U.S. firms.

F. U.S. Export Potential

An estimate of the U.S. export potential, including:

1. A breakdown by categories and dollar values of potential U.S. exports of goods and services for project implementation.
2. An estimate of the number of U.S. jobs created, if available.
3. An illustrative list of potential U.S. suppliers of the goods and services for each category.
4. A specific quantification of potential follow-on contracting for the U.S. company submitting the proposal, where appropriate.

G. Foreign Competition

The nature of potential foreign competition for implementing the project, which might include:

1. Availability of foreign financing.
2. Likely support from their governments.
3. Past success of foreign firms, their market shares.
4. Procurement tendencies of the host country.

H. Impact on U.S. Labor

A statement on the impact of the project on U.S. labor that addresses:

1. Whether the project will cause a reduction in employment in the United States due to relocation of productive capacity from the United States to the host country.
2. Whether the project will otherwise cause a reduction of employment in the United States. (Will the project output negatively affect U.S. market share?)

I. Impact on the Environment

A statement on the impact of the project on the environment.

J. Study Description

An outline of the study Terms of Reference and schedule for the feasibility study.

K. Sole Source Justification (when appropriate)

1. If a sole source is recommended why the project should not be openly competed amongst qualified U.S. firms. and why the U.S. company cannot fund the study itself.
2. A statement on the qualifications and experience of the U.S. company (track record on related projects and experience overseas, financial strength and ability to implement the project).
3. U.S. company's demonstrated interest (time and cost to date on project's development).

L. Budget and Cost Sharing

1. Total study cost; proposed TDA funding.
2. Rationale for TDA amount, and justification for why cost-sharing is not appropriate, if it is not being recommended.

M. Interagency Co-ordination

Documentation of consultations and the opinions of other federal agencies regarding TDA support of the proposed activity.

N. Recommendation

Citing the course of action recommended, referring to the project, the grantee and the grant size.

1 Action Memoranda Clearance

Each action memo must be discussed and approved or disapproved in a Project Review meeting. Action memoranda must be distributed at least 48 hours in advance to each participant in the meeting. The usual participants in the Project Review meeting are the Director, Deputy Director, General Counsel, Regional Director and Country Manager.

If an action memo is not signed in the Project Review meeting because changes in the memo are recommended at the project review, the memo is subsequently changed, placed in a red folder, and sent for appropriate clearance or signature (General Counsel, Deputy Director and Director). It then is sent to the Professional Office Assistant of the appropriate section.

On the bottom of a draft action memorandum, under the "APPROVE" line, clearances should be noted as follows. The first initials and last names are normally used, in place of the titles given below:

Clearance:

Deputy Director _____

General Counsel _____

cc to:Project Information Specialist _____

Copies of approved action memoranda should be made by the appropriate Professional Office Assistant for the drafter, chron file, all Regional Directors, Special Assistant, Evaluation Specialist, Country Manager, Congressional Liaison Officer and Project Information Specialist (who sends it to the Financial Manager for funds reservation). Originals should go to the IRC/Project File.

1 Grant Agreements

This section deals with the negotiation and signing of the Grant Agreements.

1 Grant Processing Sequence

The typical sequence of events following approval of the Action Memorandum are:

1. The Program Officer provides a copy of the Action Memorandum to the IRC for assignment of a project number and fiscal data.
2. The Action Memorandum is sent to the TDA Finance Office for funds reservation.
3. The Program Officer prepares a draft Grant Agreement and any related agreement (e.g., cost-share or success fee letter) and sends them to the IRC for review and fiscal data.
4. Documents are forwarded to the General Counsel for review
5. TDA cables the U.S. Embassy indicating project approval with request to present the grant offer and the grant agreement to the Grantee.
6. TDA simultaneously faxes or e-mails a copy of the text of the Grant Agreement to enable the Embassy to provide a copy of the draft Grant Agreement to the Grantee. (Standard Model Grant Agreements are provided in the common-to-all folder of the network server.)
7. The Embassy negotiates the text of the Grant Agreement and notifies TDA of any requested changes in the draft Agreement. The final text of the Grant Agreement must be approved by TDA.
8. TDA cables authorization for the Ambassador or his or her designate to sign Grant Agreement.
9. The Embassy cables date of signature and names and titles of signatories. (Note: obligation of funds occurs at the time of signature. The Grant Agreement is the obligating document.)
10. The Embassy pouches the signed Grant Agreement to TDA, for recording of the obligation in the financial management system. While TDA must have the signed original of the Grant Agreement on record, a faxed copy of the pages with the project title, fiscal information, and signatures will serve to temporarily document the obligation.

1 Time Limitations on Grant Offers

The preceding sequence can occur in several days or over a period of several months. In order to accelerate the negotiating process and reduce the number of outstanding offers, it is TDA operating practice to make offers conditional upon acceptance within a specified time frame (often 60 days). This time sensitivity becomes all the more important as the end of each fiscal year approaches, since most of TDA's program funds are

appropriated on an annual basis and must be obligated by September 30, the end of the Fiscal Year (with 85% of funds required obligated by August 31). It is a major responsibility of the Program Officer to be fully aware of the status of all grant offers, and to actively interact with Embassy staff and host country officials to ensure that the Grant is signed as expeditiously as possible.

1 Grant Agreement Models

One of two model Grant Agreement forms (Provided in the common-to-all folder of the network server) must be used for all Public Sector Planning Grants (Standard Host Country Agreement and Cost Share Host Country Agreement). The Grant Agreement will include Terms of Reference and the TDA Mandatory Contract Clauses that must be included in the feasibility study contract subsequently negotiated between the Contractor and the Grantee (Client).

Deviations or waivers of the Mandatory Contract Clauses are possible in certain situations but only with the express approval of the TDA Director/Deputy Director and will normally also require legal clearance. As discussed in greater detail below, the Grant Agreement provides for TDA approval of the following:

- Contracting Procedures
- The Terms of Reference
- The Contract itself

1 Contract Award Methods

1 Competitive Selection

It is TDA policy to require competitive selection of contractors to perform services financed under a Grant Agreement. If the participating country employs established, recognized competitive selection procedures, the selection process may be fully under the management of the participating country. In this instance, TDA approval of the competitive procedures is required pursuant to Clause 4(A) of the standard Grant Agreement.

The competitive selection process may vary with the (TDA approved) competitive award procedures of the Grantee, but typically corresponds to the following steps:

1. TDA and the Grantee coordinate finalization of the terms of reference, CBD announcement, and the criteria and weightings for contractor selection. (Guidance for CBD announcement preparation is provided in

Section 18.5. A model of the CBD announcement is provided in the common-to-all folder of the network server)

2. The Grantee forms a review panel to evaluate the qualifications of the firms which have responded to the solicitation. Depending on the project, this panel may include members not only from the sponsoring host country agency, but members from other agencies which may hold a stake in the project (e.g., Ministry of Finance, Ministry of Planning).
3. The CBD announcement is published by TDA on the Grantee's behalf, normally requesting that interested U.S. firms forward their qualifications, rather than a detailed proposal to the Grantee. In some circumstances, timing concerns may lead the Grantee to solicit detailed proposals on the first round (or, in "one step"), and in very rare circumstances, they may have a preferred short list of U.S. firms. (If this is the case, continue to step 5.)
4. The panel reviews the qualifications packages and assigns numerical scores to each of the firms. Based upon the assigned scores, the panel selects a short list of between 3 and 5 of the top ranked firms.
5. The Grantee issues a Request for Proposals (RFP) to the short listed firms requesting detailed proposals outlining specific work plans and methodologies. Because the companies respond to a fixed price solicitation, a price proposal is not requested, but a budget may be. The Grantee may also request references related to past relevant work performed by the short listed firms.
6. Based on the qualifications of the short listed firms, their specific approaches, references contacted and other criteria which the Grantee deems relevant (announced in advance with solicitation of short list proposals), the selection panel assigns numerical scores to each proposal, and establishes a final ranking of the short listed proposals.
7. The Grantee notifies TDA of the final ranking of short listed firms through the U.S. Embassy in the host country. TDA approves the ranking and authorizes the Grantee and the top ranked firm to proceed with contract negotiations.
8. The Grantee negotiates a contract for the study with the top ranked firm. This contract includes a well-defined progress payment schedule, the detailed Terms of Reference for the study, and it incorporates the TDA "standard clauses" from the text of the Grant Agreement between TDA and the Grantee.

9. Subject to TDA legal review and approval of the final draft of the contract, TDA authorizes work to begin.
10. As the study is completed, the contractor submits invoices corresponding to the progress payment schedule to the Grantee's responsible officer. If work has been conducted satisfactorily in accordance with the requirements specified in the contract, the responsible officer signs the invoice and arranges for the invoice to be delivered to TDA by the contractor.
11. TDA processes direct payment to the contractor.

1 TDA Assistance in Contractor Selection

There may arise situations in which the Grantee does not have the experience or technical capability to independently conduct the evaluation of proposals. If substantial assistance is required, TDA may arrange for technical assistance to handle all or a portion of the procurement process. This will be particularly common in situations involving a new or complex technology. Technical assistance may be provided through agreement with another USG agency with a particular substantive expertise or under contract with a U.S. firm.

1 Sole Source Awards

It is TDA policy to require competitive contract award where there are multiple U.S. firms which have the capability to implement a TDA contract. However there may be circumstances under which it may be deemed to be in the U.S. interest to waive these requirements and to allow a sole source award, because a single U.S. firm is uniquely qualified to implement the contract with the desired impact. Normal indicators which demonstrate this uniqueness:

- The project sponsor strongly endorses a sole source award, and indicates that it will not consider other U.S. firms.
- The project is on a rapid implementation track, and TDA insistence upon a competitive award would likely result in the project sponsor turning to foreign competitors to implement the study.
- The sole source candidate has been involved in the preliminary stages of the project, and has an understanding of the project which other U.S. firms could not gain without significant investment of time and expense (but still would not get the award if TDA was not involved).
- The sole source candidate is the only U.S. firm which can conduct the work, and there are strong foreign competitors.
- The sole source candidate is a prospective investor in the project, and must retain control over proprietary commercial information.

Where a sole source award is recommended, the Program Officer must prepare a Memorandum for the Director, or include a section in the funding Action Memorandum, approved by the General Counsel, justifying this action.

1 TDA Approvals Required in the Contracting Process

1 Contracting Procedures

TDA approval is required if the participating country is to use its own contracting procedures. Program Officers may make this determination based on a judgment that the proposed selection procedures are open and competitive, that the evaluation criteria are of professional standard and the selection procedure equitable. If there are questions, the General Counsel should be consulted.

1 The Terms of Reference

TDA must review and approve the Terms of Reference (TOR) and terms of the contract. This provision may not be waived without the approval of the TDA Director. A carefully drafted TOR is an obvious pre-condition to a good feasibility study. Careful thought at this early stage can anticipate many serious problems.

The TOR should be constructed so that the later feasibility study defines and analyzes the critical elements that relate to all aspects of a project. The feasibility study should describe a project with a defined capacity based on market demand at a selected location, using a certain technology, at quantified investment and production costs and revenues, yielding an optimum return on the investment. The feasibility study should examine alternatives and describe this process, justifying the assumptions made and the solutions decided upon. Final results are only meaningful if the TOR of the project is properly defined and all issues, without exceptions, are identified and dealt with. The feasibility study's primary objective is usually focused on the technical, financial, and commercial considerations of the project. Public sector projects may also include economic analysis focusing on the social return on the country's investment.

Generally, a proposed TOR will be assessed by the Definitional Mission or Desk Study consultant. Where the TOR is deemed to be incomplete to achieve the intended result, the consultant may work directly with host country project sponsors to formulate an appropriate TOR. Additional assistance to TDA staff for purposes of evaluating or preparing the Terms of Reference may be obtained from a variety of sources including assistance from another federal agency with substantive expertise under a PASA or Letter of Agreement arrangement.

1 Model Contract

The General Counsel's Office has prepared a *Contractor Information Package* (Available in the common-to-all folder of the network server) which will provide guidance to the U.S. contractor in structuring and implementing an acceptable contract under the Grant Agreement. This includes a TDA model contract that may be used by the U.S. firm. The U.S. firm is not obligated to use the TDA model contract, and is ultimately responsible for legal risks and obligations it incurs under the contract. Nevertheless, any new provisions contained in the contract must be consistent with TDA implementation, monitoring and publication requirements. TDA Program Officers can advise the U.S. company that use of the TDA model contract will enable expedited approval by TDA.

1 Mandatory Contract Elements

There are provisions, outlined below, that the contract must contain whether or not it follows the TDA model:

1. **TDA Mandatory Contract Clauses From The Grant Agreement:** The Grant Agreement between TDA and the Grantee contains an Appendix titled "TDA Mandatory Contract Clauses." This text must appear verbatim in the contract.
2. **Payment Schedule:** The contract must contain a payment schedule that conforms with TDA requirements. The model contract contains a sample payment schedule and the requirements are also included in the TDA Mandatory Clauses: 1) Up to 20 percent of the total TDA Grant amount may be used as an advance payment, (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones, and (3) the final payment may be no less than 15 percent of the total TDA Grant amount, payable upon receipt by TDA of a Final Report, approved by the Grantee, in accordance with the specifications and quantities set forth in TDA Mandatory Clause J and a Cost Share certification, if applicable.
3. **Disbursement Procedures:** TDA will make all disbursements of Grant funds directly to the Contractor. The model contract outlines the correct invoice and disbursement procedures and the next section of this guide discusses these procedures in detail.
4. **Terms Of Reference:** The TDA Grant Agreement contains the Terms of Reference for the study as an Appendix. The Terms of Reference attached to the contract should restate this section exactly. If the Terms of Reference for this study are revised or expanded, the parties

will be responsible for explaining how the revised Terms of Reference adequately accomplishes all of the tasks listed in the TDA Grant Agreement.

1 Contract Approval Procedures

The feasibility study contract must be approved in writing by TDA's Office of General Counsel before the Contractor will be eligible for payment with grant funds. Accordingly, either the Contractor or the Grantee must forward to TDA an English language version of a signed contract or a final negotiated draft version.

1 Study Implementation

1 Project Monitoring

It is the Program Officer's responsibility to monitor the work progress under the terms of the contract, review periodic reports and authorize disbursements of funds. Because TDA's end goal is to promote development and stimulate U.S. exports, it is essential that Program Officers follow the progress of feasibility studies. In this respect, it is the responsibility of the Program Officer to ensure that the Commerce Department and Industry Trade Groups are aware of and alerted to commercial opportunities that may arise in the course of or as a result of a feasibility study.

TDA Program Officers are responsible for flagging policy issues or implementation problems that arise during preparation of the feasibility study. It is important that copies of pertinent memoranda, correspondence, etc., be kept with the central PIMS file in order to facilitate later project evaluation.

1 TDA Grant Disbursement Procedures

TDA will make all disbursements of Grant funds directly to the U.S. Contractor. In the event that U.S. contractors have joined in a consortium to perform the study, one firm must be designated as prime contractor in the host country contract for the purposes of receiving payment from TDA funds and for overall responsibility for administering the study.

As stated above, TDA will not disburse any Grant funds until the contract between the Grantee and the Contractor is approved in writing by the TDA Office of General Counsel. After the contract is approved, and as payment milestones are met, the Contractor should submit its invoices to the Grantee for approval. The Grantee or Contractor may then transmit the approved invoice to TDA at the following address:

Trade and Development Agency
1621 N. Kent Street, Suite 300
Arlington, VA 22204-2131

Specifically, each invoice must be an original, approved by the Grantee, and contain the certification by the Grantee set forth in the TDA Mandatory Contract Clauses. The invoice should also contain the Contractor's certification as set forth therein. Contractors may include wire transfer information for their bank such as identification (ABA) number, address and specific account number. Each invoice must also contain the "TDA No." for the project. This reference number can be found in Article 17 of the TDA Grant Agreement (e.g., GH8300031).

The Department of Interior is the actual U.S. Government accounting station which acts as the disbursement agency for TDA. The process by which payment is made:

1. The original approved invoice is forwarded to TDA at the address mentioned above. (If appropriate certification is not received, the invoice will be returned to the contractor.)
2. TDA's Finance Department verifies that a TDA-approved contract is on file. (If not, the invoice will be returned to the Contractor.)
3. The invoice will be vouchered and forwarded to the appropriate Regional Director for approval for payment.
4. If approved, the invoice will be sent by TDA to the Interior Department which will make the actual disbursement. If not approved, the reason for disapproval should be stated on the voucher and TDA finance will send the invoice back to the Contractor.

This entire process may take up to 30 days from the date the invoice is received at the above address until payment is actually made. Please note, final payment will not be made if TDA has not received the contractor's final report.

1 Nationality, Source and Origin of Goods and Services

TDA's standard requirements on the nationality, source and origin of the goods and services used to carry out a TDA-funded activity apply to the contract and are appended to the *Contractor Information Package* (Common-to-all folder of the network server).

1 Subcontracts

Each Contractor is responsible for ensuring that all subcontracts include those TDA Mandatory Contract Clauses which are required by the Grant Agreement, including the TDA Nationality, Source and Origin provisions.

1 Contractor Record-keeping requirements

Each Contractor is required to maintain adequate records in accordance with generally accepted accounting practices for the expenditure of all TDA Grant funds.

1 Final Report Presentation and Distribution

TDA has very specific Final Report presentation requirements which are described clearly in the TDA Mandatory Contract Clauses. A camera-ready copy of these specifications is available from TDA by request.

The Grant Agreement and Contract will specify the number of copies of the feasibility study to be delivered to TDA (normally 3 to 5). A copy may be retained by the Regional Office for reference, and the balance are forwarded to the Information Resource Center. These are retained in the library for public access. While library documents may not be borrowed by the public, a copy of the completed document is forwarded to the National Technical Information Service for reproduction and distribution to the public at cost.

1 Follow-on Reporting Requirements

It is very important for TDA to be able to track all exports associated with each feasibility study Grant. Therefore, TDA will ask the Contractor for such export information annually for a period of two years after the Final Report is submitted. In addition, the Contractor is required to notify our Evaluations office immediately if any follow-on work from this project is received.

1 Export Promotion Activities

Should the Contractor realize that identifiable sales of U.S. goods are possible or should the firm be awarded a follow-on contract, the firm is expected to contact the TDA Regional Director for support in contacting potential American suppliers

1 Study Short List Situations

The preceding has described procedures for review and approval of an activity by TDA staff from the early design or concept stage. Frequently, TDA, through the U.S. Embassy or an industry contact, may become aware of a significant project opportunity after preparation of the Terms of Reference and after the initial screening of alternative contractors. In this situation, the participating country is at the final selection stage and the immediate provision of TDA assistance may be critical to the choice of a U.S. contractor for a feasibility study which the host country government might otherwise award to a foreign competitor.

While the criteria for project review are essentially identical to those described above, there is a substantially larger body of concrete information at hand upon which to base a decision to proceed. Because of the short time frame for a TDA response in situations such as this, an extended period for project review and action memorandum preparation may not be feasible. Nevertheless, it is important that the Program Officer ascertain that:

- there is competitive justification for TDA to step in and offer a conditional grant in support of short listed U.S. firms;
- the activity is of high development priority;
- the proposed activity meets TDA requirements for U.S. exports generated in relation to TDA funds spent (export multiplier);
- financing is likely for the project which the study will define.

It is important to note that it may not be necessary to offer the full amount of the study to have the intended impact in enhancing the prospects of the short listed U.S. firms bidding for the study.

(For similar programming considerations in related short list situations, see Chapter 9 (Training Grants).

1 Private Sector Planning Grants

Because of TDA's status as a bilateral foreign assistance program oriented towards projects which are economic development priorities in cooperating countries, outside observers may erroneously assume that TDA exclusively supports projects implemented and managed in the public sector. While during the 1980's and the first part of the 1990's major infrastructure projects in the developing and middle income world were normally planned, implemented and operated largely in the public sector, TDA has always had a window for the assistance of privately funded projects.

Since the beginning of the late 1980's, developing and middle income countries have witnessed a revolution under which centrally planned economies have adopted policies which emphasize reliance on market forces. In the major project arena this change is driven by the inability of governments to back all financing requirements of infrastructure

necessary to stimulate and sustain economic growth. Thus while infrastructure and major capital project financing historically requires sovereign guarantees, regulatory reform in many countries has created an environment in which models for private project financing may be successfully implemented in several key sectors.

Project financing refers to financing based solely upon the potential for a specific project to generate adequate revenues to meet debt and equity obligations without repayment guarantees from any government entity or project stake holder. Under *limited recourse* financing, a project stake holder, either government or investor, guarantees that the project's performance obligations will be met, though the guarantor is not required to actually make payment on behalf of the project. In contrast, under a *non-recourse* financing scenario, the performance of the project itself enables loan repayment.

Private projects are frequently highly complex in their development process, their structure and their requirements for successful financial closure. They are sufficiently different in these areas to warrant special attention and elaboration in TDA's review of planning grant requests for these projects.

The following sections will focus on areas where TDA treatment of private sector projects is at variance with that of public sector projects (Section 6.1). It is important to note that the basic rationale, criteria and logic applied in analyzing public and private projects are fundamentally the same.

1 Application for TDA Support

In contrast to a project developed in the public sector in which the host country government is motivated to seek TDA funding either directly, or through a partnering U.S. firm, a private sector feasibility study funding proposal normally comes from the private sector (though the proposal may be supported with a host country request or endorsement). A proposal may come from any of the following project stake holders:

- A U.S. investor or project developer.
- A U.S. engineer offered an opportunity by the developer.
- A private host country company or consortium with a concession to build, own or operate the project.
- An international consortium with the project development concession.

Experience has shown that while there is no shortage of prospective private projects to be presented to TDA, very few of these prospects have sufficient foundation to hold a high likelihood of attracting required financing and moving forward to the procurement stage. Consequently, it is prudent at the earliest stages of discussions, that TDA require that the applicant provide comprehensive background about the prospective project, not only because the applicant is likely to be the best source of that information, but because a proponent's inability to provide the required information would suggest that the prospective project is not

yet at stage where it would warrant TDA support. Consequently, it is mandatory that the applicant provide basic project background information following the *Feasibility Study Proposal Model Formats* (Common-to-all folder of the network server).

1 Internal Due Diligence

Because in a project finance situation there is no repayment guarantor, the private lenders must be satisfied that a project structure is developed through a series of contractual relationships to ensure that all commercial and other risks associated with project development, construction and operation are distributed among the stake holders best qualified to take those responsibilities. Depending on the project, these risks might include:

- Construction cost and timeliness of delivery.
- Overall project (equipment) performance and availability.
- Input availability, delivery and cost.
- Operator performance.
- Variable operating costs.
- Fixed costs.
- Market for the output.
- Currency availability and exchange rate.
- Environmental compliance.
- Adequacy of laws and regulations
- Force Majeure

If the level of risk in any of these areas is too high, a project will not be able to attract the required financing on terms that would enable it to be implemented.

While the Program Officer is not expected to be a project finance specialist, a good many projects can be disqualified simply on the basis of the Program Officer's past experience with similar projects and understanding of the host country conditions and economic environment. There is a whole series of fundamental issues which must be addressed by the Program Officer to determine if moving to the next level of inquiry is warranted. Does success of the project depend on providing a product at a price far above that which local consumers are historically willing to pay? Does the project involve a technology which is not commercially proven? Is the body of regulations in the host country insufficiently developed to enable the project to move forward smoothly?

1 Host Country Clearance

The Program Officer will consult with counterpart staff in the U.S. Embassy to ensure that the host country agency with oversight over the project concurs that the project reflects a development priority and that they provide their endorsement of TDA support for the project. Consultations with specialists in

other U.S. government agencies (e.g., Ex-Im, OPIC, Commerce, State and the appropriate functional agency) will also provide important input to the Program Officer's preliminary review of the proposal.

1 Contract Technical Advice

Because of the rigorous information requirements for a private project proposal, and because the bulk of the understanding of the project approach resides often with the U.S. project proponent, a definitional mission to the host country is generally not necessary. A Desk Study review of the proposal, if properly framed may be adequate to assess the private project's eligibility for TDA funding. In particular, the Desk Study consultant will have to address key project "fundamentals" and the expected structure for mitigating project risks. In addition to confirming specific sources of financing, as may be expected for a public sector project supported by sovereign guarantees, the consultant may have to provide a judgment as to whether the project is strong enough to attract private financing. Consequently, the Program Officer must ensure that the desk study consultant is qualified to make such an assessment.

An outline for a private sector desk study Terms of Reference is provided in the common-to-all folder of the network server.

For related information on Desk Studies, see also Section 12.2.

1 Action Memorandum

The Action Memorandum recommending TDA support for a private sector project, will follow the format outline provided Section 6.1.4.2. The financing section will address key project risks, how the project structure will mitigate these risks, and the prospects for investor participation in project financing.

1 Grant Agreement

Despite the private nature of the project, there may be compelling reasons why the grant agreement may be signed with the host country government agency responsible for oversight of the project. This government involvement in the grant process may ensure that the project has the country's official endorsement. Host government involvement in the study also ensures a level of fiscal control through the study milestone reporting process.

Project sponsors may be reluctant to see any host government involvement in the study implementation process for concern that highly proprietary information on the project be leaked to prospective competitors. This objection may be addressed in allowing a two-tiered reporting system under which a general progress report to the host country is all that is required to trigger invoice approval, while proprietary information remains confidential.

It may be acceptable to sign the grant agreement with the host country private sector project sponsor who will be responsible for project implementation, and who clearly demonstrates a capability to meet the grants management obligations under the agreement.

Finally, in rarer occasions, TDA may deem that a grant directly to the U.S. project sponsor is acceptable. In order to ensure acceptable fiscal and management controls, it may be advisable for TDA to engage an independent expert to review the deliverables submitted for payment and to perform other oversight responsibilities.

Model grant agreements are provided in the common-to-all folder of the network server.

1 Contract Award

In most cases, private sector planning grants are contracted through sole source award, usually because the firm which implements the study holds a stake in the project, or because the private project sponsor has a strong preference for a single U.S. firm. Cost share and reimbursement requirements, and other provisions listed under Section 5-3 will apply.

1 Success Fee Reporting Requirements

The success fee reporting requirements of the Contractor are laid out in the Success Fee/Cost Share letter of agreement signed between TDA and the Contractor prior to TDA approval of the contract. Model Letters of Agreement for Success Fee/Cost Share based on finance-based or revenue-based successes are provided in the common-to-all folder of the network server.

The Agreement Letter provides the contractor with a model report format. TDA and the Contractor establish a reasonable first reporting date, based on the estimated study completion date, after which annual reports are due normally for a period of 5 years.

**Figure 6-1: TDA Programming Cycle Summary
(From a schematic by S. Roever, 1997)**

**PROJECT
IDENTIFICATION**

**PROJECT
PROPOSALS**

**ACTION MEMO I:
DM/DM**

**DM/DS:
IMPLEMENTATION**

(Continued on next page)

**Figure 6-1: TDA Programming Cycle Summary
(Continued)**

ACTION MEMO II

**GRANT
ADMINISTRATION**

POST GRANT

1 TECHNOLOGY ORIENTATION VISITS

This section focuses on policy and procedural issues related to the programming of TDA-sponsored Orientation Visits (OV). It is intended as a reference for TDA program staff. An *Orientation Visit Handbook* is available to provide more detailed guidance for TDA contractors in the hands-on planning and implementation of OV's.

An Orientation Visit (OV) is a TDA-sponsored visit to the United States of a delegation of foreign government or foreign industry representatives. These visitors are normally decision makers who will ultimately influence technology selection or project procurement. TDA's intent is to orient these visitors to U.S. technology and U.S. private sector capabilities with the ultimate goal of influencing the delegation's eventual procurement of goods and services. The OV also serves to provide U.S. firms with the key contacts they will need to subsequently pursue specific business opportunities in the visitor's home country.

An OV can take many forms. The format of the OV depends upon where it falls within the purchasing cycle. An OV can involve a single visitor to the U.S. or can be made up of many people. The size and general format of a specific OV will be clearly outlined in the Terms of Reference (TOR)/IQC Task Order drafted by the Program Officer.

1 Orientation Visit Program Characteristics

1 Rationale for TDA Support of OV's

OV's can appropriately take place at many points within a project purchasing cycle. The TOR/IQC Task Order developed by the Program Officer, should clearly define the rationale for the OV and its objective in relation to the timing of prospective procurements within the project cycle (i.e., is an OV an introduction to U.S. products or an actual purchasing mission?).

1 The Contractors/Grantees Of An Orientation Visit

Most frequently, TDA awards OV implementation contracts to Indefinite Quantity Contractors pre-qualified in advance. TDA will normally implement an Orientation Visit through a contractor selected competitively under TDA's Indefinite Quantity Contract (IQC) facility. Generally, a "mini-competition" will be held in which solicitations are sent to (most frequently) 3 IQC contractors whose qualifications best match the requirements of the IQC Task Order. To ensure that other IQC contractors have an opportunity to provide a proposal if they feel their qualifications have been overlooked, TDA will send a general "heads up" notification to all IQC contractors. (See also Section 8.1.2)

In certain situations, it may be appropriate to consider other entities as the implementing agent:

- Specialized contractors
- Trade Associations (through a grant)
- Non-Profit Organizations (through a grant)
- Other federal technical agencies (e.g., FAA, EPA) (through an interagency agreement)
- Feasibility Study contractors (often through a sole source contact award)
- University or Academic Institutions (through a grant)

1 Phases of the Project Cycle and Objective of the OV

The general objective of most OV's is to create a positive image of:

- The United States private sector as a partner in business...
- The Economic Sector in the United States...
- U.S. Technology...
- Individual firms in the United States...
- Training programs in the United States...
- The procurement process as practiced in the United States...

Equally important, they provide exposure of U.S. firms to foreign projects and foreign project sponsors.

1 The OV within the Project Cycle

The specific objective of the OV will vary within each phase of the project cycle. It is important that the Program Officer drafts the OV TOR/IQC Task Order to ensure that the contractor clearly understands the objective, develops the most appropriate program and ensures that U.S. firms can prepare the most effective presentations for their audience.

1 Pre-Project

In the early stages of an identified international project, an OV might serve as a broad introduction to U.S. industry capabilities and suggest U.S. solutions to a proposed project. One OV objective might be to provide a technical basis enabling the visitors to define the scope of a potential Feasibility Study.

1 Pre-Feasibility and Feasibility Study

At the inception of a Feasibility Study, an OV might be designated to offer a more in-depth look at U.S. industry capabilities or technical options to aid in the decision making process of the Feasibility Study itself.

1 Design

An OV may help to resolve issues raised in the Feasibility Study which are pertinent to the subsequent project design phase.

1 Implementation

An OV at the implementation stage may also be termed a "Procurement Mission." Specific procurement needs have been defined, and there is an opportunity for U.S. industry to make focused product presentations.

In practice, each of these stages are not always so clearly distinguished from one another. The objectives often overlap and the planned itineraries could even be identical.

1 Factors Which Affect the Cost of an Orientation Visit

Each OV is different, therefore, stating a per person average cost is not reliable. However, there are standard elements which can and should be considered when preparing a budget for an OV. They include:

1 Logistic Factors

1) Direct Labor: (Planning, Implementation and Follow-up) The skill level and person hours should be taken into consideration at each stage.

2) Overhead: Overhead is usually calculated as a percentage of the direct labor costs and contractors should use their standard or negotiated overhead figures.

3) Direct Costs: These costs can amount to up to two thirds of any OV budget.

- Airfare (International and Domestic)
- Hotel
- Per Diem
- Airport Taxes
- International layovers
- Ground Transportation
- Phone, Fax, Copies
- Insurance (DBA)

A model for OV budget development is provided in the common-to-all folder of the network server. See also Section 20.5 for a more detailed discussion of budget development and review.

1 Cost Sharing

U.S. firms are encouraged to contribute to the cost of an OV. During development of an itinerary, the contractor is expected to actively seek cost sharing from U.S. firms interested in meeting with the delegation. At times, public or private stakeholders from the delegation's country are willing to participate in cost sharing as well. Possible cost sharing options are:

1. Potential U.S. Firm Cost Sharing Contributions:
 - U.S. company assumes responsibility for full or partial costs of air and ground transport, food, lodging and entertainment for the portion of the itinerary from which it solely benefits.
 - Local trade groups or associations contribute to, or offset, the cost of local dinners, receptions or entertainment.
 - Federal agencies such as Department of Commerce (DOC), Overseas Private Investment Corporation (OPIC), Agency for International Development (AID) contribute to OV costs.
2. Potential Country of the Delegation Cost Sharing Contributions:
 - Washington Embassy sponsors banquets, receptions, local transportation or consular support.
 - Host country airline carrier pays international airline costs.
 - OV delegation covers full costs (except U.S. escort).

1 Orientation Visit Policy And Procedures

Once an OV contract has been awarded, work may begin on the details of the preparation of the OV.

1 Responsibilities of Participants in the OV Program

Inherent to the success of an OV is the coordinated effort and cooperation between the contractor, the delegation members and all U.S. firms. A fundamental understanding of the responsibilities is essential. Outlined below are the basic responsibilities which should be disclosed and fully discussed prior to the arrival of the OV delegation:

1 TDA Responsibilities

The Program Officer will:

- Provide the Contractor with Complete and Definitive OV Objective.
- Provide Project Status Briefing to the Contractor.
- Offer guidance throughout course of the contract.

- Confirm TDA participation in OV activities.

1 Contractor Responsibilities

The contractor will:

- Carry out the TOR/IQC Task Order to TDA satisfaction.
- Comply with all policies specified in the *OV Manual*.
- Build rapport with the delegation.
- Deliver timely reports (draft itineraries, U.S. participant lists, etc.) to TDA in the development of the OV.
- Accompany the OV delegation throughout the itinerary.
- Serve as a liaison or bridge between all entities.
- Serve as OV Quality Watchdog/Troubleshooter for TDA.
- Deliver timely follow-up reports upon completion of the OV.

1 Delegation Responsibilities

The delegation will work in coordination with TDA OV contractor to:

- Provide a Mission Statement to the contractor.
- Offer statement on the "Status of Project Financing."
- Remain actively involved in the planning phase.
- Participate fully in the planned itinerary.
- Endeavor to include members of the delegation who speak conversational and technical English.
- Include delegates who are decision makers.

1 U.S. Participating Firms' Responsibilities

Work in coordination with the TDA OV contractor to:

- Promptly provide the contractor with completed U.S. Participant Overview information.
- Establish the optimum level of executive participation equal to or greater than the level of the delegation.
- Adequately prepare for meetings with the OV delegation by thoroughly briefing corporate presenters on goals of the OV Mission.
- Thoroughly plan U.S. company/delegate program prior to arrival of the delegation.
- Recognize dietary and cultural issues.
- Provide meeting participant names and agenda to contractor at least 3 days prior to the appointment with OV.

- Participate in cost sharing (Meals, Presentations, Transportation, Hotel).
- Make a reasonable attempt to follow-up with delegation.
- Complete post OV questionnaire.

1 Non-Discrimination Policy

TDA adheres to the USG policy of non-discrimination effective for all federal contractors. The Program Officer must ensure that the contractor reviews proposed schedules from U.S. firms specifically to insure that all aspects are appropriate for delegation members of any race and either gender.

No person in the United States, consistent with the laws of the United States, shall be excluded from participation in, be denied the benefit of, or otherwise subjected to discrimination under any program funded by TDA on the basis of race, color, national origin, age, handicap or sex.

Failure of the contractor to adequately prepare U.S. firms in this regard is unacceptable.

Common Examples:

- Some site visits may require a delegate to wear protective clothing instead of street wear. Appropriate arrangements should be made to ensure the comfort and convenience of delegates of either gender.
- Clubs and institutions which discriminate on the basis of race or gender are never appropriate venues for meetings, meals or other gatherings of an OV delegation.

1 Initial Planning - The First Steps

Numerous elements pertaining to the makeup of the delegation, the itinerary and program will be established prior to the issuance of the contract. Once the contract is awarded, the contractor will be expected to work with the TDA Program Officer to finalize these plans and ensure that the program design is optimized to meet TDA objectives.

1 Project Status Briefing

Prior to the initiation of work, the TDA Program Officer will meet with the contractor for a briefing on the status of program plans. With TDA supervision, the contractor will then take a principal role in the program planning. Topics of discussion could include:

- Mission of the OV
- Need for Language Interpretation

- Scheduling issues
- Cost Sharing
- Delegation Composition
- Political Factors
- U.S. firms
- Foreign Commercial Officers (FCO)
- International Financial Institution Officers

1 Briefing by Evaluation Officer

The Evaluation Officer is responsible for evaluating exports associated with TDA projects and utilizes the required OV follow-up reports as a tool for evaluation. The contractor should establish contact with the Evaluation Officer early in the OV process to discuss the requirements for the Final Report. Early discussions can ensure a smooth and expeditious reporting process for all parties.

1 Letter of Invitation

A Letter of Invitation to the delegation will be the first formal indication that they have been officially invited to participate in the Orientation Visit. The contractor should initiate a draft for TDA approval and optional posting if TDA has not already done so prior to the issuance of the Contract. The complete processing procedures for the Invitation Letter are discussed in Communications & Correspondence, Section 7.5.

1 Delegation Selection

Delegation selection is usually determined by a combination of the following:

- 1 TDA Program Officers are already familiar with the most appropriate invitees, based on prior activities.
- 1 U.S. industry representatives provide candidate names based on industry familiarity of a given project and OV objective.
- 2 U.S. Embassy (Commercial Section) recommends delegation members.
- 3 U.S. or foreign industry/sector experts suggest members determined objectively by the delegate's role in the project.
- 4 Contractor travels to the host country (where required in the TOR) to research the project(s) and identify the appropriate invitees.

When possible, TDA will specify the delegation list in the TOR/IQC Task Order. More often only the number of delegates is specified.

1 Delegation Composition

The following considerations are relevant to delegation composition:

1 Rank

Understanding the Rank or Protocol Order of the delegation is considered a fundamental requirement and an element which will surface repeatedly throughout the visit. TDA Program Officers, contractors and U.S. firms alike must recognize that protocol plays a much more significant role in the international arena than it appears to play in U.S. business circles.

1 Support Staff

TDA will consider funding the travel of support staff for only those delegates of Ministerial Rank or above.

1 Spouses

TDA cannot authorize use of federal funds for travel of spouses of OV delegates, and TDA discourages family members accompanying the delegation.

1 Multiple Countries/Regions

Delegations comprised of individuals from different countries or regions are cause for extra attention. It is advisable to be briefed on any political, religious, cross-cultural or historical issues which could inadvertently affect the OV. Any potential areas of friction should be included in briefings of the U.S. firms where appropriate to ensure a diplomatic reception and a successful OV.

1 Foreign Service National (FSN)/Foreign Commercial Officer (FCO) Delegates

There are times that the Program Officer wishes to include the FSN/FCO as part of the delegation. The Program Officer should brief the contractor on the anticipated role the FSN will be play (facilitation, interpretation, follow-on in the host country, etc.).

1 Itinerary Development

While many of the scheduling decisions will be left to the judgment and expertise of the contractor, TDA strongly encourages the Program Officer to take a direct role in overall itinerary development.

1 Acknowledgment of TDA/USG Role in the OV

TDA expects the contractor to properly acknowledge the role of the USG (through TDA) to U.S. firms and the OV delegation alike. This may include the following:

- Key correspondence will be approved by TDA and, as appropriate, will bear TDA letterhead.
- TDA will be cited in all communications between contractor and U.S. firms.
- TDA's mission and role in the OV will be clearly presented to all parties. Reception invitations, gifts or symposia materials will properly bear TDA's logo.
- The Program Officer will determine, in consultation with the contractor, the most appropriate times for TDA to be represented in person.
- If specified in the TOR/IQC Task Order, a TDA-sponsored reception will be held in honor of the delegation. No TDA reception shall be planned without the prior approval of the TDA Program Officer. The contractor will coordinate with TDA as to which officials will be represented at a given event.
- The Program Officer reserves the option to travel with the delegation, or join the itinerary at appropriate junctures.
- The contractor will make every attempt to facilitate the full participation of TDA representatives.

1 Contractor as Planning Coordinator

Input for schedule development will come from many sources. However, to avoid confusion, the contractor, as a representative of TDA, will be considered the central planning authority for the itinerary and will diplomatically convey this message to OV delegates as well as any U.S. firms.

1 Substantive and Logistic Balance

Individual OV delegates, while representing interests that fit within the same overall mission objective, will not have identical interests or objectives. The delegation, if chosen carefully, should probably reflect multiple yet overlapping interests. Therefore, the Program Officer should ensure that the contractor is prepared to offer programs which take into account the specific professional needs of each member of the delegation, and advises participating U.S. firms of these special delegate interests, where relevant with the primary mission.

1 Delegation Input Into Itinerary

OV delegates should have the opportunity to identify the specific areas of interest pertinent to their mission. Often previous relationships with U.S. companies or organizations already exist. The contractor should nonetheless seek to achieve a balance in the program between the companies already known to the delegation and those which are new to the delegates.

Any interest expressed by U.S. industry or organizations in meeting with the delegation should be communicated to the head of the delegation. The contractor and, at times, the TDA Program Officer should be prepared to offer a scheduling recommendation to the head of the delegation.

1 Relevant U.S. Participation

TDA must ensure relevant participation from all U.S. firms. Should the contractor find that a prospective U.S. firm does not recognize the potential for business, then a judgment must be made as to whether the delegation (and the U.S. exporters) would benefit by including the firm in the schedule.

1 OV Schedule Format

The OV Itinerary should include the following:

- Title of the Orientation Visit
- Exact Meeting Times & Locations
- U.S. and Foreign Meeting Participants (Full Names with Titles)
- Overview of Topics
- Hotel Name, Address, Phone & Guest Fax
- Airline Names, Flight Numbers and Times
- Complete Dates

1 OV Schedule Distribution

All schedules should be dated and marked clearly as drafts until it is considered suitable for distribution to the delegation. Distribution of any draft documents should be handled with care, since written schedules tend to be treated as finalized by the reader.

Contractors are advised to issue draft schedules in sets so that everyone who receives one will be working from the same version. Initial and subsequent drafts of the schedule will be distributed to:

- TDA: Program Officer, Legislative Affairs, Biweekly Staff, Public Affairs
- OV delegation head or point of contact

- U.S. firms (as appropriate)

1 "Complete" Schedule vs. "Final" Schedule

The delegation should receive a "Complete" Schedule prior to their departure from their home country. In addition to reviewing the schedule prior to arrival in the U.S., they may wish to leave family and colleagues a copy in the event they need to be contacted.

It is unlikely that the schedule will unfold exactly as originally planned. Therefore, "revised" versions of the schedule should be distributed to the delegation as such changes occur.

"Final" version of the schedule shall be issued to the delegation upon their return to their home country for their own records. "Final" version will also be used in the Final Report.

1 Components of the OV Itinerary

1 Interaction Formats

Each OV may incorporate one or more orientation formats (listed below), depending upon the objectives of the OV delegates, TDA and the U.S. firms. It is the contractor's role (with TDA Program Officer oversight) to ensure that the scheduled activities are planned in the most effective and relevant manner for the OV delegates.

1 Company Visits

The U.S. company will often wish the delegation to visit its corporate headquarters or manufacturing sites. This may be advantageous in that the delegates can meet with the company's most senior executives, and get a realistic impression of the substance and capabilities of the U.S. firm. Headquarters sites may also have advanced marketing demonstration facilities which can ensure effective transmission of the U.S. company's message.

In some cases, the number of requests by U.S. firms to host a specific delegation may prevent the contractor from accommodating all requests, either because of time or logistical considerations. It is the responsibility of the contractor to review the relevance of products or services offered by a U.S. firm seeking a visit by the delegation to its headquarters as a preliminary screen. It may be necessary for senior TDA staff to make difficult decisions regarding the ultimate visit schedule in as balanced and even-handed a manner possible, based on the relevance of the prospective visit and its likely contribution to U.S. exports.

1 Site Visits

Many times, the U.S. firm's equipment or services are best demonstrated "on-site" at the location of an actual end-user of the product or service. Sometimes the "Site" is the property of the U.S. firm; more frequently, it is a facility or organization which utilizes the product or service of the U.S. firm.

The advantages of this orientation format include:

- Delegates observe the actual performance capabilities of a given product or service under real working conditions.
- Delegates can talk with the user as well as the supplier.
- It may allow more flexibility in the OV itinerary. For example, rather than traveling to an additional city, a U.S. firm might be able to coordinate a demonstration of their product at a facility in a city already on the itinerary.

The Program Officer should consider the following issues in monitoring contractor performance:

- The contractor must ensure that the U.S. firm fully briefs third party hosts at the application site concerning the OV, and should work out all necessary permits, access, escorts, etc.
- The contractor must avoid scheduling the visit during lunch breaks, shift changes, pre- or post-production hours, or other times when the product or service cannot be demonstrated to optimum advantage.
- Occasionally, the U.S. firm will assign a local sales representative to serve as host for the delegation at the application site. This may be inadequate. The contractor should seek to ensure that the U.S. firm provides a representative who is fully knowledgeable of local conditions, problems and requirements of the Delegation in their home country.

1 Project Opportunity and Sector Status Briefings

Consideration should be given to allowing time in the schedule for project opportunity and sector status briefings to the U.S. industry. The head of the delegation should be asked to be prepared to make a brief presentation on their project(s) and the status of the sector in their home country. This presentation may be repeated formally or informally several times during the course of the OV to TDA or other Federal agency representatives, to U.S. firms and to financing institutions. If multiple

countries are participating in the OV, each should be prepared to make a country presentation, where time allows.

The Contractor is expected to notify the head of the delegation of scheduled briefings well in advance of the presentation. Preferably this notification of any formal presentations to be made by the delegation should be made prior to departure from their home country, so that written remarks, computer presentations and exhibits may be prepared in advance.

1 Industry Technical Symposia or Conferences

Attendance at a Technical Symposium or a Conference can be beneficial to an OV delegation. However, the Program Officer should ensure that the contractor makes the most of the delegates' time and maximizes U.S. company exposure. In other words, it is not enough to simply obtain admittance passes and leave the delegation to sort through the companies. There should always be a balance between independent floor time and structured meetings.

The contractor is expected to establish the following in advance:

- meeting times with U.S. firms
- attendance at seminars as appropriate
- receptions as appropriate
- whether the head of delegation should make a presentation.

1 Central One-on-One Meeting Facilities

Often there are many more U.S. firms interested in meeting the delegation than can possibly be scheduled for company or site visits.

In these instances a central meeting location, such as a hotel or other neutral ground may be selected to allow U.S. firms to meet with the delegation. This type of program can take place in one central city, or can be repeated in several cities depending on demand.

To avoid any coordination misunderstandings, the contractor is expected to fully brief U.S. firms regarding such elements as meeting length, time and location, audio-visual capabilities, cost-sharing and interpretation requirements. The contractor must also ensure that the delegates understand their responsibility to be in attendance for one-on-one meetings.

1 Training Missions

TDA will occasionally fund an OV which is essentially a Training Mission with the primary purpose of providing technical training to the delegates. TDA will only fund such an OV if it has been demonstrated to TDA that the Training Mission can effectively lead to the sale of U.S. goods and services. The format will vary with the mission, but could be a combination of classroom, demonstration or hands-on training.

1 Project Financing Issues

If financing for the delegates' prospective project is yet to be finalized, there may be benefit to including presentations on the availability and sourcing of U.S. financing. Where relevant, it may be worthwhile to arrange a briefing on the mechanics of private or project financing. It may also be appropriate to schedule meetings with U.S. financing institutions, where those meetings are consistent the principal objectives of the mission.

1 U.S. Government Presentations

In addition to meetings with U.S. private industry participants, it may be appropriate for the delegation to receive briefings on policy, regulation and privatization by officials from other Federal agencies (e.g., USDOC, AID and the functional agencies).

1 Meals and Receptions

Breakfast, lunch, dinner and receptions are opportunities for U.S. firms to spend informal time with the delegation.

