AGREEMENT

between

THE GOVERNMENT OF THE UNITED STATES
represented by the
FOREIGN OPERATIONS ADMINISTRATION

and

MICHIGAN STATE UNIVERSITY

THIS AGREEMENT made this day of , 1955, by and between the Government of the United States and Michigan State University of Agriculture and Applied Science, an educational institution chartered by the State of Michigan, having principal offices in the City of East Lansing, State of Michigan, United States of America, hereinafter referred to as the University.

WITNESSETH:

WHEREAS, the Government of Vietnam has requested the aid of the University in the training of Vietnamese in public administration and related programs, and

WHEREAS, the Government of Vietnam and the University have entered into an agreement which is hereunto attached and hereafter referred to as the corollary agreement, and

WHEREAS, it is necessary for the effectuation of the work program referred to in said agreement between the Government of Vietnam and the University, for the Foreign Operations Administration of the Government of the United States, hereinafter referred to as FOA, to participate in the financing of said program, and

WHEREAS, it is the policy of the Government of the United States to seek the most effective utilization of public and private personnel and facilities in furthering the development of such programs, and

WHEREAS, FOA deems that the personnel and facilities of the University are especially well suited for participation in the activities contemplated by the terms of said reference agreement, and

WHEREAS, the program contemplated by said agreement cannot be undertaken without financial assistance from FOA,

NOW, THEREFORE, the University by and through its duly authorized representative, and the Government of the United States, by and through the authorized representative of FOA, mutually agree as follows:
I.

To enable the University to assist in the execution of the program provided for in the corollary agreement, FOA agrees to finance dollar operations encompassed in the corollary agreement in accordance with the terms and conditions set forth in this paragraph and in paragraphs II, III, IV and V below. It is estimated that the total dollar costs under this agreement shall be approximately $1,820,628 for the two-year period following the execution of this agreement and in no event in excess of this amount unless otherwise agreed to in writing by the parties hereto; provided, that the total dollar costs, during the period of this agreement ending one year after its effective date, shall not exceed $982,106 (hereinafter referred to as "first year funds"); and provided further, that the cost of any dollar costs subsequent to the period ending one year after the effective date of this agreement which cannot be covered by unused first year funds shall be subject, in the event additional funds are not available, to Congressional action making funds available and the allocation of such funds to this agreement by FOA, or, in the event additional funds are available, shall be subject to FOA allocation thereof to this agreement.

II.

The University will organize a staff for the overseas mission and undertake operations as provided for in the agreement with the Government of Vietnam and related annexes as soon as possible and the FOA will provide funds for the payment of the following costs:

A. Costs of University Personnel

1. Salaries and per diem paid by the University to staff members, short-term staff members (field personnel serving in Vietnam for periods of not more than six months) and consultants (consultants shall not serve under this agreement for periods in excess of six months) performing work under the contract. Such payments shall be made in accordance with the following:

a. Base salaries paid by the University to staff members, and short-term staff members performing work under the agreement not in excess of one or the other of the following rates:

(1) For personnel on University's regular staff or persons recruited from other academic or public institutions, amounts regularly paid to such personnel adjusted for comparable periods of employment by increasing academic nine-month salaries 33-1/3 percent and subject to normal merit and promotion increases, in accordance with the customary salary practice of the University or the last academic employer. For personnel specially employed by the University for work on the agreement from non-academic or non-public institutions, amounts approved in advance by FOA. Exceptions to the foregoing (involving such considerations as additional professional income from consulting services, non-regular teaching, etc.) may be made upon receipt of a signed statement by the individual as to his outside earnings, and FOA shall allow such exceptions on the basis...
of an individual's average earnings for the last three years or his last year's earnings, whichever is higher, and base salaries in excess of $15,000.00 per annum, may be paid only with the prior written approval of FOA; or

(2) Amounts regularly and actually received by individual staff members, and in accordance with the customary salary practice of the University or of the last academic employer of such staff member, plus an amount not in excess of 25 percent of such amounts received, but in no case shall the total exceed $10,000.00. This provision shall not apply to home staff.

(3) Amounts approved in advance by FOA when not arrived at under (1) and (2) next above.

b. Amounts paid by the University to consultants performing work under the agreement. Such amounts shall not exceed their customary per diem rates subject to approval in advance by FOA but in no event to exceed $75.00 per diem.

c. An overseas differential not in excess of 25 percent of base pay for staff members, short-term staff members and per diem consultants serving in Vietnam for not less than 60 days; provided that this overseas differential is subject to change pursuant to the Standardized U. S. Government Civilian Allowance Regulations (Foreign Areas). Such change shall be effective 30 days after notification to the Comptroller of the University by FOA of such a change in the regulations. It is understood that this differential shall be paid only for time spent in Vietnam.

