

AMENDMENT NO. 1

TO

CONTRACT

BETWEEN

REGISTRATION No. 352

THE ROYAL GOVERNMENT OF AFGHANISTAN

AND

ROBERT R. NATHAN ASSOCIATES, INC.

PIO/T 306-72-080-3-10180

THIS AMENDMENT, entered into this 3rd day of April, 1962 between The Royal Government of Afghanistan, through its Ministry of Planning (hereinafter referred to as "Government"), and Robert R. Nathan Associates, Inc., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "Contractor") with its principal offices located at 1218 Sixteenth Street, N.W., Washington, D.C.

WITNESSETH:

WHEREAS, The Government and the Contractor entered into a Contract on the 25th day of August 1961 providing for the Contractor to furnish certain services to the Government in connection with the development and implementation of the Government's economic and social programs; and

WHEREAS, the parties desire to extend the period of the Contract and to change the dates for the submission of the semi-annual reports required under the Contract; and

WHEREAS, the functions of the International Cooperation

Administration were assumed by the Agency for International Development effective November 4, 1961.

NOW, THEREFORE, the parties agree that the Contract is amended as follows:

1. Article I (c) 1. is amended by the addition of the following sentence: "Beginning with the 1962 calendar year the aforementioned semi-annual report shall be submitted no later than the 22nd day of April and November of each year, covering operations and accomplishments for the previous sixth-month period."

2. Delete Article II (d) and substitute the following:

"(d) Time for Completion

The parties presently estimate that the services required of the Contractor hereunder will be completed by December 31, 1963. Upon completion of such services the Royal Government of Afghanistan reserves the option of extending the Contractor's services for an additional two year period at terms mutually acceptable to both parties."

3. It is understood that AS USED THROUGHOUT THIS CONTRACT, THE TERMS "INTERNATIONAL COOPERATION ADMINISTRATION" AND "ICA" REFER TO THAT AGENCY AND TO SUCCESSOR AGENCIES, INCLUDING THE AGENCY FOR INTERNATIONAL DEVELOPMENT (or AID), ESTABLISHED UNDER THE FOREIGN ASSISTANCE ACT OF 1961 AND REFERENCES TO OFFICERS OF THE INTERNATIONAL COOPERATION ADMINISTRATION AND ICA REFER ALSO TO

THEIR SUCCESSORS IN SUCH SUCCESSOR AGENCIES. REFERENCES TO  
SUCCESSOR AGENCIES AND OFFICERS IN SUCH AGENCIES INCLUDE PREDECESSOR  
AGENCIES AND OFFICERS.

Except as herein expressly amended all other terms and  
conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this  
Amendment on the day and year first hereinabove written which is the  
date of signing by the last signatory hereto.

THE ROYAL GOVERNMENT OF AFGHANISTAN

BY /s/ \_\_\_\_\_

TITLE First Secretary

DATE April 3, 1962

ROBERT R. NATHAN ASSOCIATES, INC.

BY Robert R. Nathan

TITLE President

DATE March 23, 1962

## AMENDMENT NO. 2

TO

CONTRACT

BETWEEN

REGISTRATION NO. 352

THE ROYAL GOVERNMENT OF AFGHANISTAN

AND

ROBERT R. NATHAN ASSOCIATES, INC.

PIO/T 306-72-080-3-10180

PIO/T 306-AE-72-AA-5-3-30096

THIS AMENDMENT, entered into as of the 11th day of July, 1963 between the Royal Government of Afghanistan, through its Ministry of Planning (hereinafter referred to as "Government"), and Robert R. Nathan Associates, Inc., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "Contractor") with its principal offices located at 1219 Sixteenth Street, N.W., Washington, D. C.