1 Role of the Washington Embassy and Consulates

The participation of the Washington Embassy of the delegation's home country will vary depending on:

- The resources of the Embassy
- The Stature/Rank of the delegation
- The schedule of embassy representatives

A large Embassy could potentially have the resources to host events or contribute manpower. Each Embassy will make its own assessment as to its ability to participate.

Regardless of the Embassy's ultimate involvement with the OV, it is an appropriate courtesy that TDA either directly, or through the contractor, notify the Ambassador's Office of the impending arrival of the delegation and of their

general mission and itinerary. This will usually have a larger benefit, contributing to good ongoing relations between TDA Regional Offices and Embassy officials.

1 General Scheduling Issues

More detailed instructions to contractors regarding key issues related to scheduling OV's are provided in the TDA *Orientation Visit Manual*. These points pertain to:

- Avoiding Travel and Scheduling Complications
- Avoiding Jet-lag and Fatigue
- Weekends
- Escorting the Delegation
- Privacy of the Delegation
- Allowing Slack Time

1 Communications & Correspondence

Program planning responsibilities will mandate that the contractor communicate extensively with the US. Embassy, prospective OV delegation in the host country, and potential U.S. firms from industry and associations. The contractor will utilize their own facilities for these purposes, and related direct costs are covered under the contract.

In cases where official TDA correspondence is mandated (e.g. information or briefing cables, letters of invitation, etc.) the contractor will be responsible for supplying drafts of all such correspondence for official transmission by TDA.

1 Information Flow Briefing and Communication

It is important to the overall success of the program that the Program Officer be properly briefed on pending issues and potential problem areas.

The Program Officer should receive at least the following information by the contractor as it becomes available, updated as needed:

- Regular, brief verbal or written OV status reports.
- The Delegation List: Full Name, Title, Address, Phone, Fax, E-mail (in Protocol Order).
- Delegation Biographies.
- Notice of any special circumstances.
- (Date changes, Delegation size, Name changes).
- Periodic Draft Itineraries.
- Complete Schedule (2 days prior to arrival of the OV Delegation).
- Final Schedule with Final Report.

1 Maximizing Delegation & TDA Exposure

TDA publicizes an Orientation Visit through a variety of avenues:

1 U.S. Federal And State Government

U.S. Trade and Development Agency

TDA will publish the appropriate information in the following public documents.

- TDA Pipeline
- TDA Regional Summaries

Additional Federal Government Agencies

U.S. Department of Commerce regional and functional officers should be notified of the OV. Other interested agencies such as Federal Aviation Administration (FAA), the U.S. Department of Energy (DOE), or the U.S. Department of Health and Human Services (HHS) should be notified as appropriate to the OV.

State and Local Trade Promotion Offices

State trade agencies can aid in locating interested U.S. firms and can even offer resources for funding of receptions and neutral locations for meetings and events.

1 Industry/Private Sector

The contractor should work with the private sector to communicate the mission of the OV as well as to generate prospective U.S. firms.

Industry Associations, Newsletters and Notices

Industry associations will often announce the visit in their printed and electronic bulletin boards to their membership. Additionally, associations may help with receptions and locations for meetings. (Be prepared to offer the Dates of the OV, the delegation list, and any Statement of Mission).

Chamber of Commerce

The Local and State Chambers of Commerce will also frequently announce the mission of the OV. They will be interested in the dates, the delegation list and the statement of mission.

1 Media Interest and Handling

The activities of an OV may attract the interest of the news media. TDA's Director of Public Affairs will coordinate the preparation and distribution of press releases. Where there is local media interest in an Orientation Visit as it travels around the country, the contractor may schedule interviews at appropriate venues. The contractor will always notify the head of delegation and TDA's Director of Public Affairs of requests for interviews, to provide them the opportunity to respond.

Any announcements which have any connection to TDA should be fully coordinated with the TDA Program Officer and the Director of Public Affairs, and in most cases, approved and distributed by TDA. Media requests will be handled efficiently and professionally.

1 Press Releases

Working with TDA's Director of Public Affairs, the contractor will draft two press releases:

- Orientation Visit Announcement Release
- Orientation Visit Summary Release

Guidance to the contractor on preparation of press releases is provided in Section D4 of the *Orientation Visit Manual*.

1 Correspondence with the U.S. Embassy

The Program Officer will ensure that the contractor copies the U.S. Embassy commercial officer on all pertinent information as listed below and any other information deemed appropriate.

Briefing Materials for the U.S. Embassy will include:

- The delegation list
- OV Statement of Mission
- Description of OV Program (TDA/contractor)
- Overview of Itinerary

1 Correspondence with the OV Delegation

The contractor will keep the OV delegation, particularly the head of delegation abreast of itinerary developments and outstanding issues. The amount and type of correspondence will obviously vary depending on the issues which face a particular delegation. The most common correspondence is as follows:

- TDA Invitation Letter
- Preliminary Briefing Letter
- Draft Detailed OV Schedule

Guidance for contractors on issues and topics which are likely to be covered in correspondence with the visiting delegation and with participating U.S. companies is provided in Section D6 of the *Orientation Visit Manual*. These topics include:

- Introduction of contractor to OV delegation
- General Itinerary
- "OV Statement of Mission" for the OV delegation
- OV delegate "Background Information Request"
- Delegate Background Information Questionnaire Content
- Full Proper Name with Phonetic Pronunciation in English
- Proper Title and Salutation
- The delegation list in Protocol Order
- Biographies of delegation members
- English Language Capability
- Native and Other Languages (or Dialects) Spoken
- Passport Number, Expiration Date and Type
- Smoker or Non-Smoker
- Special Food Requests/Restrictions (i.e., allergies, religious requirements)
- Medical Conditions
- Dates which affect the itinerary and planning phase
- Preliminary Briefing Letter for OV delegation

1 Correspondence with U.S. Companies

TDA program staff will ensure that the contractor adequately briefs participating U.S. firms with appropriate correspondence. This correspondence would normally include the following information:

- Introduction to TDA and the OV Program
- The OV delegation list and contractor participation
- Outstanding scheduling issues/questions
- OV Statement of Mission
- Request for Background Information
- Project Financing Status
- Role of the U.S. Company
- Draft Outline Schedule
- Request for Briefing Materials

1 Briefing Materials

The delegation's experience while on an OV is enhanced if they are presented with adequate information about the U.S. firms at the start of the OV, prior to visiting companies. Fulfillment of such information requests becomes the obligation of any corporation or organization accepting a role as a participating U.S. firm.

Thorough and carefully prepared briefing materials enable U.S. industry and government participants to prepare for meetings and ensure optimum use and effectiveness of the delegation's time. Two types of Briefing Materials are to be compiled.

1 U.S. Company's Briefing Materials

The following information should be included in briefing materials to any participating U.S. firm as early as possible prior to meeting with the delegation. Lengthy reports should be summarized in executive form.

- TDA Brochure
- The Delegation List
- Delegation Biographies
- Background information on country and sector
- OV Statement of Mission
- Definitional Mission (DM) and Feasibility Study (FS) summaries and Requests for Proposal (RFP) (TDA)
- Finalized OV Schedule
- Resources for U.S. firms

1 OV Delegation Briefing Material

The contractor will prepare, produce and distribute to delegates upon their arrival in the United States, a briefing package including the following materials.

- Letter of Welcome from TDA Director
- List of Participants in Meetings
- U.S. Company Background Summaries
- Briefing on sector in U.S.
- "Doing Business with the U.S." and "U.S. Business courtesy and protocol"

1 Recap of Documents Which Should Bear the TDA Logo

TDA program staff will ensure that the key documents associated with the orientation visit bear the TDA logo:

- Letter of Invitation to OV Delegation

- Letter of Welcome from TDA Director
- Reception Invitations as applicable
- Press Releases
- Letter to U.S. firms
- Promotional Pieces
- One-on-One Schedules
- Agendas
- Participant lists

1 Interpretation & Translation

Through early discussions with the Program Officer, the contractor shall ascertain the interpretation needs of the OV delegates, and if needed, will subsequently recommend a cost effective solution which assures the level of quality communications required to meet the objectives of the OV. This may include one or a combination of the following interpretation approaches:

- Interpreter is provided by the delegation
- Interpreter is a member of the delegation
- Interpreter is the FSN
- Interpreter is a U.S. sub-contractor

There are benefits and disadvantages to each of these options and the selection of an interpretation option should be discussed thoroughly and early in the planning process.

Additionally, the format or formats discussed earlier in this manual each have varying interpretation needs. Such information should be taken into account when developing an interpretation plan. More detailed discussion of interpretation and translation options is provided in the OV Manual.

1 Travel Arrangements

Unless otherwise specified by TDA, it will be the responsibility of the contractor to make or supervise all logistic arrangements for the delegation, and to make any direct payments for such arrangements on behalf of TDA.

1 Visa Requirements

The contractor will be responsible for determining U.S. visa requirements of OV delegations, and ensuring that delegates have appropriate visas before leaving their country of origin.

1 Air -Travel

U.S. regulations pertaining to the use of U.S. Flag carriers apply. All air travel and shipments under a grant are required to be made on U.S. flag air carrier to the extent service by such carriers is available.

A U.S. flag air carrier is defined as an airline which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.

Detailed information regarding USG Policy on Travel and U.S. flag carriers is attached to the TOR/IQC Task Order. Deviations from the U.S. Flag Policy are subject to review and approval by the office of the TDA General Counsel.

1 Class of Airline Tickets

Unless otherwise specified by the Program Officer or stated in the TOR/IQC Task Order, the following guidelines apply:

- First Class tickets, international and domestic, may be issued only to delegates of Ministerial rank, with the rest of the delegation in business class.
- Business Class tickets may be issued to all other delegates on intercontinental flights.
- Economy Class tickets will be issued to non-ministerial delegates on domestic flights.

1 Ground Transportation

The contractor is responsible for arranging adequate ground transportation. This may include rental car, van or bus as appropriate. Delegates of Ministerial rank are entitled to limousine transportation. In all cases, the contractor shall seek local cost sharing for any and all ground transportation.

U.S. firms are usually capable of providing ground transportation for the delegation. The type/style of transportation supplied should be monitored and suggestions should be made to U.S. firms as to the level of travel offered for the delegation. When high ranking officials are traveling, the type of transportation needs to be carefully selected.

1 Lodging

The contractor will be expected to select hotels which provide amenities consistent with the objectives of the program and which are reasonable in cost. Wherever possible, rates should fall within USG Per Diem schedules. Ministerial

level visitors are entitled to suite accommodations. If necessary, an additional room for meetings may be included in the lodging cost.

1 U.S. Government (USG) Per Diem

Contractors will provide delegates with per diem of U.S. Cash Dollars upon their arrival in the United States. The contractor will prepare the budget for meals and incidental expenses (M&IE) based upon federally calculated USG approved rates, and will be responsible for distribution of these funds to the OV delegates.

Direct payments for hotel room and tax will be the responsibility of the contractor. Cash moneys for incidental expenses will be given directly to each delegate. Such funds are intended to be used for Miscellaneous Incidental Charges such as:

- Hotel Local and Long Distance Charges
- Hotel Laundry and Pressing Services
- Personal Sundry Items
- In-Room Refreshment Centers
- In-Room Movies
- Room Service Charges

The contractor will notify the delegation that they will receive the maximum daily Per Diem allowed by the USG and will explain the intended use of such funds. It is advisable that the contractor forewarn delegates as to the potential costs of some hotel services.

Per Diem amounts can be disclosed to the delegation with the caveat that amounts per person are subject to change, should the length of the OV be altered. Contractors are advised to announce Per Diem amounts only once the OV dates are confirmed when few changes are anticipated.

Per Diems will be calculated based on the delegation's departure from the home port until their return to their home port. Layovers, if a necessary part of the OV, are to be included in Per Diem amounts. Therefore, the contractor should take this into account when calculating for Per Diem. The delegation shall not receive Per Diem payments for layovers if personal in nature.

1 Disbursement of USG Per Diem Funds

The contractor will make U.S. Cash Dollars available to the delegates on the day of their arrival in the United States. Checks, money orders and foreign currency are not acceptable unless requested specifically by the delegation. The funds should be presented in an envelope with an accompanying receipt.

1 Receipts for Per Diem

Delegates should sign a receipt and return it to the contractor for the OV expenditure records. The receipt should include the amount, the name of the recipient, signature of the recipient, date and purpose of the cash transaction.

EXAMPLE: Mr. ABC Delegate received from (Contractor) \$250.00 US. cash dollars as Per Diem for the TDA Orientation Visit from (country) to the United States on (date). Signed: Mr. ABC Delegate

1 Insurance for the Orientation Visit

For an Orientation Visit, TDA and the USG require that the contractors arrange for two types of Insurance Coverage.

- Travel Medical Insurance Policy for all OV Delegates.
- Defense Base Act Worker's Compensation Insurance (DBA) (when applicable)

1 OV Delegation Travelers Medical Insurance

TDA has contracted with Travel Insurance Services of Walnut Creek, California for OV Delegate Travelers Medical Insurance. The premium is paid directly by TDA to Travel Insurance Services and is not part of the contractor's budget.

The contractor is responsible for supplying a completed Insurance Registration Form and Roster to Travel Insurance Services.

TDA will provide Travelers medical insurance for delegates while they are on official TDA business. Due to TDA liability, if a delegate remains outside of their home country in excess of the dates of the official Orientation Visit, the contractor will confer with the Program Officer prior to the issuance of insurance to determine the length of coverage.

Coverage is in effect as of the date issued by Travel Insurance Services. Responsibility lies with the contractor to see this process to completion prior to the date of departure of the delegation from their home country.

1 Insurance Application Procedure

- Contractor faxes/mails completed application to Travel Insurance Services with copies to the TDA Program Manager and Contracts Office.

- Upon receipt of the application, Travel Insurance Services notifies TDA of the intent to issue insurance.
- TDA verbally approves allocation of funds for the Insurance Premium.
- Travel Services issues Insurance Policy and mails "Certificates of Insurance" to the contractor (1 per applicant plus a copy for the contractor's records).

1 Defense Base Act Worker's Compensation Insurance (DBA)

In accordance with FAR 28.305, DBA Worker's Compensation Insurance is required if the contractor conducts USG business outside the United States. DBA insurance is reimbursable by TDA. TDA does not make direct payment for this Insurance. For further information the contractor must contact:

Wright and Company (DBA Division)
1400 1 Street, NW, Suite 1100
Washington, D.C. 20005
202-289-0200 or 800/424-9801

1 General Protocol Issues

Guidance on the following topics may be found in the OV Manual (Section G):

- Appropriate protocol in making introductions
- Photographs Commemorating the Visit
- Protocol Order
- Official Airport Greetings and Farewells
- Reciprocity
- Official TDA Delegation Gifts

1 Program Monitoring, Feedback and Final Report

1 Program Monitoring

The contractor is required to monitor the performance under the contract, and where appropriate, ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. This review is required for each program, function, or activity of the contract. The contractor must immediately inform TDA of unfavorable conditions or events that affect the ability of the contractor to meet the contract objectives or goals.

1 OV Evaluation Questionnaires

Included in Part M Section B.4 of the OV Manual are two "OV Evaluation Questionnaires." They are:

OV Evaluation Questionnaire for Delegates

Each member of the delegation receives a questionnaire in their "welcome kits" along with an envelope. The contractor/grantee ensures that the delegation is aware of the questionnaire and completes it as promptly as possible.

OV Evaluation Questionnaire for Corporate Program Participant's

Each company participating in the Orientation Visit should be provided with the corporate questionnaire and asked to complete it for TDA records.

Both set of questionnaires will be returned to the contractor and appended to the final report, with the contractor's summary review. This feedback can play an important role in assessing the course of the OV program, defining the follow-up agenda and weighing the benefits of TDA's investment.

1 Final Report

Following the conclusion of the Orientation Visit, the contractor is required to provide a written initial report to TDA covering the Orientation Visit. The initial report shall be suitable for public distribution. The initial report must be grammatically correct, and must include on the cover TDA's logo, attribution of TDA as the funding source, TDA's mailing address and mission statement in the form required by (and available from) TDA.

The initial report will give a full report of the Orientation Visit, including the final schedule, a list of the meetings held and other significant activities on the agenda, and a list of participants from U.S. companies and other entities (including U.S. Government, Universities, Not-for-Profit Organizations, etc.). For the list of participants, whether foreign or U.S., the contractor must include the full name, title, mailing address including city/state/zip, telephone number, fax number, e-mail and the date and site where the individual participated in the Orientation Visit in the format set forth below. The contractor must deliver this information in both hard copy form and on electronic media 3-1/2" floppy disk with tab-delineated text. The format of the written activity report must be, for each contract, whether domestic or foreign, as follows:

- Firm
- Address
- Contact Person
- Title of Contact Person

- Phone Number
- E-mail Address
- Date and Site of Participation

The initial report shall include a separately bound Annex. The Annex will be deemed confidential and not for public distribution. It is the responsibility of the contractor to clearly mark the Annex as “Confidential” on its cover. The information in the Annex shall be grammatically correct, and must include on the cover TDA’s logo, attribution of TDA as the funding source, TDA’s mailing address and mission statement in the form required by (and available from) TDA.

The Annex will set forth the U.S. export opportunities or other business prospects for the firms that participated in the Orientation Visit. This information should be based on discussions with the firms at the conclusion of the Orientation Visit. The contractor must endeavor to obtain the maximum amount of information possible from the U.S. firms. TDA will maintain the confidentiality of such information in accordance with applicable law.

The report will be submitted in draft to TDA 30 days after the conclusion of the Orientation Visit. TDA will comment on the draft within 15 days of receiving it. The contractor will incorporate TDA’s comments as appropriate and will submit the final activity report within 15 days of receiving TDA’s comments.

The contractor will also provide a written final report 12 months following the conclusion of the Orientation Visit. The final report will be deemed confidential and will not be for public distribution. It is the responsibility of the contractor to clearly mark the Annex as “Confidential” on its cover. The contractor will contact U.S. participants in the Orientation Visit to determine what business developed (or is developing) as a result of, or with the assistance of the Orientation Visit.

This firm-by-firm report shall follow the same format described above. Again, the contractor must endeavor to obtain the maximum amount of information possible from the U.S. firms. The report should provide TDA with the contractor’s judgment as to whether the Orientation Visit “hit the mark” or not (i.e., whether any export can be identified that were significantly assisted by the Orientation Visit or whether there were any other concrete improvement in the foreign commercial position of any of the participating firms). TDA also welcomes any recommendations that the contractor may have for follow-up actions that meet TDA criteria and goals. TDA will maintain the confidentiality of such information in accordance with applicable law.

For the final report, TDA must comment on the draft within 15 days after receiving it. The contractor will incorporate TDA’s comments as appropriate and will submit the final report within 15 days of receiving TDA’s comments.

1 **Distribution of Final Report**

The contractor will be responsible for the cost of posting final reports to up to a total of 30 recipients to be determined in consultation with the TDA Program Officer. Reports to be delivered overseas will be delivered to TDA addressed and unsealed.

1 PROJECT CONFERENCES AND TECHNOLOGY SYMPOSIA

Technology Symposia and Project Conferences are public events at which information of mutual commercial benefit is exchanged between U.S. firms and key overseas decision makers responsible for major project planning and implementation. In the case of Technology Symposia, emphasis may be placed on the transfer of information about U.S. approaches and technology which may ultimately apply to the improved implementation and operation of these projects. Project Conferences are more likely to emphasize the transfer of information about upcoming project opportunities by overseas project sponsors to prospective U.S. exporters of goods and services. Often TDA combines the two objectives in a single multi-track program. Regardless, these events provide opportunities for U.S. firms to establish direct contacts with key overseas decision makers facilitating later access when they follow up to pursue specific business objectives.

Because Technology Symposia and Project Conferences are often implemented in conjunction with an orientation visit, or involve official hosted travel for foreign officials, many of the considerations which will arise in the implementation of Orientation Visits will apply to the issues related to the management of these promotional trade and technology events. Indeed, the Business Briefings which normally take place during Orientation Visits have very much the same objectives as Project Conferences, though they are normally implemented on a smaller scale (See Chapter 7).

1 When Trade Events are Appropriate

A Program Officer may initiate a Technology Symposium or Project Conference for a variety of reasons:

Technology Symposia

- A major project, or a series of similar projects, in the early planning stages are identified in a country or region (by the Program Officer, U.S. Embassy personnel, industry representatives), for which project planners would benefit from an introduction of current U.S. technologies and approaches, and where this introduction would likely result in enhanced U.S. contract awards downstream.
- Host country project or sectoral planners may request technical assistance in a key area in which the U.S. Industry is competitive in advance of major project implementation, where specific feasibility study grants or other planning assistance may be premature.

Project Conferences

- TDA has completed one or (usually) more feasibility studies in a key sector which are likely to move forward to project implementation, and for which publication of

the study results in a public forum would enhance U.S. prospects of sales to those projects.

- TDA identifies a major project, or a series of similar projects, which may be past the feasibility study stage and which are likely to move in the near term to implementation, and for which advanced notification to the U.S. industry of upcoming export opportunities would likely result in enhanced U.S contract awards downstream.

While Technology Symposia and Project Conferences are different in their objectives, most elements related to their planning and implementation are similar enough that the following sections will treat them together as "Trade Events" unless otherwise indicated.

1 Budgeting for Trade Events

Before writing an Action Memorandum for a conference, the Program Officer should calculate a budget based upon the number of people attending, the location of the conference, and the appropriate level of hospitality according to who will attend each event. Many of the items in the standard format for a Delivery Order Rate Chart under the IQC can be calculated before the project review committee meeting and will provide useful information for both the Action Memorandum and for the Request for a Delivery Order.

The Program Officer should begin by going through the event in a chronological way, and estimate the costs which will be incurred. The Program Officer will then determine how much TDA will charge to attend the event, and determine what risk of attendance to be put on the contractor. (e.g., how many registrations, or "gate" for the event, the contractor will be required to guarantee).

The Program Officer will then determine how many invitees TDA will pay for. These are usually project sponsors or other guests who will not pay a conference fee, and may or may not pay for their own hotel room, meals, and travel. For example, TDA may pay a project sponsor's travel and hotel. If all meals will be included in the conference, TDA may or may not pay M&IE. On the other hand, if one of the attendees is a U.S. government employee, TDA may not pay any travel or per diem, and the employee will not pay a conference fee. As a result, the costs for the meals to be provided at the conference is based upon the expected number of attendees, not upon the expected number paying a registration fee. Therefore, it is necessary to calculate how many invitees TDA will have, and what portion of the attendance of each TDA will pay for.

The Program Officer must decide what to do if the number of registrants is much higher or much lower than estimated, and reflect his or her decision in the budget by making the contractor take the risk for a lower number of registrants and by letting the contractor benefit from attracting a higher number.

The remaining factors in the budget are the IQC contractor's costs and travel. The Program Officer should check with other program staff to estimate travel expenses, as

many know the approximate costs to travel to and from their region. The Officer should look to past TDA events of similar size and location for estimating contractor expenses, and pick a contractor whose costs will give good value for the particular event.

TDA frequently will include the cost of a project briefing book for conference attendees in the overall cost of the event. In estimating the cost of contractor production of a briefing book, the Program Officer will take into consideration the number of projects, the number of sectors, and the number of countries to be included. A briefing book covering one country or one region will be less complex and expensive than a more comprehensive book. Based on complexity and an estimate of the foreign visits that will be required to obtain the information, the Program Officer will build a budget for travel, per diem, other direct costs and labor.

1 Method of Contract Award

TDA program staff have a series of alternative mechanisms for the award of trade event contracts.

1 Indefinite Quantity Contracts

TDA will normally implement these trade events through a contractor selected competitively under TDA's Indefinite Quantity Contract (IQC) facility. Generally, a "mini-competition" will be held in which solicitations are sent to (most frequently) 3 IQC contractors whose qualifications best match the requirements of the IQC Task Order. To ensure that other IQC contractors have an opportunity to provide a proposal if they feel their qualifications have been overlooked, TDA will send a general "heads up" notification to all IQC contractors.

In some cases, where it is deemed necessary to conduct basic research to identify key project opportunities and to present these opportunities through a project briefing book, TDA may elect to award two contracts to different firms, one covering recruiting, logistics and management of the event, and the other covering research, preparation and publication of the project briefing book. Factors which may lead to this split contract approach:

- The contractor is highly qualified in conference management, but does not have the requisite technical expertise to compile the briefing book.
- The combined cost of the conference and the briefing book is likely to exceed TDA's internal contracting authority (check with the Contracts Office for the current limit).

1 CBD Announcement

The Program Officers may choose to solicit a contractor outside of the IQC process by advertising in the Commerce Business Daily. The Program Officer may find this approach particularly advantageous, even where the anticipated

cost of the event is below this contract cap, and even though the selection process will normally be longer, in the following situations:

- There may be concerns that none of the existing TDA IQC contractors have the requisite expertise or experience to implement a specialized event.
- The Program Officer is interested in attracting proposals reflecting a wide range of capabilities, approaches and creativity.
- TDA desires to make the opportunity to implement the event widely available to U.S. contractors.
- The contract value exceeds TDA's direct contracting authority.

1 Grants to Associations and Not-For-Profits

TDA may also implement a trade event through a grant to a trade association or similar not-for-profit with relevant demonstrated expertise. In considering whether to award a grant to an association, it is important to address key questions related to their capabilities and orientation:

- Is the anticipated TDA-supported trade event consistent with the mandate of the association?
- Are they project-oriented or do they focus on lobbying and policy issues?
- Are they experienced in implementing successful trade events?
- Do they have the internal staff to implement the program, or would they rely on external contractors?
- If they work through external contractors, what are those contractors' exact responsibilities and capabilities?
- What is the size and nature of the associations membership, and is its membership limited exclusively to U.S. firms?
- Is TDA satisfied with the grant relationship with the grantee, or would TDA prefer to exercise more direct control of the activity through a contract with a U.S. firm?

1 Elements of TDA Trade Events

Regardless of the method of contract award employed, it will be the responsibility of the TDA Program Officer to ensure that he or she has developed a comprehensive and thoughtful scope work to provide the basis for contract implementation. (A model scope of work for a trade event is provided in the common-to-all folder of the network server.)

The following elements should be considered in the development of the event's scope.

1 Pre-Conference Preparation

1 Marketing

The contractor is responsible for marketing the conference in the U.S. and (if paying foreign attendees are to be targeted), in other countries specified by TDA. If marketing outside of the United States, the contractor can normally use non-U.S. personnel to conduct the marketing abroad. The contractor is expected to provide a detailed marketing plan for attracting participants to the conference that includes a time schedule, milestones for implementing the plan, and a targeted list of U.S. companies that should be in attendance at the conference. TDA establishes the target number of U.S. and non-U.S. firms in the RFP.

1 Mailing Lists

The contractor is expected to produce a mailing database which will be provide to TDA on electronic media 3.5" disk with tab delimited text (word processing software acceptable to TDA) at the conclusion of the contract. Marketing of the conference is expected to begin well in advance of the conference (five months at minimum) so as to maximize the exposure of the event to the appropriate audiences.

1 Brochures and Telemarketing

The contractor is required to design and print a pre-specified number of brochures to be used to market the event. The contractor is expected to consult with TDA about design of the brochures and the presentation of all materials prepared for the event to make them consistent with the TDA "style" with respect to color, font and other considerations.

The contractor is responsible for mailing brochures and invitations (on TDA letterhead to be provided by TDA) to the target U.S. audience identified above. The contractor is expected to follow-up the mailing with a targeted telemarketing campaign to secure participation of the target audience.

1 Public Relations Strategy

The contractor is expected to design and implement a national public relations strategy with TDA's Public Affairs Director.

1 Pre-Conference Site Logistics

1 Venue

TDA will normally select the city or cities which will host the event, based on a variety of considerations, including access by large concentrations of

the target U.S. industry, proximity to other industry events which enhance the draw, proximity to technical applications for side visits, quality of conference facilities and attractiveness of the city as a destination for prospective participants.

While the contractor will have responsibility for identifying and recommending suitable conference sites, TDA will actively assess the options and participate in the site selection. The contractor negotiates and enters into a contract with the hotel (or conference facility). The arrangements with the facility should include the rental of meeting rooms, reservation of a block of rooms for paying conference attendees at a special conference rate, and reservation of a block of rooms for TDA and other USG attendees at the USG per diem rate.

1 Event Incidentals

The contractor arranges and pays for catering of meals, coffee breaks, and receptions for the conference which normally include, as appropriate: opening night and closing receptions, continental breakfasts, luncheons, dinners, coffee breaks, for all paid registrants, non-paying registrants, USG employees, and special guests (including conference speakers).

The contractor also arranges and pays for all audiovisual and event-related equipment required during the conference (i.e., microphones, podiums, LCD screens, laptop computer).

1 Event Floor Plan

The contractor develops the floor plan for all conference events at the event site, subject to TDA's approval to ensure that all one-on-one, presentation reception rooms are adequate and appropriate prior to site selection.

1 Conference Registration and One-on-One Meetings

1 Conference Fees

TDA establishes a registration fee for private sector participants (normally in the range of \$200 to \$600, depending on the event). TDA may require that a portion of this fee be applied to partly cover the costs of the conference. For foreign government officials who are invited to make presentations, TDA may elect to waive registration fees, and to provide travel, lodging and free conference registration. In other cases, where foreign government officials are welcome to attend, but do not to make formal presentations, TDA may waive conference fees, but elect not to cover transportation and lodging costs. The contractor is expected to

maintain accurate records of all funds collected through registration fees or corporate sponsorship. The contractor must provide a written report to TDA that gives a full accounting of all funds at each event. Those funds will normally be used by TDA to offset costs under the contract which are considered reimbursable first and, any remaining funds will be applied against the total fixed price.

In some cases, TDA may opt to require the contractor to recruit a minimum number of paying conference attendees, above which proceeds may be retained by the contractor. This provides an incentive for the contractor to aggressively market the event to prospective attendees.

1 Registration

The contractor is normally responsible for pre-conference and on-site registration of all conference attendees (paying or non-paying). The contractor prepares a preliminary list of the registered participants which is provided which is provided to all registrants at the time of on-site registration and a final list of registrants prior to the conclusion of the conference.

1 One-on-One Meetings

The contractor is responsible for organizing one-on-one meetings between U.S. companies and foreign project sponsors. Contractors will normally expected to one-on-one meeting sign-up sheets to all pre-registered U.S. firms in order to arrange as many meetings in advance as possible. Firms are asked to state their priorities and to rank their preferences. Based on this pre-registration effort, the contractor will prepare the schedules of one-on-one meetings for each of the U.S. registrants and foreign delegates. Both U.S. participants and foreign delegates will receive their schedule of one-on-one meetings when they arrive and register on-site at the event. Updated schedules should be provided as additional meetings are requested on-site.

1 Conference Schedule

The contractor is expected to develop a full schedule for the event. If there is a project briefing book or compendium developed under a separate contract, the logistics contractor and the briefing book contractor are expected to coordinate their efforts in developing the conference schedule.

1 Event Dates

The contractor coordinates with all stake-holders in the event (co-sponsors, industry groups, etc.) to propose optimal event dates for TDA approval.

1 Co-Sponsorship

In some cases TDA may find it appropriate and beneficial to the outcome of the event to seek co-sponsorship with other federal agencies, U.S. trade associations, and if the event is to be held overseas, from appropriate host country government and private sector entities.

1 Corporate Sponsorship

The contractor will normally be required to seek corporate sponsorship from U.S. entities to partially cover the costs for the event. TDA may set a dollar limit beyond which corporate sponsorship may not be raised, and TDA expects to see a list of prospective U.S. entities for approval prior to accepting any financial commitments from these U.S. entities.

1 Travel Arrangements and Per Diem

The contractor is responsible for identifying, arranging and paying for international travel, per diem, and hotel accommodations for the invited foreign delegates.

1 Event Agenda

The contractor proposes, for TDA approval, a structure and agenda for the event. If the program focuses on U.S. technology and approaches, such an agenda might include sectoral themes on U.S. capabilities, topics concerning least-cost development or project financing, and project development guidance for public and private decision makers. Such an agenda should be based both on the objectives of the event, the message which TDA seeks to convey throughout the event to the prospective foreign buyers, and the interests of the foreign and U.S. attendees. If the event is principally focused on project opportunities for U.S. firms, foreign participants may be asked to speak on major challenges and immediate and future projects designed to meet those challenges.

1 Speaker Identification

The logistics contractors are responsible for identifying (with TDA input and approval) the appropriate government or private sector project sponsors who will be invited to speak at the event. If a briefing book is

being prepared for the event, the contractor responsible for its compilation may be in the best position to identify appropriate public and private project sponsors. The contractor may also be expected to work with TDA to identify appropriate speakers from other federal agencies.

1 On-Site Conference Management

1 Contractor Responsibilities

- The contractor is responsible for on-site registration, which includes pre-registered attendees and “walk-in” attendees.
- At the on-site registration, the contractor prepares and distributes a conference handbook for all paying and non-paying attendees which includes: Final Conference Agenda, Preliminary Registration List, Speakers’ Biographical Data, a one-page profile on all attendees, and other appropriate materials. The contractor also distributes the briefing book to all event attendees. At the conclusion of the conference, the contractor provides each attendee with a Final Registration List.
- At the on-site registration, the contractor provides all attendees with a name badge which is designed to distinguish between different categories of participants, either by color coding, or an equally agreeable method. Badges should prominently highlight the participant’s company, or affiliation, and his or her name.
- At the on-site registration, the contractor prepares and distributes to participants their personal schedules for one-on-one meetings.
- The contractor manages and oversees the one-on-one meetings between U.S. firms and foreign participants, including providing staff to handle new meeting requests and to locate meeting participants.
- The contractor ensures that the events begin as scheduled and ensures that appropriate signs direct conference participants to meeting rooms, meal rooms and reception areas.
- The contractor handles all arrangements with the hotel and other vendors for events scheduled during the conference (including confirming the room set-up for the session, one-on-one meeting rooms, coffee breaks, receptions, provision of equipment).

1 Post-Conference Management

The contractor is responsible for payment of all services contracted. Those expenses usually include: hotel meeting rooms, hotel rooms for project sponsors, equipment and computers, receptions and coffee breaks for all paying and non-paying attendees, and equipment for all paying and non-paying attendees.

1 Reporting

The contractor provides a written report to TDA summarizing the event with attention to successes and problems, lessons learned, U.S. export opportunities identified, success stories for U.S. firms, and other issues which would have a bearing on the successful implementation of future events. Contractor reporting requirements for conferences and related trade events track closely with those for Orientation Visits (see Section 7.9.3).

1 TRAINING GRANTS

1 Introduction

TDA is known best for its feasibility study grants for major projects overseas, and for its Orientation Visits and exporter conferences, all provided to stimulate the export of U.S. goods and services. Much less is known about TDA's ability to provide tied grants, principally for training, to help short-listed U.S. companies which have encountered unfair competitive practices from the foreign competition. The purpose of this chapter is to set forth TDA policies and procedures regarding "de minimis" training grants.

Whereas TDA's conventional feasibility study program targets medium term export opportunities, training grants are immediate and concrete in effect. U.S. bidders for major overseas projects may find themselves in situations in which the foreign competition resorts to offering incentives or concessional financing, often supported by their governments, which may go beyond the technical and financial proposals called for in a normal tender. In such a situation, the disadvantaged U.S. company may call on TDA to offer a grant, normally to cover the cost of training associated with the bid, in support of the short-listed U.S. firm(s). The grant may add training scope to the original proposal to enhance the technical value of the bid, or less frequently, it may cover the costs of training already proposed in the bid. The grant may not exceed the OECD imposed limits of 3% of the total commercial transaction value or \$1 million, whichever is less. Nevertheless, even in this financial range, the U.S. Government's endorsement of a short-listed U.S. firm can make the difference to that company's success. The TDA *de minimis* tied training grant program has proven to be an important mechanism with good export results. It has contributed to TDA's reputation for being a responsive trade resource to U.S. exporters.

Many programming issues related to the assessment and implementation of tied training grants are similar to those encountered in managing feasibility studies. However, each prospective training grant may have its own unique set of issues, and particular approaches to resolving these issues. TDA has considerable experience with training grants, and there are some common themes and lessons learned which the TDA program officer should consider to ensure that adequate due diligence is conducted during the project review, and to ultimately avoid pitfalls which may have been encountered in the past.

1 Training Grants and TDA Funding Criteria

Tied training grants are subject to the same general funding criteria as any other TDA grant. They may only be used (1) where the competitive situation necessitates TDA involvement; (2) where there is expected to be a significant U.S. export result; (3) where the project is consistent with host country development priorities and (4) where financing is highly likely to be available to support the project. Each of these issues is discussed in greater detail below.

1 Foreign Competition and Additionality

TDA tied training grants are only appropriate in competitive situations. However, competitive tender situations take place all of the time, and most follow pre-defined procurement rules without great controversy or dispute. Indiscriminate TDA support of any and all tied training grant requests without some competitive justification would amount to little more than a trade distorting subsidy. Consequently, in reviewing a tied training grant request, TDA program staff have a responsibility to ensure that there is indication that the foreign competition has offered government-supported incentives which go beyond the selection criteria set out by the project sponsor in the tender document.

Such foreign government support may take many forms:

- Training programs or other technical assistance programs. These may be offered either directly tied to the selection of the foreign bidder, or the timing of the offer may be so rigidly fixed as to ensure that it is tied *de facto*...
- Business development subsidies. These may include grants to offset business development and proposal preparation costs, which have the effect of enhancing the technical quality of the foreign competitor's proposal or which allow them to reduce their bid price....
- Indirect subsidies enjoyed by a foreign competitor. These benefits, ranging from preferred tax treatment to funding of general marketing trips, are not offered in the context of a specific project tender. They nevertheless have an effect of lowering the foreign competitor's cost of doing business. Unless specific cases are identified through USG inquiries (USTR, USDOC, State), it is very difficult to pinpoint the effect of this support on a foreign competitor's bid for a specific project...
- State Ownership. Many major foreign competitors are often owned outright or in part by a foreign government. This may enable the competitor to offer prices or technical incentives at their taxpayers expense, which a private company normally would not be able to afford...
- Political incentives. Foreign policy concessions, advocacy or even pressure applied to compel host country politicians to influence an award...

Gaining confirmation of foreign government support for their bidders in a specific tender situation can be difficult indeed. Host country project sponsors may be reluctant to confirm through official channels that an incentive has been offered. While the U.S. bidder's agent may be able to gain verbal confirmation through informal contacts, written evidence of such offers is seldom available. Foreign governments are normally required to report mixed credit offers to the OECD, however this mechanism does not provide information on *de minimis* grants under 3% or indirect government support of foreign bidders.

With imperfect means of verifying precisely the existence and nature of foreign government support, TDA program staff may have to rely on a combination of verbal and situational evidence, in combination with an assessment of the strategic importance of the project, to determine whether TDA support is warranted by the competitive situation.

1 U.S. Exports and Jobs

It is important that TDA establish the expected U.S. export impact (and therefore, the U.S. employment result) of a prospective training grant. This will not only influence the decision whether to support a U.S. bidder, but at what level. The program officer must be able to identify and distinguish the value of the total project, the value of the contract for which the U.S. firm is bidding and the actual U.S. content within the contract. While the OECD guidelines governing mixed credits estimate the value of a *de minimis* grant on the basis of the value of the entire transaction, TDA has compelling policy reasons for estimating the grant value based upon the *U.S. content* of the bid.

The U.S. training grant applicant should be asked to provide data accordingly, with adequate breakout of estimates of U.S., host country and third country content.

As will be discussed later, some of the most effective training grants may be offered for strategically important transactions which stimulate follow on "spin-off" sales of U.S. goods and services beyond the U.S. content of the transaction itself. This may be a particularly important justification for offering a training grant in support of an engineering design contract. While the U.S. grant applicant will often highlight the likelihood of "multiplier" or "cookie cutter" sales made possible by the first successful contract, these longer term estimates should not be included in the estimates of exports against which the grant value is estimated.

1 Development Priority

TDA's mandate to support programs which correspond to host country development priorities serves also to narrow the field from a potentially large number of training grant candidate projects. The development mandate eliminates consumer product transactions, and it justifies a TDA focus on transactions in the core infrastructure sectors in which TDA normally works. While eligible projects need not be government projects, those infrastructure projects tendered in the public sector (for which funding approvals have been given) meet the development priority test automatically. Privately driven infrastructure projects will have also gone through the public approvals process before going to tendering and implementation. Industrial projects without direct government controls will have to undergo the same eligibility analysis that TDA would apply to a prospective feasibility study.

1 Financing

Because tied training grants are normally offered in situations in which a project has already reached the procurement stage, financing has usually already been arranged or the financing guarantee has been issued by the time TDA reviews the funding request. Consequently, TDA's requirement that a project's financing be well-defined, with sources identified, is usually fulfilled. TDA program staff should nevertheless seek clear confirmation of the nature and sources of financing for the contract in question.

There are some key issues to consider regarding the source of financing of a prospective transaction:

Ex-Im Bank Financing. OECD rules allow for a TDA *de minimis* grant (less than 3% of the transaction value or \$1 million, whichever is less), even where Ex-Im Bank is identified as providing OECD consensus financing for the transaction. Similarly, a common line restriction on mixed credits for a project or a country does not apply to a *de minimis* training grant. Nevertheless, it is prudent, as with any prospective TDA grant, to communicate with the appropriate Ex-Im Bank loan officer to confirm the terms of financing available for the transaction. It should be noted that the OECD restrictions apply to the *sum* of U.S. government financing for a transaction, and if Ex-Im Bank financing includes a subsidy component, TDA's grant must be part of a total package which complies with the OECD rules.

It is usually the case that when Ex-Im Bank has determined to provide a mixed credit, it has done so to match an existing documented offer. In a situation like this, because the stakes are generally raised to a level well above the 3% level, a TDA grant may have very little incremental impact on the end procurement result. Further, U.S. policy normally allows the financing agency to only *match* mixed credits above the *de minimis* range. Consequently, a TDA offer of a training grant to enhance an existing Ex-Im Bank mixed credit offer may contradict this policy.

Multilateral Development Bank Financing. Projects which will be funded under the multilateral development banks also present a special case regarding the appropriateness of TDA funding. Multilateral development banks, in theory, offer a transparent mechanism under which procurement irregularities may be protested and reviewed. If a U.S. company has a concern or a complaint regarding the inappropriate tying of offers under an MDB procurement, MDB regulations allow for transparent review of the procurement decisions in question.

The U.S. Executive Director may, in fact, serve as an advocate on behalf of the company. In practice, U.S. companies are reluctant to formally protest an MDB procurement for fear of being "black balled" by the host country project sponsors or by the MDB task managers. Nevertheless, unless there is clear evidence of a

subsidy being offered to support a foreign competitor which TDA wishes to match, it may be inappropriate for TDA to offer a grant which would distort the MDB procurement process.

Project Finance. In several sectors, projects which TDA has historically supported are increasingly developed through non-recourse financing mechanisms. In circumstances where project finance has been secured and the project is moving forward to implementation, a short-list tender situation is just as solid as one in which the project is backed with sovereign guarantees. However, in some cases, the project sponsor seeks to raise the project financing through the tender itself. The project sponsor will issue a tender calling for proposals from project developers whose responsibility it will be to raise financing for the project. When short-listed bidders approach TDA for training grant support for these transactions, they represent that they will source U.S. products and services if they ultimately win the project. While these representations may be accurate, and the U.S. bidder may ultimately merit TDA assistance, TDA must act with the recognition that the exports would neither be immediate, nor certain. It is better to treat these situations as a different kind of transaction altogether, more akin to a short-list feasibility study offer, where the U.S. exports are recognized to be targets, rather than conditions of the grant.

1 Other Funding Issues

TDA receives applications for assistance from U.S. companies in a variety of bidding situations. As successes have been realized and the training grant program has become better known, there has been a resultant tendency for U.S. Embassy officials and others familiar with these successes to broadly promote the program to any U.S. company in a competitive situation, regardless of the size or importance of the transaction. Because TDA could not possibly support each and every transaction that is likely to be brought forward, not only because of resource limitations but for policy reasons, it must establish additional criteria for weighing competing alternatives.

While the four basic funding criteria common to all activities are outlined above, there are a number of other critical issues which should be considered during the due diligence process to ensure that TDA is utilizing its limited resources optimally, and that other programming policy objectives are met. These are discussed in this section.

1 Strategic Commercial Importance Of The Project

One way to manage this issue is to give priority to projects which have a strategic importance beyond the export value of the transaction itself. Strategic commercial importance is, of course, subject to interpretation. Some characteristics are listed below:

- The procurement, though small, may be the first of its kind in the country or region, and will influence a large number of subsequent procurements...
- The procurement may be a contract for engineering, design or project management of a large project where the specifications of all subsequent procurements will be influenced...
- The procurement may reflect a single large-scale opportunity which will not be replicated, but where the magnitude of the opportunity in a stiff competitive situation makes TDA involvement necessary...
- Embassy or other USG agencies have identified the project as a strategic priority for well-justified reasons...
- The foreign competition has singled out the project for strategic reasons as a target for their trade support programs...

1 Size of the Transaction

While TDA ideally does not need to give automatic priority to the largest procurements among training grant candidates, there will be practical limits regarding how small an effective training grant can be. The size of the TDA grant will never exceed 3% of the total contract as determined by OECD consensus. Thus if the project is small, the maximum 3% *de minimis* amount may be so insignificant as to make TDA support impractical for a variety of reasons:

- The grant can be too small to be attractive to the host country. The scope of work which can be funded under a small grant may be too limited to be of practical value to the host country trainees. Similarly, the benefits of the grant may not be worth the administrative costs to the host country grantee in receiving the grant....
- The grant may be so small that it has the negative impact on the host country decision-makers. It may send a signal to the host country that the project is not of importance to the United States...
- Because the staff time required to process a small training grant is virtually the same as that required to process a larger grant, larger export opportunities may be forgone when a TDA staff member spends time on a smaller transaction...

It is important to recognize that avoiding the smallest transactions is not the same as electing not to work with small business. Smaller firms routinely bid on procurements well within an acceptable range for TDA support. Conversely, larger corporations often bid on small transactions. TDA can easily support smaller firms while ensuring that U.S. grant funds are optimally used.

1 Source and Nationality Eligibility Issues

Training grants follow the same criteria which all TDA programming utilizes for the support of U.S. firms and U.S. exports. Companies which would be eligible for TDA support would include:

- U.S. companies which are bidding out of the United States, which are offering significant U.S. sourced content.
- U.S. based subsidiaries of foreign companies which meet the TDA nationality standard, and which are offering significant U.S. sourced content.
- Consortia of U.S. and foreign companies, which are offering significant U.S. sourced content.*
- Foreign subsidiaries of U.S. companies offering significant U.S. sourced content in their proposals.*

The measure of what constitutes a significant U.S. content is somewhat subjective. The Department of Commerce and the State Department have in the past established a level of 50% U.S. content as the hurdle which a U.S. firm must clear in order to have official U.S. advocacy support. For the purposes of TDA's analysis, this seems overly rigid, as the value of a portion of a very large transaction could be quite significant in terms of U.S. jobs created. It may be more appropriate to look at the U.S. portion of the transaction in absolute terms: do the incremental exports being leveraged and the jobs created warrant TDA support for the transaction in and of itself?

In order to assess a company's eligibility, TDA program staff should obtain a clear description of the transaction for which the company (or companies) is requesting support:

- Total contract value (if the transaction is a part of a larger project, the program officer should obtain an estimate of the total project value)...
- Total U.S. content (broken out by principal product and service category)...
- Principal location(s) from which the product or services will be supplied. Number of U.S. employees at those locations. An estimate of the number of U.S. job/months that the contract would sustain...
- An estimate of foreign content, including content supplied by a wholly owned foreign subsidiary and including foreign employees without official U.S. work permits. A description of the nature, value and source location of third country foreign content. A description of the nature and value of content from host country partners or suppliers...

Other basic information about the short-listed bidder useful to TDA's due diligence assessment include: annual revenues of the firm, number of U.S.

employees, principal place of business, and location of divisions or subsidiaries which would participate in substantively supplying the target project.