2. Salary payments to field staff personnel shall begin upon the date that field staff personnel leave their home or usual place of business for their overseas post or begin their briefing in the United States for overseas work, and shall continue, unless otherwise agreed, until the return (in the most expeditious manner) of such personnel to their home or usual place of business subject to an annual vacation of not to exceed 30 calendar days and reasonable sick leave comparable to that granted other University employees. It is understood that this period shall cover all time used for vacations (including where applicable, home leave), sick leave, and delays en route authorized by the corollary agreement; provided, that salary payments for time spent in travel by any type of carrier or conveyance shall be limited to the amount which would accrue upon use of the most expeditious regularly scheduled commercial air route; provided further, however, that delays occasioned by events beyond the control of the University or its personnel shall not be so limited.

3. Salary payments to home staff personnel shall begin on the date of assignment to duties under this agreement. Home staff personnel shall otherwise be entitled to salary payments as provided for field personnel in 2. above. In the event that home staff personnel are assigned to work directly on this agreement on a pro rata time basis, the pro rata portions of salaries determined as being chargeable to this agreement shall be based
on records kept in accordance with University's usual accounting procedures provided that costs under this provision shall not exceed $37,000.00 per annum.

4. Salary payments may be made to University personnel of base salaries in the event the University's services are terminated in accordance with VI-C, or in the event that an employee's services are terminated by the University for reasonable cause other than misconduct (such misconduct to be judged by the University), to the extent the University is liable to make such payments under its arrangements with such University personnel, provided that such personnel are not otherwise gainfully employed during the compensable period following such termination, or if gainfully employed but at a lesser compensation, payments will be made to equalize the difference, and provided further, that such payments shall not extend beyond one year from the date of the employee's termination or the original expiration date of this agreement, whichever is earlier. The University agrees to use its best efforts to mitigate costs, if any, under this provision.

B. Travel and Transportation Expenses

1. Travel and transportation expenses of its personnel and the dependents (spouse and children under 21) of staff members serving for more than one year in Vietnam and household goods and personal effects, to their respective assignments in Vietnam and return to their home destinations, and such local travel within the United States as is directly related to the performance of the corollary agreement.

2. Except as is inconsistent with the provisions of Annex II of the corollary agreement, transportation and travel allowances shall mean transportation by the most expeditious first-class commercial scheduled airline (provided that such travel as is not connected with international travel may be made by direct rail or bus carrier as well as by air carrier) and with respect to carriage of baggage and household effects from points of origin in the United States to destinations in Vietnam and return, shall mean such transportation as accords with the following:

<table>
<thead>
<tr>
<th>Countries of Far East, Near East, S. Asia and Africa</th>
<th>Staff Members (excluding short term staff members and consultants, but including the Chief Advisor in any event)</th>
<th>Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 pounds by unaccompanied air and 200 pounds by surface</td>
<td>100 pounds by unaccompanied air and 200 pounds by surface</td>
<td>400 pounds by surface and 300 pounds by surface</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If Major Portion of Travel by Air</th>
<th>If Major Portion of Travel by Surface</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 pounds by unaccompanied air and 200 pounds by surface</td>
<td>100 pounds by unaccompanied air and 200 pounds by surface</td>
</tr>
<tr>
<td>400 pounds by surface and 300 pounds by surface</td>
<td>400 pounds by surface and 300 pounds by surface</td>
</tr>
</tbody>
</table>
and not to exceed 100 pounds of unaccompanied air baggage for each short-term staff member or consultant traveling by air under this section when time spent in Vietnam is in excess of three months, and for those in Vietnam for a lesser period and for inspecting officers 50 pounds of unaccompanied air baggage. Fifty pounds of excess accompanied baggage may be authorized for each dependent under two years of age traveling without an air ticket. Transportation will also be provided by surface for one privately-owned automobile and household effects (including not more than 500 pounds of foodstuffs) up to a maximum of 3,000 pounds net (exclusive of the automobile) per staff member under contract for two or more years; provided that return transportation from Vietnam to the United States shall not be deemed to be authorized transportation for any staff member who resigns within six months or any dependent who returns to the United States within six months except for compassionate reasons, such as serious illness or death in the immediate family; and provided further, that any travel of dependents shall be limited to travel between points of origin in the United States to destinations in Vietnam and return. In addition, the term "authorized transportation" shall include any other transportation hereinafter specifically provided for; and,

