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AMENDMENT NO. 5 TO
AGREEMENT BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
REPRESENTED BY THE
INTERNATIONAL COOPERATION ADMINISTRATION
(Formerly the Foreign Operations Administration)

AND

MICHIGAN STATE UNIVERSITY

- PIO/T 30-77-080-3-59015
- PIO/C 30-77-080-5-59014
- PIO/P 30-77-080-1-59014
- PIO/T 30-77-080-3-60232
- PIO/C 30-77-080-5-60241
- PIO/P 30-77-080-1-60233
- PIO/T 30-77-080-3-70134
- PIO/C 30-77-080-5-70135
- PIO/P 30-77-080-1-70136

This Agreement entered into this _____ day of _____ 1957,
between the Government of the United States of America, represented by the Inter-
national Cooperation Administration (ICA), formerly the Foreign Operations
Administration, with principal offices in Washington, D. C., and Michigan State
University (hereinafter called "University"), an educational institution char-
tered by the State of Michigan having principal offices in the City of East
Lansing, State of Michigan, United States of America, witnesseth:

WHEREAS, the parties hereto entered into an agreement, dated April 19, 1955,
and amended September 30, 1955, June 8, 1956, November 30, 1956 and April 18,
1957, providing for a program of Technical Assistance in Public Administration
to the Government of Vietnam; and

WHEREAS, the parties now desire to further amend said agreement to extend
the expiration date, provide additional funds, and incorporate other mutually
desirable provisions;

NOW, THEREFORE, the parties mutually agree that said agreement shall be
and it is hereby further amended as follows:

1. Delete the third and sixth "WHEREAS" clauses.
2. Amend the fourth "WHEREAS" clause to read as follows: "WHEREAS, it is
the policy of the Government of the United States to utilize inter-university
contractual relationships financed by ICA as an integral part of the U. S. aid
program; and".

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3. Article I, as amended, is further amended to read as follows: "ICA agrees to finance dollar operations encompassed in the corollary agreement in accordance with the terms and conditions set forth in this Article I and in Articles II, III, IV and V below. It is estimated that the total dollar costs under this agreement shall be approximately \$4,533,940 for the period from the date of execution of this agreement to June 30, 1959, 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 April 30, 1958, shall not exceed \$3,240,106, and provided further, that any dollar costs subsequent to the period ending April 30, 1958, which cannot be covered by funds unused as of that date, shall be subject to the availability and allocation of additional funds to this agreement by ICA, or, in the event additional funds are not available, to Congressional action making funds available and the allocation of such funds to this agreement by ICA."

4. Article II-A, as amended, is further amended to read as follows:

"A. Cost of University Personnel

1. In the performance of the specific services authorized under this agreement, University shall, subject to and within the limitations of other applicable provisions of this agreement and effective as of the execution of this Amendment No. 5 employ staff members not to exceed a total of 54 at any one time, including U. S. citizens employed locally in Saigon. Such personnel will be given regular appointments to University's staff, except the above-mentioned U. S. citizens employed locally. Base annual salaries shall include:

a. Customary university salaries for the rank being filled and within the maximum currently paid by the University in each rank on its campus plus adjustment for annualization, if appropriate, in accordance with the University's regular practice, without reference to or approval by ICA. Where necessary to effect recruitment for overseas service, such annualized salaries may be increased by not to exceed an average of 10% for all staff members and administrative staff members employed under the agreement. It is understood that the customary University

Subsequent

practice in regard to salaries for specific professional and administrative personnel, salary increases, and annualization of salaries for overseas employment is as follows:

Salaries Academic

(1) Minimum academic yearly (approximately 9 months) salary for Instructors, \$4,500; Assistant Professors, \$5,500; Associate Professors, \$6,500; Professors, \$7,500. Maximum salaries may vary according to the individual's education, experience, and professional standing.

Salaries Administrative

(2) Salaries for administrative personnel shall be determined in accordance with salaries paid by the University to its own administrative staff personnel with comparable duties and responsibilities.

Salaries Over-all increases

(3) Over-all salary increases (cost-of-living, merit, promotion, and longevity) shall be determined in accordance with University-wide policies applied by the governing body of the University according to conditions existing at the time. Administrative promotions and individual salary increases shall be determined by standard established by the Administrative Board for all University personnel.

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Salaries

(4) Annualization of academic salaries for overseas employment shall be at the rate of $\frac{4}{3}$ academic salaries where such salaries are paid on the basis of an academic year (approximately 9 months). No salary exceeding \$15,000 per annum (excluding overseas differential and allowances) will be paid without the prior written approval of ICA.

- Longevity & merit increases*
- b. Longevity, merit increments and academic promotions in accordance with the customary practices of the University as indicated in II-A-1-a (3) above; provided that the University submits at the time of each increase a written statement to the ICA which includes a certification to the effect that such increases conform with the customary policy and practice of the University.
- c. If over-all general increases in salary levels for various ranks are adopted by the University during the course of the agreement, these increases will be permitted under the agreement

to coincide with the effective date of the new salary levels adopted by the University.

Promotions
d. Administrative promotions during the life of the agreement shall be authorized only when a staff member or administrative staff member appointed to one position under the agreement succeeds to another position with a higher rank and salary under the agreement.