WITNESSETH:

WHEREAS, The Government and the Contractor entered into a Contract on the 25th day of August 1961, as amended on the 3rd day of April 1962, providing for the Contractor to furnish certain services to the Government in connection with the development and implementation of the Government's economic and social programs; and

WHEREAS, The Government desires to extend the services of the Contractor and the Contractor is agreeable to furnishing the additional services required by the Government;

NOW, THEREFORE, in order to provide for the additional services, the parties agree to amend the contract as follows:

1. Article I(b) Personnel is amended to read as follows:

"(b) Personnel

1. Contractor shall expeditiously send an Economic Advisory team (hereinafter referred to as "employees") to Afghanistan to perform the services required under (a) above. Each employee shall possess the necessary technical and executive experience to perform competently the tasks assigned. In addition Contractor shall, when required in its judgment for the effective prosecution of the work and with the prior written approval of the Government send to Afghanistan highly qualified consultants (hereinafter also referred to as "employees") for specialized assignments of work not to exceed three months in duration in Afghanistan for each employee (unless a longer period is approved in writing by Government).

2. Contractor shall furnish for work in Afghanistan employees for the positions designated below for approximate man months of service as indicated. It is understood that the approximate periods of service required for each position marked by an asterisk shall be furnished in two tours of duty with no tour of duty less than eighteen months except when approved in advance in writing by A.I.D.

<u>Position</u>	<u>Approximate Man Months</u>
*Chief Economist - Chief of Party responsible for operation of team in Afghanistan and authorized representative of Contractor	48
*Financial Economist - qualified in monetary, credit, and foreign exchange areas.	42
*Industrial Economist - qualified in field of manufacturing, economic planning and policy in mining and power areas	43
*Agricultural Economist - qualified in economic problems concerned with agricultural planning, programming and policy	45
Economic Statistician - qualified in the fields of economic and social statistics including census procedures, price indices, national product estimates, and man power surveys	24
Consultants - specialists in such fields as tax policy, exchange rates, central banking, agricultural credit, transportation rates, pricing, man power, tariff schedules, as required	4
*Secretary - administrative assistant	45
Secretary - (Local Hire, U.S. Citizen)	45

3. Contractor shall provide the services of its home office staff, including an economist assigned full time when required, to furnish necessary assistance and support to its overseas employees. In addition, Contractor shall provide for over-all supervision and direction of the work required under (a) above and for this purpose it is agreed Contractor shall assign Robert R. Nathan

for this duty. Contractor shall also provide two inspection trips to Afghanistan per year by senior principals at least one of which shall be made by Mr. Nathan to supervise, and effectively direct and coordinate the work of its employees in Afghanistan. Inspection trips to Afghanistan in excess of two per year shall be approved in writing by Government and the Director US AID/Afghanistan (hereinafter referred to as US AID).

2. Article I (c) 1., as amended, is further amended by the addition of the following sentence: "Beginning with the 1963 calendar year the aforementioned semi-annual report shall be submitted no later than the 22nd day of April and of October of each year, covering operations and accomplishments for the previous sixth-month period."

3. Delete Article II (a), (b), (c), (d) and (e) and substitute the following:

"(a) Estimate of U. S. Dollar Costs

The estimated cost of the work under this Contract exclusive of the fixed fee is \$800,000 dollars.

(b) Fixed Fee

The Contractor's fixed fee is \$70,448. (See Article III)

(c) Revised Estimate of Cost

The Government with the prior written approval of A.I.D. may by written notice to the Contractor revise the estimate

of the cost of work (exclusive of the fixed fee) and from time to time further revise any estimate of cost."

(d) Time for Completion

The field services required under Article I(b) shall be completed by approximately September 30, 1965, and the final report required under Article I(c) shall be submitted within 90 days after completion of the field services.

(e) Obligated Funds and Limit in Total Payments

There is presently obligated for commitment under this Contract the amount of U. S. \$725,000 which may be utilized for reimbursement of U. S. dollar costs and payment of the fixed fee as provided for under Article III hereinafter called "obligated funds". Additional U. S. dollar sums may be allocated to this Contract by Government subject to prior written approval of A.I.D., in which event upon written notice to the Contractor by Government the obligated funds shall be deemed increased by the additional sum or sums so allocated. A.I.D.'s obligation for U. S. dollar payments to Contractor hereunder shall in no event exceed the obligated funds as allocated to this Contract in accordance with the foregoing provision."