Travel allowance shall mean, with reference to international travel and travel in the United States, an allowance to travelers eleven years of age or over of $10.00 per day and to travelers under eleven years of $5.00 per day for travel time (which shall be the time required by scheduled commercial air carrier by the most expeditious scheduled route between points of origin and destination of trips in international travel) and with reference to travel in Vietnam or other countries on business referable to this agreement, shall mean travel allowances at such rates as are prescribed by United States Government Travel Regulations, as from time to time amended (upon 30 days notification to the Comptroller of the University by FOA of amendment) for travel in Vietnam or other countries.

C. United States Training Programs

The costs involved in providing training in the United States to participants from Vietnam, not to exceed the following amounts: (a) University's customary tuition charges and fees; (b) typing of theses (not to exceed $100.00 at the U. S. institution) and allowances for required textbooks (not to exceed $150.00 per school year for each participant), titles to be approved by the University; (c) travel within the United States as approved by the University, not to exceed $500.00 per participant per annum; (d) subsistence while in the United States not to exceed maximum FOA rates as from time to time amended (upon 30 days notification to the Comptroller of the University by FOA of amendment); and (e) any other costs as may be approved in writing by FOA. These amounts shall be subject to change by mutual agreement of the contracting parties. It is understood that participants will pay on an individual basis the costs of health and accident insurance for participants; no charges for such insurance will be made by the University against this agreement.
In addition to the costs for participant training set forth in the paragraph next above of this subsection, FOA agrees to reimburse the University for such supplemental costs of participant training programs as shall be in keeping with standard FOA policies promulgated after the execution of this contract; provided, that the amount of reimbursement of such costs and the method of computing same are agreed to in writing by the University and FOA. In the event that FOA and the University cannot reach agreement on the amount of such supplemental costs and the method of computation thereof within 60 days after receipt of notice from FOA to the University of the existence of standard rates for supplemental costs of participant training, the University shall have the right to cancel participant training programs provided for in this subsection without prejudice to the rights and obligations contained in the remainder of the Contract.

D. Insurance

The costs of additional premiums paid by the University for life insurance in accordance with the normal practice and premiums paid by the University for health and accident insurance for the University's personnel and dependents.

E. Out-of-pocket Expenses

The costs of actual out-of-pocket expenses in addition to those mentioned above including cables, passport and inoculation fees, health examinations for staff members and dependents, and other similar dollar expenses incurred by the University in performing work under the agreement, not to exceed $12,074.00.

F. Purchase of Equipment

The costs of purchasing library books and equipment, demonstration equipment, teaching aids and equipment necessary to the furtherance and development of the services being performed under this agreement other than that furnished by the Government of Vietnam and for the purchase of vehicles necessary to the support of the staff. All purchases under this provision shall be made pursuant to the regular practices and procedures used by the University in order to assure best purchasing results, total costs of purchases made under this section shall not exceed $130,950. Title to all equipment, materials and supplies, the cost of which is reimbursable to the University by FOA, shall be in the name of the Government of Vietnam but shall be available for use through the period of the agreement by University personnel; and all such equipment, materials and supplies remaining upon completion or termination of the agreement shall be turned over to the Government of Vietnam. The University is in no way responsible for the loss or destruction of such property except in case of culpable negligence on the part of University personnel.

G. U. S. Small Business Provision

To permit FOA, in accordance with the Small Business provisions of the Mutual Security Act, to give U. S. small business firms an opportunity
to participate in supplying commodities covered by this contract, the University shall to the maximum extent possible provide the following information to the Office of Small Business, FOA, Washington 25, D. C. at least 30 days prior to the placing any order in excess of $5,000, except where a shorter time is requested of, and granted by, the Office of Small Business, FOA, Washington 25, D. C.

(a) Brief general description and quantity of commodities or services.
(b) Closing date for receiving quotations.
(c) Address where invitations or specifications may be obtained.

Further, no purchase of any single item costing in excess of $500 will be made without prior written approval of FOA.

H. Retirement and Social Security

The cost of retirement and social security benefits for University personnel assigned to and paid from funds provided under this agreement.

III.