1 Complexity of the Competitive Situation

There will be competitive situations in which a U.S. firm requests TDA support, but where such support may not be appropriate because a clear-cut incremental U.S. export result cannot be demonstrated. TDA has frequently encountered situations in which each of the bidding consortia in the competitive field includes U.S. interests. One consortium may have a U.S. engineer, another a U.S. architect, another a major information technology firm and yet another is a foreign consortium which intends to use U.S. equipment. To complicate matters more, one consortium may be led by a foreign prime contractor and include a U.S. subcontractor, one may be a foreign company which intends to bid out of its U.S. subsidiary, and yet another is led by a U.S. company which will rely heavily on a foreign subsidiary to supply the project. Finally, the U.S. export content which each consortium offers might comprise a continuum, rather than a clear-cut case in which a U.S. exporter faces the purely foreign competition.

The more complicated the competitive situation and the less clearly distinguished the U.S. interest, the more wary TDA program officers should be in supporting a training grant request. At best, a bad decision to get involved in a tender situation without a clear U.S. export outcome would waste limited TDA resources; at worst, an unintentional result harming the interest of one U.S. player in favor of another.

1 Negotiated Transactions

Like almost all TDA grant activities, training grants are used where TDA support can clearly have an incremental impact on the success of U.S. exporters in the face of stiff foreign competition. Because TDA, by policy, does not subsidize individual firms' marketing initiatives, program staff should carefully evaluate requests for training grant support of unsolicited proposals where a short-list has not been developed. Award of a training grant in this situation could result in a number of undesirable outcomes:

- Because there is no formally announced competition for the project, there is a greater burden on the TDA project officer to ensure that the project is indeed a priority for the host country, and that the host country agency has allocated funds and intends to go forward when the selection is completed.
- In a negotiated contract situation there is a high probability of schedule slippage. Negotiations may go on for months (or even years) without a final decision being made. This makes it difficult for TDA to establish a meaningful deadline, which makes an offer difficult from a funds management point of view.

- TDA program staff may be unaware of other U.S. firms which have targeted the project, which may have privately submitted proposals for the project without TDA support, or which may be low-profile participants in an international consortium. In many cases, even the Embassy commercial team may not be aware of these competing U.S. interests vying for a project. Even where the TDA offer is generic in support of any U.S. firm, the firm which initiated the request would be in a competitive advantage, being better able to integrate the TDA offer into its proposal and marketing strategy.

Accordingly, TDA should avoid unnecessary complications by providing training grants only in formally tendered short-list situations.

1 Training Grant Programming Issues

This section discusses a variety of programming issues and lessons learned from past TDA training grant transactions which may provide guidance to TDA staff in the course of ongoing programming.

1 Coordination with other USG Agencies

As in the case of any TDA activity, interagency coordination is essential not only in optimizing the impact of the initiative, but to ensure that TDA is able to tap the collective knowledge of U.S. government agencies to avoid making a misinformed decision.

As a part of this vetting process, the TDA program officer should ensure that the U.S. applicant has provided contact information for all U.S. government agencies which have been briefed on the competitive situation, or which have been approached for comparable or complementary bid support. The TDA officer should also ensure that prior U.S. or foreign involvement in the definition of the project through feasibility studies or technical assistance programs is known.

A number of agencies or operating units should be consulted to ensure appropriate coordination and adequate due diligence in the review of a prospective training grant:

- U.S. Embassy. The U.S. Ambassador and his commercial team should be in full support of the prospective training grant offer (indeed, it is likely to be the Ambassador who will be asked to make the offer on behalf of TDA). Embassy staff will be in the best position to validate the information on the competitive situation, including other U.S. competitors, provided by the U.S. applicant and to provide additional information and advice on the prospective grant.
- Advocacy Office. The Department of Commerce office which coordinates high level Administration advocacy initiatives, is a good source of

information on previous support a training grant applicant may have requested in the context of the project. They may also be aware of other U.S. firms unidentified by the applicant which may be contenders for the project. In certain circumstances, a strong case for TDA training grant support may actually originate from the Advocacy Office.

- Financing Agencies. While coordination of financing offers with Ex-Im Bank has been discussed in another section, it is worthwhile reiterating the importance of communicating with loan officers to ensure that the applicant's representations regarding the availability of funding are accurate.
- Functional Agencies. It is normally worthwhile to confer with counterparts in the relevant functional agencies which participate in the Trade Promotion Coordinating Committee (TPCC). This ensures that they are aware of a TDA activity which may have a bearing on their own overseas activities. It also ensures that TDA may benefit from their information and technical advice during the review process.

1 Host Country or U.S. Company Grantee

TDA has had considerable experience providing training grants both directly to the U.S. company and to the host country entity which will benefit from the training. TDA's experience to date strongly supports providing the grant directly to the host country project sponsor, unless exceptional circumstances dictate otherwise.

1 Private Host Country Grantee

In the coming years, infrastructure projects will increasingly be developed and managed by host country companies, and procurements for major infrastructure projects will increasingly be in the hands of host country corporate decision-makers. Tied training grants to these private project sponsors may be equally relevant, however the TDA program officer will have to ensure that the prospective training grant meets all of the standard criteria for competition. In situations in which a private host country grantee is being considered, it is important to coordinate closely with the U.S. Embassy to ensure that TDA program officers can validate the standing of the local private project sponsor and its authority to implement the project.

1 Reimbursement

In recent years, TDA has taken aggressive measures to ensure that in appropriate circumstances, the U.S. beneficiary of TDA grants provides reimbursement if the grant leads to sales of that company's goods and services. This does not seem to be viable in the case of training grants because a company would reimburse a TDA training grant through the proceeds from the immediate transaction rather than from future sales. Since the objective of the

training grant is to make a specific transaction as attractive as possible, it would be counter-productive to seek a reimbursement that would cause the U.S. supplier to raise its bid price on that transaction.

1 The Mechanics of the Grant Offer

Regardless of whether the grant is made to the Host Country beneficiary, or the short-listed U.S. company, the offer of the training grant must be made directly to the host country beneficiary. Normally the grant offer would be made through a letter from the Director of TDA to the beneficiary, delivered by the U.S. Ambassador (or his designate). This ensures that there is no question to the host country beneficiary that TDA is making the offer. TDA should ensure that the Ambassador or his designate is fully briefed on the grant.

The U.S. beneficiary may strongly lobby to be allowed to deliver the TDA grant offer to the project sponsor as a means of enhancing the perception that they are in a preferred position with the U.S. Government. This may be problematic, particularly because there is some potential that the full terms of the offer may not be adequately or accurately conveyed. There is also a risk that, if there are multiple short-listed U.S. firms, communication of offers directly through the companies may unintentionally give the impression of TDA favoring one to the exclusion of others.

Program staff should be able to answer the following questions to make an appropriately addressed offer with the greatest impact:

- Which organization and organizational sub-unit in the host country is responsible for the procurement in question?
- Who are the actual decision-makers? (names, titles, positions)
- To whom should the TDA grant offer be addressed?
- If different from the procuring entity, which host country entity would be the signatory of the TDA grant agreement?

The letter of offer should lay out clearly the terms of the offer:

- Grant value...
- A "not to exceed 3%" disclaimer if the size of the contract is ultimately reduced...
- Conditionality of offer on the selection of a U.S. firm...
- Applies to any and all U.S. firms which may be selected...
- Stipulation that the grant will be signed after or concurrently with the signing of the award contract between the project sponsor and the U.S. awardee...
- Expiration date of the offer...

1 Optimizing Training Grant Offer Timing

In principal, TDA should hold its offer, and not advise the U.S. companies of its approval of support, until the last possible open moment. This would normally be the point after which short-listed companies have submitted their best and final offers. It also ensures that the U.S. company has submitted a financial and technical proposal which is uninfluenced by any prospect for an offsetting TDA grant.

In reality, competitive award processes vary considerably from country to country and from project to project, and this last minute opening may not always present itself. The tendency will be for the U.S. applicant to seek to expedite the TDA offer by advising the TDA program officer that a decision will be made immediately based on the original bids without opportunity for best and final offers. Thus, while TDA should ask the US applicant to supply timing estimates for each of the key phases of the competition, it is important that the TDA officer seek to independently verify this timing through the U.S. Embassy or directly with the host country project sponsor.

Even where the U.S. company makes a compelling case (verified by the project sponsor though the Embassy) that the TDA offer would have to be made at the time of bid submission, TDA must guard against the potential for the U.S. company to rely exclusively on the TDA grant to make its tender attractive, without offering its best financial proposal. In situations like this, TDA need not disclose its intent to offer a training grant in support of the U.S. company in advance. The U.S. Embassy can be instructed to deliver a written training grant offer on the day that the best and final bids are due without advance notice to the U.S. company. This offer may also be generically made in support of any U.S. firm to ensure even-handed support in the event that an unanticipated U.S. bidder appears. While the U.S. bidder may be openly contentious about not being forearmed with the TDA decision in a situation like this, this approach may be necessary to ensure that the U.S. company is offering its best terms and that TDA is not simply subsidizing the company's bid.

1 Establishing the Grant Value

A grant offer should always include a caveat that the dollar value of the grant shall not exceed 3% of the value of the awarded contract. This will ensure that the offer is consistent with OECD conventions. This does not imply that the value of the grant must be 3% (as the U.S. applicant may expect). Indeed, TDA experience shows that a 3% grant is not always necessary to have the intended impact, and that even in the case of procurements in excess of \$30 million, a tied training grant of no greater than \$500,000 is usually adequate to have the desired impact.

Interestingly, when a training grant is below the 3% cap, it is likely to be more in line with the TDA export multiplier rule of thumb, which targets 100 dollars of expected exports for every TDA dollar spent. By definition, a 3% training grant will not result in more than a 33 times export multiplier. Nevertheless, a smaller multiplier on a 3% grant may be acceptable because of the certainty and the immediacy of the export result, particularly where there is likely to be follow-on or spin-off exports.

While there is no-clear cut formula for fixing the value of a grant, the TDA program officer should consider some key questions:

- What is the minimum grant size that would be required to develop a meaningful training program, and that would be viewed as an incentive by host country project sponsors?
- Is there likely to be a significantly different outcome if TDA offers less than the 3% maximum?
- Does the strategic commercial importance of the project (measured in follow-on exports) warrant a full 3% training grant offer?

1 Developing a Strong Training Curriculum

The term "training" can cover a wide variety of activities ranging from instruction in a classroom setting, to technical orientation visits of senior decision makers to the United States. There is some potential for abuse: cases in which the host country project sponsor views a training grant not as a training opportunity, but as an opportunity to visit the United States, or to provide favors to other important individuals.

Thus the TDA program officer may be faced with something of a paradox in overseeing the execution of the training grant. In approving a training curriculum, TDA has a responsibility to ensure that the proposed training will present an attractive option to host country decision makers that will contribute to the desired U.S. export outcome. At the same time, TDA must ensure that the proposed scope of training does indeed reflect real training needs of the host country project sponsor consistent with TDA's development assistance mandate.

To ensure that TDA is fulfilling its responsibility to oversee the appropriate use of U.S. funds, TDA program staff need to consider a range of issues related to the scope of training to be funded. A number of questions, which the U.S. applicant should be prepared to answer, will support and help to focus this assessment:

- Is the proposed training part of the scope of work quoted in the proposal or is the training to be offered as scope additional to the bid proposal? (While TDA has funded training scopes of both kinds, additional training scope is preferable for both programming and funds control reasons.)

- Is the scope of work for the training already formulated? Have the host country beneficiaries endorsed this training as being relevant to their own priorities?
- What is the estimated value of the training to be offered? How was this estimated?
- Who will provide the training? (While specific circumstances may justify training provided by the U.S. beneficiary, TDA prefers as a matter of policy to provide training through a 3rd party professional training entity, either public or private. Qualified training might be provided through a government agency such as FAA or EPA, or through an independent professional training firm or institute such as the U.S. Telecommunications Training Institute, or the U.S. Environmental Training Institute. In the case of the latter two Institutes, U.S. companies provide the training and TDA pays only the costs of the participants' travel and per diem. Thus, the value of the training that the host country receives is actually greater than TDA's grant.)
- Does training curriculum potentially include sensitive trade secrets, or topics governed under U.S. export control laws?

Even where, on the basis of information provided by the U.S. applicant, the training to be offered is found to be well-defined, there may be a need to engage a training specialist to assess the scope of training to determine that reasonable value is being provided for the funds spent. This review of the scope need not take place before the actual grant offer, but both the U.S. beneficiary and the host country grantee should be alerted prior to the grant signing that such "assistance in the refinement of the training scope of work will be provided."

In certain cases, where the scope is not already well-defined, it may be advantageous to leave open the scope of training to ensure that the host country choose a legitimate training curriculum which is most attractive, and which will serve as the greatest incentive. In such a situation, the offer should stipulate that the grant will fund a scope to be developed through mutual consultation among TDA, the grantee and the U.S. beneficiary. Again, TDA may find it appropriate to engage a training specialist to assist with the development and review of a mutually acceptable scope of services under the training grant.

1 Must the Scope Involve Training?

There are very strong reasons why TDA grants offered in short-list situations fund training curricula. Training for host country managers and technical staff often reflects a high national host country priority and consequently corresponds to the requirement that TDA spending reflect national development priorities. As importantly, training from the United States is highly valued among project decision makers, and training is normally a specified requirement in major project tenders.

In some very rare cases, TDA may encounter transactions which are not amenable to the offering of training grants. The host country project sponsor may not desire training, the training subject matter may be controlled by United States laws (e.g., how a satellite launch vehicle is built), or there may be no competitive advantage in offering training because of the nature of the competition's incentive package. In considering alternate scope for a tied grant, particularly where the tied grant would simply offset the costs of a scope of services already offered in the tender (such as engineering services or equipment), TDA needs to critically assess whether the support amounts to more than a subsidy, and whether such support truly makes a difference to the competitive outcome.

1 TDA OVERSEAS ADVISOR POSITIONS

This chapter provides some basic guidelines for TDA staff to use in evaluating requests and managing overseas advisory assignments. In so doing, however, it also provides a framework which can help make the broader strategic decision regarding the relative emphasis to be given to technical assistance advisors versus more traditional TDA activities.

Decisions to fund advisors are made on a case-by-case basis. In deciding to fund an advisor, TDA must be mindful of a number of broader issues: management oversight of these individuals; building administrative support systems; coordinating their activities and reporting with other relevant U.S. Government agencies; evaluating and documenting their effectiveness in promoting exports; and creating effective exit strategies to avoid getting locked into long-term commitments.

1 Types of Overseas Advisory Positions

Requests for technical assistance advisors cover a wide variety of types of advisors and TDA needs to clearly differentiate among them when making funding decisions. At least six different categories of advisors can be identified. Although the distinctions may blur among the categories in practice, each has different implications for TDA and the U.S. Government. The six prototypes include:

1. High level policy advisors reporting directly to cabinet ministers or very high officials;
2. Technical advisors on long term assignment at working levels in the ministries;
3. Shorter term advisors assigned to ministries as part of contracted feasibility studies;
4. Advisors placed in countries because of high U.S. national interest;
5. Advisors requested by governments under de minimus grants.
6. Advisors placed with industry associations or non-governmental entities

TDA is either currently funding or actively considering requests to fund the first five types of advisors. Requests for the sixth category are likely in the future from certain countries where associations may be better locations for advisors than government ministries. In addition, TDA has been approached for assistance in placing advisors with multi-lateral development banks (e.g., World Bank, Inter-American Development Bank). This last category of advisor is substantially different in concept and implications, and is not addressed in this Chapter.

The following section give examples of the six categories of advisors listed above and identifies a few of the primary issues raised by each:

1 Category 1. High Level Policy Positions with Access to Decision-makers

In terms of advancing TDA's goals, this category of advisor should be able to develop critical strategic information on upcoming and ongoing projects and procurements, as well as to exercise influence in guiding the host government in policy, regulatory and procedural matters that can have both direct and indirect benefits to U.S. technology, service and equipment suppliers. A skilled advisor can have significant leverage in promoting U.S. commercial interests, but the advisor must be highly qualified (and therefore is likely to be expensive) and needs to coordinate closely with other parts of the U.S. Government. Because of the wide-ranging assignment and nature of the job, it is often hard to link specific exports to the advisor's efforts and it may be difficult to cease funding the position once the hosts became accustomed to the support.

1 Category 2. Technical, Project-level Advisors in Key Agencies

Requests for this type of project level advisory support are likely to constitute the bulk of requests from governments for technical assistance. The ability of the advisor to help the recipient government and to advance U.S. commercial interests will depend critically on the host government's expectations for the position. The capabilities of the individual advisor will still be very important, but the scope to maneuver is likely to be constrained by the terms of reference for the position. One important issue will be the ability of the advisor to develop trade and project opportunities beyond the scope of his or her primary area of project responsibility. Measurement of the effectiveness of these advisors may be somewhat easier than for higher level advisors because of their deeper involvement with fewer projects. However, technical level advisors may face greater potential conflicts between their obligations to serve the interests of the host agency and the goal of promoting U.S. exports.

1 Category 3. Advisors Placed in Ministries as Part of Ongoing Feasibility Studies

The utility and feasibility of having contractors place advisors in key ministries will depend critically on the commitment and capability of the contractor to recruit good advisors, to convince key ministry officials to take the advisors, and to use them effectively as part of the planned feasibility studies. TDA will have less control over the selection and placement of these advisors, but should be able to hold the contractor accountable for meeting the objectives of the contract. This approach probably makes the most sense when the opportunities for U.S. companies are closely linked with specific feasibility studies that have a significant policy component or where specific government decisions to implement the findings of TDA feasibility studies can be improved by placing

advisors in strategic positions in the host agency. Industry sources have also suggested that advisors under these types of arrangements may be especially well suited to help ministries to develop project proposals for funding by the World Bank and regional development banks. In these cases there may be opportunities for cost sharing with the firms.

1 Category 4. Advisors Placed in Countries because of Overriding U.S. National Interest

This type of request is likely when the United States has an important foreign policy interest in helping local governments attract foreign investment and finance projects in the wake of civil unrest or other major disasters. In such cases, the actual and potential value of U.S. exports may be less than necessary to justify the position if using a standard TDA export multiplier formula. However, particularly in countries of geopolitical importance, such as the Balkans, broader U.S. national interests and foreign policy goals may be ideally served by placement of an advisor in a key ministry or other organization. In such cases, the primary issue will be whether TDA versus some other U.S. Government agency would be the most appropriate to fund and manage the overseas advisor. If TDA is the chosen instrument, it may be possible to negotiate cost sharing options with other agencies which share in the foreign policy or other national interests being served, especially if the areas of assistance fall more within another agency's mandate

1 Category 5. Placing Advisors under de minimus Grants to Governments

Typically the decision by TDA to offer a de minimus grant is provided relatively free of any strings other than the purchase of specific U.S. goods and services. Because TDA is not in a strong position to set terms for the use of technical advisors, the primary issue will probably be whether the advisor's activities can be broadened to permit him or her to opportunistically look for other business opportunities for U.S. firms. The requirement to promote U.S. exports, however, should not interfere with the advisor's primary duty which is to fulfill TDA's commitment to meet the expectations of the host agency under the terms of the de minimus grant.

1 Category 6. Advisors Placed with Associations or Non-government Organizations

Providing that there is an interested and appropriately connected and competent organization to house an advisor, the following kinds of situations would suggest placing an advisor outside of government organizations: ineffective ministries with entrenched bureaucracies; highly volatile political situations; high ministerial turnover; unstable coalition or minority governments; and/or strong and ascendant opposition parties likely to consider foreign advisors as tainted through their association with a prior government. In a number of countries,

national-level business associations operate almost as an unofficial arm of the government, providing critical input in the drafting of laws, policies and regulations. In these instances, TDA may want to evaluate the relative pros and cons of placing an advisor with an association versus a direct placement in a government organization.

1 Criteria for Reviewing Requests for Overseas Advisors

Each request for placement of a technical advisor will have different characteristics, requirements, circumstances and limitations. Each must necessarily be analyzed and judged on its merits. In order to facilitate the review process, however, a sequence of questions should be answered affirmatively before deciding to fund any overseas advisory positions. The questions are:

1. Is the host agency committed to effectively using the TDA-funded advisor?
2. Are the proposed duties of the advisor consistent with TDA's trade promotion mission?
3. Do the relevant U.S. Government agencies support the proposal?
4. Is the potential market sufficiently large to warrant consideration by TDA?
5. Can the proposed advisor help to significantly increase U.S. exports to that market?
6. Is there a realistic exit strategy?
7. Can the advisor's effectiveness be measured?

1 Question 1. Is the Host Agency Committed to Effectively Using the Advisor?

The threshold question in evaluating a request for a technical advisor is the degree of interest on the part of the requesting agency or organization. If there is not a genuine interest and commitment to effectively integrate the advisor into the agency's operations, the chance of success is minimal and the proposal should be dropped. TDA should consider at least the following issues when determining whether there is sufficient interest on the part of the host agency to warrant further investigation:

- Has the request for the advisor come from a senior official in the agency? Does the request specify in detail why the advisor is wanted and exactly what his or her proposed role would be?
- Has the requesting agency demonstrated its seriousness by offering to cover a sizable portion of the in-kind costs of the advisor? The specific

local currency contribution will vary case-by-case (see Section V), but should at a minimum cover office space, secretarial support, office phones and fax. In addition, depending on the circumstances, the host agency may be expected to pay for a number of local living costs, such as housing, utilities, and personal car and driver.

- Has the U.S. Embassy independently confirmed the requesting agency's seriousness and need for an advisor (as well as been asked for their assessment of several of the other questions raised below)?

1 Question 2. Are the Proposed Duties Consistent with TDA's Trade Promotion Mission?

TDA staff should evaluate the request to ensure that the advisor's proposed duties would be consistent with the advisor's responsibility to TDA to promote American exports. Specifically, this means that the assignment has to be such that the advisor can fulfill the export promotion role without risking a breach of trust with the sponsoring agency or creating an adverse reaction from the host country. Several issues need to be explicitly addressed:

- Does the host agency understand the dual responsibilities of an advisor funded by TDA and is there evidence that they see no conflict between their goals and TDA's responsibility to promote U.S. exports?
- Does the strategy for increasing U.S. exports require gathering and disseminating information that is not generally available to the public and might be considered as sensitive by the host government?
- Could aspects of the advisor's duties create conflicts with other U.S. Government interests? For example, would the advisor be asked to develop the capability of local industry to compete with U.S. firms in critical sectors (e.g., steel, textiles)?
- Could the advisor's duties create undue risk of conflicts with or between U.S. firms?
- Does the U.S. Embassy concur that the export promotion role can be undertaken without conflict between host government and TDA goals?

1 Question 3. Is the Request Supported by the Relevant U.S. Government Entities?

Even if the host government clearly wants the advisor and there is an apparent fit between their goals for the advisor and TDA's mission of promoting U.S. exports, TDA should not fund an overseas advisory position unless it is supported by the U.S. Embassy and the relevant Washington agencies. Among the issues that should be evaluated are:

- Is there strong support from the U.S. Embassy, especially from the U.S. Commercial Service representatives? TDA plays an important complementary role to the Department of Commerce foreign trade

development programs and these synergies should be maximized in structuring the roles and responsibilities of an overseas advisor. In addition, the Agency for International Development (USAID) and other U.S. departments and agencies often provide institution-building support to key ministries. Placement of TDA advisors should be considered in the light of ongoing or proposed USAID or other agency programs to fund advisors with the relevant ministry or government agencies.

- U.S. Embassy support for the position is also important because of the need for an integrated approach toward the U.S.-oriented duties of the advisor and the importance of developing effective coordination and communication mechanisms between the advisor and relevant parts of the U.S. Country Team. Possible coordination and communication mechanisms are discussed briefly in Section 10.3.1 of the Chapter and should be raised with the Embassy early in the discussions about the proposed technical advisor position.
- Support for the position should also be confirmed with the relevant agencies in Washington. The preferred mechanism for securing Washington concurrence is the Trade Promotion Coordinating Committee (TPCC). If there is doubt about interagency support, TDA staff may want to raise the possibility of funding an advisory position at the TPCC as soon as the request is received. Conversely if TDA has concerns about the proposed advisory position, it may make sense to wait until its questions have been satisfactorily addressed in order to avoid wasting time of the TPCC and possibly raising false hopes that TDA will fund the advisor in question.

1 Question 4. Is the Potential Market Large Enough to Warrant TDA Consideration?

In deciding whether or not to fund an advisory position, TDA must examine the opportunity cost of financing an advisor versus supporting other more traditional activities. In order to avoid dissipating agency resources, TDA staff should, to the degree possible, only fund advisors when reasonably sure that the advisor's presence will stimulate U.S. exports more than would equivalent spending on feasibility studies, orientation visits, or similar activities. While it is probably not appropriate to try to formulate a quantitative market size threshold for each advisory position, the agency's overall performance will be degraded unless there is a realistic potential for the advisor to stimulate incremental exports in the range of 50-100 times the cost of funding the position (i.e., an annual export potential of \$15-30 million for an advisor that costs \$300,000 per year to support). Because an advisor can only influence potential procurement on the margin, it is likely that the overall market will have to be many multiples of the \$15-30 million export target in order to be attractive to TDA. However, since the ability to influence procurement will vary so much from case to case, any rule of thumb regarding a minimum market size threshold would probably be misleading.

In addition to the threshold question of the size of the potential market, TDA staff should usually assess several other considerations including:

- How large are the relevant market segments in the country? Answering this question requires a careful definition of the target market (e.g., is the target market for overall aviation services or just for training simulators?). If available for the relevant market, Department of Commerce sector studies provide a good starting point. Otherwise rough estimates will have to be made using business periodicals, trade data, government budgets and procurement plans to develop an estimate of rough market size.
- How rapidly is the market growing? For advisory positions where the gestation period for U.S. business may stretch over a number of years, it will be useful to estimate market growth over the entire procurement cycle, not just during the years of the advisor's assignment.
- Is there a significant and growing import component to the relevant market? Specifically, does the government invite and encourage foreign competition? Is financing available for foreign companies to undertake projects in the country?
- Of the import share of the market, what is the potential for U.S. exports? If possible, any factors which suggest increasing or decreasing U.S. competitiveness in the relevant market should be identified.

1 Question 5. Can the U.S. Advisor Help to Significantly Increase U.S. Exports?

This is the most important and the most difficult question for TDA staff to address. Definitive answers are unlikely, but it will be important to clearly identify the rationale that would suggest that the advisor can have a significant impact. The rationale may focus on creating a better climate for U.S. firms to compete (i.e., an indirect strategy) or it may focus on directly helping U.S. companies gain earlier and better information on upcoming projects, facilitating access to relevant government officials, making local officials aware of U.S. technologies and corporate capabilities, preparing specifications for projects, or otherwise advising officials on specific procurements. Depending on the circumstances, any one or all of the various rationales may be applicable. Therefore, TDA should formulate a clear strategy of how the advisor will be tasked to increase U.S. exports by addressing such questions as:

- What is the scope of duties requested by the host agency? Specifically, are they looking for an advisor to help set broad policies, or are they seeking assistance in areas which would appropriately yield useful information on specific upcoming procurements and access to the officials involved in those procurements?
- If the advisory position is largely policy-oriented, are U.S. firms likely to benefit significantly from policies which increase the openness and

transparency of procurement in the sector (e.g., is the advisor developing policies in an industry where U.S. firms tend to have a comparative advantage)?

- If the advisor is to be placed at a more technical level, to what extent are U.S. companies likely to receive significantly better information on upcoming procurements, gain access to relevant officials, benefit from U.S.-oriented specifications or internal advocacy on their projects, or otherwise gain advantage from the placement of a U.S. advisor? A central issue in addressing this question is the amount and quality of information, access, and influence that is already available from existing U.S. Government personnel, trade association sources, and the local representatives of American companies.
- What types of advisory services are being provided by other governments? In general, the presence of foreign advisors from other governments suggests that a U.S. counterweight should be considered, but in some cases foreign advisors may be so well entrenched in the agency that U.S. funds would be better spent elsewhere.
- Over what time-frame could the advisor be expected to have an impact? If the gestation period is quite long, a desire to show quick results may suggest placing priority elsewhere. Conversely, given the relatively short time horizon of many U.S. businesses, it may be that the strongest case for government support will be in those instances where the payoff to U.S. firms will be further off.

1 Question 6. Is There an Exit Strategy?

The issue of exit strategy should be addressed at the outset. In some cases, foreign governments become dependent on advisors and their removal becomes difficult. For example, in Latin America, anecdotal evidence suggested a direct cause and effect between an FAA decision to withdraw a technical advisor and a sudden and prolonged drop in procurements of U.S. aviation related equipment and services. Therefore, TDA should make it clear from the outset whether a particular position is planned just for a limited period of time, or whether TDA will consider funding the position for a longer period depending on need at the time and the effectiveness of the advisor. Questions to be considered include:

- Does the request from the host government specify a fixed period for the advisor or is it open-ended? If the latter, should TDA propose a fixed term?
- Can the contract for the advisor be linked to specific events which would logically bring the assignment to a close? If not, what criteria should TDA use in deciding whether to extend funding for subsequent periods beyond the initial advisor's contract?

1 Question 7. Can the Advisor's Effectiveness be Measured?

Much of TDA's success to date has been built on its ability to demonstrate a high return to the U.S. taxpayer based on specific exports resulting from feasibility studies or other activities which it has financed. It will be difficult to measure incremental exports in the case of many advisory positions. Inability to measure effectiveness should not necessarily preclude TDA from funding a specific advisory position, but it adds to the burden of proof. In determining its ability to measure effectiveness, TDA should consider several issues:

- Will the advisor be working on specific large projects where the ability of U.S. firms to win business can at least be linked to the advisor's activities (even though causality may be difficult to prove)?
- If the advisor is working on broader policy issues, can the success of U.S. companies in gaining business be related to areas where the advisor was active (e.g., ability of U.S. companies to provide equipment and services where sectors have been privatized with the assistance of U.S. advisors)?
- If direct (output) measures of incremental exports are not feasible, what intermediate measures of effectiveness can be specified? These intermediate measures may be critically important for most large infrastructure projects, which have long gestation periods, the bulk of which are likely to exceed the advisor's initial contract tenure.

1 Developing the Scope of Work and Qualifications

In order to maximize the return on investment from overseas advisors, TDA should exercise strategic oversight of the advisor's expenditure of time and resources. In general, this oversight should entail a clear statement of requirements for the advisor in an annual workplan, but wide latitude for the advisor in achieving the agreed goals based on the approved strategy. The specific level of oversight and control in each instance will be a function of the type of advisory position. In all cases, however, a detailed annual workplan that includes clear tasks, specific goals, and deliverables will be a necessary foundation for management oversight.

The Workplan will provide the basis for: planning the activities of the advisor; implementing the work program over the course of the contract; and evaluating the advisor's effectiveness during and at the end of the project. Preparation of the workplan will usually be an iterative process beginning with the host agency's identification of its needs, TDA staff collaboration with the advisor in translating those needs into a specific plan of action, and periodically updating it as necessary. In most cases, a multi-step process should be followed in developing appropriate scopes of work for the advisors, determining the required qualifications, and evaluating the advisor's performance. The proposed steps are discussed in the following sections.

1 Step 1. Host Agency and TDA Develop the Preliminary Scope of Work.

TDA staff should request the host agency to clearly articulate its overall expectations for the project and exactly what it is seeking from the advisor. In most cases it will be desirable to conduct this preliminary dialogue through the relevant U.S. Embassy staff in order to ensure their understanding and support for the proposed project. To the degree possible at this stage, it will be useful to begin discussing the specific tasks that the host agency expects the advisor to perform, what qualifications they are looking for, and what administrative support they propose to provide. Based on this input and subsequent dialogue, TDA staff should prepare a draft Scope of Work for the position. (See the common-to-all folder of the network server for a draft scope of work). The scope of work should cover:

- the objectives of the project
- how the advisor should achieve those objectives
- duration of the assignment
- location of work
- reporting and coordination arrangements

1 TDA Prepares a Position Description and Qualifications Summary.

Based on the preliminary Scope of Work, TDA staff (or the contractor for contractor supplied personnel) should prepare the position description and the qualifications summary for the proposed slot. The position description should indicate the responsibilities of the assignment and the types of interactions and accomplishments that will be expected. At this stage, TDA staff should carefully consider all of the clients that the advisor will be expected to serve in order to clarify the hierarchy and relationships among the multiple clients that the advisor will be serving: The position description and qualifications should include:

- specific duties proposed for the advisor
- work location and reporting requirements
- duration of assignment
- terms of employment
- professional experience required
- language proficiency

1 Step 3. TDA Screens Potential Candidates and Helps Host Agency Select an Appropriate Advisor

TDA staff (except in the case of contractor supplied personnel) should prepare the CBD announcement and any other position announcements required in order to select the advisor or prepare a short-list for review and selection by the host agency. (A draft CBD announcement is provided in the common-to-all folder of the network server). The decision whether TDA or the host agency should make the final selection will depend on such considerations as the degree of

sophistication of the host agency, its degree of cost-sharing in the position, the extent to which the host agency expects to exercise strict management control over the individual's activities, and the urgency in starting the project.

1 Step 4. Advisor and TDA Prepare Draft Workplan Based on Scope of Work

The advisor should meet with the TDA project officer in Washington DC to develop the workplan. Participation by the advisor in this step is important in order to ensure buy-in on the specific tasks and milestones, and to start the dialogue between the advisor and the TDA project officer. The workplan has several key components:

(a) **Scope of Work and Job Description:** This section should be very short, but needs to capture the essence of the assignment. The first paragraph should spell out the overall scope of the assignment and the basic method of operations. The second paragraph should provide a summary of the specific duties of the advisor.

(b) **Client Hierarchy:** This section should also be short, with one paragraph on each of the major clients and how their goals interact with the others (i.e., TDA, the host agency, the U.S. Embassy, and the U.S. private companies). The section should clearly establish the hierarchy among the various clients and identify the synergies and potential conflicts in trying to serve them all.

(c) **Life-of-Project Goals:** Most projects will include at least two different, but related sets of goals. One set of goals will reflect the objectives of the host agency and should be formulated in terms that are as operationally relevant as possible. The other set of goals will relate to the promotion of U.S. exports and commercial interests. Depending on the country and circumstances, other broader development or foreign policy goals may also be appropriate. Each major goal should be described in a separate paragraph and quantified wherever possible.

(d) **Primary Tasks:** Each major task necessary to accomplish the various goals should be summarized on a separate page. The task descriptions are the heart of the workplan and every effort should be made by the advisor and the TDA staff officer to spell them out in sufficient detail that they will provide a framework which will allow the advisor to operate without requiring detailed management oversight from Washington, but which will provide the basis for periodic review and updating of the workplan as well as final evaluation. The primary elements of each task description include:

- short task description
- client(s) served
- specific objectives to be achieved

- milestones and deliverables
- reporting and coordination requirements
- estimated level of effort
- additional resources required
- measures of success and evaluation criteria

(e) Secondary Tasks (if any): If there are any secondary tasks which will consume significant amounts of time or are otherwise likely to be significant, they should be addressed briefly in a paragraph each.

1 Step 5. Advisor Reviews Draft Workplan With Host Agency and Revises as Necessary

The advisor should review the draft workplan with the host agency upon his arrival at post and coordinate any revisions with the TDA project officer. It may be difficult in many cases to get the host agency to respond and comment constructively on the proposed workplan. The effort should be made, however, in order to get the local clients to focus on the proposed activities of the advisor and ensure that the advisor will be allocating time against their highest priorities.

1 Step 6. TDA Approves the Final Workplan

After the advisor has reached his or her post and reviewed the draft workplan with the host agency, it should be sent back to TDA for final review, modification if necessary, and approval.

1 Step 7. Advisor and TDA Monitor Progress Against the Workplan and Update It Annually

The workplan will become a make-work exercise unless it is used purposefully to periodically check up on the activity of the advisor and provide guidance on possible mid-course corrections. In order to facilitate the workplan review, the advisor and TDA should complete an annual evaluation based on a report from the advisor. (A sample reporting and evaluation format is provided in the common-to-all folder of the network server). The workplan should be updated at least annually by the advisor in close coordination with TDA and the U.S. Embassy. The Advisor and TDA can determine on a case by case basis the degree of involvement by the host ministry in the monitoring and updating process, depending on the degree of interest and responsiveness of the local clients in the monitoring and evaluation process.

1 Step 8. TDA, U.S. Embassy and Host Agency Evaluate Effectiveness at End of Project (see next section)

1 Evaluation Process and Criteria

The annual workplan should summarize overall project goals, clarify the interests of the various clients served, present specific tasks with milestones and deliverables, and specify schedules for reporting. As a result, a well-prepared workplan should provide TDA with an agreed set of criteria for evaluating the performance of an overseas advisor. Prior identification and definition of the critical performance elements in the advisor's scope of work will dramatically ease the evaluation process and burden on TDA staff.

Purposes of the Evaluation: The evaluation process for overseas advisors is designed to achieve several goals:

- Documenting program performance for incorporation into overall TDA performance measures and success stories;
- Updating and redirecting the annual workplan;
- Providing feedback to the advisor on his or her performance and for possible contract extension; and
- Assessing the effectiveness of advisors in general in order to determine whether such programs should be increased, reoriented, or terminated in the future.

In most cases, TDA's primary interest in evaluating performance will be to measure the impact of the advisor's activities in increasing U.S. exports. This will be important for internal planning in order to build a case history of the effectiveness of overseas advisors and to determine whether and under what conditions they are likely to be cost-effective. In addition, first year evaluations will be important in providing a basis for mid-course corrections when the original strategy or tasks need to be modified. In general, the evaluation process will not emphasize personal feedback to the advisor since the contracts are likely to be one-time events for TDA and the advisor. However, when the advisors are selected and managed by contractors, the contractor performance should be evaluated for use in the award of future contracts.

Evaluation Process: Although circumstances will vary by country and type of advisor, it will generally be desirable for the advisor to start the process with an annual (quarterly if appropriate because of fast-moving events) self-evaluation based on the tasks and projected milestones in the workplan. In most cases the advisor should solicit comments and an evaluation of his performance from the host agency, but this will not always be feasible given the reluctance in many cultures to publicly comment on someone else's performance. The TDA project officer should then review the self-evaluation and add his or her comments to it based primarily on the degree to which project objectives have been met. The TDA project officer should also normally seek comments from the relevant staff at the U.S. Embassy and may want to solicit comments from major private sector clients as well.

Evaluation Criteria: The evaluation criteria will depend completely on the terms of the scope of work and the resulting annual workplan. Periodic and final evaluations should be viewed as a by-product of a regular schedule of performance reporting and other

information exchanges between the advisor and TDA. In most cases, quarterly reporting will be appropriate. The workplan's structure and categories (goals, tasks, milestones, deliverables) should, in most cases, form the basis of the advisor's evaluation criteria. In some cases, either where the project strategy will rely primarily on indirect promotion of U.S. exports or where the gestation period will extend well past the advisor's term, the evaluation will probably have to rely primarily on achievement of intermediate milestones (e.g., contacts made, U.S. firms supported, laws or regulations drafted, training programs completed).

To improve the quality and efficacy of both performance reporting and annual evaluations, reporting formats should be short and easy to complete. Again, the tie to the workplan and its structure and content is an important factor. (A model that is relatively easy to complete and quick to read and evaluate is provided in the common-to-all folder of the network server).

Ultimately, the primary measure of effectiveness of most advisors will be the incremental U.S. exports which they helped generate. This requires early identification of those export possibilities which will be promoted, documentation of the steps that were taken to advance the exports, and reporting of exports generated by the direct or indirect activities of the advisor. In most cases, it will be premature to expect much in the way of increased exports by the end of the first year of an advisor's tour. As a result, greater attention should be paid to assessing the validity of the strategy presented in the workplan. The evaluation should explicitly address the question whether the assumptions underlying the choice of strategy and the individual tasks still appear valid based on the first year's (or even quarter's) experience. Based on the first year evaluation, the workplan for the second year should be formally updated or confirmed as still operative.

Finally, the evaluation process should incorporate the comments and feedback of the host agency as well as the relevant external clients in the U.S. Embassy and appropriate U.S. business organizations (e.g. the local AmCham). The structure of this evaluation process must be worked out on a case to case basis with the individuals with whom the advisor is interacting.

1 Alternative Administrative Arrangements

A number of considerations will influence TDA's selection of contractual and other administrative arrangements for an overseas advisor. The optimal arrangements will vary markedly depending on the country under consideration, the kind of advisory position being developed, the expectations of the host agency and private clients, TDA's own internal requirements for the position, budgetary constraints, and the personality and needs of the advisor's family. The most important alternative administrative arrangements include (a) the basic contract structure, (b) the hiring decision, and (c) cost-sharing options:

1 Alternative Contract Structures

TDA has three basic choices in funding an overseas advisor position:

1. Direct grant to the host agency which contracts with the advisor
2. Personal services contract with the advisor
3. Contract with U.S. company which provides the advisor

1. **Direct Grants to Foreign Government Agencies or Organizations:** TDA's preferred approach will probably be to provide a direct grant to the host agency or organization to cover the costs of the advisor's services. This arrangement is consistent with TDA's usual approach to funding feasibility studies. Such an approach does not preclude direct salary payments to the advisor if that appears necessary to ensure timely payment or to avoid other potential complications. Direct salary payment to the advisor may be especially important if there is resentment among the local staff about the high pay of foreign advisors or if there is a risk of corruption or serious inefficiency in payment by the host agency. Direct grants are likely to be especially attractive when the advisor's primary responsibility will be to the host agency and where relatively little guidance, coordination or home office support will be required:

Pros:

- Generally lessens the initial administrative burdens and expenses incurred by TDA;
- Encourages a greater sense of ownership by the host agency and sense of responsibility to use the advisor effectively;
- May facilitate more forthcoming cost-sharing by the host agency with TDA

Cons:

- Leaves the advisor vulnerable to the whims of the host agency in terms of timing of payment; requests for kickbacks, adequacy of office support, etc.
- May reduce the advisor's sense of accountability to TDA and commitment to promote U.S. commercial objectives;
- When administrative complications do arise, TDA staff may become embroiled in long distance efforts to resolve disputes between the host agency and the advisor.

2. **Contracts Directly with the Advisors:** In instances where TDA wants to move quickly or to maintain a relatively high degree of managerial control and oversight it may be advantageous to directly recruit, hire, and compensate the advisor. It may also be desirable to contract directly with the advisor when there is high political sensitivity (such as some foreign policy driven assignments) or where the advisor's scope of work involves service to a number of internal and external clients requiring a more intensive level of reporting and follow-up.

Pros:

- Contracts can be let relatively quickly with minimal need for coordination with host agency;
- Provides maximum degree of TDA influence over advisor's activities;

Cons:

- Imposes higher administrative and managerial burden on TDA;
- Reduces sense of participation and ownership of advisor by host agency.

3. **Contracts with U.S. Companies to Provide Overseas Advisors:** In other cases, primarily, where backstopping from the United States or access to other corporate resources will be required, the preferred administrative approach will probably be to contract with a U.S. company to provide the advisor. This type of backstopping support is likely to be especially important in instances where advisors are being sent into somewhat chaotic situations or where the nature of the assignment will require them to access a range of specialized expertise which no one individual is likely to possess.

Pros:

- Provides maximum flexibility for accessing logistical and substantive support from contracting company;
- Removes TDA from the administrative and managerial requirements of supporting U.S. advisors in foreign countries;
- May provide for some institutional memory for longer-term projects involving more than one advisor.

Cons:

- Removes TDA from the direct oversight of the advisors and reduces leverage in case of problems;
- Is more expensive than personal service contracts because companies will charge overhead and fee on overseas advisors;
- Contractors may have less of a commitment to increasing U.S. exports or serving the needs of the host agency than TDA would like;
- Contractors may also have a potential self-interest conflict in reporting on project opportunities.

Tax Implications: Tax implications may influence the choice of contract structure and influence the ability to attract qualified candidates. In some instances, payment of local taxes may not be required because a project is carried out under the auspices of bilateral government-to-government agreements. The existence of tax treaties against double taxation will also be important.

For government contracts, TDA has the option of writing a Personal Services Contract (PSC) or a non-Personal Services Contract (non-PSC). In the latter case, the contractor directly bills the government for his or her services and allowances and the whole is reported to the IRS on Form 1099 at the end of the year. After establishing overseas residence, the contractor can gain substantial tax savings through the overseas income exclusion and this could be a significant incentive in recruiting. For a regular PSC contract, the employee is taxed on income and some allowances as if he or she were living in the United States. In addition, the PSC contract does not allow the individual any retirement benefits and the IRS does not allow the set up of a 401K or a SEP-IRA retirement plan. This can present a major concern for an individual who is still trying to save for retirement. The non-PSC contract allows the contractor to be treated as self-employed, and allows the creation of a self-directed retirement plan (without, of course, a matching contribution by the employer as is the norm with the private sector), but does require the individual to pay taxes on allowances.

1 The Hiring Decision

TDA will generally have to decide whether it wants to make the hiring decision or to provide a short-list of qualified contractors and allow the host agency to make the selection. In a few cases, the host agency itself may propose the candidate with TDA reviewing and approving the individual as appropriate. In the case of contractor-supplied personnel, the contracting company will generally make an initial proposal as to which individual they recommend based on the scope of work and position description.

In general, it is likely to be advantageous for TDA staff or the TDA contractor rather than the host agency to select the individual advisor. Typically the selection of an advisor requires face-to-face interviews and reasonable due diligence in checking out references. It is difficult and expensive for the host agency to interview more than one person. As a result, the standard approach will be for TDA to make the recommendation regarding the best advisor. In some cases where the personal chemistry between the advisor and the host government clients is especially important -- such as a high level advisor to a cabinet minister -- it may be appropriate for the final approval for the individual to be made by the client, especially if they are likely to be coming to the United States anyway and might have time to interview 2-3 finalists. Host agencies may also insist on the right of selection, or at least final approval, if they are funding a significant portion of the advisor's costs.

1 Cost Sharing with U.S. Companies

In order to increase the sustainability and leverage from placing advisors in strategic positions in key ministries or organizations, TDA should investigate the potential for cost sharing whenever appropriate. Given the potential benefits to

U.S. companies from such advisors, it should be possible to create innovative cost-sharing mechanisms.

In general, individual companies are unlikely to be a good match for cost-sharing initiatives with TDA. Advisors who are being paid by specific companies are likely to feel compelled to advance the specific commercial interests of their home companies. This could put TDA in an awkward position vis-à-vis other U.S. companies who would have a legitimate complaint that they were being frozen out of potential business because of the favorable position accorded the advisor partly with public funds.

As a result, the best opportunity for cost sharing is probably with industry or trade associations whose members might benefit significantly from the placement of an official U.S. advisor in a particular ministry or foreign organization. There is ample precedent for such arrangements in the Department of Commerce's Market Development Cooperator Program. This program has successfully structured cost sharing arrangements with associations, state development agencies, and other organizations in opening and expanding markets for U.S. goods and services. The difficulty is likely to be in finding a sufficient number of industry groups -- most of whom are currently somewhat financially constrained -- that would be in a position to go back to their members and ask for additional funding for cost-sharing an advisory position

In some countries, particularly in the more advanced industrializing countries in East Asia and Latin America, selected U.S. business associations maintain branch offices overseas that attempt to provide commercially-oriented assistance to their members. Such associations might especially welcome the opportunity to collaborate with TDA through cost-share arrangements that permit the placement of an association representative abroad. Assuming foreign government concurrence with a business association's participation, the U.S. member companies might be happy to help fund the cost of placing their representative in a government agency or in a key business association in the foreign country.

Involvement of an outside organization like a business association holds the greatest potential for long term sustainability and full privatization of an overseas advisory position. This kind of arrangement would also be simple for TDA to administer as the advisor's compensation and support would be completely in the domain of his or her employing organization. However, as in the case of the grant mechanism, involvement of an outside organization would also significantly reduce TDA's influence on the advisor's workplan and activities.