4. Delete Article III(c) and substitute the following:

"(c) Fixed Fee

The Contractor shall be paid a fixed fee of \$70,448 as follows: The sum of \$31,612.88 for the period ending

August 31, 1963, followed on presentation of documentation specified in Clause II of Appendix A by twenty four monthly payments of \$1553.00 plus a final monthly payment of \$1563.12 provided that 10% of all payments due hereunder shall be withheld until completion of the work and acceptance thereof by the Government, and further provided that payment of the fee set forth above is contingent upon Contractor's employee's in Afghanistan (exclusive of the local hire secretary) and in the home office furnishing approximately 296 man months of direct service. In the event the total man months of direct service are less than 267 the fee of \$70,448 shall be adjusted downward by \$238 for each man month of direct service less than 296 man months. In the event the man months of direct service exceed 325 man months the parties hereto agree to negotiate an equipable adjustment in the fixed fee of \$70,448."

5. Appendix "A" attached to and made a part of the Contract is amended as follows:

(a) Clause I-1. Salaries

1. Subsequent to October 31, 1963, Contractor shall be authorized reimbursement of a single salary increase, approved by AID/W, for its overseas employees completing a minimum of eighteen months service. A salary increase for Mr. Robert R. Nathan shall be approved for periods subsequent to January 1, 1964.

2. The amount of \$50,000 appearing in Clause I-1-b is increased to \$75,000.

3. Vacation leave shall be earned at the rate of 20 working days beginning with the second year of service in Afghanistan.

(b) Clause I-3 Transportation

1. Contractor's overseas employees who have agreed to serve two tours of duty in Afghanistan may, upon approximate completion of the first tour of duty and at such time as approved by Director, US AID, be permitted to take their earned and unused vacation leave, plus earnable vacation leave advanced by the Contractor or leave without pay in the United States for a total period in the U. S. not to exceed thirty days (unless a longer period is approved by Director, US AID), and Contractor shall be reimbursed actual costs of round trip transportation as limited by Clause 3(a) for such employees and authorized dependents. For employees returning to U. S. for vacation leave, Contractor shall also be reimbursed round trip transportation costs for an additional 100 pounds gross (including packing and crating) of air freight for each employee and authorized dependent.

2. Where available, Contractor shall for all travel subsequent to August 1, 1963, utilize less than first class transportation facilities.

3. When travel is performed by an indirect route for personal convenience of the traveler, the allowable costs of such travel will be computed on the basis of the cost of less than first-class air fare via the direct usually travelled route.

4. Effective October 1, 1963 Clause 3 d. is amended by inserting "from or to points outside of Afghanistan" in line two after the word transportation.

(c) Delete the amounts of \$12.00, \$6.00 and \$3.00 appearing in Clause I-4 and substitute the amounts of "\$16.00, \$8.00 and \$4.00" respectively.

(d) The amount of \$2,000 in Clause I-6 is increased to \$5,000.

(e) The amount of \$7,500 appearing in Clause I-7 is increased to \$12,500.

(f) Effective January 1, 1964 (a), (b) and (c) appearing under Indirect Costs on pages A-8 and A-9 of Appendix A are deleted and the following substituted therefor:

"(a) Indirect costs (overhead) allocable to the Contract shall be reimbursed periodically at the provisional rate of 40% of the U. S. dollar base salaries (excluding overseas salary differentials) paid by Contractor to its employees (excluding such of its employees who are consultants) assigned to work in Afghanistan, and at the provisional rate of 75% of the direct salaries paid by Contractor to its home office personnel directly engaged in rendering services under this Contract. The foregoing rates based on an analysis and evaluation by A.I.D. of relevant financial data pertaining to Contractor's indirect expenses are, as stated above, provisional and shall be subject to revision, in accordance with annual or other audits as may be performed by A.I.D. (or other appropriate U. S. Government agency), to conform with the Contractor's actual indirect expenses properly allocable to this Contract within the limitations hereinafter set forth. Promptly following establishment of actual overhead rates by any such audit an appropriate adjustment will be made in payments made for the period covered by the audit and the actual rate so established shall become the provisional rate for the ensuing period provided that in no event shall reimbursement for indirect expenses under this Contract exceed either 50% of the U. S. dollar authorized base salaries paid by Contractor to its employees (exclusive of Consultants) assigned to work in Afghanistan, or 85% of direct salaries paid by Contractor to its home office personnel directly engaged in rendering services under the Contract.