Subject to the provisions of paragraph I, the University, in addition to costs reimbursable under paragraph II above, shall receive not to exceed $103,990 for administrative expenses and such costs shall not be billed directly under other provisions of the agreement. The actual amounts shall be based on the following formula:

1. 15 per cent of all salaries paid to University's U. S. personnel stationed overseas under the corollary agreement; and

2. 36 per cent of all salaries paid to personnel stationed in the United States and employed under the corollary agreement.

Provided that the rates set forth next above shall be fixed for one year from the effective date of this agreement. Effective on the first day of the month following the close of the first year the foregoing rates shall be on a provisional basis subject to redetermination and negotiation on the basis of Army Audit overhead rates for Instruction and Research Contracts using the same components as used in arriving at the rates set forth next above.

IV.

It is understood that local expenses in Vietnam under the terms of the corollary agreement are to be paid principally by the Government of Vietnam under procedures to be agreed upon by the Government of Vietnam and the FOA Mission Director. The maximum amount of this agreement as stated in paragraph I contains $100,000, which may be used to reimburse the University for expenses incurred in Vietnam in the event that local expenses are incurred.
currency for such expenses is not promptly paid by the Government of Vietnam, and that within thirty (30) days after the failure of the Government of Vietnam to make such payments the University will have notified FOA in writing of such failure. In the event that the commitment of FOA to underwrite such expenses in the amount of $100,000 becomes inadequate, the University shall have the right to request an amendment of the agreed amount and, if such is not forthcoming, to serve notice of termination of the agreement, such termination to be effective 90 days after notice.

V.

A. FOA will advance to and maintain with the University sufficient working funds to meet expected expenses for at least 90 days of program operation.

B. Payment to the University

Payment will be made to the University quarterly or at other agreed intervals upon submission to the Office of the Controller, Foreign Operations Administration, Washington 25, D. C., of documentation as follows:

1. Voucher SF-1034 (Revised) or SF-1146 to be properly executed and submitted in original and three copies:
   (a) With each request for an advance of funds.
   (b) With a "No Payment" voucher evidencing disposition of all advances. The "No Payment" voucher is to be submitted within thirty days after the first quarter from ( ) through ( ) and each quarter thereafter. The "No Payment" voucher accounting for the final quarter under the agreement is to be submitted no later than sixty days following the end of the quarter. In the event the funds expended include an individual purchase of equipment or material in excess of $1,000, this voucher must be supported by a copy or photostat of the vendor's invoice appropriately detailed as to the quantity, description and price.

2. Supplier's Certificate, FOA Form 280, in duplicate:
   (a) To be executed by the University for each "No Payment" voucher.
   (b) To be executed by the vendor for each individual equipment or material purchase in excess of $1,000.

3. Original and one copy of a fiscal report prepared and rendered by the University:
(a) Stating the estimated requirements for funds requested to be advanced for the quarter, based upon the approved budget established for the agreement.

(b) Listing the expenditures of funds under previous advance(s), indicating the manner in which the funds were expended under the approved budget categories.

(c) Upon completion or termination of the agreement, the University will submit a final fiscal report, detailed by budget categories, of all activities performed under the agreement from inception.

C. The detailed listing of expenditures referred to in paragraph B above will be by object expenditure classification of the budget as detailed in Appendix I of this agreement. It is understood, however, that nothing contained herein is to be construed as limiting the rights of the University to adjust budget classifications within the total amount of this agreement unless otherwise limited by this agreement.

D. The University shall keep full and complete records and books of account in accordance with generally accepted accounting principles covering the financial details applicable to the University and shall require all subcontractors to maintain similar books and records (except under subcontracts for standard commercial supplies and raw materials). FOA and the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five years after final payment under the agreement, have access to and the right at all times to examine and audit such records and books of account (and in addition any or all other attachments, correspondence, memoranda, and other records pertaining to the agreement) of the University or any of his subcontractors (except under subcontracts for standard commercial supplies and raw materials) engaged in the performance of, and involving transactions relating to, the agreement or any subcontract.

VI.

This agreement shall be effective subject to execution of the corollary agreement when signed by the appropriate representatives of both parties and shall remain in force and effect subject to the provisions of Paragraph I until unless otherwise terminated in accordance with the agreement. This agreement shall be subject to renewal for an additional year upon written notice of renewal given by FOA to the University at least 90 days prior to if such renewal is authorized by law.

A. This agreement may be cancelled by FOA upon the giving of written notice to the University at least 60 days prior to the effective date of such termination.
B. In addition to the termination rights provided in the reference agreement, the University may cancel this agreement upon the giving of written notice to FOA at least 60 days prior to the 13th month of the agreement.