1 Budgetary Guidelines

Salary and allowances for overseas advisors will vary tremendously depending on the qualifications required, the salary history of the individual, and the country to which the advisor is sent. As a general proposition, advisors must have extraordinary capabilities

to be successful. Not only do they require excellent technical credentials in order to have credibility and add value in a professional sense, they should also have a well-established network in the U.S. business community that will generate the kinds of information and high-level contacts with firms and other organizations that the host government will typically be seeking. The most successful candidate will be a seasoned international manager with excellent cross-cultural and inter-personal skills and some facility with foreign languages. Another important factor in the advisor's success will be his spouse's or family's ability to adjust and function in an overseas living environment.

In estimating budgets it is important to recognize that professionals who are on a success track in a corporation will find it very difficult to take two to three years off for an advisory position. As a result, many of the advisors are likely to be at the end of a career or to have suffered some glitch in their career plans. This suggests that the pool for potential advisors who will actually be interested in the positions will be much smaller than the full range of qualified individuals. On the other hand, the individuals who are most interested may be more flexible on salary requirements than would a fast-track individual who would have to be lured away from a current position.

In addition to widely varying salary requirements, the allowance component of compensation packages are subject to wide variation. Some individuals may be attracted to the challenge of such assignments and be willing to work with austere benefits or, in a few cases, even on a partial pro bono basis. Others will expect at least a standard package of U.S. Government benefits if serving overseas. For other business managers accustomed to higher level private sector benefits (bonuses, stock options, first-or business-class air travel, expense accounts, company cars) the loss of perks will have a chilling effect on their interest in government-funded positions.

1 Salary Guidelines

Appropriate salaries for specific positions will depend on the job descriptions and the salary histories of the candidates. One-size-fits-all guidelines are of limited use in determining the requirements of individual advisors. Nonetheless, some indicators are available. For example, many of the advisory positions are likely to require individuals with an engineering background. The National Society of Professional Engineers (NSPE) conducts annual salary surveys, sending out a questionnaire to about 60,000 members and getting back about 8,000 responses. The survey covers nine levels of professional expertise, with Level I/II reflecting salaries for recently graduated engineers running up to Level IX which is senior management positions, such as a partner in a firm or Vice President in a company. The NSPE salary categories are especially useful for TDA planning, because they include a rough comparison of the responsibilities of the NSPE positions with the General Schedule (GS). The comparison is based on duties not salaries, so it provides some basis for estimating the requirements for various advisory positions.

For TDA planning purposes, it seems likely that most advisory positions will fall in the Engineers VI through IX levels. Given the extraordinary demands of advisors in terms of experience, inter-personal abilities, and language skills, it also seems likely that most of the candidates which TDA would like to attract will be receiving above average compensation for their group. Thus, the table highlights salary levels for the mean through the third quartile as the range of salaries for engineers most likely to be sought for advisory positions. These ranges would appear to be reasonable for initial budgeting purposes, assuming that TDA wants to attract from among the best private sector candidates who are currently employed. The actual salary paid to the individual would then depend on his or her salary history.

Budget estimates for specific positions, however, must be based on the qualifications required. Some professions -- such as lawyers or investment bankers -- typically are more highly compensated than engineers. Other categories may be lower cost. For example, generalists such as former diplomats, commercial officers, association executives or consultants may also have the level of contacts and experience sought for these positions, but be less expensive than candidates with an engineering background. Moreover, in all cases it may be possible to find individuals who have personal or other special reasons for wanting to serve a tour in a particular country and may be available at significantly lower cost. The issue is the amount of time and effort TDA is willing to take to find these individuals and the likelihood that these individuals may be somewhat higher risk in terms of performance.

1 Allowances and Living Support for Overseas Advisors

Recruiting, transferring and maintaining U.S. personnel abroad is an expensive undertaking which is becoming more costly each year, with total compensation and support packages starting at about \$250,000 per year and reaching into the high six figures. Besides budgetary constraints, TDA faces numerous difficult management and operational issues in determining the appropriate level of allowances and living support to offer an overseas advisor. As is evident, the more complex and more multi-functional the advisor's tasks, the longer the intended duration of his or her assignment, and the more senior the level of advisor desired, the more expensive the project will be for TDA.

Consultations with companies involved in the placement of personnel reinforces adages against penny-wise behavior and the ultimate fact of usually getting only what one pays for. The ultimate savings to an agency or company that pays and supports an overseas employee in a manner at least roughly equivalent to his or her professional peers, are likely to be significant because that employee is far more likely to 1) complete the expected tour or duty and not return home early, 2) not spend an inordinate amount of time dealing with administrative and quality of life problems, and 3) not feel demoralized, bitter and under-motivated by the belief that his or her compensation and support package is inadequate.

The U.S. State Department's Indexes of Living Costs Abroad, Quarters Allowance and Hardship Differentials (provided in the common-to-all folder of the network server) is the common source of information determining support and allowances accorded to both U.S. government and private sector personnel assigned abroad. These indices show levels of support and allowances provided to U.S. government personnel in every city in the world where the U.S. has a significant official presence. The allowances are determined based upon a thorough cost survey undertaken by U.S. government personnel abroad. The data is compiled and published by State's Office of Allowances (SA-29, 3100 Clarendon Blvd., Arlington, VA (703) 875-7900. Reports are issued in January, April, July and October and therefore also adjust reasonably quickly to the changing costs associated with exchange rate fluctuations and changing local conditions. In brief, these allowances have the following major components:

Living Quarters Allowances: an amount that includes total monthly rent payments, deposits, utility expenses.

Post Allowances: a cost-of-living adjustment provided when the cost of goods and services is significantly higher than in the U.S.

Education Allowance: If educational services are evaluated as inadequate in the country, a higher allowance for boarding school tuition in the U.S. or a third country is authorized, as well as periodic visits by the dependent to the country of assignment.

Educational Travel Allowance: Provides one round trip each 12 month period for full-time undergraduate students under the age of 23.

Hardship Differential: An incentive increase (from 5-25% of base salary) for service in a difficult or unhealthy environment.

Danger Pay Allowance: Another incentive increase (not to exceed 25% of base salary) for employees serving in areas where civil insurrection or warlike conditions exist.

Representation Allowance: Helps employees cover costs of entertainment and customary gifts or gratuities. In practice, the availability of these funds to USG employees is very limited.

In addition to these main allowance categories, the U.S. government furnishes other support to cover extraordinary costs incurred during transfers, home leave allowances, rest & recreation travel allowances, allowances for temporary lodging and meals, separate maintenance allowances when a spouse chooses not to accompany the employee, wardrobe allowances (in certain cases) and evacuation allowances.

Expatriate employees of major multinational firms usually receive at least the same base package of allowances as do U.S. government employees. Most private sector employees of multinational firms also receive the following additional benefits:

- higher base salaries
- excess tax reimbursement
- car and (usually driver)
- business- or first-class air travel
- much more generous representation allowances
- frequently more generous housing allowances
- tax preparation assistance
- family memberships fees for private clubs for recreation and entertainment
- partial support for salaries paid to domestic servants and gardeners
- security guard where necessary
- annual as opposed to bi-annual home leave

In contrast to their private sector counterparts, U.S. government employees serving abroad receive substantial benefits resulting from the infrastructure and support services provided by the U.S. Embassy. In countries with larger embassies or USAID missions, these benefits include APO postal services, medical units, large pools of leased housing, housing maintenance support, motor pools and motor pool support for official travel, recreation associations, commissaries, duty free privileges, assistance in securing utility connections, drivers licenses, visas, etc.

Many of these additional embassy support services are often available to U.S. government contractors at a negotiated price. For example, in an Asian country, a USAID contractor was recently able to negotiate access to the U.S. Embassy's medical unit for an annual fee of \$2600. Thus, TDA may want to consider approaching the Embassies for some support to help offset any shortfalls in benefits offered to advisors in comparison to those being offered by multinational companies.

On balance, the multinational companies offer significantly more attractive packages of allowances than the U.S. Government, especially for higher level managers. However, each case is different and TDA will ultimately have to determine what the market will bear for each individual advisor based on past salary and benefits, and on current expectations.

1 Lump Sum Allowance Payments

An interesting alternative practiced by some companies in supporting their overseas personnel is to offer a lump sum payment which the employee can

utilize in any manner he or she decides. This approach is very simple in that it eliminates the need for the firm to involve itself in complex allowance calculations and disbursements and permits the company to stay completely out of disputes concerning issues like the appropriate size and quality of an employee's residence abroad. In this approach, the employee gets what he gets and can apportion the spending of the allowance amount in any way he or she desires. The main risk in this approach is that it is more difficult to justify any particular aggregate level for the lump sum payment (versus providing a package of specific allowances based on the differential costs of locating overseas). A lump sum payment can also lead to the perception of a "windfall" if the individual pockets some of the payment rather than using it to cover various living expenses.

11. TRUST FUNDS

TDA has made Technical Assistance grants to several of the Multilateral Development Banks (MDB's) such as the World Bank. These grants are occasionally referred to as Trust Funds by the MDB's. This chapter describes the nature and purpose of these grants and will enable TDA Program Officers to inform U.S. firms on how to access these funds.

11.1. Trust Funds: Background

TDA has made grants to the MDB's since 1988. At any one time, TDA has about \$250,000 to \$500,000 available under each grant. Each grant is used to carry out specific assignments costing \$80,000 or more. Grants are currently in place at the following institutions:

The World Bank (IBRD) in Washington, D.C.	General Fund (unrestricted by geography or sector)	
"	Africa Division Fund (limited to projects in Africa)	
The IFC (The private sector arm of the World Bank in Washington, D.C.)	General Fund	
The European Bank for Reconstruction and Develop- ment (EBRD) in London	A fund for Eastern Europe and the former Soviet Union	
The African Development Bank in Abidjan, Ivory Coast	A fund for projects in Africa	
Inter-American Development Bank	A fund for projects in Latin	
Inter-American Investment	A fund for private projects in	Corporati

These funds are available to the MDB's to support U.S. individuals providing consultant services or U.S. firms conducting full-scale feasibility studies for upcoming MDB projects. The primary purpose of the funds is to assure that U.S. goods and services are involved in MDB project development with the intention of increasing the amount of U.S. procurement in the project.

TDA's funds at several of the MDB's are "Evergreen Funds," so called because any amount authorized by TDA to be used on MDB projects is automatically replenished from TDA's budget. The result is that there are always funds in place to seize time-sensitive opportunities for U.S. firms at the MDB's.

These grants also give TDA access to information about potential projects being developed by the MDB's and the ability to seek timely and accurate procurement information on projects entering the implementation phase.

This procurement information focuses upon those projects, from among all of the MDB projects, where the U.S. has had a significant role in the development of the projects, and where it is likely that U.S. firms have an even chance, if not a competitive edge, in winning bids submitted for procurement awards. The procurement information is passed on to U.S. firms through the "TDA Pipeline," a Bi-Weekly publication available on a subscription basis from TDA, and on the TDA internet site.

11.2. Trust Fund Procedures

The staff at the MDB's propose to TDA how the technical assistance grants will be used. As projects are first identified and actions undertaken to put the projects together within the MDB's, the MDB staff suggests the use of consultancies when and where they are needed. Using the data base of consultants available to the MDB's and the MDB's own competitive procedures, specific consultants doing specific scopes of work are proposed. When the consultants identified are U.S. citizens or firms, or the MDB staff believes that the U.S. offers the best services available, the MDB staff request funding from the TDA technical assistance grants. The request is faxed to TDA, where the request is reviewed in light of TDA's own criteria. TDA staff looks at the scope of work and the description of the project itself to determine:

- if the project presents a significant opportunity for the export of U.S. goods and services. This criteria means that TDA looks for industrial or infrastructure projects;
- if the project is in a country or sector where the U.S. is competitive - or at least has an equal chance among all countries of winning awards for procurement of goods and services;
- if the project is not duplicative or at counter-purposes with another project already being supported by TDA; and
- that the consultancy will help TDA gain access to procurement information.

The steps for processing a Trust Fund request are as follows

1. To access the MDB funds, the Program Officer prepares an Action Memorandum for consideration by the Project Review Committee. The Action Memorandum must be accompanied by the terms of reference and a budget. As with any proposal the program staff is considering, the Program Officer may want to have a DM or DS done on the proposal to identify additions to the terms of reference or to

evaluate the budget. The recommendation section of the Action Memorandum should state which TDA funds are to be used for the project. Normally, to the extent that they are available, residual funds at the bank should be used unless there is an overriding reason to use TDA regional funds (as is the case when TDA uses transfer funds for a specific initiative) or when it is close to the end of the fiscal year and there is a need to obligate one year regional funds. Please check with the Regional Director for Special Projects when preparing the Action Memorandum to check on the availability of residual funds.

2. The terms of reference must specify the deliverable that TDA will receive once the work is complete. It will be the responsibility of the Program Officer to ensure that TDA receives it. When working with the MDB's, often the work that TDA is funding is incorporated into a larger document, such as a project appraisal, and is not always reflected in a stand-alone document. In this case it is harder for the Program Officer to judge whether the contractors produced work commensurate with the amount paid by TDA. Therefore, when specifying the deliverable in the terms of reference, the Program Officer should ensure that the deliverable can be identified and evaluated.
3. Generally, TDA does not require cost sharing or a success fee when using the trust funds. This is a policy decision made on the basis of the complexity already involved when working with the MDB's, and acknowledgment that adding cost sharing and/or success fees might overly burden the arrangement. Nevertheless, on a case by case basis, there may be situations where TDA's use of the trust funds positions a U.S. firm to directly benefit from TDA's involvement. In these cases, the Program Officer may want to impose cost sharing or a success fee requirement. The Program Officer should discuss this requirement with the MDB and the U.S. firm, and include the requirement in the action memo. The cost sharing or success fee may best be handled by a letter agreement directly between TDA and the U.S. firm, with the MDB having no involvement other than to be aware that the requirement exists. The General Counsel's office can assist with drafting this letter, which should be signed before TDA transfers to funds to the MDB for the project.
4. In cases where the MDB has already chosen the U.S. firm or individual to do the work, proceed to number 5, below.
5. In cases where the MDB has not yet chosen the U.S. firm or individual, TDA may elect to wait until the firm is chosen before transferring the funds to the MDB for that project. The Program Officer may send a "comfort letter" to the task manager or project officer at the MDB to let them know that TDA has approved funds for the project (Model available in Common-to-all network folder). The comfort letter may require that the MDB send the CVs (resumes) of the proposed U.S. firm or individual to TDA for clearance before making the final choice. This gives TDA a chance to make sure that the people doing the work are truly U.S. firms or individuals, as well as ensuring that TDA receives the contact information it needs

on the firm or individual chosen. TDA may elect not to require this step, however, when it is confident that the firms on the short list meets TDA's nationality requirements. A copy of a sample comfort letter is attached and is on the Server, Common to All, Evergreen Funds file. The Program Officer should tailor the sample to the situation, and clear it with the General Counsel's office.

6. The Program Officer should prepare a letter to the U.S. firm or individual chosen by the MDB to do the work which TDA will be funding. The purpose of the letter is to inform the U.S. firm of TDA's mandate and purpose in funding the work and in cooperating with the MDB. A suggested form for this letter is on the Server, Common to All, Evergreen Funds file, MDB/U.S. Firm Form Letter.
7. The Program Officer provides the signed Action Memorandum, the terms of reference including the deliverable, a budget, a comfort letter where applicable, and the information letter to the U.S. firm, the General Counsel's office for preparation of the grant agreement with the appropriate MDB.
8. Thereafter, TDA receives quarterly reports of the disbursements for the project. Based upon the disbursement record, the Program Officer can tell approximately when a report is due or, if no disbursements occur for two quarters, when it appears that a project is inactive. Based upon this information, the Program Officer will receive a Request for Action which will let the Program Officer know when a report is due. The Request for Action will give the Program Officer the name and number of the contact at the bank and the U.S. firm. The Program Officer should call the task manager or project officer at the MDB (or the U.S. firm, if appropriate) and discuss the project as necessary to get it back on track or to get the deliverable. Please note it is your responsibility to obtain the deliverable and, once it is obtained, to make sure it gets to TDA's librarian.

TDA encourages U.S. firms to make themselves known to MDB staff and to promote their capabilities at the MDB's in the same way they would promote their firms with any potential client.

In its discussions with MDB staff, U.S. firms are encouraged to remind MDB staff about the existence of TDA's Trust Funds, and to help TDA educate MDB staff that these funds are to be used in industrial and infrastructure projects which are most likely to lead to U.S. procurement.

U.S. firms interested in accessing TDA funds and obtaining consultancy assignments from the MDB's must register with each MDB and be qualified to be placed in the MDB's data base.

1 DEFINITIONAL MISSIONS AND DESK STUDIES

Once a promising project has passed through TDA's internal screening process, a definitional mission (DM) or a Desk Study (DS) may be arranged to provide expert assessment of the prospective project against TDA eligibility criteria.

1 Definitional Missions

The Program Officer normally opts to recommend a Definitional Mission (rather than a Desk Study) when the level of information provided to support the request is deemed inadequate or too unreliable to support a funding recommendation. The Definitional Mission consultant(s) will normally be expected to travel to the host country to verify project information through site visits and meetings with local project stake holders. Extensive verification of information from U.S. stake holders (engineers, exporters, financiers) and U.S. agencies are normally also required.

1 DM Action Memorandum

The Program Officer prepares an Action Memorandum (AM) for TDA management recommending that TDA procure the services of a DM consultant to assess the project request. The AM should document what is known about the project based upon applications materials and preliminary screening by program staff (location and scope, investment required and preliminary estimate of possible U.S. exports). It should provide a brief description of the study and estimated cost. Host country support for the project and endorsement from the U.S. Embassy should be referenced. If the request for feasibility study funding entails a potential waiver of normal competitive requirements, details on the prospective U.S. contract awardee (location, size, experience, etc.) should be provided, along with the basis for the sole source request, including the intentions of the U.S. firm to share in costs and reimburse the value of the grant to TDA if successful. The memorandum recommends a level of TDA spending for the contract budget, usually not to exceed a fixed amount of \$25,000.

1 DM Contract Award and Implementation

After approval to fund a DM, the Program Officer prepares a statement of work (SOW) for the DM study, which is used by the TDA Contracting Officer to solicit and evaluate contractor proposals from prospective DM contractors. The SOW:

- highlights issues or possible concerns to TDA;
- defines the objectives of the DM;
- lists the tasks to be performed by the DM contractor;
- estimates the contractor level of effort (person weeks);

- specifies the selection criteria (minimum technical and experience qualifications for contractor personnel);
- estimates the DM schedule (date by which DM study should be complete); and
- defines the content of the DM report and number of copies to be delivered to TDA.

A Model Statement of Work for TDA Definitional Missions is provided on the common-to-all server in the contracts folder. This is completed by the Program Officer and forwarded to the Contracting Officer to provide the basis for proposal solicitation.

The TDA Contracting Officer solicits DM proposals by announcements posted in the offices of TDA and on a recorded telephone message line (DM Hotline). Bidders are normally given two weeks to prepare fixed priced proposals. These are evaluated by the Contracting Officer and Regional Staff against the selection criteria specified by the Program Officer in the DM SOW. The contract is normally awarded to the firm having the best combination of consultant qualifications, technical approach and price.

After selection and award of the DM contractor, the Program Officer is responsible for scheduling the DM visit to the host country. Meeting appointments, hotel accommodations and all travel incidentals (DBA insurance, visas, vaccinations, flight reservations, etc.) are the responsibility of the contractor.

1 DM Report Review and Quality Control

Program Officers must get from DM contractors all the investment and cost information they need to recommend approval or rejection of a project for TDA funding. Accordingly, the Program Officer must review the DM contractor's draft report thoroughly to define necessary changes and additions. The Program Officer should ensure that the report contains the elements specified in the DM Contract, including, but not necessarily restricted to the following:

- A. Executive Summary: An executive summary of the report findings and recommendations.
- B. Project Background: A description and history of the project, origin of the request for TDA assistance and an overview of the sector in the host country, supported by pertinent host country and multilateral development bank country sector information.
- C. Developmental Priority: An assessment of the host country development priority of the project, including a description of the relative importance of this project to others in the country's overall development plans and

actions taken by the host country and project sponsors to demonstrate commitment to the project.

- D. **Project Assessment:** An assessment of the proposed project's economic, financial and technical prospects.
- E. **Implementation Financing:** A review of the financial plan for project implementation, including an overall cost estimate of the project.
- F. **Capital Construction Cost Estimates:** An estimate of the total capital costs involved in constructing the proposed project, including sufficient detail to identify the main component costs.
- G. **Foreign Import Potential:** A best estimate of the potential imports from all foreign sources that will be required to construct the proposed project.
- H. **U.S. Export Potential:** A best estimate of potential procurement of U.S. goods and services for project implementation.
- I. **Environmental Impact :** A discussion of the project's expected impact on the environment.
- J. **Impact On U.S. Labor:** An opinion regarding whether the proposed TDA activity will cause a U.S.-based enterprise to relocate outside the U.S. and whether the TDA activity will cause a reduction of employees at the U.S.-based enterprise.
- K. **Foreign Competition:** A discussion of whether there is potential or real foreign competition for the project and/or foreign government assistance/subsidies being provided to foreign competitors, so as to require TDA involvement in the project to assist U.S. companies to meet the competition.
- L. **Terms Of Reference And Budget For Feasibility Study Or Consultancy:** A detailed Terms of Reference (TOR) and detailed budget breakdown for a feasibility study or other proposed TDA-funded activity for the project.
- M. **Recommendation:** A recommendation of the specific course of action TDA should take in responding to the request for grant funding.
- N. **Contacts:** A list of key individuals contacted during the assignment under reference sections on finance, banking, industry and government (U.S. and foreign) officials.

Evaluations of TDA definitional mission reports conducted in recent years (see for example the Evaluation of Fossil Fuel Power Sector, by Denny, Howell &

Lowe, 1996) have suggested that there is a strong correlation between the quality of the Definitional Mission findings and recommendations and TDA's ultimate success in stimulating U.S. exports through its grant activities. Ultimately the responsibility for the quality, accuracy and thoroughness of the Definitional Mission report lies with the Program Officers managing the DM. Even where the most highly qualified contractor has been selected to conduct the Definitional Mission, it is incumbent upon the Program Officer to ensure that the consultant has asked the appropriate questions, conducted the proper analysis and drawn the proper conclusions.

In their review of Fossil Fuel Power Sector DM reports , the evaluators listed several problem areas related to DM consultants' analysis which were frequently inadequate, or just barely adequate:

- Demand Analysis
- Environmental Issues
- Sponsor's Capability
- Infrastructure Requirements
- Product (Generation) Plan Compatibility
- Alternative Projects
- Social Aspects
- Regulatory Issues
- Operating Costs

While the Program Officer should critically assess all aspects of the draft definitional mission report, these items may warrant extra scrutiny particularly with regard to private power projects and other privately funded projects. The Program Officer may wish to consult with technical representatives of other U.S. agencies or with industry contacts if there are particular concerns about specific issues or recommendations.

1 DM Report Distribution

After receiving final approval from TDA, the contractor will provide 20 copies of the DM Report which TDA can distribute to host government agencies, potential funding sources and U.S. firms interested in bidding to implement the study. Copies of the DM Report are also maintained in the TDA library for distribution to the U.S. industry as a valuable source of market information. The analysis of U.S. competitiveness and export potential for U.S. suppliers of equipment and services to implement the program, as well as any confidential comments by the contractor, will be issued separately in five (5) copies, only.

When all required copies of the DM report are delivered, a Program Officer will be asked by the TDA Financial Officer to approve the contractor's invoice for payment and to complete a contractor evaluation form for the Contracts Officer.

Several copies of the DM report should be forwarded to pertinent FCS or Embassy personnel overseas, with a request that they distribute copies to appropriate host country entities. This will confirm to the potential host country grantee the terms of reference of the feasibility study that TDA proposes to finance. The Program Officer should prepare a draft Commerce Business Daily (CBD) notice to solicit expressions of interest and/or competitive proposals from U.S. consultants after a Grant Agreement is signed. The draft CBD text should be formally cleared with the host country grantee prior to publication of the notice.

1 DM Consultant Exclusions

The Definitional Mission consultant is excluded from either (1) directly bidding for, or supporting another company or companies to bid for the study which was the subject of the DM and (2) implementing the TDA-funded study independently or as part of a consortium. This restriction remains in effect for a period of three years from the termination of the DM contract.

1 DM Cycle and Duration

A typical Definitional Mission may require as much as two months from Action Memorandum approval to acceptance of the final report, the key phases of implementation broken out as follows:

Preparation of the solicitation package	1 day
Proposal solicitation	2 weeks
Proposal evaluation	1 day
DM team preparation	2 weeks
DM travel to host country	1-2 weeks
DM report preparation	1 week
Report review and revision	1 week

1 Desk Studies

In situations in which information supporting an application is substantial and where there may only be a few key areas of concern in which the Program Officer requires external technical assistance, it may be appropriate to utilize a Desk Study. A Desk Study normally entails a small contract exclusively for expert technical services. Because there is little question about host country support of the project, or because the key information related to the project resides with the U.S. project sponsor, travel to the host country is not required (if it were, a Definitional Mission would be the more appropriate mechanism). Consequently, a Desk Study may be implemented at considerably lower cost and in a much shorter period of time than a Definitional Mission.

It is important to note that the shorter time frame for Desk Study contracting and implementation is not justification in its own right for selecting this approach to procure

technical support during prospective project review. Indeed there is considerable risk in opting to implement a Desk Study when the limited amount or quality of background information about the project warrants a Definitional Mission. This could result in an inadequate level of analysis and a poorly informed or inconclusive recommendation.

1 DS Action Memorandum

Though the Desk Study funding level to be approved by TDA management is considerably less (in the range of \$2,500 to \$5,000) than that of a Definitional Mission, the action memorandum prepared by the Program Officer should be no less detailed than that prepared for a DM. Guidelines for preparation of a Definitional Mission Action Memorandum are provided above in Section 12.1.1 (DM Action Memorandum).

1 DS Contract Award and Implementation

As with Definitional Missions, the Program Officer is expected to draft a comprehensive statement of work for the assignment which is provided to the Contracts Officer for processing. Actual selection procedures will correspond to the dollar amount of the procurement in accordance with the Simplified Acquisition Procedures (SAP) elaborated in the Federal Acquisition Streamlining Act of 1994, (FASA):

As in the case of a Definitional Mission, the Desk Study consultant will be fully responsible for the implementation and logistics of the contract.

A model Statement of Work for soliciting DS contractor proposals is provided in the common-to-all folder of the network server.

1 DS Report Review and Quality Control

The Program Officer has the same responsibility to ensure high Desk Study Report quality as in the case of a Definitional Mission. See Section 12.1.3 (DM Report Review and Quality Control).

1 DS Report Distribution

Desk Study Reports are distributed in the same manner as for Definitional Missions. See Section 12.1.4 (DM Report Distribution)

1 DS Consultant Exclusion

The same exclusions pertaining to DM Consultants participating in TDA funded activities which they assess hold for Desk Study Consultants. See Section 12.1.5 (DM Consultant Exclusion).

1 PROGRAM EVALUATION AND AUDIT

1 Purpose of Evaluation

The objective of evaluation is to document the outcome of past initiatives and suggest avenues for improved policies and management in the future.

The evaluation procedures and approaches described in this section are designed to answer the following questions:

- What has the project achieved to date?
- How does the achievement compare with expectations for the project that were the basis for TDA's funding decision?
- What is the likelihood that the project will ultimately achieve its final objectives?
- What unplanned changes have occurred and what are their effects?

The evaluation should also be able to provide answers to questions related to the effectiveness of TDA process:

- What alternatives to current procedures merit consideration?
- Could the same purpose be achieved more efficiently by other means?
- What specific changes would improve the program?

1 Evaluation Approach

An evaluation plan is prepared annually by the Evaluation Officer, identifying activities for review, assigning evaluation responsibilities, and establishing a schedule for performance. It is the responsibility of the program staff to work actively in collaboration with the Evaluation Officer in the development of the evaluation plan and in the achievement of its objectives.

TDA's evaluations are normally designed to assess the results of TDA actions from a variety of perspectives. These evaluation objectives may include:

- Summary of project statistics (e.g., break-out by sector, region, type, export return, etc.).
- Assessment of contractor performance.
- Review TDA's performance (staff and contractors) in assessing the eligibility of a project for TDA funding (e.g., review of the project's viability, funding and U.S. export results).
- Review of TDA's relative success based on sectoral, geographic or other variables.

TDA measures its impact from a variety of points of view. Key quantitative indicators of TDA success include:

- Total U.S. exports generated from TDA expenditures.
- Number and proportion of projects which have produced significant U.S. exports.
- Project export multiplier aggregated by project, sector, sub-sector or other significant groupings.
- Number of projects which moved forward to attract financing.

There are also more qualitative impacts of TDA activities which are important in an evaluation:

- Situations in which TDA did not claim credit for exports because its role was not sufficiently causal, but where TDA involvement nevertheless contributed to the final U.S. export result.
- Indirect spin-off and multiplier activities deriving from the TDA activity.
- Successful positioning of one or more U.S. companies in a new market.
- Professional enhancement of the capabilities of the host country counterparts working for the project sponsor.
- Long term relationships established between U.S. firms and local subcontractors.
- Advancement of foreign policy objectives and international cooperation by providing critical technical assistance.

1 Types of TDA Evaluation

1 New Project Data Definition and Compilation

The Evaluation Officer maintains a database of all TDA projects funded since 1981. This provides data on TDA projects, including project purpose, assumptions that supported TDA funding, and information gathered during the course of the project. The database provides a key resource which enables TDA management to track the progress of specific projects, and provides an information base from which specific new evaluative inquiries may be launched.

Since much of the preliminary data on a project derives from the action memorandum that recommended funding, it is important that these documents reflect not only the detail required to support a funding recommendation, but to provide the informational basis for subsequent project tracking and evaluation.

1 Ongoing Project Monitoring

TDA Program Officers, in the course of their day-to-day project administration, new business development, and ongoing interaction with key project players (host country, U.S. industry, U.S. Embassy, other federal agencies), constantly gather information about past and current TDA projects which will have a direct

bearing on TDA's evaluation process. Program Officers are obligated to proactively collect information on these projects, wherever feasible and warranted:

- During overseas programming trips.
- As a prerequisite to discussing new projects with past grantees or U.S. contractors.
- In the course of status inquiries to the Foreign Commercial Service on the TDA program in that country.
- In reviewing definitional missions and feasibility study reports.
- In reviewing industry market reports, Embassy reporting cables, technical papers, and the international and trade press.

This information should be documented for the project files and copied to the Evaluation Officer.

1 Annual Project Evaluations

The TDA Evaluation Office engages a contractor to undertake a systematic annual review of the status of a cohort of past TDA projects which are deemed to warrant attention because of the time since their last review, or because there is an indication that there has been some significant developments affecting the project. This exercise contributes to the accumulation of knowledge about the results of past projects and forms the basis of TDA's reporting about its results to Congress.

During the course of the annual cohort evaluation, the evaluation contractors will meet frequently with TDA Program Officers to better understand the projects and to collect information and host country and industry contacts.

1 Sectoral Evaluations

Each year, the TDA Evaluation Office undertakes at least one major evaluation of TDA projects in a sector where TDA has focused significant resources. Past evaluations have included the telecommunications, oil and gas, fossil fuel power generation and information technology sectors. Through these evaluations, TDA seeks to better understand what the relative merits of working in these sectors may be, and how TDA performance in these sectors can be improved. In addition to sector specific results, these evaluations also shed light on more general issues related to the impact and effectiveness of TDA programs.

1 Special Projects

The Evaluation Office may undertake in any given year, a number of special assessments of relevance to TDA's understanding of the characteristics and

impact of its programs. These may include such diverse topics as sole sourcing and cost sharing, industry competitiveness, the nature of TDA's foreign competition, TDA's impact on small business in the U.S., etc. These may be undertaken through contract, or directly by TDA evaluation and program staff.]

1 Individual Project Audits

Each year TDA reviews the performance of several past TDA contractors on specific projects. These initiatives often take the form of a combined evaluation and audit. Projects may be selected for these reviews for any of several reasons:

- Project size
- Potential to learn lessons related to a new type of program
- Large number of contracts held by a single company
- Reports of irregularities or problems
- Random selection

These evaluations are conducted not only to learn about contractor performance, but to assess TDA policies, procedures and implementation to improve future programming.

1 NON-PROJECT RESPONSIBILITIES OF TDA PROGRAM STAFF

1 Professional Development: Staying Current

Program staff have a responsibility to balance programming requirements with ongoing professional development, both on and off the job. Much of this personal development may come from the daily interaction with experts in diverse subject matters, but passive learning is rarely enough. TDA managers should actively encourage the professional development of their staff. This may range from keeping informed on broad issues which impact on the nature of TDA programming, to formal training which can help the Program Officer to be more effective. For detail on TDA training policies, see Section 15.6.

1 Monitoring Local, Regional, Current Events and World Economic Trends

Program staff should review regional, national and international press to stay abreast of current political and economic issues. "Background" reporting cables from the Embassy also provide valuable real time insights. This is essential to the job, since host country colleagues expect TDA staff to be aware of major issues current in their countries, and since the U.S. business community expects the Program Officer to be an information resource on international issues outside of the narrow confines of TDA policy and process.

1 Monitoring Industry and Competitive Developments

TDA Program Officers should actively seek to participate in industry events and symposia, and seek other fora for interacting with industry experts who may enhance their understanding of U.S. technologies and their relevance in the overseas markets they serve. While the breadth of technologies and industries with which TDA works is so great as to preclude detailed technical understanding in each field, the Program Officer should strive to develop more than a conversational understanding of the range of U.S. technologies. The opportunity for in-depth inquiry is presented with each new proposal to TDA. It may be to the Program Officer's professional benefit, and to the benefit of the agency, if the officer seeks to develop a specialized understanding of a sector of particular interest or relevance, and to become the "in-house expert" on the topic.

1 Ongoing Interaction with Other Federal Agencies

While ongoing clearance, cooperation and communication with other U.S. government agencies is a required aspect of TDA's programming process, TDA staff should also view these interactions with representatives of other federal agencies as a means of gaining a more detailed understanding of their policies, programs and processes. This is important on at least two levels: in better

understanding the motivations of colleagues at other agencies, it may be possible to achieve higher efficiencies and better results in coordinated efforts, and the TDA Program Officer may better serve the public in being able to provide accurate referrals to other agencies, even where TDA may not be able to be directly of assistance to the inquirer.

1 Innovative Approaches

Creativity is a cornerstone of TDA's culture. The Program Officer should be constantly scanning the professional environment for insights which may contribute to new ideas and to new approaches which would improve TDA's performance or further its mission.

1 Exchange of Experiences Among TDA Regional Offices

Because the volume of activity in each of the Regional Offices is constantly high, there is a natural tendency for program staff to want to focus exclusively on the immediate issues which confront them in their regional programming. Regional staff need to take the time to communicate with staff in other regional divisions as a means not only of sharing valuable lessons learned, but as a means of enhancing professional relationships and a collegial working environment.

1 Language Training and Local Culture

The Program Officer will be more effective on the job, and have a more personally rewarding experience, if he or she takes a direct interest in, and develops a fundamental understanding of the cultural context of the countries in which he or she works. At minimum, the Program Officer should have a clear understanding of cross-cultural "do's" and "don'ts", should understand something of the history and society of counterpart host country colleagues. While the number of countries, cultures and languages within an officer's responsibility may prohibit more than a cursory knowledge of greetings, the Program Officer should take advantage of language learning opportunities whenever possible. Any show of effort in this area can pay enormous dividends in terms of enhanced professional and personal relationships with overseas colleagues.

1 Other Training

TDA may occasionally develop training opportunities for Program Officers, but more often, the training resources are available to individuals who develop their own requests on a first come/first served basis. (See Section 15.6).

1 Strategic Planning

Sound strategic planning provides the basis for the allocation of staff and financial resources over time to effectively and efficiently achieve the agency's objectives.

Program staff are expected to play an active role in the strategic planning of the agency, not only for their own regional programs, but for that of the agency itself.

1 Annual Regional Strategic Plans

Each Regional Office is expected to update a Regional Strategic Plan on an annual basis. This document not only serves to support the TDA Director's agency wide planning and resource allocation, but provides an opportunity for Regional Directors and their program staff to step back from day-to-day operations, to test their assumptions and take a longer view in the management of their responsibilities. Key elements of Regional Strategic Plans include:

- Current region-wide political, economic and commercial trends which have a bearing on TDA programming
- Identification of priority country markets for TDA activity based on expected client country project development activity
- Review of country-specific project priorities and how they relate to prior activities
- Special regional USG and/or TDA initiatives
- Proposed staffing assignments and resource configurations based upon expected programming over the coming year.

1 Five Year Strategic Plan

Consistent with its responsibility under the Government Performance and Results Act of 1993, TDA engages in ongoing strategic planning which includes a five year Strategic Plan and a Performance Plan for the year immediately ahead. This planning process is coordinated under the Office of the Director with Program and Administrative input. Elements of this plan include:

- Review of TDA's Mandate.
- Review of TDA's Mission Statement.
- Formulation (or confirmation) of TDA's general and specific (outcome-related) goals and objectives.
- Formulation of how objectives will be achieved.
- Annual performance goals, and means of achieving them.
- Basis for measuring (or evaluating) achievement of TDA's goals.
- Summary of key external factors which could affect achievement of TDA's goals.

1 TDA Program Business Development

Although there may be a high demand for the program and no shortage of unsolicited proposals for TDA funding support emanating from a variety of domestic and overseas sources, it is nevertheless a key responsibility of TDA program staff to seek out and

develop new opportunities to support projects which meet TDA funding priorities. Taking a proactive role in project identification can ensure that TDA is operating in a directed and deliberate manner, and that TDA is selecting from among the very best project opportunities yielding the highest U.S. export return under circumstances where TDA can make a difference.

1 Program Staff Travel

New business development is one of the principal objectives of program staff travel to the regions of their responsibility. A pre-requisite for effective business development travel is a full understanding of the project environment in the destination country. Specific supplementary research into areas which might prove fruitful may be required in advance of planning a trip. Once the travel purpose, objectives and timing have been developed, program staff should prepare an Action Memorandum for the Director justifying the trip and describing in detail what the Program Officer expects to accomplish on the trip. After the travel request has been approved by the TDA Director, the Program Officer should communicate adequately with the Embassy visit Control Officer to detail business development objectives of the visit, to specify meetings and to receive suggestions for additional meetings. The TDA Program Officer should identify clearly specific host country agencies and representatives (or types of meetings) which the Control Officer should arrange. A failure to do so is unfair to the Control Officer, and is likely to lead to a string of meetings of marginal relevance to the trip's business development objectives. Prior to travel, the Program Officer must have requested by cable and received clearance to travel from the Post(s) to be visited.

While the TDA Program Officer should normally be in ongoing communication with Embassy and US&FCS counterparts regarding TDA objectives and new business development, overseas travel presents a particularly productive time to review with them the kinds of projects which TDA would like to target, and to understand what the Embassy's project-oriented commercial objectives are.

1 Trade Events and Orientation Visits

Visits by overseas project sponsors on technology orientation visits and attending TDA sponsored trade events may provide opportunities for TDA Program Officers to identify new TDA opportunities. In meeting with foreign visitors, the Program Officer should always listen with one ear tuned to new project initiatives in the host country, or specific social or technical problems encountered in the host country which may present the first intelligence on a project of potential interest to TDA.

Trade events of this nature also present an excellent opportunity to seek out U.S. firms which may not be familiar with the program, to brief them on TDA's objectives and criteria, and to identify new project prospects.

1 TDA Opportunity Tracking

TDA program staff are expected to be fully cognizant of the status of major project activities in the country or region of their responsibility which are likely to represent significant U.S. export opportunities.

1 Host Country Priority Projects

Each country normally maintains a listing of priority projects to be funded in the near term. Sources include:

- Five-year plans (or similar government-wide planning reports).
- Project lists cleared by the Ministries of Planning or Finance.
- Ministry or Agency planning lists.

TDA Program Officers are responsible for obtaining copies of these lists (through the U.S. Embassy, the Ministry itself, the country's Embassy in the U.S., or other means) and being familiar with the status of projects which may hold potential for TDA involvement.

1 Mega-Projects

A client country will often have "mega-projects" in their plans: large projects with budgets in the range of \$1 billion or more which may be complex in their implementation, multi-disciplinary in nature, and regional or even international in their scope. While normally these projects are so large that a feasibility study's cost would be far beyond TDA's funding capability, there may be specific initiatives which TDA can fund focused on *elements* of the project (training grants for design/engineering, orientation visits, industry project briefings) which could have a significant multiplier impact for U.S. companies throughout the project. Consequently, it is important the Program Officer follow these projects as closely as possible.

1 Interagency Targets (TPCC, Functional Agencies)

TDA program staff should be fully current on projects which are the focus of other federal agencies, and those of the Trade Promotion Coordinating Committee. Within the Department of Commerce, the Advocacy Office maintains a central listing of major projects which may require eventual U.S. Government involvement or advocacy. These projects derive from a number of sources including the U.S. Embassy commercial teams, recommendations by federal trade and functional agencies and requests for support from U.S. companies encountering stiff competition overseas.

1 Multi-Lateral Development Banks

TDA program staff should be familiar with the project pipelines of the World Bank group, and those of the regional Multi-Lateral Development Banks (MDB). While in some instances, it may be difficult to provide TDA feasibility study funding for these projects because of the availability of funds through untied project preparation facilities, the MDB task manager may nevertheless find TDA funding of project planning activities through Evergreen or trust funds attractive.

Because it is ultimately the host country project sponsor which makes procurement decisions regarding an MDB funded project, it may be possible for the TDA Program Officer to work directly with the host country to arrange TDA "parallel" funding of project planning work prior to MDB funding.

1 Program Staff Reporting to Management

It is the responsibility of Country Managers to keep the Regional Director fully informed of the status of their projects and of issues, problems, successes and events which will have a bearing on the effective management of activities within the region. This transfer of information may take place through ad hoc, daily or weekly meetings (the preferred scheduling to be specified by the Regional Director). The Country Manager will ensure that the Regional Director is briefed on key information received through unwritten communications (meetings, telephone conversations, etc.) related to the status of prospective, current and past projects. As noted earlier, export information for current and past projects should also be shared with the evaluation officer.

The Regional Director is required to keep the TDA Director and Deputy Director informed of issues related to the status of their projects and of issues, problems, successes and events in the region which will have a bearing on the effective management of the agency. Most issues may be discussed during regular regional project review meetings with the TDA Director and senior management team, but may require special ad hoc meetings, where warranted. If a major decision is required from the Director or Deputy Director, it may be appropriate to frame the issue in an action memorandum with background correspondence and materials attached.

1 Financial Management Responsibilities

This section provides a highlight of financial management issues pertinent to program staff non-project responsibilities. For a detailed treatment of broader TDA financial management issues, see Chapter 20.

1 The Budget Cycle in Relation to Program Planning

TDA funds are appropriated by Congress on an annual basis for a fiscal year which commences on October 1st. With the exception of “two year” funds/or “no year” funds carried over from previous years, these “one year” funds must be obligated (through grant agreements or contracts) according to the following annual schedule:

- By August 31st, at least 85% of TDA’s annually appropriated funds must be obligated, or the unobligated amount, less 15% of TDA annual funds appropriation, will be returned to the Treasury.
- By September 30th all of TDA’s annually appropriated funds must be obligated, or any unobligated annual funds will be returned to the Treasury.

The return of unobligated annual funds to the Treasury can have a bearing on subsequent annual appropriations levels. Since the risk of unobligated funds lies more with issues related to the timing of grant signings than with demand for TDA program funds, it is a key responsibility of TDA program staff to ensure that all TDA funds are obligated at an even pace during the fiscal year to avoid end-of-year backlogs of unobligated projects.

1 Deadline for Expenditure of Obligated Funds

All TDA funds obligated to a specific project must be spent within 5 years of the obligation date of the grant. Funds which are not spent by that deadline will be returned to the Treasury.

1 Regional Budgeting

To ensure sound financial planning and scheduling of funds, TDA senior management assigns a regional budget based on the level of funds appropriated to the agency and spending projections provided in each region’s strategic plan for the fiscal year. This provides a basis for program planning within each region and sets a target for spending.

Because of TDA’s short project programming cycle, and because TDA managers can rarely predict the demand for TDA funds from region to region, the budget is viewed as a flexible planning tool which may be adjusted as the year progresses, depending on demand within each region. Reviews of actual versus planned spending and obligation levels take place during four quarterly meetings throughout the year, with more frequent and intensive reviews during the last quarter (June - September) as necessary. As a result of variance from planned levels of obligations, regional budgets may be adjusted as appropriate.

1 Project Financial Status List

As a means of managing funds and tracking the movement of projects through the preparation cycle, TDA uses a Project Financial Status List generated from the financial management database. The list tracks projects which are expected to be obligated during the fiscal year. Three basic financial categories are defined:

- **Prospective:** As new prospective projects appear likely to be eligible for TDA funding, TDA Program Officers forward information on the project (including title, type, expected obligation date) to the Financial Office for entry into the database, and inclusion on the list.
- **FM Reserved:** When a signed action memorandum approving TDA funding of a project is forwarded to the Program Information Management system.
- **Obligated:** When the Financial Officer has received a signed grant agreement for the project.

1 Public Outreach

1 Routine Information Dissemination and Prospect Feedback to the Public

Interaction with the U.S. public, and particularly representatives of the U.S. industry which TDA supports, is a key responsibility of TDA program staff. TDA staff accessibility and responsiveness to its U.S. clientele has contributed, in part, over the years to the agency's strong reputation for action, service and effectiveness. Because of the high demand for the Program Officers' time, balancing project programming requirements with responsive service to the public may present a difficult challenge. The following guidelines will serve TDA employees in their interaction with the public.

1 Meetings

The Program Officer should try to accommodate any reasonable requests for meetings with representatives of the U.S. industry, whether informational or related to specific project requests. Program Officers may seek to minimize the time impact of informational meetings by limiting the duration of the meeting, or limiting TDA participation to a single officer.

Regardless of the topic, the TDA officer should remember that the individuals with whom they are meeting are, at the same time their clients and their employers. Regardless of their level of experience or sophistication in the international market, and regardless of the eligibility of their prospective project, they should be treated courteously and helpfully. Even when the visitor proposes a project which is clearly ineligible for TDA

support, the Program Officer should strive to ensure that the visitor leaves with more value than he or she came with, even if it is only a better understanding of the program.

1 Telephone

The TDA officer should endeavor to return all business calls within one day. As with face to face meetings, all telephone interaction should be candid, but courteous.

1 Written Correspondence

The TDA officer should endeavor to respond to business correspondence within one week. In rare cases where this cannot be accomplished, it may be acceptable to follow up by telephone, with a brief memorandum to the file.

1 Public Speaking

TDA program staff should seek to take advantages of requests to speak to the public as often as possible. These may include:

- TDA-sponsored Business Briefings and Conferences
- Programs sponsored by other agencies (e.g. Ex-Im Bank training sessions)
- Industry association programs
- Inter-agency trade promotion events
- Local and regional trade groups

Prior to committing to speak at a public forum, the Program Officer will seek the clearance of the TDA Director or Deputy Director.

1 Program Staff Contributions to TDA Publications

TDA program staff are expected to contribute to the preparation of key documents and reports which TDA publishes on a periodic basis.

- TDA Pipeline
- Annual Report/Congressional Presentation
- Regional Summaries
- TDA Briefs
- TDA Newsletter
- Press Releases

- **Conference Brochures**

1 TDA PERSONNEL POLICIES

U.S.AID Handbooks 24, 25, 26, 27, 28, 29, and 30

As a Federal agency, TDA offers its employees the benefits and protections available to all Federal employees. These benefits, rules and regulations are outlined in detail in Federal Personnel Management (FPM) manuals and in U.S. Agency for International Development (AID) Handbooks. The AID handbooks contain references to other Federal manuals. Because TDA's internal policies and sections of AID handbooks are periodically updated, employees with questions about policy or procedural revisions should consult with TDA's Legal Office or Administrative Officer.