(b) Allowable overhead items will normally include those indirect expenses of the Contractor's home office which are properly allocable to the Contract by methods in accord with those generally accepted accounting principles which are applicable under the circumstances. The objective sought in such allocations is to distribute fairly and equitably to the Contract, on the basis of the benefit received or in proportion to the cause of the incurrence of the expense, a reasonable share of the cost of each allowable item of indirect expense. Direct costs which are not allowable as such shall not be allowable as indirect costs.

(c) Examples of items which are allowable may include reasonable salaries paid to partners, principals, officers and other direct employees; social security taxes, workman's compensation insurance, payments under established pension, retirement, group health, accident and life insurance and incentive payment plans, and vacation, holiday and severance pay, sick leave and military leave pay all to the extent that such items are not included in the direct costs authorized by the Contract; also legal and accounting expense, new business activities, clerical and stenographic work, general accounting, personnel, office and drafting room supplies, depreciation of buildings, office and drafting room furniture and equipment and/ or amortization of leasehold improvements, local telephone service, rent of office space and equipment, utilities, non-allocable time of engineers, draftsmen and other technical employees."

(g) Delete Clause XII(a) and substitute the following:

"(a) If the contract authorizes or requires Contractor to procure equipment, materials or supplies, the cost of which is to be reimbursed hereunder, such procurement shall be of new equipment, materials or supplies unless procurement of used equipment, materials or supplies is approved in advance in writing by A.I.D. Such procurement if the cost thereof is to be reimbursed in U. S. Dollars under this contract, shall be effected from an approved source and origin country. Source country means the country or area from which a commodity is shipped to the Cooperating Country. Where, however, a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source country" shall mean the country or area from which the commodity was shipped to the free port or bonded warehouse. Origin country means the country or area in which a commodity is mined, grown or produced. The cooperating country shall be considered an approved source and origin country only for the purchase of commodities

(1) which are indigenously mined or grown; (2) those which are locally produced; (3) administrative, maintenance and operating items of a consumable nature which are normally purchased in the local market; and (4) emergency items which are needed promptly, are immediately available in the Cooperating Country and the need for which could not previously have been reasonable anticipated. For purposes of this provision a commodity is deemed to be produced when through manufacturing, processing or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics or in purpose or utility from its components. Approved source and origin country is further defined as any country or area in the world except: Australia, Austria, Belgium, Canada, Denmark, France, Germany (Federal Republic), Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, Union of South Africa, and United Kingdom; and Cuba, Czechoslovak Socialist Republic, Estonia, Federal Peoples Republic of Yugoslavia, German Democratic Republic (East Germany), Hungarian Peoples Republic, Latvia, Lithuania, North Korean Peoples Republic, North Vietnam, Outer Mongolia-Mongolian Peoples Republic, Peoples Republic of Albania, Peoples Republic of Bulgaria, Peoples Republic of China, Polish Peoples Republic, Rumanian Peoples Republic, Tibet, and Union of Soviet Socialist Republics."

(b) Clause XIV is amended to read as follows:

#### XIV. Disputes

(a) Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract which is not disposed of by agreement shall be decided by the Chief, MESA Contracts Staff who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Chief, MESA Contracts Staff shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Chief, MESA Contracts Staff a written appeal addressed to the Administrator, Agency for International Development. The decision of the Administrator, A.I.D. or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an

opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the decision of the Chief, MESA Contracts Staff.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, that nothing in this Contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first hereinabove written.

THE ROYAL GOVERNMENT OF AFGHANISTAN

BY /s/ Ambassador Majid

TITLE Ambassador

DATE October 29, 1963

ROBERT R. NATHAN ASSOCIATES, INC.

BY /s/ Robert R. Nathan

TITLE President

DATE October 30, 1963