C. In the event this agreement is terminated, under sections A or C of this paragraph VI, FOA shall reimburse the University for salaries paid to staff members performing work under this agreement for the agreed period of service with the University to the extent that the University is liable to make such payments under its arrangements with its employees; provided that such staff members are not otherwise gainfully employed during the compensable periods following such termination, or if gainfully employed but at a lesser compensation, payments will be made to equalize the difference and, provided further, that such payments shall not extend beyond one year from the date of the employee's termination or the original expiration date of this agreement, whichever is earlier.

D. Assignment - The University shall not assign, transfer, pledge, subcontract, or make disposition of the agreement without first obtaining the written consent of FOA.

E. Subcontracts - To the extent work hereunder is subcontracted, University shall require each subcontractor to agree to the relevant provisions of the agreement as fully as if such subcontractor were a party hereto.

F. Covenant Against Contingent Fees - The University warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the University for the purpose of securing business. For breach or violation of this warranty, FOA shall have the right to annul this agreement without liability, or, in its discretion, to deduct from the agreement price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

G. Non-Discrimination - The University agrees that in the performance of this agreement, the University will not discriminate against any employee or applicant for employment because of race, creed, color or national origin.

VII.

A. The University agrees to confer on FOA, the same rights and authority as provided the Government of Vietnam under Articles I and III of corollary agreement and Annexes I and II thereof.

B. The University agrees to require personnel assigned to work under this agreement to receive orientation from the FOA at Washington, D. C., and by the Director of the United States Overseas Mission at Saigon.
C. The University agrees to carry out operations in Vietnam under corollary agreement in accordance with the general policies of the Director, United States Operations Mission to Vietnam.

VIII.

The University shall return to FOA within 90 days any balance of funds made available to the University which is unused in accordance with the agreement and unobligated prior to ___________ or such earlier termination date as may be agreed upon under termination provisions of this agreement.

IX.

FOA shall grant to University personnel the same facilities and privileges that are granted to FOA employees in Vietnam of equivalent grade insofar as feasible.

X.

No member or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless it be made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties have executed this agreement as of the ___________ date of ___________, 1955.

IN THE PRESENCE OF: FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

______________________________

______________________________

IN THE PRESENCE OF: FOR MICHIGAN STATE UNIVERSITY OF AGRICULTURE AND APPLIED SCIENCE

______________________________

-11-
ANNEX I

Activities to be Carried out by the Contractor

In accordance with the provisions of this contract, the Contractor will carry out projects and activities in the field of public administration as follows:

**General Plans:**

1. Beginning as soon as practicable after the execution of this contract, the Contractor will send a staff of professional, technical and administrative personnel to Vietnam to assist the Government in establishing and operating a National Institute of Administration for the purposes of improving the training and competence of government officials and employees, offering instruction at the university level related to a degree or certificate program in public administration, developing a program of research in government, and improving the organization and functioning of the Presidency, the police, field administration and local government.

2. All personnel sent to Vietnam by the Contractor to perform duties under this contract shall be named as members of the staff of the National Institute of Administration and shall be assigned as individuals to perform full-time or part-time services in connection with the following projects:
   a. National School of Administration (now at Dalat).
   b. In-service training program for government officials and employees.
   c. University level teaching related to a degree or certificate program in public administration.
   e. Improvement of the organization and functioning of the Presidency, the police, field administration and local government.
3. The Contractor's staff shall work in close contact with the Vietnamese personnel directly concerned with the projects covered by this contract, imparting to the latter as much of their knowledge and experience as is practicable, to the end that the Vietnamese personnel shall be prepared to assume full charge of the institutions and projects dealt with in this contract at the time of its termination.

4. **Training of Officials** - Where it seems necessary and desirable to the furtherance of the services being performed under this contract, the Contractor in consultation with the Government will aid in selecting officials for training and observation in the United States or other countries. Persons so selected may be trained at the Contractor's institution in the United States or at other institutions selected by the Contractor, in consultation with the Government, FOA, and other agencies concerned. Costs of the training and observation provided for in this provision shall not be incurred in amounts in excess of cost ceilings established in accordance with prevailing FOA policies for this type of training and observation. Unless otherwise stipulated, this training and observation shall be for a maximum of twelve months.