The personnel policies described below do not differ substantively from any Federal rules or regulations but have, in some cases, been tailored to the unique management and mission of TDA.

1 Personnel at TDA

TDA management and staff consist primarily of full-time career civil service employees. In some cases, part-time employees serve on a permanent or temporary basis. Since TDA is an agency of the Executive Branch, its management also includes Presidential, Schedule C, and Administratively Determined appointments. Other personnel include on-site independent contractors. TDA career personnel are drawn from the General Schedule (GS) and Senior Executive Service (SES).

1 Personnel Recruitment Policies and Procedures

1 Recruitment and Selection Policies

*Handbook 25, Chapters 1 and 11
FPM, Chapters 200 and 300*

TDA provides equal opportunity in employment for all persons and prohibits discrimination because of race, color, religion, national origin, physical or mental disability, sex or age. TDA employees must be citizens of the United States.

Because of the nature of TDA's work, persons hired to serve as program personnel must be in good health and must be willing and able to travel frequently and for extended periods of time.

All General Schedule and SES employees serve a one-year probationary period that converts to a career appointment upon completion of three years of creditable service. A career appointment is a permanent appointment in which an employee has competitive status.

When employment opportunities occur within the Agency, TDA's policy is to promote from within whenever possible, thus encouraging the professional growth and advancement of its employees.

1 Recruitment and Selection Procedures

Handbook 25, Chapter 11

TDA management seeks employees who demonstrate strong commitment to professional excellence and integrity, teamwork and global vision.

TDA career employees are recruited through the Civil Service competitive selection process or are hired laterally from other government agencies.

The Director, Deputy Director, Assistant Director for Management Operations and Finance, Administrative Officer, and supervisor of the subject position participate in the employee selection process.

1 Security Clearances

All TDA positions require a security clearance. If the incumbent is required to travel to U.S. Embassies, the position requires a top secret clearance; all other positions require a secret clearance.

When it is in the national interest, the Director may authorize bringing a new employee on board while the security investigation is still in progress. However, these appointments are made contingent on an outcome of the security investigation satisfactory to TDA, and these employees are prohibited from handling classified material or from traveling overseas until the clearance process is completed. It is the responsibility of the supervisor to ensure that these requirements are followed.

Interns who will serve at TDA 180 days or less need not have a security clearance before coming on board, but they must provide information before reporting to work that will be used to conduct background checks.

1 Orientation for New Personnel

It is the responsibility of the supervisor of each new employee to develop a training program that ensures timely and thorough training of the new recruit in his/her job responsibilities.

In addition, the Administrative Officer maintains a checklist for each new employee to ensure that meetings with the following officers covering the topics listed are held within two weeks of the new staff person's entering on duty:

- *AID Personnel*: tax withholding; timing for receipt of first paycheck; procedures for direct deposit of paychecks; benefits package, including health insurance, life insurance, thrift savings plan.
- *AID Security*: security briefing.
Supervisor or Administrative Officer: introductions to TDA staff and tour of the office.
- *Computer System Administrator*: computer operations, password administration, shutdown procedures, security briefing.
- *General Counsel*: standards of conduct, procurement integrity, financial disclosure forms.
- *Administrative Officer*: work schedule, including lunch hours; office security, after hours access, and code words to alert the receptionist of an emergency; Metropool program; Agency parking space procedures; local official travel (Metro, shuttle bus, and taxi transportation); obtaining necessary supplies; procedures for requesting leave; telephone usage, including conference calls, voice mail, changing messages during absences from the office; use of the fax and copy machines; availability of portable computers and check-out procedures; use of couriers; and arrangements for Export-Import Bank briefing, if applicable.
- *Lead Secretary*: travel briefing, including policies, passports, visas, credit cards.
- *Financial Manager*: procedures for reservation and obligation of TDA funds.
- *Contracting Officer*: procedures relating to purchase orders and contracts.
- *Information Resource Center (IRC) Manager*: services and information provided by the IRC.

1 Employee Benefits

Brief descriptions of benefits available to Federal employees are presented below. Further information about these benefits may be obtained from TDA's Administrative Officer.

1 Health Insurance

TDA employees are eligible to enroll voluntarily in the Federal Employee Health Benefits (FEHB) Program within 31 days of employment. The government pays no less than 60 percent and no more than 75 percent of the premium cost for full-time employees; the employee pays the remaining portion. Enrollment in FEHB is not compulsory. All Federal workers, however, must pay 1.45 percent of their basic salary to Social Security for Medicare hospitalization coverage, for which they become eligible at age 65.

FEHB offers a wide range of health care options, including fee-for-service or cost-reimbursement plans -- such as Blue Cross or Aetna -- where the employee chooses his/her own physicians and the insurance company reimburses costs.

Employees may also select from various Health Maintenance Organizations (HMOs) or Comprehensive Medical Plans such as Kaiser and Group Health.

Although an employee usually selects a health care plan when he/she is hired by the government, changes are possible each year during "open season," usually from mid-November to mid-December. During this time, TDA's Administrative Officer may be consulted about brochures that explain alternative plans and coverage. Changes in health care plan may also be made when marital status, moves or other changes in family status occur.

New enrollments in health benefits generally begin on the first day of the first pay period after the form is received. An identification card is mailed directly to the employee's home address from the insurance carrier within three to six weeks. If the health insurance registration form is not received within 31 days of the appointment date, enrollment will not be accepted.

1 Life Insurance

TDA employees are covered by the Federal Employees' Group Life Insurance (FEGLI) program. Unless they waive coverage, employees are automatically covered by FEGLI. Coverage is automatically deducted from employees' pay each period. Additional coverage may also be purchased; the premium for this is determined by age. Employees pay the full amount for additional coverage. Employees must apply for coverage within 31 days of appointment.

If, upon employment, a new employee chooses to waive FEGLI coverage, he/she must wait one year following the date of the waiver before applying for life insurance coverage. At that time, he/she must also provide evidence of insurability, such as a physical examination.

1 Worker's Compensation

TDA employees are eligible for work-related benefits under the Federal Employees' Compensation Act (FECA). Benefits include medical care, continuation of pay, compensation during periods of disability, scheduled awards, vocational rehabilitation and death benefits.

1 Retirement

Civil Service employees who have worked for at least five years in the Federal Government are automatically eligible for retirement benefits. The contribution is 7 percent of basic pay. Employees who began work with the government after December 31, 1983 receive benefits from the Federal Employees' Retirement System (FERS). FERS is a three-tiered plan consisting of Social Security, a basic annuity and a thrift savings plan.

Employees who worked for the government on or before December 31, 1983 receive retirement benefits from the Civil Service Retirement System (CSRS) unless they chose to transfer to FERS during one of the transfer periods.

Employees who leave the government before meeting age and service requirements have two options (depending on length of service): deferred annuity or refund of retirement reductions. The Administrative Officer should be consulted for further information about these options.

1 Salary and Compensation Policies
Handbook 26, Chapters 4 and 5
Attachment 5a for Steps and Grades through GS12
Attachment 5c for GS13 through GS15

1 Salaries and Appointments

Most TDA employees are paid for 40 hours of work per week according to the established General Schedule (GS) grade and step. The GS is divided into 15 grades. Grades 1 through 15 each contain 10 "within grade" steps. TDA employees may move up both steps and grades during their careers, provided that their work merits the increase.

The Director of the Agency is appointed by the President with the advice and consent of the Senate. This level is sometimes referred to as "PAS."

Senior Executive Service (SES) status is conferred upon a small percentage of Federal executive level employees who have demonstrated superior professional and management achievements throughout their careers. SES employees are compensated through a gradeless system with six rates of pay, ES-1 through ES-6.

In order to fill specified needs identified by the Director, employees may be appointed to "Administratively Determined (AD)" or "Excepted Service (Schedule C)" positions. AD employees are appointed and removed without regard to the provisions of the civil service system. This appointment authority is often used when the Director identifies an immediate need for services. Also exempted from the competitive service requirements, Schedule C appointments must be approved by the Office of Personnel Management. This appointment method is used for positions which are policy-determining or involve a close and confidential working relationship with the Director.

1 Overtime

Handbook 26, Chapter 8 and Appendix 8A232

According to the Fair Labor Standards Act, overtime work is defined as work "suffered or permitted" by the employee's supervisor in excess of the 40-hour administrative work week.

As a matter of prudent financial management, TDA discourages the use of overtime and encourages supervisors to schedule their work so that it can be managed during regular office hours. Where overtime is required however, supervisors must document the number of overtime hours needed and the project to which they will be allocated and obtain the Assistant Director's clearance in advance of authorizing the overtime. If obtaining the clearance is not possible in advance because of an emergency, then the clearance must be obtained on the next business day. TDA employees whose basic salaries are at or below GS10/10 have a legal right to receive overtime pay. Eligible employees may request compensatory time in place of overtime pay. Employees whose basic salaries exceed the rate of GS10/10 are, in most cases, required to accept compensatory time for more than 40 hours worked.

1 Compensatory Time

Employees exempt from overtime pay may, after a period of intense and prolonged overtime work and/or travel, be allowed a reasonable amount of time off for rest and recuperation. Such time is handled informally and normally is not shown on the time sheet. Further, such leave is not intended to provide an amount of time equal to the amount of overtime work done. Precise terms and conditions for such informal compensatory leave are handled by supervisors, in consultation with management, on a case-by-case basis.

1 On-the-spot Cash Bonus

TDA offers on-the-spot cash bonuses to employees as rewards for "going that extra mile" on a given assignment. Supervisors are responsible for nominating employees for these awards in a timely and equitable manner.

The award must be requested no more than one week after the occurrence of the effort being recognized. Awards range from \$1 to \$150. An employee may not receive more than two on-the-spot awards during a 12-month period. The Administrative Officer has further details about nominating procedures.

1 Annual Performance Reviews and Salary Increases

Handbook 25, Chapter 15 and Attachment 15A

TDA conducts annual performance reviews as specified in AID's Performance Management System (PMS). The annual rating period for the Civil Service Performance Appraisal Report (PAR) is July 1 through June 30 of the following year. During this period, all employees (GS, Schedule C and Administratively Determined) are rated by supervisors, informed of any problems, and given time to improve.

Depending on their grade, step and responsibilities, TDA employees are classified in the following manner for the purpose of performance appraisal and subsequent determination of pay increase:

- *GS 1-15 employees* are reviewed for within-grade step increases based on the Performance Management System (PMS);
- *Senior Executive Service employees* are reviewed for annual increases; based on the Senior Executive Service Performance Management System (SESPMS). (The rating cycle for SES employees is October 1 through September 30 of the following year.);
- *Administratively Determined and Schedule C employees* are included under the PMS;
- *Presidential appointees and temporary employees whose appointments are for 120 days or less* are excluded from the PMS.

1 Definitions Related to the Performance Appraisal Reports (PARs)

The PAR is described in detail in *Handbook 25, Chapter 15*. Employees are usually evaluated at least twice during the year. Mid-year reviews usually take place in January. During the annual rating period, July 1 through June 30, PAR evaluation forms are completed by supervisors. Key elements include:

- *Performance Plan*: The performance plan is a formal written document prepared by the rating supervisor with employee participation. The plan informs an employee of the standards by which his/her performance will be judged and rated. The plan is also the basis for adjusting the base pay of a rated employee, for training, reward, reassignment, promotion, reduction-in-grade, retention or removal, and for making performance-award decisions. The performance plan should be in place within 30 days of the beginning of the rating cycle. For newly hired employees, the performance plan should be in place 30 days after beginning work.
- *Critical Element*: A component of a position consisting of one or more duties and responsibilities that contributes toward accomplishing organizational goals and objectives and is of such importance that unacceptable performance of the element results in unacceptable performance in the position.

- *Opportunity Period*: The period of time granted to an employee to demonstrate acceptable performance after the employee's job performance has been appraised as Unacceptable.

Based on the performance plan described above, employees are evaluated and rated at one of five levels:

- *Level 1 - Unacceptable*: The employee often fails to meet the standard for *Fully Successful*.
- *Level 2 - Minimally Successful*: The employee occasionally or partially meets the standard for *Fully Successful* but does not fully or consistently perform at that level.
- *Level 3 - Fully Successful*: The level of personal achievement and contribution expected of an employee to effectively accomplish TDA goals and job requirements.
- *Level 4 - Exceeds Fully Successful*: Through the employee's initiative, diligence and productivity, work produced is consistently better, more thorough or greater in quantity than is specified in the standard for *Fully Successful*.
- *Level 5 - Outstanding*: Through the employee's initiative, diligence and productivity, production greatly exceeds the standard for *Fully Successful* and the impact of the employee's total performance greatly enhances or facilitates the accomplishment of TDA's mission.

1 Salary Increases

Guidebook for Performance Management Systems (PMS) contained in Handbook 25

Employee pay increases are based in part on results of the performance review process described above. Within-grade increases, quality step increases, merit increases, performance awards and performance-related superior accomplishment awards are granted commensurate with (1) employees' consistent work performance; (2) demonstrated effort to support and enhance TDA's mission; (3) contribution to the long-term vision of the Agency and of the nation, and (4) generation of ideas that achieve maximum benefits for the U.S. Government.

1 Salary Increases for GS Employees

GS employees, regardless of job performance, automatically receive any full annual general pay increases authorized by the President and the U.S. Congress. To earn a within-grade increase, the employee's most recent rating of record must be *Fully Successful* or higher. If performance was rated *Unacceptable*, further information is available in the PMS Guidebook.

GS employees with a current rating record of *Outstanding* are eligible to receive Quality Step Increases (QSI's). QSI's normally are initiated by the employees' immediate supervisor and are approved by the supervisory and budget officials who review and approve the employees' performance rating at the end of the appraisal period. A QSI may not be awarded to an employee who has received a QSI within the preceding 52 weeks. GS employees are also eligible for lump sum performance awards.

1 Salary Increases and Performance Awards for SES Employees

FPM 920-1

SES employees receive ES-level adjustments based on the results of annual reviews by the Performance Review Board. SES employees must remain at the same ES level for one year. SES employees with superior performance reviews are eligible for Presidential Rank awards, but must compete for them with other SES employees from throughout the U.S. Government. TDA's Performance Review Board will determine the bonus pool and recommend bonuses for SES employees based on annual reviews.

1 Performance Awards

PMS Chapter 6

Performance awards are based on the employee's rating for the current appraisal period. Pursuant to guidance from the Office of Personnel Management and TDA budget constraints, TDA sets a performance award "pool" for GS employees for each performance rating period. These funds are managed by TDA's Director.

1 TDA Personnel Training Policy

Handbook 28

TDA is committed to providing training and development opportunities to its employees. Training is intended to strengthen and expand professional skills and lead to maximum proficiency in the performance of official duties. Available training generally falls into three categories:

- *In-house*: Short-term training conducted during work hours;
- *After-hours*: Usually offered through local educational institutions, and
- *Long-term*: Offered to qualified employees with state-of-the-art knowledge in their particular occupation, or to learn, develop or improve skills necessary for current or future TDA programs.

TDA may send its employees to training programs conducted by either government agencies or non-government institutions (including those of foreign governments or international organizations, academic institutions, business and professional organizations, foundations and other accredited persons/groups in or outside of government).

Requests for training will be considered in the context of funding availability and benefits that the proposed training offers to the employee's job performance.

1 Personnel Training Procedures

All TDA employees are encouraged to develop a one-year training plan with supervisors at the beginning of each fiscal year. Requests for training in government or non-government facilities and the advancement of funds must be approved by the employee's supervisor and the Assistant Director. Requests must provide sufficient justification as to how the training will benefit the employee and TDA. A completed sample "Request for Training" form can be obtained from the Administrative Officer. Listings of various training opportunities are posted near the office of the Administrative Officer.

Training will be considered for approval when the course(s) relate to the employee's current official duties or responsibilities, when a target position for an employee has been identified and specific training is essential, or when the course will be of future benefit to the employee and TDA.

When a request for training is approved, the employee must note the training dates on his/her supervisor's calendar, inform other affected employees of the planned absence from the office, and propose a person to cover essential duties during the absence.

1 Textbooks Remain TDA Property

All text books purchased by TDA for the use of trainees become the property of TDA and must be returned to the Administrative Officer at the completion of the course.

1 Employee Reimbursement to TDA of Training Costs

Employees must agree, at TDA's discretion, to reimburse the Agency for the cost of the training when the employee leaves TDA before the period specified by TDA has passed. (The time period will be established by the Assistant Director based on TDA's financial contribution and the time away from the office taken for the training.) The agreement also stipulates that a grade of less than a "C" could trigger reimbursement provisions.

Employees who fail, do not complete, or who withdraw from a course for reasons other than prolonged illness or travel must reimburse TDA for any costs incurred on their behalf.

1 Leave Policy

Handbook 27

Permanent full-time and part-time employees are eligible to receive leave as specified in Federal policies. The "leave year" begins annually at the beginning of Pay Period One (usually the middle of January). Time and attendance sheets are kept by the Time and Attendance Designate who is responsible for monitoring employee leave accruals and requests.

1 Annual Leave

Handbook 27, Chapter 3 and Appendix 3A.430

Employees should schedule annual leave with their supervisors as far in advance as possible so that the vacation plans of all staff can be accommodated. In approving annual leave, supervisors should ensure that all areas are covered.

1 Procedures to Request Annual Leave

An employee may request annual leave by completing a form SF-71, "Request for Leave," and submitting it to his/her supervisor for approval. When making leave plans, an employee should take into consideration his/her workload and the availability of TDA staff coverage during that time period. SF-71 forms may be obtained from the Administrative Officer. (See the Administrative Officer for a completed sample of this form.) Supervisors may disapprove annual leave for coverage, workload, or other reasons.

Requests for annual leave must be approved at least one week in advance, except when a sudden emergency makes this impractical. In such cases, a TDA employee must directly notify his/her supervisor as far in advance as possible or by telephone in an emergency. See Section 15.9.1 for procedures for Unplanned Leave. In all cases, the Administrative Officer or the TDA Time and Attendance Designate must be informed by the supervisor in order to ensure the accuracy of the Time and Attendance sheets.

1 Accrual Rate for Annual Leave

Handbook 27, Appendix 3A.430

The accrual rate of annual leave for full-time employees with less than three years of service is four hours earned per pay period, or 13 days per year (104 hours). For employees with three years but less than 15 years of service, leave is accrued at a rate of six hours per pay period, or 20 days per year (160 hours). For employees with 15 or more years of service, leave is accrued at a rate of eight hours per pay period, or 26 days per year (208 hours).

Part-time employees accrue annual leave on a pro-rated basis at the same rate as full-time employees.

1 Use or Lose Policy

Handbook 27, Chapter 3 and Appendix 3A

Civil Service employees can accumulate no more than 240 hours (30 days) of annual leave. TDA employees should be aware of their annual leave accrual and of any annual leave restored to their credit. The Administrative Officer or Time and Attendance Designate may be consulted about the current status of annual leave. SES members can accrue no more than 720 hours (90 days) of annual leave while they are in the SES.

To the extent possible, TDA employees should work with their supervisors to schedule leave throughout the year and, by March 31, to tentatively schedule all leave subject to forfeiture. Employees must request leave on a form SF-71, "Request for Leave," before the beginning of the third pay period (six weeks) prior to the end of the leave year, and must use any leave subject to forfeiture. Leave requested after this cut-off date cannot be restored, and will be forfeited. The leave year ends after pay period 26, usually near the second week of January.

1 Donation or Transfer of Annual Leave

Handbook 27, Chapter 11

TDA employees may voluntarily donate a portion of their annual leave to other TDA employees or family members who are employees of other Federal agencies who are experiencing medical emergencies. This program is designed to help employees avoid serious economic consequences due to the unavailability of paid leave. When a TDA employee experiences an emergency and applies for donated leave, the Administrative Officer will announce that a program to accept donated

leave has been established in that employee's name. Employees interested in donating leave should consult with the Administrative Officer. Those employees having leave subject to forfeiture may wish to consider donating the leave that would otherwise be lost.

1 Sick Leave

Handbook 27, Chapter 4

1 Procedure to Request Sick Leave

TDA employees must call supervisors between 8:30 and 9:30 a.m. to report absence due to illness. In the event that a supervisor is unavailable, notification should be given to the Administrative Officer. Use of sick leave for medical appointments must be approved in advance by supervisors. Supervisors must immediately inform the Administrative Officer or the Time and Attendance Designate when employees call in sick or request sick leave.

1 Accrual Rate for Sick Leave

All full-time employees accrue four hours of sick leave per pay period. Under certain circumstances of serious illness or injury, sick leave may be advanced for up to 30 days. An employee's own certification of illness will normally be acceptable for absence of three or fewer workdays. For absences of more than three days, medical certification is required within two days of return to work.

Part-time employees accrue one hour of sick leave for each 20 hours in pay status.

Separating employees are not compensated for accrued sick leave but the leave remains in the employee's account and may be used if the employee returns to Federal service within three years.

1 Other Types of Leave

1 Holidays

In addition to the leave described above, Federal employees receive 10 statutory holidays per year:

- New Year's Day January 1
- Inauguration Day January 20
(in years following a Presidential election only)
- Martin Luther King's Birthday Third Monday in January

- Presidents' Day (Washington's and Lincoln's birthdays) Third Monday in February
- Memorial Day Last Monday in May
- Independence Day July 4
- Labor Day First Monday in September
- Columbus Day Second Monday in October
- Veterans' Day November 11
- Thanksgiving Day Fourth Thursday in November
- Christmas Day December 25

1 Leave Due to Weather

Handbook 27, Chapter 6

TDA takes direction from OPM regarding early release due to weather conditions. Only OPM and the President have the authority to dismiss/excuse employees or to close Federal workplaces. OPM's dismissal plan usually goes into effect when a major storm is expected to bring four or more inches of snow to the area within 24 hours. TDA management will be notified by AID or OPM regarding early release decisions affecting TDA employees.

1 Leave for Jury Duty

Handbook 27, Appendix 6A.462.2

Employees under summons from a State or Federal court to serve on a jury will be granted court leave of absence with pay for the entire period. An employee eligible for court leave may accept reimbursement for travel and miscellaneous expenses but may not accept compensation for serving in a court where jury service is performed during the regularly scheduled administrative workweek. TDA employees must submit a copy of the court jury-duty summons to their supervisors as soon as possible so that alternate staffing plans can be made.

1 Leave for Voting

Handbook 27, Appendix 6A.465.3K

Employees may be granted leave to vote when circumstances do not allow voting outside of work hours. Arrangements must be made with supervisors in advance and will be approved only if employees provide written verification of voter registration in a distant city or state where absentee voting is not possible.

Leave for Military Service

Handbook 27, Chapter 6 and Appendix 6A.461

Employees may be granted leave to participate in temporary military service as specified in Federal regulations. Employees must provide their supervisors with a copy of the written military orders confirming military service.

1 Maternity/Paternity/Family Leave

Handbook 27, Appendix 6A.463

Under the Federal Employees Family Friendly Leave Act (PL 103-388) an employee may use up to a total of 104 hours (13 workdays) of sick leave each leave year to care for a family member during illness or to arrange or attend funeral services for a family member.

The Family and Medical Leave Act of 1993 (FMLA) provides up to 12 administrative workweeks of unpaid, job-protected leave during a 12-month period to covered employees for certain family and medical reasons, including:

- Care for the employee's child after birth, or placement for adoption or foster care;
- Care for the employee's spouse, son, daughter or parent who has a serious health condition, or
- For a serious health condition that makes the employee unable to perform his or her job.

At the employee's option, certain kinds of paid leave may be substituted for unpaid leave. Leave is chargeable to sick leave or any combination of sick leave, annual leave, or leave without pay.

Employees must provide a letter to their supervisors as soon as possible explaining anticipated leave requirements, and also may be required to provide medical certification (in the case of a serious health condition). Ordinarily, the employee must provide 30 days advance notice when the leave is "foreseeable."

An employee is entitled to continued employment in his or her original position, or a position of like seniority, status and pay if he or she wishes to return to work, unless termination is otherwise required by expiration of appointment, reduction in work force or for cause.

Employees should advise their supervisors as early as possible of their intent to request leave for maternity reasons, including approximate dates and anticipated duration to allow for any staffing adjustments that may be required. This information then should be submitted in writing to the Administrative Officer.

1 Leave without Pay

Handbook 27, Chapter 7 and Appendix 7A

Authorization of leave without pay is a matter of administrative discretion. Requests are handled on a case-by-case basis. Employees must reimburse the government for the employee share of health insurance benefits paid while on leave-without-pay status.

1 Disciplinary Policies

*Handbook 30, Chapter 2 (Separations),
Chapter 6 (Disciplinary), and Chapter 7 (Appeals)
FPM, Chapter 752*

TDA expects its employees to maintain high standards of conduct and work performance. Every effort will be made to counsel employees, to identify TDA standards of conduct and performance, and to give constructive feedback in order to avoid the development of situations where there is no alternative to disciplinary/adverse action. Appendix 6B of AID Handbook 30 includes a listing of disciplinary alternatives for the most common offenses.

Employees are expected to inform supervisors or management if they anticipate that their external (personal) circumstances may significantly affect their work performance.

In the event of unacceptable performance, the supervisor will notify the employee of how the performance is unacceptable, and the employee will be given an opportunity to bring the performance to a satisfactory level. In the event that performance does not improve sufficiently, further disciplinary proceedings, including separation, may be instituted. Employees who are serving their first year in an appointment and whose performance is rated unsatisfactory may be separated without the improvement opportunity period.

A disciplinary action is an action against an employee in the form of an admonishment, reprimand or suspension of 14 days or less. Causes for disciplinary action include, but are not limited to, failure to observe TDA/Federal policies or regulations or misconduct either on or off the job.

An adverse action is an action against an employee in the form of suspension in excess of 14 days, removal for cause, reduction in grade or pay, or furlough for 30 days or less.

Causes for adverse action include, but are not limited to, inefficiency, misconduct on and off the job, absenteeism, misuse of government property, insubordination or physical or mental inability to perform the duties of the position.

Each situation is evaluated on the basis of the specific circumstances to ensure that the action taken is reasonable in that case. At no time may a disciplinary action be based on race, sex, age, religion, color, national origin, physical or mental handicap or in retaliation for a previously filed complaint.

TDA employees may consult with the Administrative Officer regarding separation or disciplinary action. The Labor and Employee Relations Division at AID (M/HR/LRS) also provides, on request, general advice and assistance to supervisors, managers and employees on disciplinary matters.

1 Separation

Handbook 30, Chapter 2

TDA management makes every reasonable effort to avoid terminating employment. Except in cases of criminal offense (described below), TDA management attempts to work with employees to remedy disciplinary or performance deficiencies before other solutions are contemplated.

1 Criminal Causes for Involuntary Separation

Handbook 30, Attachment 6A

The following is a partial list of misconduct offenses for which maximum penalties have been set by law:

- Concealing, removing, mutilating or destroying records;
- Taking without authority any document or file intended to be used or presented to procure payment from or by the United States;
- Falsely making, counterfeiting, forging, in whole or in part, any form of transportation request;
- Using official envelopes to avoid payment of postage or registry fee on private letters, packages or other matter in the mail;
- Habitually using intoxicants to excess; or
- Participating in financial activities in conflict of interest with government responsibilities and employment.

1 Separation During Probationary Period

Handbook 25, Chapter 11E8 and Supplement 2C

The probationary period, one year from the date of the employee's initial appointment, is a part of the examining process to determine an employee's eligibility and suitability for retention in the competitive service. Supervisors are responsible for reviewing and reporting whether the employee's work performance or conduct demonstrates the probationer's qualifications for continued Federal employment. An employee on probation may be separated:

- for unsatisfactory performance or conduct after the appointment;
- for unsatisfactory performance before the appointment (e.g. intentional falsification of application forms); or at the direction of OPM.

Employees separated for unsatisfactory performance or conduct after the appointment will be notified in writing of the reasons for the proposed action and the effective date. The probationer does not have the right to reply. For separation due to conduct before an appointment, an appeals process is available and may be discussed with the TDA Administrative Officer.

1 Other Personnel Policies

1 Tardiness and Unplanned Leave

Regular and prompt attendance is required of all employees. If employees find it necessary to be absent, they must notify their supervisor directly as soon as possible. If the supervisor is not in, the call should be forwarded to the Administrative Officer. In the event that neither is in, a message noting the type of leave taken should be given to the TDA receptionist, to be forwarded to the supervisor. The office is open at 8:30 a.m. to receive such calls. Emergency absences, including tardiness, are excused only if the employee calls his/her supervisor between 8:30 am and 9:30 am to report the absence. Supervisors are responsible for informing the Time and Attendance Designate of employee leave taken on the day the call is received and for ensuring that leave forms are provided to the Time and Attendance Designate.

1 Flextime Schedules

TDA allows flextime schedules on a case-by-case basis. The official work hours of the Agency are 8:30 am to 5:15 pm; employees may report to work beginning no earlier than 8 am. Each employee must negotiate the work schedule to be followed with his/her supervisor and must discuss with the supervisor any

proposed change in the work schedule. All full-time employees must work eight hours a day. The Administrative Officer will maintain an updated list of the work schedules of all TDA employees and on-site contractors.

1 Resignations

When an employee separates from TDA, an original resignation letter must be forwarded to the Administrative Officer a minimum of two weeks before the departure date. Given the size of the Agency, employees are encouraged to give as much notice as possible. This initiates the "clearance for separation process," which must take place before the employee leaves the Agency to prevent delays in his receiving final salary and unused leave payments.

The Administrative Officer forwards the resignation letter to AID's Human Resources specialist, who will make an appointment with the separating employee to discuss options and procedures for the disposition of life, health, and retirement benefits and begin processing the employee's separation.

A clearance procedure sheet should be obtained from the TDA Administrative Officer or from the Human Resources office. This sheet outlines the required stops and clearance signatures needed for returning all official materials, including the American Express card, the long distance telephone card, official passport, security badge, and any official document in the employee's possession. The Kastle security entry card, telephone password, and any IRC materials, computer equipment, TDA training materials, or other TDA equipment in the employee's possession must be turned in at TDA's offices. The last stop on the completed sheet is the Human Resources office, which processes the final check-out.

1 Drug Free Workplace

Drug-free Workplace Act of 1988

Unlawful manufacture, distribution, dispensation, possession or use of a controlled substance on TDA premises or while conducting TDA business is prohibited. Violation of this policy will result in disciplinary action, up to and including termination, and may have legal consequences.

1 Sexual Harassment

No employee, male or female, shall be subjected to physical or verbal sexual harassment in the workplace, or among colleagues outside of the workplace. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature. Employees shall avoid even the appearance of sexual harassment. Disciplinary actions range from reprimand to termination. Alleged cases of sexual harassment may

be reported with confidentiality to the Assistant Director. Employees are urged to document all incidents and inform their supervisors.

1 Political Activities

The following Hatch Act Guidelines have been issued by the Office of Special Counsel. These Guidelines reflect the 1994 amendments to the law. The Office of Special Counsel has advised that the final regulations implementing the law have not been issued by the Office of Personnel Management. Under this guidance, federal employees may generally engage in partisan political activity as long as they do not do so while on official duty.

The following are examples of permissible activities. Federal employees:

- May be candidates for public office in nonpartisan elections.
- May register and vote as they choose.
- May assist in voter registration drives.
- May express opinions about candidates and issues.
- May contribute money to political organizations.
- May attend political fundraising functions.
- May attend and be active at political rallies and meetings.
- May join and be an active member of a political party or club.
- May sign nominating petitions.
- May campaign for or against referendum questions, constitutional amendments, municipal ordinances.
- May campaign for or against candidates in partisan elections.
- May make campaign speeches for candidates in partisan elections.
- May distribute campaign literature in partisan elections.
- May hold office in political clubs or parties including serving as a delegate to a convention.

The following are examples of prohibited activities. Federal employees:

- May not use their official authority or influence to interfere with an election.
- May not solicit, accept or receive political contributions unless both individuals are members of the same federal labor organization or employee organization and the one solicited is not a subordinate employee.
- May not knowingly solicit or discourage the political activity of any person who has business before the agency.
- May not engage in political activity while on duty.
- May not engage in political activity in any government office.
- May not engage in political activity while wearing an official uniform.
- May not engage in political activity while using a government vehicle.
- May not be candidates for public office in partisan elections.

- May not wear political buttons on duty.

Please note that further restrictions may apply to employees appointed by the President with the advice and consent of the Senate, employees appointed by the President, non-career SES members, Schedule C employees, and any other employees serving at the pleasure of the President. Other restrictions apply to career members of the Senior Executive Service.

1 ETHICS

1 Ethics Guidance

TDA is governed by U.S. Government regulations on ethics, procurement integrity, and conflicts of interest. TDA employees must avoid even the appearance of conflicts of interest when dealing with foreign governments, contractors, and the U.S. business community. It is important to note that violations of certain requirements may lead to criminal and other penalties.

The Designated Agency Ethics Officer ("DAEO") for TDA is the General Counsel. The DAEO and legal staff conduct annual training sessions on ethical responsibilities (standards of conduct, procurement integrity) and related matters and are available for consultation on particular ethical issues.

In addition, The Standards of Ethical Conduct for Employees of the Executive Branch is available for all TDA employees. This informative publication covers most Government Ethics provisions. A copy may be obtained from the TDA DAEO.

Stephen Potts, Director of the Office of Government Ethics, highlighted the importance of individual responsibility in achieving ethical standards as follows:

"Although these rules of conduct are vitally important, we must recognize that adherence to them is merely a minimum requirement of Federal Service. As the Council of Excellence in Government has noted in its publication, *Ethical Principles for Public Service*, the hallmark of true Federal service is willingness to go beyond what is legally required to act affirmatively to honor the public's trust. The true Federal servant combines personal integrity with service in the public interest and among other attributes, is eager to accept responsibility, has the courage of his or her convictions, and is willing to tell the boss what the boss does not want to hear. These are qualities that do not lend themselves to rule making, and they are, for the most part, beyond the purview of the Office of Government Ethics. But as we go about the business of educating Federal employees concerning the standards required of them, it is important not to lose sight of this distinction between not violating the public's trust and affirmatively acting to serve that trust. The success of our Government depends on the existence of a Federal workforce that meets both standards."

The following sections summarize important legal and regulatory standards relating to specific issues of ethics and procurement integrity. TDA staff should use them as general reference but should consult the DAEO and legal staff for advice on particular matters.

1 Financial Interests

Generally, TDA employees may not:

- Have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with their government duties or responsibilities;
- Engage in a financial transaction (directly or indirectly) as a result of information obtained through government employment, or
- Participate personally and substantially in an official capacity in any matter in which the employee--or his/her spouse, minor children, partners, or any organization in which he/she is serving as an officer or employee, or with whom he/she is negotiating for future employment--has a financial interest.

PLEASE CONSULT WITH THE DAEO IF YOU HAVE FINANCIAL INTERESTS THAT MAY GIVE RISE TO CONFLICTS DESCRIBED ABOVE.

1 Gifts and Entertainment

Rules on the acceptance of gifts are derived from the President's executive order on ethics and various statutes and regulations. These rules, which apply to employees, their spouses and dependent children, can be summarized generally as follows:

- *Gifts from foreign governments:* Gifts from foreign governments may be accepted under certain circumstances. The DAEO should be consulted for specific guidance.
- *Gifts from employees:* These may not be accepted. An exception is made for gifts of nominal value (under \$10), personal hospitality, food in the office, or gifts marking a marriage, birth, or similar occasion.
- *Gifts from business associates:* A TDA employee may not accept a personal gift, including a meal or entertainment, from a person who may be affected by the performance of the employee's duties or which are given because of the employee's official position. An exception may be made for 1) gifts which are given on the basis of a pre-existing personal relationship, such as a family member or close friend; 2) gifts with a value of \$20 or less, up to a total of \$50 from anyone source in a calendar year (stricter standards apply with respect to gifts from parties who are competing for a Federal procurement); and 3) invitations from the sponsor of a widely attended event.

Example of a Party Likely to be Acceptable: A holiday party hosted by a contractor at the firm's offices or a hotel or other facility in the Washington metropolitan area, widely attended by governmental and private-sector guests, at which there is an informal buffet and drinks are served.

Example of a Party Unlikely to be Acceptable: A party hosted out of town, or a party hosted in town, if that event includes a formal sit-down dinner and/or theater tickets or similar entertainment.

Whenever an employee is uncertain as to whether a gift may pose a conflict with ethics rules, he/she should consult with the TDA DAEO.

1 Lodging and Transportation

TDA's general policy is to cover its own travel, subsistence, and related expenses. The Agency does have authority, under 31 U.S.C. 1353 and section 635(d) of the Foreign Assistance Act of 1961, to accept such expenses from non-Federal sources (e.g., firms). TDA has exercised such authority only on very rare occasions.

Staff may not solicit lodging, food, or transportation reimbursement, but if these are offered, staff should document the offer and make a recommendation in an Action Memorandum addressed to the Director. Consultation with the TDA DAEO in drafting the Action Memorandum is encouraged, as all such arrangements must be cleared in advance with the TDA DAEO.

In accordance with 41 C.F.R. Part 304, TDA must file a semi-annual report with the Office of Government Ethics. This report describes all payments from non-Federal sources which total more than \$250 per event and which have been accepted with respect to attendance at a meeting or similar function by a TDA official and/or accompanying spouse.

1 Honoraria

TDA employees should seek guidance from the TDA DAEO with respect to accepting honoraria for speeches, appearances, or writings on matters related to the Agency's responsibilities, policies, or programs. As a general matter, such honoraria are not permitted. There is an exception for teaching certain courses.

1 Outside Activities

5 C.F.R. 2635 contains restrictions on certain outside activities:

"(1) The prohibition on outside employment or any other outside activity that conflicts with the employee's official duties;

(2) [The] agency-specific requirement for prior approval of outside employment or activities;

(3) The limitations on receipt of outside earned income by certain Presidential appointees and other noncareer employees;

- (4) The limitations on paid and unpaid service as an expert witness;
- (5) The limitations on participation in professional organizations;
- (6) The limitations on paid and unpaid teaching, speaking, and writing; and
- (7) The limitations on fundraising activities."

Certain other restrictions may apply, including those related to political activities (the Hatch Act); representational activities; fundraising activities; serving as an expert witness; serving as an officer or board member of certain entities; and the acceptance of honoraria (generally prohibited) for appearances, speeches, and articles although there is an exception for teaching certain courses. A key principle of Government Ethics is the prohibition on using an official position for private gain. In addition, employees should always be mindful of avoiding the appearance of an ethical violation.

Employees should seek guidance from the TDA DAEO prior to undertaking such outside employment or activities.

1 Post-Employment Conflicts of Interest

Employees should consult, in advance of their separation from the government, with TDA's DAEO for clarification of post-employment restrictions.

1 Procurement Integrity

TDA offers regular procurement integrity training to employees, especially those newly hired by the Agency. The Contracts Officer is responsible for arranging the training opportunities. Newly hired employees should work with the Contracts Officer to arrange early, convenient training dates.

Federal procurement integrity laws prohibit certain activities by contractors and government officials during the conduct of a Federal procurement. In general, during the conduct of any Federal procurement, TDA employees may not:

- Solicit or discuss ANY post-government employment with a competing contractor;
- Offer or accept gratuities, gifts or anything of value from a competing contractor, its employees or agents, or
- Disclose proprietary source-selection information to a competing contractor, its employees or agents unless authorized by the contracting officer or the Director of TDA.

TDA's General Counsel should be consulted immediately, in advance, if employees need clarification of procurement integrity regulations.

Procurement officials have special responsibilities. The law and implementing Federal Acquisition Regulation (FAR) provisions define a "procurement official" as a government employee, contractor or subcontractor, expert or adviser who personally or substantially participates on behalf of TDA in the following activities for a given procurement:

- Drafting a specification or statement of work
- Reviewing and approving a specification or statement of work
- Preparing or developing a purchase request
- Preparing or issuing a solicitation
- Evaluating bids or proposals
- Selecting sources (prospective awardees)
- Negotiating prices, terms or conditions of a contract or amendment
- Reviewing or approving the award of a contract or amendment

Any individual, regardless of grade or job series, who performs or may perform on behalf of TDA any of the functions outlined above, whether on a repetitive or non-repetitive basis, is considered a procurement official.

Any individual who performs or is likely to perform any function (except clerical duties) that is an integral part of the process leading to the award or modification of a contract is required to sign a certification that he/she is familiar with procurement integrity provisions. Each Procurement Official must certify that he/she will not engage in any conduct prohibited by this subsection and will report immediately to the Contracts Officer any information concerning a violation or possible violation. (See the Administrative Officer for a completed sample of this form.) In addition, all procurement officials must receive annual training on the laws and regulations relating to procurement integrity.

Under the procurement integrity statute and implementing regulations, nine categories of information are considered source selection information and are protected from disclosure unless authorized by the Contracting Officer:

- Listings of offerors and prices
- Listings of bidders prior to bid openings (for sealed bids only)
- Source selection plans (i.e., procurement plans)
- Technical evaluation plans
- Technical evaluations of competing proposals
- Competitive range determinations
- Rankings (not applicable to sealed bidding)
- Source selection board (i.e., technical panels) reports and evaluations
- Source selection advisory board (i.e., technical panels) recommendations

The contracting officer has authority to designate other information as "source selection"--and therefore, protected--information.

1 Definitions

The following definitions will assist TDA employees in understanding the precise wording of procurement-integrity policies.

- *During the Conduct of a Procurement:* The period beginning with the development, preparation and issuance of a procurement solicitation and concluding with the award, modification, or extension of a contract and includes the evaluation of bids or proposals, selection of sources and conduct of negotiations.
- *Competing Contractor:* Any entity that is, or is reasonably likely to become, a competitor for or recipient of a contract or subcontract under such procurement, and includes any other person acting on behalf of such an entity. This includes any procurement using procedures other than competitive procedures.
- *Participated Personally and Substantially:* The active and significant involvement of the individual in activities directly related to the procurement. To participate *personally* means directly, and includes the participation of a subordinate when actually directed by the supervisor in the matter. To participate *substantially* means that the employee's involvement must be of significance to the matter. It requires more than official responsibility, knowledge, perfunctory involvement or involvement on an administrative or peripheral issue. A finding of substantiality should be based not only on the effort devoted to a matter, but on the importance of the effort. While a series of peripheral involvement may be insubstantial, the single act of approving or participating in a single step may be substantial.

1 Prohibited Activities and Penalties

1 Prohibited Conduct by Competing Contractors

During the conduct of any TDA procurement of property or services, no competing contractors or any officer, employee, representative, agent or consultant of any competing contractor shall knowingly:

- Make, directly or indirectly, any offer or promise of future employment or business opportunity to, or engage directly or indirectly, in any discussion of future employment or business opportunity with, any procurement official of TDA;
- Offer, give, or promise to offer or give, directly or indirectly, any money, gratuity or other thing of value to any procurement official of TDA, or

- Solicit or obtain, directly or indirectly, from any officer or employee of such agency, prior to the award of the contract, any proprietary or source selection information regarding such procurement.

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Penalties for violating any of these provisions are as follows:

- Awarded contract subjected to being voided, rescinded or terminated for default;
- Contractor subject to suspension and possible debarment;
- Contractor subject to fines of as much as \$1,000,000 and/or imprisonment for as many as five years, and
- Individuals subject to fines of as much as \$100,000 and/or imprisonment for as many as five years.

1 Prohibited Conduct by Procurement Officials

During the conduct of any TDA procurement of property or services, no procurement official shall knowingly:

- Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with any officer, employee, representative, agent or consultant of such competing contractor;
- Ask for, demand, exact, solicit, seek, accept, receive or agree to receive, directly or indirectly, any money, gratuity or other thing of value from any officer, employee, representative, agent or consultant of any competing contractor for such procurement, or
- Disclose any proprietary or source-selection information regarding such procurement, directly or indirectly, to any person other than the person authorized by the Director of TDA or the Contracting Officer to receive such information.

Penalties for violating any of these provisions are as follows:

- Employees subject to fines of \$100,000 and/or imprisonment for as many as five years; and
- Employees are subject to removal or other appropriate adverse action.

1 Disclosure to Unauthorized Persons

During the conduct of a TDA procurement of property or services, no person who is given authorized or unauthorized access to proprietary or source-selection information regarding such procurement shall knowingly disclose such information, directly or indirectly, to any person other than a

person authorized by the Director of TDA or the Contracting Officer to receive such information.

The penalties for violating any of these provisions are as follows:

- Awarded contracts subject to being voided, rescinded, or terminated for default;
- Contractor subject to suspension and possible debarment;
- Contractor subject to fines of as much as \$1,000,000 and/or imprisonment for as many as five years;
- Individuals and TDA employees subject to fines of as much as \$100,000 and/or imprisonment for as many as five years, and
- Agency employee subject to removal or other appropriate adverse action pursuant to the procedures specified in Chapter 75 of Title 5 United States Code, or other applicable law or regulation.

1 Restrictions on Post-Employment of Government Officials and Employees

No TDA official or employee, who has participated personally and substantially in the conduct of any Federal agency procurement, or who has personally reviewed and approved the award, modification or extension of any contract for such procurement shall:

- Participate in any manner as an officer, employee, agent or representative of a competing contractor, in any negotiations leading to the award, modification, or extension of a contract for such procurement, or
- Participate personally and substantially on behalf of the competing contractor in the performance of such contract

during the period ending two years after the last date such individual participated personally and substantially in the conduct of such procurement, or personally reviewed and approved the award, modification or extension of any contract for such procurement.

The penalties for violating any of these provisions are as follows:

- Individual fines of as much as \$100,000;
- Competing contractor (other than individual) subject to fines of as much as \$1,000,000.

1 OFFICE OPERATIONS, POLICIES AND PROCEDURES

1 Office Security

The security of the TDA offices and equipment is the responsibility of all TDA staff and contractors. To this end, TDA staff should:

- Memorize combinations to doors and safes; don't write them down.
- Memorize the code words to be used to alert the receptionist that a life threatening emergency exists and the police are to be notified, a serious situation exists and the police are to be notified, or that help is needed from TDA colleagues (refreshers are available from the Assistant Director);
- Maintain strict control of classified documents.
- Greet unfamiliar persons in the hallway and offer to help them; don't let anyone who is not a staff person or on-site contractor move around the office unescorted. All Charles E. Smith personnel wear uniforms and photo identification. Challenge anyone who says he is a building worker but does not have proper identification.
- Direct all guests and delivery people, even those who are regular visitors, to check in with the Reception desk and to await an escort. Do not open the back doors and permit them to enter unescorted!
- Refer all persons wishing to know the combination to the doors to the Administrative Officer or the Assistant Director. Never give out the combination yourself to anyone!
- Refer all persons wishing to have a Kastle card for entry to the building after hours to the Administrative Officer or the Assistant Director. Don't share yours!
- Use passwords on your computer and voice mail. Do not share your password with others. Change the passwords as required.
- Become familiar with the location of and operating instructions for the fire extinguishers located throughout the office.
- Take responsibility for all TDA-owned equipment and furniture in your workspace or office. Immediately report any missing items. Do not move furniture or equipment permanently from one office to another without first checking with the Finance Office, which is responsible for maintaining the inventory of TDA property.

In the event of an emergency, first call 911 to alert the local police and emergency medical personnel if necessary. Then call the IG Security office at 5-4050 and ask for Dale Carter.

1 TDA Equipment and Supplies

TDA equipment and supplies are for official use only. They are not to be taken from the office for any reason without the explicit approval of the Assistant Director. Anyone violating this policy may be required to replace any damaged equipment at his or her own expense.

1 TDA Computer Network

TDA computer resources are to be used only for TDA work projects. Because the network is not secure, only unclassified material may be entered in the system.

The TDA computer network is Apple Macintosh-based and runs over Ethernet cabling. User workstations can operate in a stand-alone manner, and can access various network resources via the network cabling. These resources include various laser printers, network modems for communicating with external resources, and file servers running under AppleShare for accessing common files and databases and for sending and receiving electronic mail.

The network resources are fully integrated to provide the following capabilities in support of TDA business activities:

- Access to shared laser printers
- Access to outside computer resources
- Access to centrally stored documents, spreadsheets and databases
- Multi-user access to centrally stored databases
- File transfer between workstations
- Word processing
- Spreadsheet processing
- Fax connection between user workstations and remote fax machines

Employees should keep food and drink away from computer equipment. Computer disks should be protected from dust and not placed near sources of heat or magnetic fields, such as computer monitors, electric clocks and radios, and magnetized wallet or purse snaps.

The contracted computer staff are the only persons authorized to move TDA's computer equipment. To guard against breakage and liability, it is important that TDA staff contact the contractors to move the equipment.

Use of personally owned computer software on TDA computers is specifically prohibited due to licensing restrictions imposed by major software manufacturers and the potential of introducing computer viruses. No software and no games may be put on any TDA-owned computers by TDA employees. All software packages required for TDA purposes are currently installed. Suggestions regarding additional software should be discussed with the Assistant Director.

To ensure unauthorized access to the system, it is essential that employees use passwords, log off at the end of the day or when leaving the office for an extended period, and elect a screensaver option that is activated if the machine is unattended for no more than forty-five minutes.

1 Hard Drive Folders

Each stand-alone computer has five folders:

- The Systems Folder contains the files necessary to operate the computer, including the Macintosh operating system and software for data backup, workstation security and anti-virus protection. It should not be opened or changed by the user, except as directed by the Network Administrator.
- The Applications Folder contains software (i.e., Microsoft Word) available for use on each user workstation. The various applications allow the user to create documents and spreadsheets and to access databases.
- The Utilities Folder contains software for troubleshooting, disk maintenance and data conversion. It is for use only as directed by the Network Administrator.
- The Communications Folder contains software packages necessary to communicate with remote systems.
- The Work Data Folder is where users store individual work. This folder contains the folders and files each user creates while supporting business activities of TDA. It can be organized by the user and may include as many sub folders as necessary, such as one for each project on which an individual is working. Most official documents generated on individual workstations should be stored in the Work Data Folder.

Files may also be maintained or stored in the User section of the Server.

1 Backing Up Files

Both the Work Data Folder and the User section of the Server are backed up by the automated overnight backup procedure at close of business. Documents stored anywhere other than in the Work Data Folder or on the Desktop are not backed up at the end of each day. At the close of business, the computer should be left in the "Waiting for Backup" mode, which occurs after selecting "Shutdown" from the "Special" menu. A box will appear that says "Deferring Shutdown until Backup." At this stage, the monitor should be turned off to complete user shut-down.

1 Printers

TDA has shared printers available throughout the office:

- *Conference Room Laserwriter* is to be used only for plain paper printing.
- *Finance Laser Jet* is generally used by the finance staff.
- *Specialty Laserwriter* is used for plain paper.

- *Specialty Laserjet* is to be used for plain paper, letterhead, and cables.
- *Library Laser Writer* is generally to be used only by library staff.
- *Management Duplex Printer* is to be used only for plain paper printing.

Bond paper/letterhead should not be used in printers for draft copies, nor should it be left in paper trays for unsuspecting subsequent users.

In the event of a problem with a printer, a Professional Office Assistant should be notified. If the problem persists, employees should not try to fix it. All computer problems should be taken to the on-site contractor computer specialists.

1 Copy Machines

TDA has several copy machines. As with the printers, if a copier is malfunctioning, a Professional Office Assistant should be notified. If the problem persists, it should be reported to the Lead Professional Office Assistant or to the Administrative Clerk.

Staples should not be removed near copy machines. Employees should not leave the paper tray empty or machine jammed or malfunctioning without alerting the Administrative Professional Office Assistant or the Administrative Clerk.

1 Fax Machines

TDA has several manual fax machines and the capability of faxing documents directly from computer terminals.

If a fax machine appears broken, jammed or needs paper, the Lead Professional Office Assistant should be notified.

Employees who find a completed fax on the machine when they arrive to use it should place a check mark on the cover sheet or use the "completed" stamp to indicate that the fax was successfully sent. The document should then be placed in the appropriate regional area box (financial area fax) or mailbox (copy room fax.) Faxes that do not go through should be so labeled with a postnote and should be left on the table or stand to be re-sent. Persons who leave a fax in progress should return at a later time to ensure that the fax transmission has been successfully completed. Employees are asked to help identify the sender by faxing the cover sheets right side up (so the transmission report can be matched to the faxed document) and by indicating the number of pages in the document on the cover sheet. Once each day, a Professional Office Assistant will collect faxes and status reports from outgoing fax machines and distribute them to the senders' mailboxes.

Outgoing faxes should be sent from the fax machine in either the copy room or near the financial area. TDA also has the capacity to fax documents directly from

the computers where the text has been input. As a convenience, frequently requested documents have been assembled in a folder named "Fax Forms" in the common-To-All folder on the server for use by all the staff.

TDA's incoming fax machine is located in the IRC. The IRC staff is responsible for logging incoming faxes hourly. These are distributed to the appropriate Professional Office Assistant (POA) for duplication and distribution. In the event that the POA is absent, the IRC staff will duplicate and distribute to the appropriate TDA staff member.

1 Office Supplies

Office supplies are stored in the supply room. Copy and bond paper, envelopes and folders can be found on shelves. Pens, pencils, ruled paper, staples and other supplies are inside the cabinets. Supplies for overnight mail are located in both the supply room and the copy room. TDA office supplies may not be used for personal business.

1 Procurement of Office Supplies

All supplies are ordered by the Professional Office Assistant (Administrative). Office supplies are procured from the General Services Administration (GSA), a major office supply company, or AID. Office supply inventory is taken on a bi-monthly basis so that supply levels are sufficient for TDA use. Once a purchase order is completed by the Professional Office Assistant (Administrative) and cleared by the Administrative Officer, it is either faxed or mailed to the appropriate location. Employees who notice that supplies are running low, or that an item is not available, can complete the order form located on the outside of the supply cabinets in the TDA supply room.

Special order purchase requests can be put in the form of an action memo to the Administrative Officer or placed on the order form in the Supply Room. Catalogs for both GSA and TDA's alternate supply vendor are available in the Supply Room for reference.

1 Stationery Guidelines

TDA stationery (with blue printing) is to be used only for official correspondence sent outside the Agency. The 8 1/2 X 11 paper is for typed memoranda and letters; notepads printed with the TDA logo and address are for handwritten notes.

Logo formats have been developed and placed on the computer system; they are to be used for internal correspondence.

1 Recycling Policies

TDA encourages recycling for the conservation of natural resources. Receptacles for paper products and cans are available at TDA and should be used whenever possible. Most paper items may be recycled if it can be torn.

Items not to be recycled include:

- Classified materials
- Paper towels, plates or other paper soiled by food or substances other than ink

1 Mail and Courier Services

1 Mail Service

TDA mail is picked up three times daily by AID mailroom staff at the OUT box near the reception desk. The pick up times are between 9:45-10:00 am, 2:30 pm, and 3:30 pm. Envelopes must be marked with TDA's initials and code 1602.

TDA staff should note that TDA's mailing address is different from the one used by couriers. Professional Office Assistants will provide new staff with the correct information.

Incoming mail and packages are delivered to the front desk. All deliveries must be opened and logged by either the Receptionist or the Administrative Clerk before distribution. For security reasons, the Receptionist should be notified of all expected deliveries; the expected date of arrival and the sender should be provided.

1 Courier Services

TDA uses courier services for both domestic and international deliveries. These services are used only when a package must arrive at its destination overnight (long distance) or in a few hours (local) and cannot be faxed or cabled. These contractor services are provided on a bid basis, and the contractors are subject to change.

To activate the service, a Professional Office Assistant should call the appropriate courier and provide the account number, destination address and telephone number, and TDA address and telephone number. Deliveries cannot be made to post office box numbers.

Telephone and account numbers for TDA's current domestic and international carriers may be obtained from a Professional Office Assistant.

With advance planning, the costs of courier service can be held down, as most companies offer economy rates when the required delivery date is not immediate. TDA staff are encouraged to make every effort to plan ahead so that these lower rates can be used wherever possible.

If a client is paying for the overnight delivery service, the client's courier account number must be inserted at the appropriate place on the label, and the "bill recipient" box should be checked. A TDA staff member should verify the account number with the courier company, because TDA is liable for any delivery charges where the recipient refuses to pay.

1 International Deliveries

TDA staff should note that international couriers need 3-4 business days to deliver a package to a major city overseas; smaller cities take 4-6 business days. It is important that adequate time be allowed for delivery on this schedule. Courier services deliver only on business days in the country of destination. A major holiday will add another 24 hours to the delivery time. The State Department telephone directory lists international holidays.

1 U.S. Deliveries Outside the Metropolitan Area

For urgent delivery outside the metropolitan area but within the United States, TDA's contracted domestic carrier should be used. The package should be left at the front desk no later than 3:30 p.m. for the daily pick-up. Later pick-ups can be arranged. A system for preparing the address label and tracking the package's whereabouts can be accessed through the computer outside the Congressional Liaison's office. The "Government Overnight" box should be marked in the delivery category unless the recipient desires receipt by the next morning.

1 Local Service

For Washington metropolitan area delivery, TDA's contractor offers variable rates depending upon the required delivery service; TDA employees are encouraged to use the economy rates whenever possible. The Regular service is for pick-up and delivery within two hours; it is automatically assumed that this is the service desired unless TDA indicates otherwise. If a package must be delivered within one hour, the caller must ask for the Super Rush rate. There is a 50% surcharge to the regular rate for this service. The Economy rate is applied to any package for which pick-up and delivery is made within 3 hours and for which the order is placed by 2 p.m. Economy service saves the Agency 15% below regular rates. Super Economy rates are applied to packages that must be

delivered within 5 hours where the order is placed by 12 noon; this is 25% lower than the regular rate. There is a 35% discount for Next Day Delivery.

When delivery is ordered, the courier will bring a ticket to be signed by the TDA employee who is sending the package. TDA's Administrative Professional Office Assistant should be given the yellow copy; the courier keeps the white copy.

1 Public Affairs

1 Contact with the Media

All press inquiries to the Agency should be directed immediately to the Special Assistant for Public Affairs. This includes requests for publications, information about TDA events, grants, or projects. All requests for media interviews with TDA personnel also must be cleared through the Special Assistant for Public Affairs.

1 TDA Publications

TDA produces a variety of public affairs materials, including the *TDA Update* newsletter as well as *TDA Briefs* (summary of TDA activities in regions or by sectors), *TDA Case Studies*, and the *TDA Annual Report*. Copies are available in the Public Affairs office. Requests for large quantities should be made well in advance of an event or mailing. Requests for new publications should be made to the Special Assistant for Public Affairs.

1 Design Issues

To give the Agency a clear public image, it is important that publications adhere to a standard family of typefaces, colors, graphics, and use of the TDA logo. To this end, a book of standards is available. Staff or contractors designing publications for the Agency should contact the Special Assistant for Public Affairs prior to the design of any publication. In addition, contractors whose deliverable includes a publication should be encouraged to work with TDA's publications designer. The telephone number of the design firm is available from Public Affairs.

1 TDA Mailing Lists

TDA maintains an overall mailing database to help staff access information and print lists, labels, and merge documents quickly and easily to generate professional communications with outside organizations who are important to the Agency. The TDA mailing list is located in the common-to-all folder on Server I in a FileMaker file.

Instructions on how to use the list can be obtained through the Public Affairs Professional Office Assistant.

1 Mailing Procedures

Large mailings for conferences and other purposes represent an important element of the Agency's public image. Careful staff planning is required to ensure that adequate supplies and services are available so that the mailing will not disrupt the normal work of the office. For mailings of 25 or more, it is important that staff make advance arrangements with the appropriate person listed below:

Mailing list planning	Public Affairs POA
TDA stationery and envelopes	Lead Secretary
Labels, jiffy bags, other supplies	Admin POA
Courier services	Admin Officer
Extra staffing needs	Admin Officer
Federal Express supplies or service	Admin Officer

If letterhead stock is provided to a contractor for a mailing, TDA staff is responsible for approving and proofreading the text before it is printed onto the letterhead. In addition, TDA staff must monitor the use of the letterhead stock and ensure that any unused paper is returned to TDA after the mailing is completed.

1 Telephone Policy and Procedures

Handbook 21, Volume I, Chapter 8
Handbook 19: Attachment 7

1 TDA Telephone Communications Policy

Much of the export promotion mandate of TDA is accomplished through worldwide telephone communications. TDA employees should be sensitive to the importance of prompt and courteous response to all telephone calls. The goal is to respond to all telephone messages within 24 hours of receipt.

Official notification of contract bidding results should not be communicated by telephone.

1 Procedures for Use of TDA Telephones

1 Local Calls

TDA is charged for each improperly dialed local call. To make local telephone calls: dial 9-1-(301) for calls to Maryland; 9-1-(202) for calls to D.C., and 9 for calls to Virginia. Where possible, telephone books should

be used to obtain telephone numbers, as the government is charged 26 cents for calls to Directory Assistance. For calls to the State Department and A.I.D. (including fax numbers,) only the last five digits should be dialed. Calls placed in this manner are made at no cost to the user; calls using the full ten digits cost 10 cents each.

Employees who experience difficulties in obtaining an outside line to make a local call should document the date and time when the problem occurred, what number they were calling, and the type of signal, if any, that the telephone made. This information should be given to the Administrative Officer, who will forward it to AT&T. AT&T will attempt to pinpoint the source of the problem.

1 Official Long-Distance Calls

Official long-distance calls are made by dialing 9-1+(area code)+7-digit number. International calls (including faxes) are made by dialing 9-011+country code+city code+number. However, calls made to Canada and the Caribbean are made by dialing 9-1+(area code)+number.

1 Speaker Phones

TDA has two speaker phone boxes to be used to conduct conference calls: one in the office of the Director and one maintained by the TDA Receptionist. The latter speaker phone box may be signed out by TDA staff members. After use, the borrower must unplug and return the speaker box to the Receptionist. All speaker boxes must be unplugged when not in actual use; otherwise a breach in security occurs.

1 Public Information Calls

TDA has established a system for answering telephone calls from the public on general issues (those not specifically related to regional programs.) TDA staff who receive calls of this nature may forward them to the Information Specialist or the Information Resource Center. These personnel participate in an "Automated Call Distribution" arrangement in which the call is directed to the first available operator. The goal of this system is that the caller reaches a person on the first try. TDA staff wishing to transfer a caller to the ACD should hit the TRANSFER button on the telephone, then dial 4-8100, and then hit the TRANSFER button again. If staff receives a voice mail message asking for general information, this may be forwarded to the ACD system by dialing 4-8101 and hitting the TRANSFER button both before and after dialing the number.

1 Personal Use of TDA Telephones

TDA employees should not use government phones for personal calls, except for emergencies, short routine calls to a child or spouse within the local commuting area, or calls that can only be made during working hours (e.g., to a physician.) These calls cannot interfere with the employee's duties, they must be of reasonable duration and frequency, and they cannot reasonably have been made at another time.

1 Personal Long-Distance Calls

A long-distance call that must be made during working hours due to emergency or special circumstances should be made following the procedures cited above, with employees using their personal credit cards or calling-card accounts.

If a long-distance call must be made on a TDA phone, an employee should

- Charge the call to a home phone or other non-government number;
- Charge the call to a personal credit card;
- Charge the call collect, or
- Make the call to an 800 number (if available).

TDA is provided a record of all the long-distance calls made from each telephone. The only exception is calls that are charged elsewhere, such as to home phones or calling cards. Employees will be asked to reimburse the government for personal calls made on TDA telephones.

Collection of payment from TDA employees for personal long-distance calls is the responsibility of the Administrative Officer. TDA regularly receives a copy of the detailed reports for verification by employees making calls. After employees have reviewed the bill they should initial next to their names, indicating the total due. If an employee has no personal long distance calls listed, he/she should initial the list with "0" in the column for total due. The list is dated, and all employees are responsible for reviewing the bill within 10 working days.

A separate listing of all phone numbers called plus a copy of the bill with personal calls highlighted should be given to the Administrative Officer with a check or money order made payable to the Agency for International Development. This package must be received by the Administrative Officer within 14 days after the date of the memorandum requesting review of the phone bill.

1 Personal Collect Calls

Except for a valid emergency, collect calls are not to be accepted. However, as a matter of courtesy, the TDA receptionist should attempt to get the name of the caller and the telephone number so that the call can be returned. This can be accomplished by advising the operator that acceptance of collect calls is prohibited and requesting that the operator provide the name and number of the caller.

1 Voice Mail

TDA uses a voice mail system. Employees are encouraged to make maximum use of the system by recording special messages when they will be away from the office for a day or more and learning to transfer messages to other staff. Training in these and other areas is available through the Administrative Officer.

Recorded messages can sometimes become garbled due to malfunctioning trunk lines. These messages should be transferred to the Administrative Officer, who will alert AT&T.

The voice mail system has a ten minute message capacity. Messages will be held for ten days; on the eleventh day, the message will be deleted. For these reasons, staff who are on extended travel should call TDA to check their voice mail messages and activate a message advising callers to direct inquiries to a designated staff member.

TDA clients will receive better service if staff remember to hit their "send all calls" buttons before leaving their desks or beginning a meeting or other work in which they do not wish to be disturbed. When this button is pushed, all calls are transferred straight to voice mail. Benefits are that the caller hears fewer rings and is able to leave his message more quickly, and the receptionist is immediately alerted that the staff member does not wish to take calls. Staff using telephone sets that do not have a "send all calls" button should ask the Administrative Officer for the correct code to activate this feature.

1 Smoking Policy

Because the Agency has a responsibility to provide a safe and healthful workplace, and because TDA shares the Surgeon General's stated objective of a smoke-free environment by the end of this century, TDA policies prohibit smoking in all space controlled by TDA.

1 Property

TDA employees are expected to use TDA property only for authorized purposes, and to exercise care when doing so. TDA property shall not be removed from the office without

prior approval of the Assistant Director. Any TDA property issued to an employee must be returned at the agreed-upon time, or when the employee separates from TDA.

1 Congressional Relations Procedures

1 Congressional Correspondence

Responses to congressional correspondence are usually drafted by the Congressional Liaison Officer in coordination with the appropriate Regional Director (if project related) and must be cleared by the Director or Deputy Director. Congressional correspondence is normally signed by the Director, although the Director or the Deputy may approve exceptions. A record of the congressional contact will be maintained in the congressional data base. Signed copies of the correspondence will be kept in chron files maintained by Congressional Liaison.

1 Other Contacts with Congressional Offices

Congressional Liaison should handle calls from Congressional offices, where practical. If other TDA staff take calls from Congressional staff, the Congressional Liaison should be notified of the contact before follow-up action is taken. In addition, the Congressional Liaison should be informed of other contact with Congressional staff in order to permit the tracking data base to be maintained as accurately as possible and to determine what follow-up may be necessary.

1 Lobbying Restrictions

U.S. Government officials are permitted to seek to influence Congress directly on matters of concern to the Executive Branch and to provide relevant information, including Executive Branch views on proposed legislation. U.S. Government officials must, however, avoid any suggestion of encouraging or assisting the public or foreign officials to lobby Congress. For example, TDA employees may not suggest that if an outside organization agrees with the merits of the government's position, the members of the group should contact Congress. TDA employees may not arrange appointments with Congress where the purpose is to expose Congress to outside lobbying efforts, although TDA may respond to Congressional requests to arrange the appointment.

1 Miscellaneous Office Procedures

1 Office Management Responsibilities

The Assistant Director for Management Operations and Finance is responsible for general oversight of TDA office operations. Specific responsibilities are outlined below:

Building Maintenance (heat, air conditioning, trash removal, lights)	Administrative Officer
Closing Office (front doors, daily at end of each workday)	Information Resources Center (IRC) Staff
Computers/Printers	IRC Staff/Gestalt
Contracting	Contracts Office
Copier/Fax/Typewriter Maintenance and Repair	Professional Office Assistant (Administrative)
Employee Benefits	Administrative Officer
Forms	Administrative Officer
Furniture, File Cabinets	Professional Office Assistant
Home Addresses of TDA Employees	Professional Office Assistant (Administrative)
Invoices	Finance Office
Library	IRC Staff
Mail and Cable Distribution	Administrative Clerk; IRC Staff (back-up)
Office Supplies	Professional Office Assistant (Administrative)
Opening Office	Receptionist
Paper Goods (copy/fax machines, bond, envelopes)	Professional Office Assistant (Administrative)
Letterhead/TDA Envelopes	Professional Office Assistant (Administrative)
Payroll Issues	Time and Attendance Designate

Personnel (problems, concerns, etc.)	Administrative Officer
Telephone Repair	Administrative Officer
Time and Attendance	Time and Attendance Designate
Training	Administrative Officer
Security	Lead Professional Office Assistant

1 Reimbursement for Miscellaneous Out-of-Pocket Expenditures

Miscellaneous out-of-pocket expenditures may be reimbursed in one of two ways: in the form of a check, or using AID's imprest cashier. Items eligible for reimbursement are varied. Generally, the item eligible could not have been included in a purchase order because of timing and practicality. Employees should obtain approval in advance from the Assistant Director for Management Operations for any such expenditures. Some examples include:

- Cash out-of-pocket expenses for office purchases of items needed in an emergency situation where the time factor is critical; (must be reimbursed by check)
- Purchase of gasoline or payment of tolls while traveling for business purposes; (may be reimbursed by AID's cashier if under \$50)
- Parking or Metro fees, or unanticipated meals with official delegations where the purchase of the meal is critical in order to fulfill the official function of the TDA employee; (may be reimbursed by AID's cashier if under \$50)
- On occasion, textbooks, teaching aids and other incidental items related to approved training classes may be reimbursed but, typically, such items should be included along with the training fees in the costing of the purchase order. (must be reimbursed by check)

All receipts should be submitted with the claim form SF-1164, "Claim for Reimbursement for Expenditures on Official Business," which is routed to the Financial Manager for accounting data prior to being sent to the authorizing official for signature. (See the Professional Office Assistant for a completed sample of this form.) Where the reimbursable amount is \$50 or less, a member of the TDA administrative staff may present a voucher to the AID cashier between 9 a.m. and 12 noon for an immediate cash reimbursement

If reimbursement is for an amount greater than \$50, the SF-1164 must include the address to which the check is to be sent (usually the home address). Reimbursements for petty cash are generally not in excess of \$100.

The claimant must remember to sign and date the form SF-1164 in Block 10. The Assistant Director must sign Block 8 in order for the reimbursement to be approved.

1 Printing and Copying

Multiples of 150 pages or fewer (single- or double-sided) are normally done in-house. However, employees should try whenever possible to send large jobs to AID printing at B-930, NS. The print request must be filled out on form AID 5-10 and sent to the print shop. The Professional Office Assistant must note the number of pages in the document, paper size and quantity needed. A 3-4 working-day turnaround time is normally required on these documents.

In the event of an emergency, larger jobs can also be done in-house. TDA also has access to private vendors. Employees should consult with the Administrative Officer for special copying needs.

1 Conference Room Scheduling

TDA has three conference rooms to be used for meetings with and presentations to staff, government officials, U.S. businesses, partner agencies and host-government representatives. The conference room schedule for the two third floor conference rooms is maintained at the reception desk; the schedule for the tenth floor conference room is maintained by the librarian. To determine availability or to reserve the conference rooms, employees should inform the receptionist or librarian of:

- Day and time of meeting;
- Expected length of meeting;
- Contact person responsible for meeting; and
- Any special arrangements, i.e., late-arriving guests, whether or not conferees want to accept telephone calls during the meeting.

Any additional equipment (e.g., audiovisual) should be requested from the IRC Project Manager. After meetings, conference rooms should be returned to a pristine state (that is, clean up!).

Without exception, the group that reserves the conference room in advance has priority over any staff member who needs the room for an upcoming session but did not reserve it. Should scheduling conflicts arise in advance of a meeting time, and the staff members involved cannot resolve them, the problem should be referred to the Assistant Director. A group whose meeting is already under way will not be asked to leave the conference room unless the room was reserved by another group prior to the beginning of the occupant's meeting.

1 Parking

TDA has one visitor parking space located on the lobby level of 1621 North Kent Street. A sign designating the space for the use of TDA official visitors is posted. As a rule, TDA staff need not "offer" the space, because most individuals calling on the Agency should be willing to satisfy their own parking needs. Exceptions are special guests, such as a minister or ambassador from a foreign government.

The TDA Receptionist serves as the contact person for obtaining a "Visitor Parking Permit." The Receptionist maintains a log of users, indicating the visitor's name, time in, time out, and meeting room/place. In the receptionist's absence, the Administrative Officer will handle scheduling of parking permits.

This space must be reserved in advance. TDA staff members should direct their guests to park in the TDA space and proceed directly upstairs. Prior to the guest's arrival, the appropriate TDA staff member should sign out the parking pass and provide it to the guest upon his/her arrival. This pass should be displayed on the automobile's dashboard.

The parking space is for the use of official TDA visitors only. It may not be used by TDA staff except for a brief period when necessary to pick up office material or for similar purposes.

Unexpected visitors may also use this space if it is unoccupied/unreserved. These visitors must immediately check in with the receptionist to verify the availability of the space and to obtain a pass.

PLEASE NOTE THAT CARS PARKED IN THE SPACE WITHOUT AUTHORIZATION BY THE RECEPTIONIST OR THE ADMINISTRATIVE OFFICER ARE SUBJECT TO TOWING. A \$65 cash retrieval fee is charged by the towing company.

1 INFORMATION MANAGEMENT POLICIES AND PROCEDURES

All TDA employees are responsible for maintaining complete, accurate and organized records of the Agency's work and upholding the integrity of TDA's information management system. This section outlines TDA's procedures for maintaining the integrity and completeness of the Agency's records.

A computerized information management system supports this effort. Key components of the system are as follows:

- *Contact Management*: includes the names, addresses, telephone numbers and background data for organizations and contacts with which TDA does business. (This presently is not centralized.)
- *Contract Management*: includes records on TDA contracts and vendors, including purchase orders, vendor capabilities and contracts awarded. Information about operational and program contracts is located in the Contracts Office.
- *Program Information Management System (PIMS)*: includes files tracking all prospective, active and completed projects including the status, tasks defined for the project, chronological notes, project summaries, library holdings and vendor information. The system is managed by the IRC staff based on information provided by the regional staff.
- *Program Evaluation*: includes information necessary for evaluating each TDA project, including detailed data on exports. This information is available from TDA's Evaluator.
- *Financial Management*: includes records on all TDA program and operating obligations, for current and past years. Reports are circulated regularly by the Finance staff, and regional staffs must review them closely to ensure that accurate information is reflected.
- *Grant Administration*: tracks the receipt and approval by the General Counsel's office of all host country contracts, and includes names, addresses, telephone and fax numbers for U.S. contractors. It also tracks the receipt of executed Success Fee/Cost Share Letter Agreements, relevant repayment formulas, and reporting and payment deadlines. TDA is also developing a system for monitoring compliance with deliverables requirements and tracking the expiration dates of grants.

1 Provisions Affecting Disclosure of Information

Not all TDA records (including electronic records) are freely accessible to the general public. Information which is developed by, or given to, the Federal government is subject to strict controls which are designed to balance the public's right to know the activities of the government and the need of the government, individuals, and firms to keep certain information confidential. For TDA activities, rules governing classified

materials, the Trade Secrets Act, the Freedom of Information Act, and the Privacy Act, are of special importance.

1 Security Requirements for Classified Materials

Handbook 6, Chapter 1, 2 and 3

Handbook 21, Chapter 1, 2, and 3

The Lead Professional Office Assistant is TDA's designated Security Officer and should be consulted regarding any questions about classified information. Access to national security information is a privilege. TDA employees must not take lightly their responsibility for protecting access to classified material. Unauthorized release of classified materials triggers disciplinary actions and can result in dismissal and criminal penalties.

Security violation inspections may occur after working hours to ensure that regulations for safeguarding classified materials are being properly observed. Anyone found in violation will be subject to disciplinary action.

All TDA staff and on-site contractors must have a secret security clearance and a security briefing. Contractors on limited assignments who do not have security clearances must not be permitted access to classified materials. Enforcement is the responsibility of the Contracting Officer's Technical Representative or the staff member who checked out classified material.

Employees using classified materials or responsible for its custody should take every precaution to prevent deliberate or casual access by unauthorized persons. It is TDA staff's responsibility to purge classified material from a file before sharing the file with anyone who does not have the appropriate clearance. Classified materials (including rough drafts and notes) must not be stored in desks or left on top of desks, in mailboxes or anywhere other than in approved storage containers.

TOP SECRET files must be stored in a safe-type, steel file cabinet having a built-in, three-way, dial-type combination lock.

SECRET, CLASSIFIED, CONFIDENTIAL and LIMITED OFFICIAL USE files may be stored in the manner described above, or in a bar-lock cabinet equipped with a combination padlock.

Classified materials must NEVER be removed from official premises and must be returned to safe storage when the staff has finished working with it. All classified material must be secure when unattended and at the end of the work day.

Safe combinations should be memorized. The Lead Professional Office Assistant maintains all TDA combinations.

The original and each copy of TOP SECRET, SECRET, CLASSIFIED, CONFIDENTIAL and LIMITED OFFICIAL USE documents must be covered with an appropriate cover sheet. (Cover sheets are located in the copy/mailroom.)

All classified mail is placed in a brown accordion file folder in the mailroom. This folder is locked up by the Lead Professional Office Assistant at the end of each day. Authorized TDA employees should remember to check this file regularly for mail addressed to them.

Classified information that is to be destroyed should be placed in burn bags, which are locked up at the end of the day by the Lead Professional Office Assistant. The Lead Professional Office Assistant also ensures the subsequent proper handling and disposal of these materials.

1 Trade Secrets Act

18 U.S.C.A. 1905

The Trade Secrets Act is designed to protect confidential business information. The statute reads:

"Whoever, being an officer or employee of the United States...or agency thereof...publishes, divulges, discloses, or makes known...to any extent not authorized by law any information coming to him in the course of his employment [including reports]...which information concerns or relates to the trade secrets, processes, operations, style of work, or apparatus, or to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person [or] firm...or permits any income return...or...abstract or particulars...to be seen...except as provided by law, shall be fined not more than \$1,000 or imprisoned not more than one year, or both; and shall be removed from office or employment."

Due to TDA's private sector orientation, Agency staff should use extreme care in handling confidential information concerning a person or entity. In particular, proposals, bids, technical and financial data reports, and audits often contain such confidential information and should not be released or discussed publicly without first consulting with the Office of General Counsel.

1 Privacy Act

5 U.S.C.A. 552a

The purpose of the Privacy Act is to balance the government's need to maintain information about individuals with the individual's right to privacy. The statute's broad policy objectives are to (i) restrict disclosure of personal records, (ii)

provide greater access rights to individuals seeking records maintained on themselves, (iii) provide individuals the right to seek amendment of their records, and (iv) establish proper agency practices concerning the collection, maintenance, and dissemination of records.

Section (b) of the Privacy Act states that:

"No agency shall disclose any record [pertaining to an individual] which is contained in a system of records by any means of communication to any person, or to another agency except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be..." the Act then lists the following (summarized here):

1. to those agency employees who have a need for the record in carrying out their duties;
2. required under FOIA;
3. for an appropriate routine use;
4. to the Bureau of the Census;
5. to a recipient who has provided the agency with assurance that the record will be used for non-individually identifiable statistical research or reporting purposes;
6. to the National Archives and Records Administration;
7. to another agency for a civil or criminal law enforcement activity;
8. to a person under compelling circumstances affecting the health and safety of an individual;
9. to Congress;
10. to the General Accounting Office Comptroller General;
11. pursuant to a court order; or
12. to a consumer reporting agency in accordance with applicable law.

The Privacy Act also encompasses various agency record keeping requirements.

It is important to note that civil remedies and criminal penalties may be imposed for failure to comply with the Privacy Act. Because of the importance of protecting an individual's privacy, all proposed disclosures of information concerning an individual and all requests for any individual's records should be immediately brought to the attention of the Office of General Counsel.

1 Freedom of Information Act (FOIA)

5 U.S.C.A. 552

The purpose of the FOIA is to ensure government openness and accountability.

TDA is required, upon receipt of a FOIA request for Agency records, to make such records available to the requester within ten (10) working days. Records include nearly all documents (responsive to the request) that are generated by

TDA, for TDA (e.g. by Definitional Mission or Desk Study contractors), or by outside parties (e.g. other agencies, foreign governments, firms, individuals) and that are located at TDA's offices.

All FOIA requests should be logged in and forwarded immediately to the TDA Information Specialist for processing.

Certain documents are specifically exempted from disclosure if they are (generalized here):

1. properly classified to be kept secret for national defense or foreign policy purposes;
2. related solely to internal personnel rules and practices;
3. exempted from disclosure by statute;
4. trade secrets and commercial or financial information obtained from a person and privileged or confidential;
5. inter-agency or intra-agency documents (for TDA purposes, this pertains most commonly to "predecisional" documents which are generated for an agency decision on a proposed course of action);
6. personnel, medical, and similar files of a personal privacy nature;
7. law enforcement records;
8. financial institution supervisory agency records; or
9. geological and geophysical records, including maps, concerning wells.

It should be noted that current Department of Justice policy is to release information where the agency has the discretion to do so, unless the release would cause foreseeable harm to the interests protected by the corresponding exemption. This policy of promoting discretionary release applies in particular to exemption 5 above (predecisional documents). In practice, this means that internally generated documents should continue to be well thought out and balanced, as there is always the possibility that they may become public if requested.

It should also be noted that a significant percentage of TDA activities involves the collection and analysis of commercial, financial, and technical information. Certain of this information may properly be considered proprietary and confidential by members of the business community and foreign entities who submit such data to TDA. In addition to the FOIA restrictions, improper disclosure of such information may invoke the Trade Secrets Act.

Because the unwarranted disclosure of business data could cause the sub-mitter substantial competitive harm and possibly subject TDA to civil and criminal

liability, TDA must use a great deal of care in handling such data. In order to avoid the improper disclosure of business information, TDA staff should:

1. Advise submitters of such information that their data may be subject to release under the FOIA.
2. Ask submitters to identify and separate public information from that which they consider proprietary or confidential. This will reduce the risk of inadvertent disclosure and will facilitate FOIA request processing.
3. Seek guidance from the TDA Information Specialist or Office of General Counsel prior to release of information.

1 Information Resources Center (IRC)

The TDA Information Resource Center (IRC) provides support for TDA project data management, the library, information dissemination, and related administrative support services at TDA. The IRC is maintained by on-site contractors under the direction of TDA management and in cooperation with TDA staff. The IRC maintains the official records on TDA's program activities.

Access to all elements of the information system is monitored by the IRC staff. The Information Resource Center is generally divided into the library (active and historical data open to the public) and project files (TDA official project files which are not available for public review). The library is open during all government workdays and is staffed from 8:30 a.m. to 5:30 p.m. The cabinets containing project files are open from 8:00 a.m. to 5:30 p.m. for use by TDA personnel. When IRC staff are out of the area, Simplex locks are engaged to prevent unauthorized entry into the IRC.

This section briefly describes the various components of the IRC. The IRC staff is available to provide a more detailed description of IRC services and procedures.

1 Project Files

These files contain official records pertaining to TDA project-funded activities. Project files are organized by region, country and TDA project number.

IRC project files consist of:

- *Pre-project Background (Prospective Projects)*: This section contains correspondence and other background documents (proposals, requests for funding, corporate qualifications, etc.) relating to the possible development of a project.
- *Action Memoranda*: The internal decision document which contains justification for going forward, the "action memo," specifies a recommended amount of funds to be committed and contains projections

of possible/probable resulting exports. This section also contains cables, contractor-supplied information, requests for funding and letters that supply information about entities.

- *Obligating and Contractual Documents:* This section is divided into the Primary Agreement and Secondary Agreement subsections and contains the documents pursuant to which AID/FM obligates specified funding amounts, and which bind TDA and second parties with stated rights, responsibilities, terms and conditions.

Primary Agreements obligate funds that will pass from TDA to the initial recipient, usually a foreign grantee. Primary agreement subsections contain the agreement (grant, contract, purchase order, letter) that obligates the funds to be disbursed to the initial recipient. Amendments are also included in this file category.

Secondary Agreements are formal contracts (host country contracts) between the initial recipient and contractors.

- *Financial Documents:* This section includes project file copies of invoices and transmittal letters, host-country approvals, other billings, approvals and clearances for payment and correspondence relating to project financial matters. This section does not include correspondence regarding the negotiation of financial aspects of grants or contracts, including payment terms, advances, amount of award, etc. This file is maintained as backup to the contract or grant.

The Contract Officer's files contain the backup for all contract actions. Any financial (negotiation) backup to a grant is kept with the Primary Agreement.

- *Interim Reports:* This section contains reports generated by the contractor during the implementation of the project. They are called "interim" or "progress" reports and are usually status reports.
- *Evaluation and Summary:* This section contains any project-related summaries or evaluations generated by the contractor/grantee, host-country government or TDA. It also includes TDA employee work papers relating to evaluation and summary. Brief project descriptions and follow-on (export) summaries are also included in this section.
- *Final Reports:* This section contains the transmittal letter for the final reports submitted and/or a copy of the cover page. It also contains a printout of the Library Holding Report for each volume of the final reports in the library. Very small final reports (cable or letter) are bound and placed in the library. Classified final reports are kept in the document file.
- *Chronological Materials:* This section contains all other correspondence and documents relating to the project that have not been designated to one of the other sections of the file folder. The chron file includes correspondence about initial activities (including cables arranging for travel and hotel reservations), letters to interested parties about the progress of the project and any post-completion correspondence relating

to the project (but not follow-up/evaluation materials). This section provides a "reading file" for the progress of the project.

1 Checking Out Project Files

TDA employees or other individuals (approved by TDA management) may check out project files. Non-Agency employees may use the materials in TDA office space if authorized by a TDA employee. The approved individual must complete the "OUT" card, and Information Resource Center personnel then verify that the card has been completed. The individual who removes the file is responsible for the file's return.

TDA personnel should not attempt to re-file documents. An IN box for documents which require re-filing is located in the Information Resource Center.

The TDA Information Resource Center has reorganized all Classified Project Files. These files are no longer stored with the Active Project Files and can only be removed from the IRC by those individuals with a current security clearance. File guides identifying a Project File as "Classified" have been inserted into the Active Project Files to alert employees that these files have been separated from the active files. In order to remove a classified Project File from the IRC, please consult IRC personnel.

1 TDA Library

The library contains all project reports and other project documents too large for the files. The library is organized by region, country and TDA project number. Company proprietary and classified information and interim/draft reports are not available to the public and are maintained separately in the library. TDA staff wishing to access this material should contact the Librarian.

1 PIMS Database

The Project Information Management System (PIMS) database contains project data abstracted from project documents. Specialized reports are tailored by the IRC for the use of TDA staff on such topics as regional activities, sectoral activities, and number of activities of a given type, e.g., definitional missions.

1 Public Information

In addition to maintaining these materials and responding to requests generated by the library holdings, the IRC is tasked with backing up the Public Information Specialist in responding to all incoming requests for general information. All calls received by the Receptionist are forwarded to an Automated Call Distribution System, which identifies the available operators from among the Specialist and

the IRC staff. The goal is that all TDA incoming callers be connected immediately to a person who can respond to their requests.

TDA staff may forward callers and messages to this line. See section 17.5.2.4 for instructions on how to send callers and messages to the IRC.

1 Program Management Support

IRC staff track grants through the TDA clearance process to ensure that all clearances are received and that the final draft includes all changes and is free of typographical errors. The IRC is also responsible for ensuring that all deliverables are received under each program grant and contract before the final payments are approved.

1 Procurement Data Management

The IRC staff prepares and distributes the *TDA Bi-Weekly*, the consolidated calendar for TDA-funded OV missions and conferences, and responds to all requests for *CBD*-announced feasibility study bidding opportunities. Additionally, the IRC staff maintains records relating to projects funded through development bank trust funds.

1 Non-project Information Management

1 Responsibilities

The following TDA employees are responsible for maintaining files related to their areas of work:

- *Administrative Officer*: All files containing correspondence regarding personnel records, health insurance, life insurance, thrift savings, savings bonds and any other personnel management information required by TDA management are stored in the office of the Administrative Officer. Individual employee correspondence is separate from all other administrative files.
- *Computer Specialist*: All computer-related information on inventories is kept by the on-site computer specialists contracted to maintain TDA's system.
- *Contracting Officer*: Contractor database information, contracts, and related correspondence are maintained by the Contract Specialist separate from other administrative files.
- *Financial Manager*: All files containing correspondence relating to the TDA budget, operating expenses and any other financial management information required by TDA management are located in the Finance Office. Official file copies of such documents are kept by AID/FM.

- *General Counsel:* All files containing documents relating to specific legal problems, general legal inquiries, ethics, freedom of information requests and other legal correspondence are maintained by the General Counsel.
- *Congressional Liaison Officer:* All files containing testimony, congressional inquiries and other correspondence, and congressional presentations are maintained by the Congressional Liaison Officer.

1 Checking Out Contract Files

A card system is used for checking out contract files. Generally, any TDA employee may have access to any contract file. See a member of the Contracts staff in order to check out a file and to complete the required card.

1 Cables

Handbook 21, Volume I, Chapter 10

TDA is developing streamlined procedures by which to send and receive cables. The following information will be updated when new procedures are in place.

TDA cables currently are sent through AID to the State Department Telecommunications Center for receiving and distribution.

CLASSIFIED information MUST be sent through cables. TDA does not have the equipment to send or receive classified materials by fax.

Cables relating to commitment of funds must be cleared and approved in advance by the TDA Finance Office.

1 Incoming Cables: Procedures to File and Distribute

Incoming cables arrive with the mail each day. The Administrative Clerk sorts, date stamps, numbers, and logs them. Copies are provided to the Director, Deputy Director, Regional Director, General Counsel, the IRC and Country Manager. Each cable is maintained in the chron file located in the mailroom. Incoming cables relating to fiscal obligations should be copied for the Project Information Specialist. Project-related cables are filed in the IRC.

1 Outgoing Cables: Procedures to Prepare and Send

1. Cables should first be typed in rough draft form and returned in a green folder to the drafter for corrections and/or approval.
2. The final draft should be typed using the Telegram Format 185, which is found in the Common-To-All folder on the server under "forms". Subsequent

- pages are typed on the Telegram Format 185-A. The printed document should be initialed by the drafter.
3. The final draft should then be placed in the Deputy's box on the desk of the Lead Professional Office Assistant, who will obtain the Deputy Director's initials. See also clearance procedures for cables containing grant or contract language and/or fiscal and project data.
 4. After the cable is signed, two copies should be made and the original should be sent.
 5. To send the original, it must be placed in a "classified folder" (if the content has been classified by the drafter) or a re-usable, in-house mailing envelope. If the cable is unclassified and if using a classified folder, be sure to cross out the words "classified" on the front and back and cross out TDA room number and office symbol. Circle AID COMMUNICATIONS CENTER on the classified folder so that the person picking up the envelope knows where it is going. Both classified and unclassified cables are sent to the AID Communications Center.
 6. Properly addressed folders should be placed in the outgoing mail box at the receptionist's desk. Mail is picked up at least three times daily. The last pickup is between 4:00 p.m. and 4:15 p.m. If cables must be sent immediately, they can be hand carried to the mail facility in SA-18 and placed in the blue pouch (for cables) for transport to the Department of State for transmission. The times for transport are 9:00 a.m., 11:00 a.m., 2:00 p.m., 4:00 p.m., and 5:00 p.m.
 7. After the cable goes out, a copy of the final is sent back to TDA for distribution. Outgoing cables are filed by DOS cable numbers and are kept in safes outside the mailroom.

1 Cable Clearance Procedures

Some cables require financial information and appropriation numbers. If the cable contains grant or contract language and/or fiscal and project data, it must be cleared by the TDA Project Information Specialist. Then:

1. Regional Directors and Country Managers obtain appropriation numbers and clearance from TDA's Financial Specialist.
2. After the cable is typed (along with the appropriation numbers) by the Professional Office Assistant, it is returned to the drafter for sign-off by the Financial Manager.

3. The cable should then be placed in the Deputy's box at the Lead Professional Office Assistant's desk.

Certain circumstances require additional clearances by management. In most instances the Regional Director makes this determination and notes by whom the cable should be cleared. Legal issues and unusually sensitive projects may require the Director or General Counsel also to clear a cable. Their names should be added for clearance. (See the Lead Professional Office Assistant for a completed sample of an outgoing cable.) The clearance box should include the following:

Financial Clearance: Special Clearance:

AID/FM/A/PNP/FM (info) _____ TDA General Counsel _____
 TDA Financial Manager _____ DCA/TDA Director _____
 TDA Project Information Specialist _____

1 Commerce Business Daily

Handbook 11, Chapter 1, Attachment 1M

The *Commerce Business Daily (CBD)* is a publication listing opportunities for companies to bid on contracts for specific scopes of work. Opportunities to bid on TDA-funded feasibility studies are advertised in the *CBD*. This normally involves publication of an announcement of a procurement opportunity. The *CBD* announcement describes the study and the specific tasks required in general terms, lists the selection criteria and provides instructions for proposal submission. Generally, the announcement will advise those interested that TDA will make available on request a complete bid package, including a request for proposals, a complete terms of reference, and relevant background information. TDA announcements are placed within the publication by the publishers according to the topic they cover; most TDA program announcements are classified in Section B (Special studies and Analyses) or Section C (Architect and Engineering Services.)

1 Contents of a *CBD* Announcement

A solicitation to bid announcement should be published in the *CBD* only after the complete bid package -- including the request for proposals, terms of reference, and relevant background information -- has been finalized with the host government. A model *CBD* announcement is available on the Common-to-All folder in the server in the "Agreements/Grant Admin" folder for both a one- and a two-step procurement. Each *CBD* announcement must include:

- *Host country sponsor and contact name /title:* The ministry name must be accurate and consistent throughout, and it must be clearly shown as the point to receive the qualifications and/or proposal. The Country Manager

should verify the name, address and fax of the Host Country Sponsor before the *CBD* announcement is sent.

- *Host country sponsor address, telephone and fax numbers, including telephone country and city codes:* The complete address (not just a box number) must be used. Express mail will not deliver without a street address. The telephone number must be correct and in working order; Country Managers should double-check this important information. The fax number should be provided, if available.
- *Subject*
- *Point of contact name: Information Specialist, USTDA address*
- *Amount of grant*
- *Due date:* Dates must be consistent: 30 days for qualifications only; 45 days for qualifications and proposals.
- *Standard Language:* Standard *CBD* language includes information on how to obtain RFP (request for proposal) packages from TDA (including instructions on how to have the RFP package sent by courier); a summary of nationality requirements; a statement that detailed nationality policy, TDA Mandatory Contract Clauses, the Terms of Reference, a background definitional mission/desk study report, and evaluation criteria will be provided in the RFP package; any language requirement; a statement that price will not be a factor in contractor selection and cost proposals should not be submitted; a statement that the grantee reserves the right to reject any and/or all prequalification statements or proposals; a statement that the grantee also reserves the right to contract with the selected firm for subsequent work related to the project; and a statement indicating that the grantee will not defray costs associated with preparation and submission of proposals.