5. The Contractor shall render advice to the Government upon the following matters in connection with the projects in which the Contractor's staff in Vietnam is participating:

   a. The ordering and classification of books, manuals, pamphlets, periodicals, instructional aids, and other publications for use in training projects or to become part of any collection of reference material.

   b. The selection of books, manuals, pamphlets, or other publications for translation from one language to another and the translation and reproduction of such materials.
c. The ordering of equipment and supplies
d. The plans for construction, repair, or improvement of premises.
e. Library management.

Teaching

6. The Contractor's staff in Vietnam shall prepare and offer suitable courses of study, training, and practice related to a degree or certificate program in public administration including at least the following:

- Comparative political institutions
- Recent political thought
- International politics
- Principles of public administration
- Personnel administration
- Financial administration
- Organization and methods
- Local government
- Governmental planning
- Ethics of the public service
- Public relations
- Police Administration
- Accounting
- Statistical methods and practice
- Tax Administration and Public Finance
- Fundamentals of Economics
- Office management
- Typing
- Shorthand and other secretarial skills

Other elementary supporting courses in other social sciences in the National
Institute of Administration, as may be consistent with the fields of specialization of the members of the Contractor's staff in Vietnam.

7. The Contractor's staff in Vietnam shall provide in-service training in the subject areas listed in paragraph 6 of Annex I as may be consistent with the fields of specialization of the members of the Contractor's staff in Vietnam.

8. In connection with its teaching duties and activities in Vietnam, the Contractor shall consider and develop plans, materials, aids, and devices for the constant improvement of the quality of instruction, including at least the following:

- Audio-Visual aids in instruction
- Exhibits and demonstrations
- Materials for instruction in public administration by the case method
- Long-range plans for the development of university level instruction in political science and public administration
- Assessment of educational needs in fields covered by this Contract
- Expansion of training facilities.

Conferences

9. The Contractor shall assist the Government in organizing and conducting frequent conferences and round tables to assemble government officials and employees for the discussion of problems of administration, management, organization, and methods of work in government offices and services.

Research

10. The Contractor shall assist the Government in establishing and operating a comprehensive research and reference program in the problems of government in Vietnam, and in developing a reference library.
Police Administration and Training

11. The Contractor shall assist the Government in developing sound organization and methods in the police services and in improving the training and equipment of the police. The Contractor's staff in Vietnam shall render advice on police work to the branches of the police designated by the Government. The Contractor shall offer courses of training in police organization and methods, and shall assist the Government in the operating of a training center or school for this purpose, according to work plans prepared in advance by the Contractor for approval by the Government.

Presidency of the Government

12. The Contractor shall assist the Government in developing sound organization and methods in the Presidency of the Government, with a view to improving the planning, advisory, administrative, intelligence, public relations, and policy-formulating services designed to assist the President of the Council in discharging his responsibilities. Members of the Contractor's staff assigned specifically to the project for the improvement of the Presidency shall advise the Government on those matters and also upon possible improvements in security practices, communications, records administration, and office equipment.

Local Government

13. The Contractor shall assist the Government in developing sound organization and methods in local government with a view to improving central-local and central-field relations and field administration and local government. Members of the Contractor's staff assigned to the project for the improvement of local government shall make a thorough survey of local government and field administration and central-local and central-field relations and report and interpret their findings to the Government.
Professional Associations and Publications

14. The Contractor will provide assistance in the development of professional associations and technical publications as a means of furthering the exchange of ideas and experiences in specialized fields.
ANNEX II

Provisions Applicable to Contractor's Personnel

Number and Qualifications of Personnel

1. The Contractor shall furnish a regular professional, technical, and administrative staff to carry out the provisions of this contract in Vietnam, including a Chief Advisor who shall be the representative of the Contractor in Vietnam and the supervisor of the other members of the Contractor's staff in Vietnam. Said regular field staff shall not exceed 30 American personnel except by prior written agreement of the parties hereto and FOA.

Home Staff

2. Contractor shall maintain at Michigan State College in Michigan, a coordinator, specifically designated by the Contractor's President, and such secretarial and technical assistance as is necessary to effectively supervise and coordinate the activities under this Contract, including up to three weeks of briefing in East Lansing for Contractor's personnel to be sent to Vietnam.

Short-Term Consultants

3. With the advice and consent of the Government and FOA, Contractor may send to Vietnam such short-term consultants as may be needed effectively to implement the fulfilling of the purpose of this Contract.