1 Checklist for *CBD* Announcements and RFP Preparation

1. The Regional Director and staff work with the legal staff and the Public Information Specialist to assure that the *CBD* announcement and the RFPs are properly prepared and transmitted.
2. The grantee may prepare its own RFP package and transmit it to TDA to be delivered to firms responding to the *CBD* announcement, or the *CBD* announcement may direct interested firms to request an RFP package directly from the grantee. If the grantee does not have its own established procurement procedures, the Regional Director and staff may assist in preparation of an RFP package to be distributed by TDA, and two models for either a one or two-step procurement are available on the Common-to-All server in the "Agreements/Grant Admin" folder. Regardless of whether the grantee uses its own RFP package or the TDA model, each package must include the following documents as annexes: A) terms of reference from the grant agreement, B) TDA mandatory contract clauses from the

- grant agreement, C) TDA nationality requirements, D) public version of the Desk Study/Definitional Mission report, and E) the *CBD* announcement.
3. Regional Directors review the RFP Terms of Reference to ensure that the criteria and scope of work match those contained in the Grant Agreement and the *CBD* announcement. If there is a discrepancy with the scope in the Definitional Mission (DM) report, it should be explained.
 4. The drafter, normally the Country Manager, checks with the Librarian to ensure that the DM report, which normally is provided to respondents to the *CBD* announcement as background for their bid preparation, is not restricted from being released.
 5. The draft *CBD* announcement should be removed from the Definitional Mission Report to avoid confusion, particularly when there are differences between the draft announcement recommended by the DM consultant and the published announcement.
 6. The drafter contacts the sponsors and invites their review of the bid package and the *CBD* announcement. The drafter also verifies all telephone and fax numbers included in the announcement by telephoning or faxing for confirmation.
 7. The Regional Director reviews the final announcement to determine that there are no typographical errors, the TDA nationality requirement and standard language are included, all acronyms are defined, and respondents are instructed to fax their requests for the package to TDA. In addition, the DM table of contents is checked to ensure that all relevant sections and annexes are included in the package and the due date is verified.
 8. In addition to preparing the model RFP (with and without pre qualification) and *CBD* announcement, the Legal Office is available for consultation on any variation or specific issue arising in particular project activities.
 9. The entire bid package (RFP and *CBD*) is forwarded to the Public Information Specialist for review.
 10. The final *CBD* text is transmitted for publication. Grant announcements are submitted by a Professional Office Assistant electronically on a *CBD* Prep Report to *CBD* Search (a TDA contractor). *CBD* Search reviews the announcement to make sure it is properly typed and contains all necessary information. *CBD* Search (703/450-1882) will notify TDA if there are any problems. After this review, the announcement is forwarded to Chicago, where the *CBD* announcement is published, through a *CBD*/Macintosh electronic mailing system. This means that when *CBD*

announcements are sent, they go directly to *CBD*'s on-line service and are printed exactly as they are received. No one reviews the document or retypes it.

11. The Regional Director determines the number of copies of the complete bid package are likely to be needed, and the Regional Director's Professional Office Assistant makes the copies.
12. Two days after the *CBD* notice is typed and sent, the Regional Director's Professional Office Assistant searches the database for the published document.
13. After the *CBD* notice is identified and printed, copies are made to match the number of bid packages available for distribution. In addition, one copy of the *CBD* announcement should be given to the Receptionist, one copy to the Regional Director, and one copy to the Country Manager. A copy of the printed *CBD* announcement is posted on the TDA Bulletin Board.

1 Correspondence

1 Incoming Mail

Incoming mail is delivered to TDA offices three times each day and is sorted and distributed by the Administrative Clerk as described below.

1 Project-related Correspondence: Distribution and Filing

Project-related correspondence is date stamped and marked with a TDA number at the top right-hand corner. All correspondence is date stamped, except when two originals with only grantee signature are received. These letter grants are not date stamped, and are routed immediately to the Project Information Specialist. All project-related ORIGINALS must be distributed to the Project File/IRC. The Project Information Specialist should receive copies of all grants and amendments and the cover letters and/or covers to all project reports. (Project documents are logged into the Grants or Contract Tracking systems, which indicate the status of all grants and contracts relevant to TDA's approval process.)

In general, project-related mail is distributed as follows:

- *Grant Agreements and Contracts with Signatures* are logged in INFO and placed in a beige folder for easy identification. Originals are sent to the Project File/IRC. Two copies are sent to the Financial Manager. One copy each is distributed to the chron file, Regional Director, Country Manager and Project Information

Specialist. Cover letters are distributed to the Director, and Deputy Director and a complete set goes to the General Counsel.

Draft Grant Agreements with No Signatures are logged in ACTION. Originals are sent to the Project File/IRC. Copies are sent to the General Counsel, Regional Director, Country Manager, chron file and Project Information Specialist. Cover letters are distributed to the Director and Deputy Director.

- *Host Country Contracts* are logged in ACTION. The original is sent to the Project File/IRC. Copies are sent to the chron file and the General Counsel. Cover sheets are sent to the Director, the Deputy, the Regional Director, the Country Manager, and the Project Information Specialist. Upon approval by the General Counsel, the contract and the approval correspondence will be distributed to PIMS, Finance, and the regional staff.
- *Project-related Correspondence Requiring Action* is logged in ACTION. Originals are sent to the Project File/IRC. Copies are sent to the Regional Director and Country Manager. Cover letters are distributed to the Director, Deputy Director and General Counsel.
- *Final Reports* are logged in ACTION. The original letter and copy of report cover are distributed to the Project File/IRC. One copy each is distributed to the Regional Director and Country Manager. The cover letter is copied and distributed to the Director, Deputy Director, General Counsel, Export Director, library, Project Information Specialist and Contracts Assistant (if Definitional Missions). Other copies go to the library.
- *Interim and Draft Reports* are logged in ACTION. The original letter and copy of the report are distributed to the Project File/IRC. The original and second copies of the report are distributed to the Regional Director and Country Manager. The cover letter is distributed to the Director, Deputy Director, General Counsel. Extra copies go to the library.
- *Proposed Projects* are logged in ACTION. Originals are distributed to Proposed Project/IRC. Copies are distributed to the Regional Director, and Country Manager. Cover letters are distributed to the Deputy Director and General Counsel and, if specifically so addressed, to the Director.
- *Request for Grants* are logged in ACTION. Originals are distributed to Proposed Project/IRC. Copies are distributed to the Regional Director and Country Manager. Cover letters are distributed to the Director, Deputy Director, and General Counsel.
- *Any other project-related material* is logged in INFO/ACTION. Originals are distributed to Project File/IRC. Copies are distributed to the Regional Director, and Country Manager. Cover letters are distributed to the Director, Deputy Director and General Counsel.

1 Project-related Exceptions

- *Purchase Order Bids for Definitional Missions* are logged in INFO. Originals are distributed directly and immediately to the Contracting Officer.
- *Grant Agreements on TDA Letterhead without TDA Signature* are not logged in. Originals are distributed to the Project Information Specialist. No copies are necessary.
- *Congressional Correspondence* is logged in ACTION. Project-related originals are distributed to the Project File/IRC. Copies are distributed to the Congressional Liaison Officer, Regional Director and chron file. Cover letters are distributed to the Director, Deputy Director, General Counsel and Country Managers. Copies are retained in the chron files.
- *Requests related to Commerce Business Daily* are not logged in. Originals are distributed to the Information Specialist. No copies are necessary.
- *Requests for Information* are logged in ACTION. Originals are distributed to the Information Specialist. No copies are necessary.
- Freedom of Information Act requests are logged in ACTION. Originals are distributed to the Information Specialist. One copy is made for a separate chron file maintained by the Information Specialist and another is made for the Legal Office. Cover letters are distributed to the Director and Deputy Director.
- *Requests for TDA Consultant Database Forms* are logged by Contracts, not the Administrative Clerk. Originals are distributed to the Contracts Officer. Cover letters are sent to the chron file.
- *Completed TDA Consultant Database Forms* are logged in INFO. Originals are distributed to the Contracts Assistant. Cover letters are sent to the chron file.

1 Congressional Correspondence

Congressional correspondence should be routed to the Congressional Liaison Officer in addition to the regular distribution related to its contents. Responses to congressional correspondence are usually drafted by the Congressional Liaison Officer in coordination with the appropriate Regional Director (if project related) and must be cleared by the Director or Deputy Director. See section 17.8.1 for additional guidance.

1 White House Correspondence

White House correspondence should be routed through the Director in addition to distribution related to its contents (if country specific). Responses to White House correspondence must be cleared by the Deputy Director and signed by the Director.

1 Invoices

After the project number is noted on any incoming project invoices, all invoices are routed to TDA's Finance staff, which is responsible for noting the balance in the account and forwarding each invoice to the appropriate staff member for approval or disapproval. (See Section 20.6.2 for procedures.) All invoices are date-stamped in the upper right-hand corner. The receiver of the original is listed directly below the date stamp.

Invoices must be processed and forwarded by the Finance Office to AID/FM within five working days after receipt. It is important that due dates be observed because TDA is obligated to pay interest on invoice amounts that are not processed in a timely manner. If the authorizing staff member is planning to be away from the office for more than three days, Finance should be notified of the person designated to approve or disapprove invoices.

See section 20.6.2.2 for more information on processing of vouchers, including the TDA requirement that 15 percent of grant funds be withheld until all deliverables have been received at TDA.

Non-project invoices are logged into the mail room data base and sent to Finance for verification of project number and available balance. Finance distributes invoices to the following employees for administrative approval:

- *Computer-related items*: Assistant Director for Management Operations and Finance
- *Couriers and supplies*: Professional Office Assistant (Administrative)
- *Evaluations*: Evaluator
- *Furniture*: Professional Office Assistant (Administrative)
- *Personnel*: Administrative Officer
- *Subscriptions*: Information Specialist

1 Outgoing Mail

All outgoing correspondence is put in reusable brown envelopes (for mail for AID and the State Department) or a TDA envelope and placed in the OUT box on the Receptionist's desk where it is picked up twice daily. No personal mail or mail with regular stamps may be placed in the OUT box.

A copy of all project-related correspondence should be placed by the drafter's POA in the outgoing mail chronological file which is maintained in a two-ring binder in the mail room.

1 Correspondence to be signed by the Director or Deputy

Correspondence for the Deputy's or Director's clearance or signature should be given to the Lead Professional Office Assistant, who will review give it a final review for typographical errors and style.

The signed correspondence will be returned to the drafter's Professional Office Assistant for copying, mailing and distribution. At least three copies of the final signed draft must be made by the drafter's Professional Office Assistant: one for the drafter, one for the outgoing correspondence chron file, and one for the Director or Deputy Director's file. If the correspondence is project specific, a copy goes to the Project File/IRC.

1 Contracts Negotiated by the TDA Contracts Staff

In order to be certain that contractors can begin timely work under contracts completed by the TDA Contracts staff, the following procedures will be observed:

- Successful bidders will be notified of contract award by telephone.
- The contract will be faxed to contractors located in the Washington, D.C. metropolitan area, and a copy will be mailed.
- The contract will be sent by overnight courier to contractors located outside Washington.

In each case, these steps will be completed no later than two working days from the time that the contract has been signed by the TDA Contracts staff.

1 Grant Agreements

All letter grants, agreements with other federal agencies, and host-country grants must go to the Project Information Specialist, who is responsible for ensuring that appropriate clearances are obtained before the document is released. All outgoing cable grants and cables that include grant language or fiscal data must also be cleared by the Project Information Specialist in final before being sent. After all clearance procedures described below are completed, the Project Information Specialist returns the folder to the Country Manager. The grant is then ready for signature.

1 Grant Agreement Clearance

Letter grants, host-country grants and grant amendments are to be circulated in gray folders during the clearance process. Cable grants are to be circulated in green folders. A cover sheet should be attached to record each document's progress. These cover sheets should be clipped to the outside of the folders. Cover sheets should be returned to the Project Information Specialist whenever

the document is sent or carried from TDA. Presented on the following pages are the procedures for obtaining approvals and signatures for grant agreements.

1. A draft grant or amendment is given to the Project Information Specialist for fiscal and project data review.
2. The Project Information Specialist puts the document in the appropriate folder, adds the fiscal and project data and reviews the grant.
3. The Project Information Specialist gives the folder to the Legal Office for legal review and clearance. The legal staff reviews the document, makes any necessary changes, initials clearance on the cover sheet, if applicable, and returns it to either the Project Information Specialist or the drafter.
4. If changes are necessary, the Project Information Specialist returns the folder to the drafter so that changes can be made in the original Document. The final is reviewed by the Project Information Specialist.

At this point, the document can take different tracks, depending on the process to be used for obtaining signatures. If the grant will be signed at TDA and then mailed, faxed or hand-carried for the second signature, the following steps should be taken:

5. The Country Manager prints two originals and gives them in the folder to the Lead Professional Office Assistant for signature by the Director or the Deputy Director.
6. After signature is obtained, the Lead Professional Office Assistant completes the signature section of the cover sheet and gives the folder and document to the drafter's Professional Office Assistant for mailing.
7. The Professional Office Assistant makes a copy of the TDA-signed document for the outgoing chron file and mails the originals to the Grantee.
8. The Professional Office Assistant initials and dates the cover sheet and gives it and the folder to the Project Information Specialist.

If, however, the letter grant is mailed for the Grantee's signature before TDA signs the grant, the above procedure changes. After completing steps #1-4:

5. The Country Manager prints two originals and gives them to the Professional Office Assistant.

6. The Professional Office Assistant makes a copy of the final grant agreement for PIMS and mails the two original grant agreements, initials and dates the cover sheet and passes the cover sheet with the folder to the Project Information Specialist.
7. When the two signed grants are returned to TDA without TDA signature, they should be sent directly to the Project Information Specialist who will log them and give them with the cover sheet to the Lead Professional Office Assistant.
8. The Lead Professional Office Assistant will obtain signatures from the Director.
9. One original is returned to the grantee and one is given to the Administrative Clerk to be processed as incoming mail.

Before the grant is hand-carried by a TDA employee or transmitted for dual signing elsewhere, steps 1 through 4 must be completed.

5. The drafter prints one copy of the final version, notes how it will be transmitted on the cover sheet, initials and dates the last line of the cover sheet and passes the folder with the cover sheet to the Project Information Specialist.
6. If the signed original is hand-carried back to TDA, it is given to the Administrative Clerk for processing.

1 Clearance of Grant Agreements Sent by Cable

When a host-country grant or amendment will be transmitted by cable, it is circulated internally for clearance as described in Section 18.7.1 above, except that cable grants are placed in a green folder with a cover sheet.

The Project Information Specialist returns the folder to the drafter or Professional Office Assistant so corrections can be made in the Word document. The cable form is then printed.

Routine cable procedures are followed. The Project Information Specialist and General Counsel must initial the cable before it is sent. As with other cables that contain fiscal data, the Financial Manager and AID/FM (info) are included in the clearance process.

1 Clearance of Grant Agreements Sent by Fax

Clearances from the Legal Office, Financial Manager and Project Information Specialist are required before any grant language containing fiscal data can be

transmitted by fax. Steps #1-5 for grant clearance must be completed before a grant may be transmitted by fax. When the grant is faxed for signing, the Professional Office Assistant should circle "faxed" on the cover sheet, initial and date the cover sheet, and send it with the folder to the Project Information Specialist.

1 Completion Dates

The model grant agreement has been drafted to provide a completion date for each project, which is defined as the date by which the parties estimate that all goods and services funded under the agreement will have been provided. This is not an expiration date for the grant agreement itself, but is simply a target date for study completion which should be monitored by the Regional staff. If a project will not be concluded within the target date, the Regional staff, in coordination with the grantee and the U.S. contractor, may extend the date by letter. The General Counsel should be consulted on this procedure. The model grant does have an expiration date for the disbursement of TDA grant funds, which is four years from the effective date of the grant. Regional staff should be monitoring projects to ensure completion within this time frame.

1 Success Fee/Cost Share Letter Agreement Clearance

All projects that have a success fee and/or cost share component will require a letter agreement to be executed between TDA and the U.S. contractor. This agreement should be finalized before the grant agreement is given final clearance for signature. However, both the grant agreement and the success fee/cost share agreement should be submitted to the General Counsel for simultaneous review. Country Managers should negotiate the terms of the success fee and/or cost share with the U.S. contractor and then prepare the letter agreement from the model located on the Common-to-All server. The letter agreement must then be submitted to the General Counsel for clearance along with the success fee action memorandum to the Director. (A model format for this memo is also located in the same folder on the server.) Upon clearance by the General Counsel, two copies of the letter and the accompanying action memo should be signed by the Director. The letters should then be forwarded to the U.S. Contractor for signature and the Action Memo routed to PIMS with appropriate internal distribution.

1 Host Country Contract Clearance

All host country contracts entered into between grantees and the U.S. contractor must be approved by the General Counsel in writing before any grant funds may be disbursed. The General Counsel will review final negotiated drafts of the contract or the executed version. The legal staff maintains a database located on the server that tracks the receipt and review of these contracts. Upon final approval of a contract by the General Counsel, a memorandum will be sent to the

PIMS and Finance staffs notifying them of the approval with a copy of the approved contract attached. This memo will be copied to the appropriate Regional staff.

1 Implementation Packages

To clarify and expedite the implementation of feasibility study grant agreements, a series of packages have been developed to be distributed to both grantees and U.S. firms after a grant agreement has been signed. These packages include overviews of TDA procurement and host country contracting procedures (including sample documents), nationality requirements, grant disbursement guidelines, and follow-on reporting requirements. All documents discussed below are located on the Common-to-All file on the server in the "Agreements/Grant Admin" folder.

It is important that documents be taken each time directly from the server to ensure that the latest versions are used. Staff who save these items to their own computers run the risk of creating time-consuming problems for grantees and contractors later in the process.

For grantees, the Country Manager should prepare an Implementation Letter and forward it after a grant agreement is executed. Implementation Letters are located in the file called "Implementation Packages." Two versions are available: one for sole source and one for competitively selected contractors. Attached to the Implementation Letter should be a model RFP, model contract, and nationality requirements.

For U.S. contractors, an Information Package describing TDA grant administration procedures is available under "Implementation Packages" in a document called "Contractor/ Info Package." The package can be forwarded to contractors by the Country Manager once TDA is notified of their selection. Accompanying the Information Package should be a model contract, TDA nationality requirements (both available on the server), and the grant agreement for the project (which the Country Manager should have). Also available on the server is a cover letter from the Director which may accompany the package; versions for sole source and competitive selections are available.

These packages are also available without the cover letters for distribution to potential grantees, contractors, or others interested in TDA grant administration procedures.

1 Records Management

TDA is presently formulating a records management plan, to be approved by the National Archives. Questions should be directed to the Assistant Director.

1 TDA TRAVEL POLICIES AND PROCEDURES

Handbook 22, Federal Travel Regulations (FTR)

1 General Travel Policies

TDA's key objectives are to control travel costs and to ensure that each trip is as productive as possible. To further these goals, each traveler must develop proposed travel plans and provide them to the Director, Deputy Director and Assistant Director by October 15 each year. The plans will be updated quarterly.

TDA employees are required to follow travel regulations set forth in the Federal Travel Regulations and AID Handbook 22. A few basic provisions are outlined below:

- Employees and travelers utilizing Federal funding are required to use U.S. carriers, even though comparable foreign air carriers may be available, cost less or be more convenient. Few exceptions are allowed. In these cases, Travel Concepts Inc. presents options for TDA approval.
- For domestic travel, all travelers must use coach class or equivalent. For international travel, all travelers must use coach class, with the following exceptions: The Director and Deputy may use business class for flights of more than seven hours; Regional Directors and Country Managers may use business class for flights of more than 14 hours with the Director's approval. Wherever possible, frequent flier miles will be used to achieve the upgrade. Exceptions to the 14 hour rule will be made by the Director in rare instances. If possible, the upgrade will be achieved by applying frequent flier miles.
Current Federal regulations do not allow travelers to use frequent flyer benefits accrued during official travel for personal travel. This restriction applies even after an employee leaves TDA or Federal service. Any personal use of bonuses acquired in connection with official travel could constitute an unlawful use of government property and may be subject to appropriate legal action. When a traveler receives promotional material, the traveler should direct it to the Lead Professional Office Assistant. Employees may use accumulated mileage from promotional programs to upgrade accommodations from economy to business class for official travel. *Handbook 22, Chapter 10.*
- To ensure adequate office coverage, Regional Directors and Country Managers from the same region normally do not travel together or at the same time. Exceptions are made for orientation purposes or in other extraordinary circumstances.
- If unusual expenses are to be incurred during the trip (e.g., rental car, embassy car and driver, translators), the traveler must detail these in an action memorandum to the Assistant Director, and obtain clearance before including these in the TA.
- If representational funds are to be expended during the trip, an action memorandum detailing the purpose for which the funds will be used and the

maximum amount authorized for expenditure must be prepared by the traveler and cleared by the Director and the Finance Office in advance of the travel (see Section 20.6.3).

- If TDA gifts are to be taken on the trip, the Lead Professional Office Assistant should be notified at least three working days in advance in order that the gifts may be properly prepared. When the traveler returns, the name and title of the person to whom the gifts were given must be supplied to the Lead Professional Office Assistant, and the remaining gifts returned to the inventory.
- TDA travelers are authorized to make one call home each day up to ten minutes long.

1 Travel to Conferences

When TDA representatives attend conferences sponsored by TDA or others, the Agency must exercise fiscal responsibility by limiting its representation to a minimum consistent with serving the public interest and by considering travel expenses in selecting attendees. When considering travel to a conference, the attendee should prepare an action memorandum, which must be cleared by the Director, detailing the necessity of his or her attendance relative to the agency's mission and the funding that will be required.

1 Selection of Conference Sites

TDA must keep conference costs at a minimum. Employees charged with the responsibility of organizing conferences should document the alternatives considered and the rationale used in selecting conference sites and making conference arrangements. This is applicable to conferences TDA arranges and for those the Agency pays for, such as for an orientation visit. The Agency must maintain sufficient documentation to demonstrate that it has complied with federal government requirements in selecting conference locations and in determining the agency's attendance at conferences.

1 Pre-travel Procedures

Arranging for staff travel requires significant advance planning. All hotel arrangements, flight reservations, and country clearance replies from the posts to be visited must be provided to the traveler's Professional Office Assistant as soon as the traveler obtains the information, and no later than seven working days before departure.

New travelers should work with the Professional Office Assistant assigned to them to apply for and obtain a diplomatic passport and a charge card to be used for travel purposes.

- 1 Process for Obtaining Travel Authorization
 1. Before initiating specific travel plans, the traveler must obtain verbal approval from the Director and Deputy Director. An action memo describing the dates and purpose of the proposed travel should follow, indicating proposed destination, objectives, staff designated to back-up the traveler during the trip, and an explanation of evaluation and follow-on aspects of the trip relating to projects previously obligated.
 2. Upon receiving verbal approval, the traveler or the assigned Professional Office Assistant should call TDA's travel agent, Travel Concepts, to make a tentative flight schedule. The telephone number is (703) 556-6196. Travel Concepts will fax an itinerary with the cost information.
 3. For international travel, after the memo is cleared by the Director, a cable requesting authorization to visit the country to which the TDA employee plans to travel should be drafted and sent.
 4. In addition, when appropriate, the traveler should draft a personal cable from the Director to the U.S. Ambassador notifying him/her that a TDA employee will be arriving in-country and that TDA would appreciate the Ambassador's support. The draft cable should be given to the Lead Professional Office Assistant for clearance and transmittal.
 5. AID Form 5-8, "Request for Authorization of Official Travel," should be typed by the Professional Office Assistant. See below for instructions on how to complete the form.
 6. The traveler's Professional Office Assistant should consult TDA's Finance Office to make certain that funding is available and to obtain a Travel Authorization (TA) number.
 7. The complete TA package includes: the AID Form 5-8 (with TA number), draft cable (for international travel) and clearances from TDA's Financial Manager and Deputy Director.
 8. The complete TA package should be given to the Lead Professional Office Assistant, who will obtain the proper clearance from the Deputy Director and signature from the Director. The signed TA is returned to the appropriate Professional Office Assistant.
 9. When clearances are obtained, the Professional Office Assistant should make a copy and fax it to Travel Concepts so that they can issue the ticket. Other copies should be distributed as follows: green and yellow copies to Jean Burroughs in Room 612, SA-2; pink copy to Bruce Miller in Room 703, SA-2; goldenrod copy to the TDA Financial Analyst; white copy

to the Receptionist to be put in the Travel Concepts folder; blue copy, original, and other white copy to be kept by the Professional Office Assistant for later processing.

1 Instructions for Completing Travel Authorization Forms

The TA should be filled out carefully as follows:

Authorization Number: (Leave blank)

Date:(Leave blank)

Item 1: Name, Job Title, and Home or Office Address of Traveler

Item 2: Status of Traveler (Specify type of funding and indicate when travel is invitational)

Item 3: Social Security Number

Item 4: Official Station: Washington, D.C.

Item 5: (Defines use of document)

Item 6: xx

Item 7: Itinerary, Purpose of Travel, and Special Allowances

Item 7a: Description of Travel Schedule

"Travel is authorized from Washington, D.C., to _____ for _____ days, to _____ for _____ days and return to Washington, D.C. Travel will begin on or about _____ and end on or about _____.

Item 7b: Purpose of Travel

"Name of Traveler is traveling to City/Country for Name of Project (if possible) in order to: initiate programs, attend conference or seminar, assess needs, evaluate progress, negotiate grant, complete negotiations for grant, etc."

Item 7c: Expense Details and Special Circumstances

A typical paragraph will state: "Forty-four pounds of accompanying baggage is authorized. Local and long distance phone calls are authorized for official business. Local transportation, including the

use of taxis, is authorized. Per diem is authorized on a lodging plus basis for ____ city, in ____ state/country, currently at \$ ____ for lodging and \$ ____ for M&IE."

By using the term "currently," the statement will be in compliance with AID Handbook 22, Appendix 9a, Section 152, which allows the traveler to be paid a new rate of per diem if the rate changes during the trip. *No longer use the term "not to exceed" (NTE) in front of the dollar amount in the per diem statement.*

If "actual expense" basis is used, a justification memo addressed to the TDA Deputy Director must be added to the TA to explain why the traveler is going "actual."

Type a clearance line on the bottom to be initialed by the Financial Manager and Deputy Director.

1 Amending or Canceling Travel Authorizations

Handbook 22, Chapter 3

When a TA form already submitted needs to be changed (to add or delete information or to cancel), an Amended TA must be completed. Amended TA's are submitted on the same form as the regular TA. The traveler must describe briefly why plans have changed. The amendment must go through the same clearance process as the original travel authorization. The Professional Office Assistant should send the revised form to TDA Finance to be processed and to the Deputy for clearance at least seven days before travel, or as soon as the need for the amendment is identified.

Any voucher or message concerning travel must refer to the authorization number and date at the top of the Request for Authorization of Official Travel form.

1 Amending Travel Authorizations While Traveling

If unanticipated expenses arise during travel, employees are required to obtain advance approval for such expenses by phone from the Director, Deputy Director, General Counsel or Assistant Director. In order for an employee to be eligible to claim reimbursement for items not covered in the TA, official prior approval is MANDATORY. Preferably, the traveler also will give directions to his/her Professional Office Assistant to prepare and submit an amendment to the TA, together with an explanation of the change, prior to the traveler's return. In all cases, amendments must be submitted no later than seven days after travel.

1 Airline Tickets

Travel Concepts will deliver the tickets to the traveler at TDA approximately two business days prior to the start of travel, provided that TDA has given adequate notice.

1 Exemption from Hotel Taxes

Eight states offer U.S. Government employees who are traveling on business exemption from lodging taxes: California (some jurisdictions), Delaware, Florida, New York, Oklahoma, Oregon (some jurisdictions), Pennsylvania, and Texas. The individual provisions are summarized in the attachment. In several cases, in addition to the tax exempt form, a copy of the relevant travel authorization is required. Some jurisdictions also require that the cost of the room be charged to the credit card issued to U.S. Government employees for travel expenses. "Trouble" contacts are listed by several local governments; tax exempt forms are sometimes available from the hotel.

TDA employees should be certain to take tax exemption certificates and any other required documentation when staying overnight on government business in any of these jurisdictions. The Lead Secretary keeps a supply on hand.

1 Use of Rental Cars

Employees may only use rental cars for official business if approved in advance by the Assistant Director. Employees requesting approval for use of rental cars must provide information about relative savings to the government, or other reasons why rental cars are the preferred mode of transportation. Whether for overseas or domestic trips, travel authorization forms must include information about rental car requirements.

Limousines will be rented by TDA only with the prior written approval of the TDA Director.

1 Preparing and Processing Visas for International Travel

If a country has visa requirements, the traveler must obtain a visa in advance from that country's embassy in Washington. Without a visa, a traveler will not be allowed on the plane or will not be allowed into the country once he/she arrives.

AID Travel maintains a listing of countries that require visas. Secretaries are responsible for obtaining visas for travelers. Normally, foreign embassies should be called no less than 10 days in advance of departure in order to determine the requirements for obtaining a visa, including forms, number of photos, official letter of invitation, cost and time required to process.

The Professional Office Assistant (Administrative) has copies of and requirements for the visa applications from several countries frequently visited by TDA personnel. Some countries require an official host (e.g., many of the Republics of the New Independent States). Obtaining these invitation letters often requires careful advance planning and persistence.

1 Miscellaneous Travel Policies

1 Excess Baggage

When a traveler is carrying baggage heavier than the limit permitted by the airline, charges for excess baggage may be claimed. If this amount is above the weight permitted first class passengers (currently 66 pounds) charges incurred as a result will be paid only if approved in the travel authorization. Travelers planning to carry display or printed materials with them should take this into consideration when preparing their request for travel authorization.

1 Rest Day

Federal Travel Regulations Chapter 301

International travelers are entitled to a rest period of up to 24 hours when air travel is in coach class and the scheduled flight time, including stop-overs, exceeds 14 hours. The rest stop will be as close to midway in the journey as possible.

1 Preparing to Leave the Office

Some of the items travelers should address before leaving the office are the following:

- The "send all calls" button should be activated on the telephone and a message indicating when the traveler will return should be recorded and activated.
- The destination, duration, and purpose of the trip should be entered in the "Out of Office" Database.
- Arrangements should be made on how to handle telephone messages, voucher approvals, and mail in the traveler's absence.
- Hotel, embassy, and other contact numbers should be left with the appropriate Professional Office Assistant.

1 Computing Allowable Travel Expenses

1 Per Diem

*Handbook 22, Attachment 9A, 150 and 154.3-3
FTR Part 301-7*

The per diem rate is a daily payment instead of actual expenses for lodging, meals and related incidental expenses when an employee is in travel status longer than ten hours. Per diem rates cover lodging, meals, related tips and taxes, laundry, and fees and tips to porters, baggage carriers, bellhops and hotel maids.

Per diem rates are updated monthly in the Per Diem Supplement 925 to the Standardized Regulations. These rates include a maximum amount for lodging expenses and a fixed allowance for meals and incidental expenses (M&IE). M&IE allowances are separately reflected in the listings of per diem rates.

1 Actual Subsistence

Handbook 22, Attachment 9A.157

Authorization or approval for reimbursement of actual subsistence expenses will be limited to a specific travel assignment when, due to the unusual circumstances of the assignment, the maximum locality per diem allowance would be much less than the amount required to meet the necessary subsistence expenses of the traveler. TDA staff proposing reimbursement of actual subsistence expenses must justify their request by documenting rate quotations from three alternative hotels. The fact that a conference or meeting is being held in a given hotel is not sufficient justification for actual subsistence reimbursement. Normally, authorization to travel on an actual subsistence basis is limited to cases where the cost of lodging, exclusive of meals, absorbs all or practically all of the maximum locality per diem allowance and the traveler has no alternative but to incur such costs. In no case may actual subsistence expenses exceed 150 percent of the maximum per diem rate.

Receipts must be attached to travel vouchers being submitted under the actual subsistence reimbursement method. Entertainment or representational costs may be reimbursed only when approved in advance by the Director. Laundry and tips and gratuities must be handled out of per diem allowances.

The Administrative Officer will conduct periodic reviews of the program to ensure that the benefits are being used for the intended purposes.

1 Paying for Travel Expenses with the American Express Card

1 Card Information and Benefits

TDA employees who travel should obtain an American Express charge card through TDA and should use it to cover official travel expenses whenever possible. The American Express Card program is designed to help travelers avoid delays in obtaining travel advances, to alleviate the need for out-of-pocket spending during travel, and to improve Federal cash management. The American Express Card must be used only for official travel expenses, not for personal purposes.

This credit card is an agreement between American Express and the employee; TDA is not a party to the contract. The employee is responsible for payment of all charges made against the card. No credit check is made when the account is opened. There is no annual membership fee. No interest or late payment charges will be assessed to the cardholder's account. No pre-set spending limit is placed on the card. The Lead Professional Office Assistant is the coordinator of the American Express Card program at TDA and should be consulted with any questions. If there are questions regarding the use of the American Express Card (except the PIN number), call 1-800-492-4922.

1 Cash Advance Program

Before traveling to countries where American Express may not be accepted, employee may obtain cash advances using the official American Express credit card at most major automatic teller machines at 2.75% users fee. The fee is reimbursable by the Agency to a maximum of \$13.75 per travel authorization (against a maximum cash withdrawal of \$500). American Express will provide a personal identification number (PIN) to be used when accessing authorized ATM facilities. Cash advances are to be obtained only for international travel. Domestic travelers are always to use American Express charge cards. For questions regarding the PIN number, the traveler can call 1-800-cash-now. All cash advances must be accounted for by the traveler on a travel voucher, and any unexpended amount must be refunded to the government.

1 Monthly Charge Card Billings and Payments

Cardholders will receive a monthly billing statement from American Express at their home address on a regular, established billing cycle. If the bill is not received, the cardholder should call 1-800-492-4922.

Payment in full for the amount billed is due and payable by the cardholder directly to American Express within 25 days of the statement billing date. Extended or partial payments are not permitted.

If there is a delay in processing a travel voucher (the traveler has not received his/her reimbursement within 10-12 days), the traveler should inform TDA's Finance Office which will check with AID/FM/CMP. If it is determined that the payment cannot be processed within two or three days after contacting AID/FM/CMP, the cardholder should advise the Lead Professional Office Assistant at TDA who will then contact the American Express service representative to advise the company of the reason for delaying the payment.

As part of the government contract and the cardholder membership rules, full payment is due on a monthly basis. Deferred payments are not allowed. Charge card privileges may be suspended if a cardholder is delinquent in paying the bill or otherwise abuses the card privileges (such as purchasing personal items or using the card when not traveling).

1 Cash Advances without the American Express Card

Handbook 22, Chapter 4

Travelers who require a travel advance must complete form 1038, "Advance of Funds Application and Account," for the advance. There is one form for cash and two forms for check payment. (See the Lead Professional Office Assistant for a completed sample of this form.)

Travel advances will be approved by TDA and provided to non-cardholders or to travelers to areas where American Express is not accepted. Approved cash advances of up to 80 percent of estimated costs may be picked up at the AID cashier's office. Approximately two weeks later, up to 20 percent of the estimated costs may be transferred to the traveler's bank. All cash advances must be accounted for by the traveler on a travel voucher, and any unexpended amount must be refunded to the government.

1 Requirements Upon Return from Government-funded Travel

1 Trip Reports

Upon return from each trip, travelers must draft for the file a summary of trip accomplishments. This summary should be given to the Deputy Director and Director for review and to the appropriate Regional Director's Professional Office Assistant for filing. The summary may be in the form of a reporting cable.

1 Obtaining Reimbursement for Travel Expenses

To ensure reimbursement to the traveler prior to the employee's receiving the bill from American Express, and to keep TDA's travel records current, travelers should submit vouchers to TDA Finance within seven days of the completion of the trip. (Failure to do so makes accurate tracking of travel expenses impossible)

and may cause TDA to lose funds at the end of the year.) AID FM will process all vouchers submitted on this timetable within 10-12 days. If AID fails to process the voucher in the allotted time, TDA's Finance Office must be notified so that the matter can be resolved expeditiously.

Travelers will be reimbursed for authorized and allowable travel expenses in accordance with the provisions of the FTR and applicable AID travel policies. (Travelers will not be reimbursed for expenses exceeding the maximum lodging, plus meals and expenses rates noted in the Per Diem Supplement 925.)

Professional Office Assistants are responsible for reminding travelers that these procedures must be followed and that deadlines must be met. All travel-related forms can be found in the supply room. (See the Lead Professional Office Assistant for a completed sample of a travel voucher.)

1 Preparing and Processing Travel Vouchers

*Handbook 22, Chapter 11
Chapter 10, 01-11.3*

1. Immediately upon return, while memory and receipts are fresh, the traveler should gather the documentation required to process a travel voucher. This includes original receipts from hotels, taxis (if more than \$25), parking, car rentals, airline tickets and any other expenditures resulting from the trip. All receipts should be originals.
2. As assigned by the traveler, the Professional Office Assistant should write out a rough draft of the travel voucher form and ask the traveler to make sure that it is correct.
3. The final form should be typed or written legibly and presented to the traveler for review and/or clearance. Travelers are encouraged to complete his/her own travel voucher if time permits.
4. The completed travel voucher with receipts should then be routed to the Lead Professional Office Assistant who will obtain a signature from the Deputy Director.
5. After the signature is obtained, the original will be returned to the traveler's Professional Office Assistant who will make five copies of the travel voucher form and all required information and receipts.
6. Three copies plus the original should be routed to the TDA Finance Office after they are organized into complete sets.

7. The three copies plus original are then be submitted by Finance to Document Control, Room 703 SA-2. One copy should be routed to the Financial Manager.
8. Travel vouchers will be reviewed and recalculated at AID. Disallowed costs will be calculated and a check for the balance will be written and mailed to employee's home address.

1 Local Travel Policies

Handbook 22, Chapter 8
FTR, Chapter 1

For local travel, three primary modes of transportation are available: Metro, State Department shuttle, and taxi service. The shuttle bus and Metro are the preferred means of local transportation for TDA employees.

TDA guidelines on the use of each of these means of transportation are provided below:

1 Metro

TDA is conveniently located three blocks from the Rosslyn Metro stop on North Moore Street. Blue and Orange Line trains serve this station. Metro fare cards are available for use for local travel to and from meetings and conferences, in lieu of taxis, when feasible. This mode of transportation is encouraged from both a cost savings and an energy conservation perspective. The control procedures follow:

- The TDA Receptionist maintains Metro fare cards and keeps a log of all usage, fare amounts, and destinations.
- All fare cards must be returned to the Receptionist after each use.
- Fare cards are replenished by the Administrative Officer.

1 Shuttle

TDA has access to the State Department shuttle service, which operates between various scheduled locations throughout the area and can be conveniently picked up on the lower level exit of SA-16. This service is free and is available to anyone showing an AID identification card. A copy of the current shuttle bus schedule is available from the Administrative Officer.

Except in unusual circumstances, the shuttle should be used for all travel to the State Department. The shuttle should always be used for travel to TDA from the State Department.

1 Taxis

Taxis may be used for official business when they are the only feasible means of transportation because of time constraints or other considerations.

TDA employees traveling by taxi from the office use the company with which TDA has a contract. Where feasible, the company is also called for trips returning to the office, but a convenient taxi can also be hailed and the traveler reimbursed at a later time. In this latter case, obtaining receipts is recommended, and they should be attached to the request for reimbursement. Receipts are required for any fare of \$75 or more.

All requests for taxis for travel originating at the office are made by the TDA Receptionist, who will notify the taxi company. The receptionist will ask for the destination and the purpose of the trip and will provide a pre-approved voucher to pay for each cab ride.

The traveler should note on the voucher the destination and purpose of the trip and the number of people traveling. The fare on the meter, a maximum of 15 percent tip, and the total cost of the trip should also be noted on the voucher by the TDA traveler. The voucher must be signed by the traveler.

The traveler should call the taxi for him/herself when returning to the office if taxi service is the only feasible means of transportation for the return trip. Taxis should not be kept waiting while the TDA traveler is on an errand.

If the voucher was initially obtained from the receptionist, the original (white copy) of the voucher is provided to the driver at the conclusion of the trip and the pink copy is turned in to the receptionist immediately upon the traveler's return to the office. If the voucher was obtained from the taxi driver, both the pink and yellow copies should be turned in to the receptionist.

If a voucher is NOT used, it must be marked "unused" and returned to the receptionist immediately upon the traveler's return to the office. TDA employees are not to accumulate unused vouchers for future trips. If an unused voucher is lost or is not returned, TDA will notify the cab company that the voucher number is void.

TDA travelers will be asked to review taxi invoices periodically to verify that charges are accurate and that travel is for official business only.

1 Other Local Travel

TDA employees may claim reimbursement for local parking charges, taxis, and mileage by filing a claim on form SF-1164. Receipts should be attached to the form. (See the Administrative Officer for a completed sample of this form and

section 17.9.2 for additional information.) TDA's Finance Office should be consulted before the expenses are incurred to make certain that funding is available and reserved. The SF-1164 is routed to the Financial Manager for assignment of accounting code(s) before it is sent to the appropriate authorizing official for signature.

If the reimbursement claim is less than \$50, the Professional Office Assistant assigned to go to the State Department should be asked to pick up the reimbursement at the AID cashier (between 9 a.m. and 12 noon).

If the charges are more than \$50, a receipt must accompany the SF-1164 form. It will be processed in the same manner as a travel voucher. To ensure proper payment, a traveler must include his/her home address as Part C of the SF-1164 form.

1 Federal MetroPool Program

All TDA Federal employees are eligible to receive transportation subsidies through the Federal MetroPool program. Participation in the program is a tax-free benefit of employment at TDA. The IRS permits this exclusion only if the passes are used for commuting to and from work. TDA's policy currently provides eligible employees with either subway (Metro) fare cards or bus tokens. This benefit is subject to budget constraints and may be withdrawn at any time without notice. Every effort will be made to notify employees in advance of any changes.

1 Procedures to Receive MetroPool Benefits

Application forms are available from the TDA Administrative Officer. Employees will be asked to sign an agreement acknowledging their understanding that MetroPool passes can only be used for commutes between TDA offices and home. Employees also must indicate that they are not full-time members of a commuter VanPool or carpool and do not hold any other form of workplace motor vehicle parking permit.

On the first Monday of each month, tokens or fare cards are available to eligible employees. To receive them, employees must sign the log sheet in the Administrative Office, indicating the date and type of subsidy received, and certifying that the fare cards or tokens will be used for commuting purposes only.

If an employee's commuting method changes and a subsidy for public transportation is no longer needed, the employee must inform the Administrative Officer as soon as the change is known so that TDA will not be billed for unused fare cards and tokens.

The Administrative Officer will conduct periodic reviews of the program to ensure that the benefits are being used for the intended purposes.

1 FINANCIAL MANAGEMENT/CONTRACT POLICIES AND PROCEDURES

The authority to "obligate" the Federal government to pay for goods and services resides with two people at TDA: the Director and the Contracts Officer. Other Agency officials have key roles in advising how funds are spent and monitoring the progress of activities, but serious problems occur if any officials other than the Director or the Contracts Officer authorize work to go forward or direct contractors to modify existing scopes of work without the involvement of the Director (for grants) and the Contracts Officer (for contracts.)

TDA uses these principal instruments for obligating funds:

- *Grants*: These are generally the mechanism for transfer of TDA program funds from the Agency to a foreign government or entity. See section 18.7.1 of this manual for internal clearance procedures for grants.
- *Contracts*: Contracts are used for program activities, such as definitional missions and orientation visits, and for operating expenditures. Activities costing under \$25,000 may be obligated using a "small purchase order," which is subject to less stringent competitive requirements than activities costing more than that amount. Larger purchases generally are advertised in the *Commerce Business Daily*, and bidders are given at least 45 days to prepare their proposals. For orientation visits, TDA has negotiated "Indefinite Quantity Contracts," known as "IQC 's," under which a number of companies are preselected to compete for a number of future activities. This permits a quicker turnaround time in selecting vendors to perform the orientation visit work.

The following sections are provided to help de-mystify the process by which TDA disburses government funds to pay for operating and program-related expenses. It is important that each employee understand basic financial management procedures so that each may contribute to the prudent use and safeguarding of the funds allocated to TDA.

1 TDA's Financial and Contract Management

Only the TDA Contracts Office is authorized to negotiate, enter into, and modify contracts on behalf of the Agency. This includes authorizing contractors to begin work. Moreover, it is illegal for TDA staff to authorize work of any kind to begin unless a reservation of funds and an obligation are in place.

TDA staff must ensure that:

- Funds are reserved before activities get underway;
- Contracts and grant agreements are final before work begins; and

- Changes in work orders and/or funding amounts are negotiated through the Contracts Office (for DMs, other purchase orders, and OVs) or the legal staff (for grants) before companies are authorized to begin work.

The TDA Finance Office is responsible for accounting for and reporting on all funds appropriated, obligated, and expended by the Agency. The Finance Office's responsibilities include liaison with AID/FM (TDA's official accounting station); addressing issues relating to TDA budget allowances and allotments, inter-Agency transfers, obligations and reimbursables; and ensuring payment of all project and operating vouchers. The TDA Finance Office must be consulted and approve in advance of distribution outside the Agency of any memoranda, contracts, agreements, cables or documentation of any kind that contain financial information or constitute a financial obligation by the Agency.

The TDA Contracts Office is responsible for dealing with procurements (purchase of goods or services) needed to carry out TDA's mission. The Contracting Officer is responsible for all procurement for TDA up to the dollar value of \$500,000 per contract. The Contracts Office provides pre-award and post-award control for a variety of supply and service contracts.

Interior/Financial Management is the official accounting station of TDA. In this capacity, Interior/FM is responsible for the actual disbursement of TDA's funds (cutting checks or making wire transfers). Accordingly, Interior/FM is responsible for TDA's bookkeeping and maintains the official related records. The Financial Manager at TDA is responsible for monitoring the accuracy of TDA's financial records and also for making certain that Interior/FM has accurately recorded TDA's financial transactions.

1 Financial Terms and Procedures Related to the Commitment of TDA Funds

1 One Year Funds

As a Federal agency, TDA generally receives an annual appropriation from Congress of "One Year Funds." One Year Funds must be obligated during the fiscal year for which they were appropriated. The balance of non-obligated funds is no longer available for obligation after the end of the fiscal year, September 30.

If, on August 31 of a given fiscal year, TDA has obligated less than 85% of its annual funds, then the difference between the total obligated and 85% of the appropriation is rescinded and is not available for obligation.

An obligation of annual funds expires at the end of the fifth fiscal year following the fiscal year in which the obligation was made. Funds must be disbursed before that time, because after the fifth year they are returned to the Treasury and are unavailable to the contractor and TDA. The TDA Finance Office monitors projects that are coming close to the deadline and will seek assistance from the

regional staff to ensure that work is completed and final invoices are received and paid.

1 No Year Funds

Between 1982 and 1984, TDA received appropriations of "No Year Funds." These funds may be retained by TDA until they are completely disbursed, with no time limits. For example,

- TDA obligated \$500,000 in No Year Funds in 1983 for a given project;
- Invoices related to the project total \$480,000;
- The balance of \$20,000 may then be de-obligated and used for other activities.

1 Transfers

TDA receives transfers of One Year or No Year Funds from other Federal agencies. These transfers of funds are in addition to TDA's annual budget and are listed separately in budget documents and financial reports.

1 Reservations

The reservation process "sets aside" funds for a specific future obligation. Once funds are reserved, they are not part of the available balance of unobligated funds. Federal financial controls require that ALL funds—whether for grants, contracts or operating expenses—which are to be obligated (committed for actual expenditure) must be reserved PRIOR TO their obligation. Accordingly, no cable announcing TDA approval of a grant may be sent without completing the reservation/clearance process. (See Section 18.7.1 for grant agreement approval and signature process.) No grants may be signed by either party until these steps are completed.

If reservations are required on a rush basis, TDA's Finance Office must be informed. Failure to inform the TDA Finance Office of a rush reservation may result in a funds-control violation.

Often it is convenient to reserve funds officially at the same time as TDA notifies the host government overseas that funds will be available for its project activity. In such a case, the reservation and cable are processed through the TDA Finance Office with an information copy to AID/FM. All cables that provide approval for a project or imply any sort of commitment by TDA on behalf of any beneficiary (particularly if a specific dollar amount is cited) must be cleared by TDA's Finance Office.

1 Reservation of Program Funds

1. All grant and contract reservations for program funds are initiated based on an approved action memo. Original approved action memoranda are given to IRC's Project Information Specialist to be filed in the project files. One copy, which will serve as the official fiscal data and authorization document, is given to the Project Information Specialist, who assigns fiscal data such as appropriation and allotment numbers, obligation, project and grant numbers, and records them on this copy of the action memo. This document is then forwarded to Finance. Additional copies are not needed in Finance or Contracts.
2. Based on the information contained in the action memo, the Financial Analyst prepares a reservation form and inputs the data into TDA's automated financial system.
3. Finance accesses AID's financial system (FACS) and directly enters the data, indicates on the form "funds reserved", and forwards a hard copy of the reservation document to AID/FM. If an approved action memo is received by the Project Assistant by 4:00 p.m., every effort is made to process and reserve funds by close of business the following workday.
4. After processing, Finance forwards the reservation form along with the fiscal data/reservation copy of the action memo as follows:

Grant Reservations are returned to the Project Information Specialist who holds it until the regional staffs prepare and the legal staff approves the grant document.

Contract Reservations (for DM's) are forwarded to the Contracts staff who are then authorized to initiate the contractor selection process.

NOTE: A purchase order can never be processed before the reservation, and work on the project cannot begin until the obligation is in place. Processing a purchase order can take from several days to as much as a month *after* the reservation is in place to accommodate competition and necessary clarification of scope of work.

Occasionally, actual pricing may differ from the amount reserved. Whether actual pricing is less than or exceeds the reserved amount, the Contracts staff notes the change on the original Reservation request form and forwards to Finance for processing. Funds then are added to the reservation or are de-reserved as requested. When pricing is *less than* the reserved amount, obligation may proceed. When pricing *exceeds* the

reserved amount, obligation *will be delayed* until an action memorandum authorizing the increase is prepared and the reservation amount is increased.

1 Reservation of Operating Expense Funds

TDA cannot advertise or make agreements with vendors or contractors until the funds are reserved. The following steps should be completed to ensure appropriate reservation of operating expense funds:

1. Reservations for operating expenses can be initiated in two ways:

Budget Summary document: This document is used to indicate actions authorized for reservations. Finance forwards this document to Contracts, identifying the specific items authorized to be reserved and requesting that Reservation forms be prepared accordingly.

Action Memo: All operating expense action memos must be approved or cleared by the Assistant Director for Management Operations before forwarding to Contracts.

NOTE: The obligation number generated on the Budget Summary is referred to as the reservation number and must be referenced on all reservation requests and action memoranda.

2. Based on either of the above requests, Contracts prepares a Reservation form and forwards to Finance.
3. Finance inputs data into TDA's automated financial system, assigning the next consecutive reservation number.
4. Finance accesses AID's financial system (FACS) and directly enters the reservation, indicates on the form "funds reserved", and forwards the reservation document to Contracts for processing. If an approved action memo or Budget Summary document is received by Finance by 4:00 p.m., every effort is made to process and reserve funds by close of business the following workday.
5. Processed reservation requests are forwarded from Finance to the Contracts staff who are now authorized to proceed with advertising and/or negotiating with vendors or contractors.

Occasionally, actual pricing may differ from what was reserved. Whether actual pricing is less than or exceeds what was reserved, the Contracts staff notes the change on the original reservation request form and

forwards to Finance for processing. Funds then are added to the reservation or are de-reserved as requested. When pricing is *less than* the reserved amount, obligation may proceed. When pricing *exceeds* the reserved amount, obligation *will be delayed* until the reservation amount is increased.

1 De-reservations

Occasionally it is necessary to reverse a reservation. De-reservation may be necessary for one of two primary reasons: (1) the project fails to move forward as planned or funding is impractical during the current fiscal year, or (2) the source of funds for the project needs to be changed to a more suitable funding citation.

It is critical to reverse any reservations no later than July of each fiscal year as total obligations plus total reservations cannot exceed the annual operating year budget (OYB) at any time. It is impossible to exceed the amount of TDA's legislated allotment for program funds by obligating and reserving more funds than are available.

De-reservation procedures usually begin when a member of the TDA program staff informs the TDA Finance Office in writing that a reserved activity will not be moving forward to obligated status. A member of the TDA Finance Office then processes the de-reservation.

1 Obligations

An "obligation" is the legal commitment of U.S. Government funds to a specific beneficiary. Obligations are incurred only when a reservation is in place and when an agreement has been signed by an authorized member of TDA and an authorized member of the participating organization.

It is the responsibility of TDA program staff to ascertain that projects are reserved prior to signature of an obligation document. Typically, after the signed copies of the grant agreements are returned to TDA, copies are distributed to TDA Finance Office for forwarding to AID/FM by using the correspondence procedures (see Section 18.6.1.1).

1 De-obligations

De-obligation is the process by which funds are "de-committed" to a given grant or contract. Upon the completion of an activity there may be unused funds against which no billing has occurred. Upon receipt of a final voucher from the contractor or grantee, any balance may be de-obligated and returned to the U.S. Treasury. Occasionally, a project may not go forward, leaving the entire amount of funds unliquidated. In such a case, the funds may again be de-obligated (with the appropriate in-house approvals.)

1 Funds-control Violations

A "funds-control violation" occurs when an obligation has been incurred but funds were not reserved in advance. Such a circumstance is avoidable if there is close communication between the TDA program staff and the TDA Finance Office. The penalty for each funds control violation is that AID/FM "writes up" the violation, keeps it on file for auditors and forwards a copy of the violation to the TDA Director. Repeat violations can constitute justification for reporting the trend to the General Accounting Office (GAO), which could trigger a GAO audit of TDA.

1 Anti-deficiency Violations

An "anti-deficiency violation" occurs when an obligation is incurred but funds are not available to cover the obligation. A violation of this nature is very serious. A report is submitted to the President and to Congress affixing responsibility for the violation among the individual(s) involved.

1 Contracts Policies and Procedures

Federal contracting can be complex and subject to change. The following information is intended only to provide general staff guidance for contracting matters. Particular issues should be discussed with the Contracts Office or the General Counsel's office.

The TDA Contracts staff are the only TDA officials authorized to solicit proposals, cancel solicitations, negotiate and award contracts, prepare change orders and modifications, and terminate contracts.

Other TDA staff may be delegated authority to act as the "Contracting Officer's Technical Representative" (COTR) with responsibility for monitoring the substantive aspects of the contract work.

1 Simplified Acquisition Procedures

FAR, Part 13

The Simplified Acquisition Procedures (SAP) can be used to purchase supplies, non-personal services, or construction in the amount of \$50,000 or less. Methods used to implement these purchases include small purchase orders, the government commercial purchase card, and blanket purchase orders (BPOs). These methods are used for both operating and program purchases. Operating expenses are generally those relating to administrative and office expenses. Program expenses are those relating directly to the program, such as Desk Studies, Definitional Missions, and Orientation Visits.

1 Purchases Under \$2500

Purchases at this level, called "micro-purchases," may be made without competition and without public notification. They nevertheless must be distributed equitably. Approved action memoranda authorizing such purchases should be given to the Contracting Officer. The action memo should contain information on the suggested vendor. If the purchase is an operating expense item, the obligation number given to the proposed item on the Budget Summary report should be noted in the action memo.

While micro-purchase transactions are not set aside for small business concerns (as are other SAP purchases), other FAR Part 8 sources (e.g., GSA or federal prison industries) should be considered as first source of supply. Micro-purchases are exempt from the Buy America Act.

For program funds, a micro-purchase expenditure is normally for a Desk Study.

1 Purchases Greater Than \$2500 but Not Exceeding \$10,000

For expenditures in this price range, competition is required, and the selected vendor must be a small business. Upon receiving the signed action memo, the Contracting Officer may elect to use a "short list" approach to fulfill the competition requirement, that is, to solicit three or more vendors and consider their offers. Price and/or other qualifying factors are considered in bid evaluation. There is no posting requirement for these purchases. (See section 20.3.4 for exceptions that sometimes permit awarding these contracts with limited competition.)

If the purchase is an operating expense item, the Action Memo should contain the number given to the proposed item on the Budget Summary report.

1 Purchases Greater Than \$10,000 but Not Exceeding \$25,000

Purchases in this range must be posted for at least ten days to ensure full and open competition. The notice must "include a statement that all responsible sources may submit a quotation which, if timely received, shall be considered by the agency." If signed action memos and completed scopes of work for purchases are received by the Contracts staff before Tuesday noon, the solicitation will be posted on Friday. Solicitation packages received later than that time will be announced the following week. It normally takes 25 to 30 days from the time the solicitation is posted to the time the contract is awarded.

Definitional Mission Requests for Proposals (RFPs) that are being awarded competitively are advertised on a "DM Hotline" maintained by the Contracts staff.

(See section 20.3.4 for exceptions that sometimes permit awarding these contracts with limited competition.)

Questions about purchase orders should be directed to TDA's Contracting Officer.

1 Purchases Above \$25,000

Purchases exceeding \$25,000 must be published in the *Commerce Business Daily (CBD)*. Notice of the solicitation must be announced in the *CBD* 15 days before the solicitation package is released to prospective offerors.

Procurements with values above \$25,000 must allow for a reasonable time, as determined by the Contracts Officer, for offerors to prepare their proposals. Strict rules cover the evaluation of the proposals and the identification of the winning bid, and extensive documentation is required. These procurements generally take a substantial amount of time to complete, so advance planning is essential. The Contracting Officer should be notified as soon as a staff person believes a procurement of this size is planned so that a procurement strategy can be developed and the timetable for completion can be coordinated with other pending actions.

1 Set-Asides

Each acquisition exceeding \$2,500 and not exceeding \$100,000 is reserved exclusively for small businesses.

Small Business: A concern, that is independently operated and not dominant in its field of operation and has no more than \$5 million average annual receipts for the offeror's preceding 3 fiscal years.

1 Exceptions to Small Business Set-asides

- If the contracting officer determines, and documents, that there is no reasonable expectation of receiving competitive quotations from 2 or more responsible small businesses, the procurement need not be set-aside for small businesses and may proceed on an unrestricted basis. (FAR 13.105, 19.502-2, 19.501).

Preceding "rule of 2" may apply in unusual and compelling urgent situations when delay in award would result in serious injury, financial or other to the Government.

1 Internal Contracting Procedures

TDA's normal process for processing procurement actions is relatively simple, when compared with that of other agencies. TDA's procurement process also tends to be more expeditious. The majority of TDA's contracts are Firm Fixed Price Contracts, though the Contracting Office will execute other types of contracts as the need arises, including 8(a) contracting through the Small Business Administration (the process lasting at least 30 days).

Program procurement takes place as follows:

1. The Program Officer gets approval (with an action memorandum) from management to expend funds for the project. The action memorandum is forwarded via the Professional Office Assistant to PIMS for project numbering, and then to Finance for funds reservation. Finance passes the funds reservation document on to the Contracts Office for processing.
2. The Program Officer prepares the Terms of Reference, CBD announcement and/or RFP and gives the Contracts Office a hard copy with an electronic copy on the server folder entitled "Contracts SOW Submission." (Refer to Simplified Acquisition Procedures (Section [20.3.1]) for guidance on lead times required by the Contracting Office.) DM closing dates should be no less than 15 days after the announcement.
3. The Contracts Office will process the request in accordance with Federal Acquisition Regulations.
4. Proposals will be received in the Contracts Office from the prospective bidders. The Contracts Office prepares the bid acceptance list.
5. The proposals are passed on to Program Officer for evaluation, in accordance with the selection criteria in Section M of the RFP. There are several evaluation formats in the Common-to-All Contracts folder. DM's should be evaluated in terms of numerical score, as well as narrative, indicating strengths and weakness of the proposer. An overall summary of why the Program Officer selected the contractor should be provided.
6. Upon completion of the evaluation, the Program officer returns all proposal and the written evaluation to the Contracts Officer for review. If the Contracts Office finds the evaluation to be complete and in accordance with the selection criteria, the recommended contractor will be contacted to negotiate/award the contract.
7. The awardee will be instructed to contact the Program Officer as soon as possible to discuss contract start-up.
8. Once the contract is awarded, copies will be distributed to the contractor, TDA Finance, PIMS, the Program Officer and the Contract File.

It then becomes the Program Officer's responsibility to function as COTR through to acceptance of report and final payment to the contractor. At the time the COTR is reviewing the report, he/she must also evaluate the contractor's performance.

1 Proposal Evaluation

Each solicitation above \$2,500 must contain the minimum qualifications required for the offeror to be successful and the selection criteria that will be used to evaluate the proposal. Evaluations must be made on the basis of these criteria. TDA staff may consider the past performance in accordance with applicable regulations.

1 Sample Proposal Evaluation Criteria

The following criteria are representative of those frequently used in TDA solicitations. Criteria should be defined in the solicitation by a series of clarifying points or questions:

1. Qualifications of the Company and Individuals

- Do the individuals have the education and training in the desired fields? (These should be specified.)
- Does the company demonstrate experience in the desired areas? (These should be specified.)
- Does the company have previous experience in performing Government contracts in similar programs?

2. Understanding the Scope of Work and Soundness of Approach

- Does the offeror clearly indicate an understanding of each task and of the problems to be encountered in accomplishing it?
- Does the offeror represent the manner in which each task can be satisfactorily performed?
- Are the proposed solutions logical and reasonable?
- Does the offeror propose a unique or novel solution?
- Does the offeror recognize, and place proper emphasis on, the most central and difficult requirements?
- Does the proposal thoroughly identify, describe, and consider each element in the specification?
- Does the proposal contain an appropriate program schedule? Is it realistic?

3. Responsiveness of proposed Management and Staffing Plan

- Does the proposal indicate sufficient breadth and depth of management capability for accomplishing the proposed tasks?
- Does the proposal indicate that the offeror is willing to commit its resources to fulfilling the requirements of the work statement?
- Are resumes provided? Are the appropriate skills demonstrated?

4. Quality of Proposal

- Are proposal organization and content in accordance with instructions?
- Are all data presented germane?
- Is the writing clear?
- Are there grammatical or typographical errors?
- Is the cost fair and reasonable?

1 Assigning Points to Evaluation Criteria

All evaluation criteria should have points assigned to them. The points should be designated as "up to X points" to permit the evaluator to rate each proposal within a range of 0 to X. The evaluation criteria should include a statement that price will be considered in the procurement, and should indicate whether price will be greater than, less than, or equal to the nonprice factors. This formulation permits TDA to make cost/technical trade-offs in choosing the proposal deemed most advantageous to the government.

1 Proposal Evaluation Steps

The steps for evaluating a proposal are as follows:

1. Determine whether the proposal meets the minimum qualifications.
2. Compare each proposal with the criteria, write up the resulting analysis, and assign a score for each criteria.

When reading a proposal, evaluators should:

- Identify ambiguities. Page numbers should be noted so that the Contracting Officer can obtain clarifications.
- Identify instances where the offeror has failed to provide adequate substantiation.
- Identify strengths and deficiencies of the proposal. (A "deficiency" is an element of the proposal which fails to meet the Government's

requirements set forth in the solicitation.) All statements must be substantiated with page references to the point in the proposal that is the basis for the finding. The evaluator should provide an opinion, with supporting rationale, as to whether the deficiency can be remedied by the offeror without such a substantial revision of the proposal as to amount to allowing the submission of a virtually new proposal.

3. Compare each proposal with other proposals and assign a rank.
4. Select the "most advantageous" proposal.

1 Proposal Evaluation Procedures

For solicitations above \$10,000 in value, evaluations should generally be made by two TDA staff persons. The results of the evaluation must be in writing, in ink or typewritten. The Contracts staff will provide an electronic format for evaluators to use in preparing their comments on the computer.

Evaluators should independently read and prepare written evaluations for all the proposals and then meet with the other evaluators to compare and reconcile their reactions. When the evaluators have agreed on the highest ranking bid, they should prepare a composite of their individual evaluations, sign both the composite and their individual evaluations, and turn them in to the Contracting Officer.

Evaluations should be prepared as if the evaluator were addressing the offeror and explaining why the proposal did or did not win. The Contracting Officer (not the TDA staff evaluator, unless done in coordination with the Contracting Officer) will use the evaluations to debrief unsuccessful bidders. Strengths and weaknesses of the proposal should be clear from reading the written evaluations. Relative rankings of the proposals should be indicated.

The Contracting Officer may contact offerors for clarifications or additional information. Regulations specifically prohibit "technical leveling" or "transfusion." "Technical leveling" means that evaluators cannot help a proposer to bring its proposal up to the level of other proposals by pointing out weaknesses resulting from the proposer's lack of diligence, competitiveness, or inventiveness in preparing his proposal. "Technical transfusion" is defined as "Government disclosure of technical information" pertaining to a proposal that results in improvement of a competing proposal.

1 Consideration of Price in TDA Procurements

TDA uses the "greatest value concept" in awarding many of its contracts. This method provides the evaluation panel with the greatest amount of flexibility to select the offeror whose performance is expected to best meet the stated goals and whose proposal offers the greatest value to the Government. It provides the opportunity for a "value analysis," or cost/technical trade-off, and does not require that the award be made to the offeror submitting the lowest price.

If the award is made to an offeror who did not submit the lowest price, the evaluation panel must document the value analysis that justifies the expenditure of the additional funds.

1 Other than Full and Open Competition

Procurements over \$2500 which are to be awarded using methods other than full and open competition must have formal justification for applying the alternate method. This issue must be fully addressed in the action memo proposing the procurement.

1 Small Business Administration Contracts (8a)

An alternative to advertising in the *CBD* for procurements over \$25,000 is to use an 8(a) contractor. These are small, disadvantaged businesses which have been pre-certified by the Small Business Administration. Identifying a contractor under this process and awarding a contract usually takes 30 to 35 days.

1 Unsolicited Proposals

Companies may prepare and submit proposals containing innovative or creative ideas. Contracts may be awarded in these cases without competition if the proposals are unsolicited, unique, and offer a product or service to which the Government would not otherwise have had access.

1 Only One Responsible Source

For procurements between \$2,500 and \$25,000, the action memo must fully substantiate, with the Contracting Officer's clearance, that only one source is reasonably available if a sole source contract is recommended.

Procurements above the \$25,000 threshold can be awarded if there is only one responsible source (e.g., to follow-on an on-going effort and thereby avoid substantial duplication or unacceptable delays.) The public must be notified that awards are being made under this provision through an announcement in the *CBD*. The public must be given 15 days to

respond, and any proposals that are received for the opportunity must be considered.

1 Past Performance of Contractors

TDA uses data on a contractor's performance to make responsibility and risk determinations in competitively negotiated procurements and to assure greatest value source selections.

This data may come from a variety of sources. Evaluations of performance under prior Agency contracts is maintained by TDA. Information on contractors who have not worked for the Agency in the past may be obtained by the Contracting Officer from the contractor's other clients, including private firms. Contractors can compete for TDA work even though they lack a history of past performance with the Agency.

The relevance of available information on a contractor's past performance will be determined by TDA's Contracting Officer. It will be interpreted and considered in the context of all other available data, including the number and severity of a contractor's problems, the effectiveness of corrective actions taken, the contractor's overall work record, and the relative merits of the contractor's prior experience and performance as compared to those of other competing offerors.

TDA solicitations advise offerors that past performance will be considered, and evaluators should check the past performance file before choosing a contractor. If staff are dissatisfied with a contractor's performance under a TDA contract but fail to document it by using the evaluation form, then the poor performance cannot be taken into account in subsequent solicitations.

1 Evaluation of Performance Under TDA Contracts

TDA staff will evaluate contractor performance before approving the final payment under all contracts that provide recommendations, evaluations, audit, or advisory assistance services to the Agency. COTRs should always find an evaluation form in the blue folder when they receive the final invoice for approval. COTRs should provide their candid comments on the evaluation form regarding the contractor's work. If handwritten, the completed forms must be legible and must be completed in ink. Typed comments are preferred, and an electronic version of the evaluation form has been placed in the common-to-all file on the server so that it can be completed on TDA computers.

The completed evaluation form must be returned to the Contracts staff. TDA's contractor evaluations shall be provided to the contractor at the time they are completed. While the ultimate conclusion and content of an evaluation is TDA's decision, the contractor may submit rebutting

statements or additional information. Any such material, and a copy of any comments the contractor chooses to submit, shall be appended to the evaluation and included in the file on past performance maintained by the Contracts Office.

1 Confidentiality of Evaluations

The written evaluation on the past performance of a contractor may be made available, subject to approval by the Contracts Office, to other Federal agencies for use in their procurement activities. These documents shall not be provided, without the contractor's consent, to any private party, except where the Agency determines that such information must be released pursuant to a Freedom of Information Act request and applicable law. Additionally, because of the potentially sensitive nature of contractor histories, appropriate management controls will be used to assure that only authorized personnel have access to the data.

1 Disposal of Information

Past performance information is not a permanent indicator of a contractor's capability. Evaluation reports will be disposed of at the end of three years.

1 TDA Bank Card

TDA has established a Visa credit card which can be used for micro-purchases, including conference registration and supplies that are needed immediately. The Contracts staff maintains the card. Purchases cannot exceed \$500 per transaction. Purchases under the card must be authorized by an action memo approved by the Assistant Director.

1 Contracts Basics

The following are reminders regarding basic contracting procedures:

- Staff must safeguard proposals in their possession for evaluation. The proposals are confidential and should be kept locked in a drawer, or if this is not possible, stored in a way that a casual observer cannot see them.
- Scopes of Work for projects on which an action memo has been approved should be placed in the Contract Assistant's file server, and the hard copy should be provided to the Contracting Officer. This will permit expedited work on the Purchase Order or *CBD* solicitation.
- TDA staff should not disclose source selection information (e.g., cost estimates) to prospective offerors.
- COTRs must not request work that was not included in the Scope of Work. These issues should be discussed with the Contracting Officer. Action

memos may need to be approved to provide additional funding for the contract and to modify the Scope of Work.

The Contracting Officer must be advised if contract work no longer needs to be done. Only the Contracting Officer can cancel a contract.

On all solicitations, TDA staff should discuss the required time frame with the Contracting Officer. An estimate of when the work should start should be provided.

Where contract work is postponed for an indefinite period, the Contracts staff must be informed. If required contract modifications are not registered at the appropriate time, the contract could expire before the work is completed. If the funding is from a previous fiscal year, funding could be lost needlessly.

- All contracts files must be signed out and returned on a timely basis to the Contracts Assistant.

1 Contracting and Program Officer Roles

Each Contracting Officer at TDA has a warrant authority which defines the size of contracts which she or he may award and administer. The Program Officer should inquire as to the Contracting Officers' current warrant authority, where the size of a potential TDA project may influence the contracting approach to be followed.

It is important to emphasize that the Contracting Officers are authorized to perform critical contracting functions which program staff may not. The roles of the Contracting Officer:

- Publicize government requirements to private industry. This function includes issuing Requests for Proposals (RFP's), issuing CBD announcements, putting up public notices and maintaining TDA's Definitional Mission Hotline;
- Making determinations as to whether prices obtained from the private industry are fair and reasonable;
- Ensuring that the terms of government contracts are appropriate for the type of items or services being purchased;
- Awarding government contracts only to those firms which are responsible, that is, which can reasonably be expected to perform the contract according to its terms and conditions;
- Making changes to government contracts, when such changes are in the government's interest; and
- Terminating contracts.

The Project Manager in a government organization is an official responsible for planning and controlling assigned projects to achieve program goals. The Project Manager's roles include:

- Establishing program objectives;
- Developing requirements;
- Obtaining required approvals for such requirements;
- Establishing schedules that are consistent with the technical needs for those requirements;
- Estimating costs of those requirements;
- Developing budgetary and technical controls;
- Defining the requirement through specifications and work statements;
- Coordinating project planning with the Contracting Officer;
- Conducting required evaluations and required cost-benefit analyses; and
- Functioning as the Contracting Officer Technical Representative (COTR) for the technical aspects of contract performance.

Many of the functions of the Contracting Officer are nondelegable:

- Awarding, agreeing to, or executing a contract or contract modification;
- Obligating, in any way, the payment of money by the government;
- Making a final decision on any matter that would be subject to appeal under the Disputes clause of the contract; or
- Terminating, for any cause, the contractor's right to proceed.

1 Unauthorized Commitments

The government is not bound by commitments or agreements made by persons without the delegated procurement authority to make them. It nevertheless may decide to honor the commitment under circumstances. In these cases, the unauthorized commitment is said to be "ratified."

Under other circumstances, however, unauthorized acts may violate Federal laws, such as the Anti-Deficiency Act, which makes it illegal to obligate funds when no money is available for the particular item or service. Also, if there is a mandatory government source for the time or service for which an unauthorized commitment is made, ratification is not possible.

Agencies have, in some cases, made the government employee who made the unauthorized commitment be personally responsible for payment and/or disciplinary action.

Mandatory sources are listed in the FAR Part 8 -- The main items that could affect TDA are printing and related services and automatic data processing and telecommunications acquisitions.

1 Procurement Integrity

Procurement integrity is discussed in detail in Section 16.2. Program staff in participating in the procurement process, should:

- Avoid giving any one firm a competitive edge;
- Refrain from discussing future employment with any firm contacted for market research information;
- Refrain from seeking personal favors from persons in companies who may be seeking business from the agency;
- Notify the General Counsel of any conflicts of interest; and
- Avoid even the appearance of impropriety.

1 Host Country Contracting

In situations where TDA's activities are implemented through bilateral grant agreements to client country project sponsors, and where competitive contract award is required, it is normally TDA's policy to use host country contracting procedures wherever this can be justified. Host country contracting is considered to be a key strategic element which supports TDA's achievement of its programming objectives. When the host country project sponsor is responsible for the selection of contractors to implement a study or related planning activity, and when the sponsor is actively involved in the management of the contract and oversight of the final deliverable, the project sponsor is likely to be "invested" in the consultant's recommendations and more likely to act on the recommendations of the study. This is in contrast to a situation in which unknown consultants selected by the granting agency are imposed on a host country sponsor, and make recommendations in which the sponsor is not involved and has no stake, thereby making it less likely they will be acted upon.

Host country contracting, while desirable, may not be appropriate to every situation. TDA must ensure that the host country sponsor:

- actively seeks to manage the contracting process;
- has extensive experience in making similar competitive awards;
- has a transparent competitive selection process in place, or is prepared to implement one in the case of the TDA study;
- is prepared to consider fairly and equitably any and all responsive proposals which may be received as a result of the solicitation;
- has the technical capability to understand and evaluate the proposals they will receive;
- has the capacity to resolve bid protests; and
- has the capability to administer the contract, including experience in resolving performance disputes.

1 TDA Procurement Assistance

In cases where the prospective host country contractor is unable to meet the above criteria, it may be appropriate for TDA to identify an alternate direct

contracting method, by which the award may be made. If the grantee largely meets the above criteria, and is prepared to assess the proposals itself, but would like TDA technical assistance in conducting the evaluation of proposals, TDA may fund the services of a short term procurement advisor during contractor selection. While such an advisor may be available to the host country selection panel to advise them on development of evaluation criteria, scoring, and related procedures, TDA considers it inappropriate for the advisor to take a direct role in the evaluation of proposals, either directly as a panel member or as an advisor.

1 Host Country Procurement Process

For a step-by-step review of the host country procurement process in the context of a feasibility study, see Section 6.1.6.1.

After the grant agreement is signed, TDA will send the host country sponsor (grantee) a briefing package, including the draft CBD announcement and draft request for proposals summarizing the grant implementation process. (This package is provided in the common-to-all folder of the network server.)

For additional treatment of Host Country Contracting issues and procedures, refer to AID Handbook 11.

1 Review of Project Budgets

TDA depends upon the expertise of contractors and consultants to provide information crucial to TDA's decision making process. Contracted consultants participate in the performance of Definitional Missions and Desk Studies in determining the viability of major infrastructure projects for both developing and middle income countries. It is incumbent on TDA to ensure effective and efficient utilization of its resources. In furtherance of this, the agency emphasizes cogent financial analysis, particularly in the preparation of budgets for any of its funded studies, OV's, conferences and other activities.

This section is designed to provide guidance in the preparation and review of budgets — principally for feasibility studies. Often responsibility for developing such budgets lies with Definitional Mission or Desk Study contractors. In other cases, a budget is developed by a U.S. proponent of a prospective project, and must be reviewed and validated by a DM or DS consultant. These guidelines are designed to be useful to TDA staff in the performance of their duties in reviewing Definitional Missions and Desk Studies in order to make the decision whether there is reasonable justification to recommend funding for the feasibility study, and to determine if the budget for the study is appropriate.

While prospective projects may vary, there are common principals for the development of project budget. This section contains suggestions regarding the concepts of reasonableness and appropriateness of items and amounts. It will be incumbent upon

the DM or DS contractor to include with the budget estimates sufficient supporting information to enable reviewers to make proper determination of reasonableness and appropriateness. If such information is lacking, it may evidence failure of the consultant to adhere to the terms of the contract with TDA. It is critical for Program Officers to review the budgets carefully.

TDA has prepared special budget preparation guidance to prospective feasibility study applicants based on the following sections. These guidelines are provided to applicants as an attachment, with model budget formats, to the Feasibility Study Proposal Model Format (provided in the common-to-all folder of the network server).

1 Budget Concepts

A budget is a spending plan. It is intended to identify all of the resources required (personnel and funds) for a specified period of time in order to complete a project or activity. Budgeted amounts represent estimated costs. They may also represent a ceiling on costs, either in total or broken down by categories of spending. Generally, the organization providing the funds will set the spending terms and conditions.

TDA intends to pay reasonable and appropriate amounts for feasibility studies and other services based on predetermined budgets. As such, the budget development or review task which is part of the Definitional Mission or Desk Study becomes critical.

1 "Allowability" and "Reasonableness" Criteria

Two important criteria in developing budget estimates are allowability and reasonableness, which are supported in budget guidance contained in the various OMB circulars. A budget should reflect the *total reasonable cost* of the project, which includes allowable direct costs incident to performance of the project, plus the allocable portion of indirect costs.

1. Costs are allowable if they are reasonable, allocable and conform to generally accepted accounting principles and practices appropriate to the particular circumstances.
2. Costs are reasonable if the nature and amount does not exceed that which would be incurred by a prudent person in the appropriate conduct of competitive business.
3. Costs are allocable if they are assignable or chargeable to one or more cost objectives on the basis of relative benefits received or other equitable relationships. Allocation of costs is an issue that is especially important when determining the amount of indirect costs that will be included in the project budget.

1 Direct Costs

A budget should reflect the best estimate of the total reasonable cost of the activity, which includes allowable direct costs incident to performance of the activity, plus the allocable portion of indirect costs.

Direct costs are those costs that can be identified specifically with the activity. Direct costs may include:

1. Compensation of staff for the time and efforts devoted specifically to the execution of the activity;
2. Travel related directly to the completion of the activity. This would include transportation plus living expenses, including accommodations, meals and other related expenses; and
3. Other items of expense specifically for the activity, including subcontracts.

1 Indirect Costs

Indirect costs are those costs that are attributable to more than one program or function (such as accounting, rent, office management, etc.). Indirect costs are accumulated and allocated to an activity via an indirect cost rate.

Indirect cost allocation plans can be simple or very complex and rates can vary depending upon accounting methodology within an organization. For TDA feasibility study budget preparation purposes, indirect costs are identified in two categories: employee benefits and overhead. Direct labor is used as the measurement base. For purposes of TDA funding, the proposed budget should combine indirect cost rates with the direct labor rate to develop a loaded labor rate; i.e., a labor rate inclusive of both direct and indirect costs. The proposed budget must not include fee or profit.

It is understood that indirect cost allocation plans and rates used by a U.S. company submitting a proposal to TDA may vary from these budget preparation guidelines. The U.S. company should attempt to conform to the guidelines and should provide supporting information concerning indirect cost rates and allocation plans. Amounts recoverable as indirect costs, to the extent a U.S. company seeks such funding, must be allowable, reasonable, and documented to explain the full composition of costs and allocation procedures.

1 Format

In order to facilitate the proper analysis of budget information, the agency requires that data and information be presented in a prescribed format. (See Feasibility Study Proposal Model Format, Attachments A-C, in the common-to-all folder of the network server). Budgets must contain sufficient detail to enable TDA staff or others reviewing the material to fully understand, not only the budgeted amounts, but also the methodology and supporting information which justify the budgeted amounts. TDA has established guidelines to help those preparing and reviewing budgets determine what is "reasonable and appropriate." Guidelines are based in part on information contained in the Federal Acquisition Regulations and Office of Management and Budget Circulars as well as common practices by other federal agencies.

As a rule, it is important to remember:

- a. Guidelines are not hard and fast rules; however, they should be followed whenever appropriate.
- b. If a guideline cannot be followed, backup information should be provided explaining why a departure from it was necessary. Given the reliance on consultants to provide much of the required budgetary information, it will incumbent on the consultants to explain and justify any departures from established guidelines. TDA staff should examine all information carefully and request additional, clarifying data on an as-needed basis.
- c. Supplemental explanations should include:
 - Why the guideline was not appropriate,
 - Sources of information for the estimate, and
 - How the budgeted amount was developed.

The remainder of this section will provide guidelines for estimating each of the major categories of expenditures as follows:

- Direct Labor
- Employee Benefits
- Travel
- Other Direct Expenses
- Indirect Costs
- Contingency

Under each category of expenditure, there is a description of the category and guidelines to be used in estimating amounts. The categories described below correspond to the line items in the Feasibility Study Budget Format.

1 Direct Labor

1 Description

Labor includes the wages of personnel, by position, for time worked specifically on the activity, and appropriate indirect costs, such as overhead and benefits.

1 Guidance

1. The two critical factors involved in the labor computation are time and unit cost (wage rate). Both must be estimated accurately based on the best information that is available.
2. Proposed Person Days should reflect a reasonable estimate of the days to be actually worked, exclusive of any leave, holidays, or other absences. With regard to estimating Person Days, the U.S. company should develop a schedule which details major tasks to be accomplished, the duration of each task, staff required to complete the activity, and for each position, time required for each major task. An example of such a schedule is attached with instructions for completion. (See *Feasibility Study Proposal Model Format*, Attachment 2, provided in the common-to-all folder of the network server.)
3. The Unit Cost for each position should be the computed labor rate, inclusive of direct and indirect costs. In determining the Unit Cost component, the actual rate paid (by position) should be indicated. The Labor Rate Computation Worksheet provides guidance and a format for computing the unit cost. (See *Feasibility Study Proposal Model Format*, Attachment 3, provided in the common-to-all folder of the network server.)
4. Benefits and overhead should represent an appropriate and reasonable percentage.
5. The proposed budget must not include fee or profit.

1 Benefits

1 Description

This line item should indicate amounts estimated for employee benefits—in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave and the like, if they are provided pursuant to an approved leave system and if the cost thereof is equitably allocated to all related activities including grant programs.

Employee benefits also may include the employer's contribution or expenses for social security, employee's life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, etc. This is provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

1 Guidance

Benefits will be calculated by using an appropriate and reasonable percentage and multiplying that amount by Direct Labor as calculated above. A reasonable amount could be the amount that firms in the particular industry relating to the proposed study are currently using as their benefits rate. These rates will include costs for pensions, social security and health and life insurance. Closely question any rate over 25%.

If the preparer determines that the average industry rate is not appropriate, he/she should provide an explanation of why an alternative rate was used.

- One consideration would be negotiated rates between the U.S. government and companies likely to bid on the feasibility study.
- The explanation should be attached to the budget table and include information sources and a complete rationale for the alternative rate.

1 Travel

1 Description

Travel costs are the expenses for transportation, lodging, subsistence and related items incurred by project employees who are in travel status on official business of the organization.

1 Guidance

1. Travel estimates should be reasonable and appropriate, given the particular circumstances and location of the project.
2. The U.S. company should use U.S. Government rates by country and city, available on the State Department web site (<http://www.state.gov/www/perdiems/index.html>) as a guide in estimating subsistence expenses.

3. Air fare amounts should be based on standard coach fare, unless total travel time is in excess of 14 hours, in which case business class fare may be used.
4. In developing budget estimates for travel, the Fly America Act must be considered. This means that, generally speaking, U.S. air carriers must be utilized except when U.S. air carriers are not reasonably available to meet necessary mission requirements, such as where utilizing a U.S. air carrier would:

- Require circuitous routing
- Require travel during unreasonable hours or for a long duration
- Greatly increase the duration of the flight
- Result in additional costs that would offset transportation savings
- Offer accommodations which are not reasonably adequate for the medical needs of the traveler.

In developing the estimates, the consultant should show the basis for the budget including the following (as a separate schedule attached to the budget):

- Number of trips by individual
- Duration of each trip
- Per diem amount used
- Air fare

1 Subcontracts

1 Description

Subcontracts include both subcontracts with U.S. firms and subcontracts with local entities in the host country.

1 Guidance

1. Subcontracts with U.S. firms should specify the particular services that the subcontractor will furnish. Budgets for subcontracts should be attached and developed in the same format and line item content as the feasibility study budget.
2. Subcontracts with host country firms should be specific as to the services to be provided. It should be noted that no more than 20% of TDA's funding can be used for host country subcontracts.

1 Other Direct Costs (To be Specified)

1 Description

This category includes all other costs associated directly with the project.

1 Guidance

1. It will be important to enumerate all costs in this category.
2. List each expense separately as follows:

Description of expense
Amount
Justification/relation to project **
Basis for projection **
Information source **

(** To be included on an attachment to the budget)

1 Indirect Cost

1 Description

Indirect costs incurred for purposes broader than those relating to a specific project. Examples are costs of the company's centralized administrative functions, budgeting, space, utilities, ADP, training, motor pools, and depreciation on equipment. It must be noted that while these costs do not relate directly to a project, they may be included in determining the project's total costs. One question to be answered is how such costs are "allocated" or assigned to a project. There are two vehicles - as a percentage of direct labor or direct costs. TDA budget guidelines use direct labor as the basis for budgeting these costs.

In some instances, the federal government reviews indirect cost proposals and establishes approve historical rates and provisional future rates that may be used on a contract or a grant. Sometimes rates are provisional, pending audit of actual, applicable indirect costs.

Not all indirect costs are allowable. Based on the OMB Circulars, certain costs must be excluded in developing indirect rates. Following are some examples:

Certain advertising costs
Entertainment/Cost of alcoholic beverages
Unreasonable personnel costs

Contributions and donations
Fund raising
Lobbying

Indirect rates are calculated by taking the sum of all applicable and allowable indirect costs and dividing it by the distribution factor, e.g. direct labor. If indirect costs are to be distributed based on total direct costs, then they would be divided by total direct costs to determine the indirect rate.

1 Guidance

For purposes of consistency, indirect costs will be computed as a percentage of direct labor. In the event that a company does not have a federally approved indirect cost rate, any percentage that exceeds TDA's budget guideline rate of 40% must be justified.

1 Program and Operating Expenses: Policies and Procedures

1 Deliverables Under TDA Grants and Contracts

Grants and contracts for all TDA activities, other than OE purchases of furniture and equipment, must require that final reports be delivered to TDA, in addition to any other designated recipients. In the case of OE contracts, the reports would indicate how the scopes were accomplished. It is the project officer's responsibility to ensure that all required copies of deliverables are obtained by TDA.

All TDA grants and contracts for which final reports are required will contain provisions stipulating that no less than 15 percent of the contract total will be retained until the final report is received and approved by TDA. For certain contracting activities, where a "final" report and subsequent follow-up reports are required, the payment schedule may call for 5 percent to be released when the "final" report is accepted and 10 percent to be released on TDA acceptance of the follow-up reports.

The Regional Directors are responsible for ensuring that final program reports are obtained and approved before vouchers are processed for the final 15% of funds. TDA Finance is the official receiving point for all invoices and will compute and record the balance that would remain in the project after the invoice is paid before sending it on for review by Regional Directors. Special notation will be made by Finance when payment of an invoice would result in disbursement of 85% or more of the activity's funds. Regional Director approval of such an invoice must indicate that a final report has been accepted and forwarded to the Library. If final reports have not been submitted and accepted, invoices must be disallowed and returned to the grantee/contractor.

1 TDA Program and Operating Expense Invoices

1 TDA's Billing Office

The Department of Interior is the designated billing office for TDA, however all TDA invoices must be presented for payment at TDA's mailing/delivery address:

U.S. Trade and Development Agency
1621 North Kent Street, Suite 300
Arlington, VA 22209-2131

1 Process and Timetable

Upon receipt of the invoice, AID completes a log entry and prepares a voucher, which is then forwarded to TDA for approval.

TDA's Administrative Clerk forwards all invoices to the Finance Office, which is responsible for reviewing invoices to ensure that they are legitimate and correct prior to submission for payment. The Finance Assistant verifies that sufficient funds are obligated to cover the invoice amount and that a valid contract exists. Vouchers are then forwarded to the appropriate TDA staff member for approval. (If the authorizing staff member is planning to be away from the office for more than three days, the Finance Office should be notified of the person designated to approve or disapprove invoices.)

Project-related invoices are submitted for approval or disapproval by the appropriate Regional Director. Host country approval is required on any invoices submitted by secondary contractors. Final invoices, and those whose payment would result in more than 85 percent of the project funds being expended, are submitted to IRC's manager to ensure that the required number of final reports have been received; the invoices are then forwarded to the Regional Director for approval or disapproval. If the IRC finds that the final report has been received but that the required number of copies has not been provided by the contractor, the Regional Director will have two days to obtain the required number of copies. If the copies are not received, the invoice will automatically be disallowed.

Non-project-related invoices (OE expenses) are submitted for approval or disapproval by the responsible administrative manager.

The reviewing officer must sign off on the voucher as *approved*, *partially approved* or *disallowed* within four days of the receipt of the vouchers from his/her IN box. Vouchers that have been through the approval process should be returned to TDA's Finance Office.

It is important that this deadline be met because failure to do so may result in interest charges for late payment being assessed to TDA. Vouchers submitted earlier than permitted by the contract or before the report is approved should be disallowed, the reason noted on the approval/disapproval sheet, the contractor notified and the voucher returned to the TDA Finance Office. Repeated late return of vouchers, resulting in interest charges to TDA, could affect an employee's performance rating.

The Financial Analyst returns approved or disapproved vouchers to Interior for posting and payment. Copies of operating expense vouchers are filed in the contract files. Copies of program vouchers are filed in the Information Resource Center in individual project folders.

Phone inquiries relating to payment status should be referred to the Financial Assistant.

1 Responsibilities of Reviewing Officer

The TDA employee who receives the voucher is responsible for reviewing it and for verifying that charges are consistent with the contract. The reviewing officer should also be alert for duplicate vouchers to ensure that payments are not made in error. For TDA's direct grants and contracts, the reviewing officer should ensure that work performed meets the requirements and schedule of the grant/contract.

1 Representational Funds

Representational funds are made available to TDA through a separate line item on each year's appropriation bill. The representational funds are for the use of TDA's Director and, therefore, all requests for reimbursement must be approved in writing, in advance of their use, by either the Director or the Deputy Director, and a copy of the written approval given to the Finance Office prior to expenditures.

Any employee who is to be reimbursed must submit to his/her Professional Office Assistant a draft of the completed form, "Authorization of Official Entertainment Expenses." (See the Administrative Officer for completed sample of this form.) Forms are available from the TDA Finance Office and may be photocopied. Once the form has been typed, it should be forwarded to the Director or Deputy Director for approval prior to forwarding the invoice to the Finance Office for fund citations. After the Finance Office has assigned the fund cites and entered the bill into the TDA financial system, it will be forwarded to AID/FM for payment.

Where cables or other communications are sent to other parties who are organizing the event for which representational funds will be used, the communications will always clearly state the maximum amount for which TDA will be liable.

1 Orientation Packages for Contractors

TDA's Finance staff has prepared packages of information for clients who have been awarded a contract by TDA for operating expense or program activities. The Legal staff has prepared another package for grantees (see section 18.7.7). The Finance orientation package for contractors includes:

- Instructions on voucher preparation;
- Information on how requests for payment are processed;
- Copies of standard U.S. government forms required for payment of invoices;
- An example of a properly completed voucher, and
- Contact points and phone numbers for additional guidance or
- information regarding the invoice status.

1 The Logic Behind the Numbers (Appropriation, Contract/Grant, FM/Obligation and TDA Project Numbers)

For those wishing to understand the logic behind the numbers assigned to various TDA activities and documents, this section is designed to de-mystify these numbers.

1 Appropriation Numbers

Each fiscal year, when the annual budget is approved, TDA receives a series of appropriation numbers. These numbers can be found in the corner of AID/FM's reports. The following example briefly describes the meaning of these numbers:

Example: 2 TDA-93-71004-DG71

2 represents an allotment number, meaning that these funds are for an agency's funds managed by AID/W (but not for AID)
 TD is a constant, representing an abbreviation for TDA
 TDA represents One Year Funds (TDX would signify No Year Funds)
 93 is the fiscal year
 71004 is TDA's identity according to the U.S. Treasury
 DG71 indicates that these are program funds (as opposed to operating expenses).

The final four digits/letters of the budget plan code represent the specific use of those funds as follows:

- DG71 Funds earmarked for program funds obligations

- DG7M Expenditures for expired program fund obligations
- V900 Funds earmarked for miscellaneous operating expenditures
- T000 Funds earmarked for travel expenditures
- N100 Funds earmarked for payroll expenditures
- Q800 Funds earmarked for payment of interest and penalty
- R410 Funds earmarked for payment of rent expenses

1 Grant/Contract Numbers

Grant/Contract numbers are assigned by the Project Information Management staff just prior to a grant/contract's being signed by both parties.

Example: TDA-4301-C-00-4002-00

- TDA represents the initials of the organization
- The following four digits are the last digit of the fiscal year plus the project number
- if for contract; "G" if for grant
- Two more zeros
- The next digit is the last number of the fiscal year, in this case 1994
- The next three digits represent the sequential order of that grant or contract(the first obligation of the year would be "002", this number is always even.)
- The last two digits are always "00."

This number represents TDA's first contract obligation in 1994.

1 FM Numbers (Obligation Numbers)

Each fiscal year, TDA receives a range of AID/FM (obligation) numbers from AID/FM. Also known as funds control numbers, these numbers are used to record a specific reservation of funds allotted to TDA. The TDA Project Information Specialist assigns the FM number for program funds, and Finance assigns FM numbers for OE and travel. Authorized signatures for reservations and obligations include the Director, Deputy Director, Assistant Director for Management Operations and the General Counsel. The Contract Specialists authorize obligations for purchases and the Financial Manager approves reservations. An FM number is always a seven-digit number designated as described below:

Example: FM 2711038

- The first digit: "2" is the last digit of the fiscal year, in this case 1992
- The second digit: "7" is a number assigned to TDA by AID
- The next two digits describe the type of expenditure:

10 indicates Travel Expense (Operating Expenditure)
 11 indicates Miscellaneous Expense (Operating Expenditure)
 13 through 19 indicate funding to a project activity (as opposed to operating expense)

The following three digits are sequential.

The example, FM 2711038, thus represents a travel activity in 1992 to be conducted by TDA. It is TDA's 38th obligation/reservation of the fiscal year.

TDA Project Numbers

TDA project numbers are an internal device by which TDA projects are tracked. When a project has a signed Action Memo it is assigned a project number by the Project Information Specialist. (These are also noted as TDP numbers prior to October 1992.)

Example: Project Number: 93501

- The first two digits "93" are the fiscal year that the project was initiated
- The third digit represents the region of the world:

000	Africa
300	Asia
500	Latin America
700	Europe, the Middle East and NIS
900	Worldwide

The final two digits represent the sequential order of approved projects during the PRESENT fiscal year within the 000 number series. If needed, the next consecutive 000 series is used.

In the above example, this number would represent the first project in Latin America in fiscal year 1993.

Another example: 87-302B

The project is initiated in 1987. The first activity (Definitional Mission, Orientation Visit, etc.) was conducted and several years passed before a subsequent TDA activity occurred. In the current fiscal year, if the exact project is brought back to life, instead of creating a new number TDA will use the project number of the original activity but will assign a letter to that number to show that it is another activity of a project begun previously.

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