Inspecting Officers and Executives

4. Upon obtaining prior written approval of the Government, Contractor may send such of its officers and executives to Vietnam as may be required to review the progress of the work under this Contract, but not to exceed three man round trips per year. No direct salary charges will be paid hereunder in respect to any such officers or executives.

5. The Contractor shall send the Chief Advisor and at least one other member of its staff to Vietnam in order that they may assume their duties not
later than sixty days after the effective date of this contract.

6. The Contractor shall send other professional and technical personnel to Vietnam in accordance with the work plans referred to in Article III-D.

7. The Contractor's professional and technical staff in Vietnam, including the Chief Advisor, shall be chosen so that the group contains representatives, capable of performing the activities specified in Annex I.

Conditions of Employment

8. Each staff member sent to Vietnam by the Contractor shall serve for a period of not less than two years, including orientation time in East Lansing, Michigan, and Washington, D.C., travel to and from Vietnam, and leave taken during this period, unless otherwise stipulated in writing by the parties here-to. This provision shall not apply to consultants specifically employed for shorter terms.

9. Contractor agrees to submit to the Government and to FOA on forms provided for this purpose biographical information on any of the individuals now or hereafter employed directly on the performance of the Contract; provided, that in respect of personnel to be sent overseas for work on the Contract, Contractor shall obtain prior approval from the Government and FOA. On the written request of FOA or of the Government transmitted to the Contractor through diplomatic channels or through USOM, the Contractor will terminate the employment on the Contract of any individual or individuals serving under the Contract.

10. It is understood and agreed that Contractor may grant to personnel employed under this Contract:

a. Vacations of reasonable duration.

b. Reasonable sick leave.

c. Reasonable delays en route, while in travel status, caused by events beyond the control of the traveler or Contractor (other
than those caused by physical incapacitation; it is understood that for delays caused by physical incapacitation personnel shall be eligible for such sick leave as is provided under b next above.)

d. Home leave - Provided, that personnel must have spent at least two years outside the United States under this Contract and have agreed to return to Vietnam for at least one additional year under this Contract.

e. Without limiting the term "reasonable" any vacations, or sick leaves, or delays comparable to those granted United States Government employees or in accordance with the established practice of the Contractor shall be deemed reasonable.

Additional delays en route shall be granted by Contractor to personnel if requested by the Government for the convenience of the Government.

Reasonable delays en route other than those authorized in 1(c) above, may be granted by Contractor to personnel leaving Vietnam for the United States, provided that salary costs during such leaves are charged to and within the established limits of authorized vacation time, and provided further, that costs of such travel (including authorized transportation and authorized travel allowances) shall not be reimbursed beyond the amount that would have accrued had travel been direct and expeditious by scheduled commercial air carrier.

11. International travel shall normally be by first class commercial scheduled air carrier. However, personnel may travel by other means so long as such personnel arrive at their posts of duty upon the dates agreed upon by the parties hereto, provided that travel costs (including authorized transportation and authorized travel allowances) shall not be reimbursed in amounts in excess of that which would have accrued had travel been by the most expeditious air route.
12. Members of the Contractor's staff in Vietnam shall be entitled to the same rights and privileges as FOA employees in Vietnam of equivalent grades, with respect to:

a. Travel to port of embarkation.

b. International travel.

c. Sponsorship of dependents.

d. Transportation to and from Vietnam of accompanied air baggage, ocean freight, household goods, and privately owned automobiles.

e. Storage of household goods in the U.S.

f. Medical care and dispensary.

g. Special passports

h. Commissary.

i. Housing

j. Use of diplomatic pouch and/or APO

k. Local transportation in Vietnam.

l. Use of FOA travel section

m. Officer's Club

n. Dependent's schools.
ANNEX III
Responsibilities of the Government

General Provisions

1. It is understood that the responsibilities of the Government described in this annex and referred to in Article IV of this contract depend upon the facilities and resources available to the Government, including financial and other assistance rendered through project agreements between the Government and USOM. It is further understood that project agreements between the Government and USOM will be prepared before the beginning of operations under this contract, and continued during the term of this contract, for the purpose of assisting the Government in meeting its obligations under this contract.

2. In the work plans, tables of organization, budgets, and other operating agreements reached between the Government and the Contractor, the responsibility of the Government shall be stated in a precise manner and shall not be in excess of the facilities and resources of the Government.

General Plans

3. The Government shall establish by appropriate law or decree, promulgated not later than thirty days after the effective date of this contract, the National Institute of Administration, as a part of the Presidency of the Government. The Government shall also designate the permanent official of the Presidency who shall have staff responsibility for the Institute and shall give to him attributes and responsibilities consistent with this contract and its annexes.

4. The Government will confirm the appointment of the members of the Contractor's staff in Vietnam as members of the staff of the National Institute of Administration.
5. The Government shall provide, or continue to provide, an adequate staff for the National Institute of Administration including the degree or certificate program, the in-service training program, the research program, the police services, or other office or service of the government directly concerned with the projects covered by this contract. The staff to be provided by the Government shall include at least the following:

- Director of the National Institute of Administration
- Professors and instructors for teaching and training
- Research assistants
- Interpreters and translators
- Secretarial and clerical personnel
- Custodial personnel

The Government shall name at least one Vietnamese official of professional or technical qualifications to serve as the counterpart or counterparts of each member of the Contractor's regular professional and technical staff in Vietnam. The provision by the Government of assistants, interpreters, and secretarial personnel shall not be construed as limiting the employment of similar personnel by the Contractor.

6. The Government shall co-operate in the choice of Vietnamese experts, technicians, and students to receive training in the United States under this contract. It is understood that persons chosen for such training will be released from any government position which they hold for the period of training and will be re-employed in the same or a more responsible position upon the completion of training.

Teaching

7. The Government shall provide for the transfer of the National School of Administration from Dalat to Saigon and of its functions to the National
Institute of Administration. The Government shall see that the curricula of the Institute shall include suitable courses of study, training, and practice in public administration and allied subjects as listed in Paragraph 6 of Annex I.

8. The Government shall establish a comprehensive program of training for public officials and employees already in office, providing as far as practicable for the release of officials and employees from their regularly assigned duties without loss of compensation in order to participate in such training courses.

Conferences

9. The Government shall organize and conduct frequent conferences and round-tables to assemble government officials and employees for the discussion of problems of administration, management, organization, and methods of work in government offices and services. The Government shall, insofar as it is practicable, release its officials and employees chosen to participate in such conferences from their regular duties to make attendance possible.

Research

10. The Government shall make available, consistent with existing security regulations, all reports, statistics, and other information necessary for the efficient conduct of research by the staff of the National Institute of Administration in connection with projects covered by this contract; and the government shall instruct the heads of offices and services to release such reports, statistics, and other information upon request.

Police Administration and Training

11. The Government shall institute a program for the improvement of organization and methods in the police services, and shall indicate to the Contractor the branches of the police with respect to which advice is desired. The Government shall make available to the Contractor all records, reports, and other
information necessary to enable the Contractor's staff in Vietnam to assess the
needs of the police services for reorganization, equipment, materials, and
training. The Government shall instruct the heads of offices and services with-
in the police organization to co-operate fully with the members of the Contract-
or's staff in Vietnam, to the end that the efficiency of the police may be
improved.

Presidency of the Government

12. The Government shall institute a program for the improvement of organ-
ization and methods in the Presidency of the Government. The Government shall
make available to the Contractor all records, reports, and other information
necessary to enable the Contractor's staff in Vietnam to discharge its obliga-
tions under Paragraph 12 of Annex I of this contract. The Government shall
instruct the heads of offices and services within the Presidency to co-operate
fully with the members of the Contractor's staff in Vietnam, to the end that
the efficiency of the Presidency may be improved.

Facilities, Equipment, Materials, Supplies, and Services

13. The Government shall provide, within the limits of its resources, the
facilities, equipment, materials, and supplies necessary to the accomplishment
of the mission of the Contractor's staff in Vietnam. Such assistance, to be
furnished by the Government, shall include, but not be limited to: land, build-
ings, housing, office and classroom furniture and equipment, books, instructional
materials, motor transport, interpreting-translating services, stenographic and
clerical services, mimeographing and printing services, and remodeling of pre-
mises.

In order to ensure the efficient functioning of the Institute of Public
Administration, the Government shall assign, within thirty days after the effect-
ive date of this contract, a suitable site or sites in or near Saigon for the
location and establishment of the Institute; and the Government shall, as soon as practicable and within the limits of its resources, assign existing buildings, or proceed to construct temporary or permanent buildings, suitable for use as classrooms, reading rooms, assembly rooms, dormitories, library, refectory, dispensary, or other facility designed to contribute to the purposes of the Institute; or as offices, reception rooms, and living quarters for the members of the staff of the Institute, both American and Vietnamese, insofar as they are entitled under the conditions of their employment to occupy such premises.