2. In areas where overseas differentials are paid to ICA employees, overseas differential to staff members, (excluding locally employed U. S. citizens as defined in Article II-I) and to short-term staff members and consultants in Vietnam over sixty days of the same percentage of base salary as is provided such ICA employees, pursuant to the Standardized U. S. Government Civilian Allowance Regulations, (Foreign Areas). Changes in U. S. Government Civilian Allowance Regulations (Foreign Areas) shall be effective for staff members at the beginning of the next pay period subsequent to receipt by the University Controller of notification from ICA of such changes in regulations. It is understood that the differentials shall be paid to such personnel only while employed in Vietnam under this agreement.

3. Salaries paid to short-term staff members by Contractor, normally at rates not in excess of maximum salaries received by such persons during the three years immediately preceding employment under this agreement. All such salaries shall be subject to prior written approval of ICA."

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5. Article II-A-3 (now II-A-5) is amended by deleting the words and figures "\$37,000 per annum" appearing in the last line and substituting in lieu thereof "\$178,000 during the period of this agreement."; and by substituting the figure "4" for the figure "2" appearing in the third line.

6. Article II-A-4 (now II-A-6), as amended, is further amended by deleting the date "May 18, 1957" and substituting therefor the date "June 30, 1959".

7. Article II-A, as amended, is further amended by renumbering paragraphs 2, 3 and 4, as 4, 5 and 6 respectively.

8. Article II-A, as amended, is further amended by adding a new subparagraph 7 as follows:

Consultants Per Diem

"Amounts paid to consultants performing work under this agreement, subject to prior written approval of ICA. Such amounts shall not exceed their customary per diem rates and shall in no event exceed \$75.00."

9. Article II-B-1 is amended by adding the following sentence: "Also, cost of first-class travel between Vietnam and other countries by personnel, including consultants, but not dependents, in performance of service under this agreement by the most expeditious first-class commercial scheduled airline, and travel allowances as provided in subsection 2 next below; provided that notification of such travel must be given in advance in writing to the Government of Vietnam and the Director, USOM."

10. Article II-B-2, as amended, is further amended by deleting the figures "\$10.00" and "\$5.00" appearing in line three of the second paragraph and substituting the figures "\$12.00" and "\$6.00" respectively.

11. Article II-C-1, as amended, is further amended by deleting the last sentence and inserting in lieu thereof the following: "The total cost of the participant program shall not exceed \$385,666 nor \$268,613 for the period ending April 30, 1958."

12. Article II-E is amended by deleting the figure "\$12,074" and substituting the figure "\$38,674."

13. Article II-F is amended by substituting a comma for the period at the end of the first sentence and adding: "provided that the purchase of any single item costing in excess of \$1,000 is approved in advance in writing by ICA.", and is further amended by deleting the figure "\$130,950" and substituting therefor the figure "\$205,950".

14. Article II is further amended by adding a new paragraph J as follows: "Costs of office supplies for use of the University in Vietnam, if such supplies are not available locally, not to exceed a total of \$10,000 nor \$5,000 for the period ending April 30, 1958."

15. Article III is amended to read as follows:

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"Subject to the provisions of Article I, the University, in addition to the costs reimbursable under Article II, above, shall be reimbursed for administrative expenses incurred in the performance of this agreement at the rate of 15% on the direct base salaries paid to off-campus personnel (excluding consultants) engaged in the performance of this agreement and at the rate of 36% on salaries paid to personnel assigned to work directly on this agreement at the University.

"The foregoing rates are based on an analysis and evaluation by ICA or other appropriate U. S. Government agency of relevant data submitted by the Contractor relating to overhead. Effective on the first day of the month following the close of the first fiscal year, the foregoing established rate shall become a provisional rate for the next fiscal year, subject to an audit of the Contractor's records, which may be made by ICA or other appropriate U. S. Government agency. In making the audit it is understood that the principles established by the Department of Defense for determination of overhead allowances will be followed, with adjustments of certain factors to allow for the off-campus programs. The provisional rate and payments for subsequent fiscal years shall be computed and adjusted accordingly.

"The allowance for overhead costs provided above is intended to cover those items of indirect costs which are normally included by the University in its indirect costs in accordance with generally accepted accounting principles (exclusive of retirement costs which will be billed as a direct cost) and such items of cost shall not be billed under other provisions of this agreement."

16. Article V-B-3 (c) is amended by inserting the words "within 120 days" immediately following the words "fiscal report" appearing in the second line thereof.
17. Article VI-C, as amended, is further amended by deleting the word "of" appearing in the first line and substituting therefor the word "or".

18. Article VI, as amended, is further amended by deleting the date "May 18, 1957" from lines four and seven and substituting the date "June 30, 1959".

19. Article VI is further amended by adding a new subparagraph I as follows:

"It is understood that ICA is presently reviewing its policies with regard to University Contracts which it finances with a view to devising a standard form of contract which will permit more efficient administration of the contracts and the programs which they implement. ICA has requested the Contractor to execute this Amendment prior to final decision on the pending policy considerations in order to avoid delay in furnishing the technical advice and assistance requested by the Government of Vietnam, and Contractor has agreed to execute the same with the understanding that if and when a contract of the type contemplated is finalized and offered generally to other universities, the Contractor shall be offered a contract with the same provisions for the balance of the term hereof by way of an amendment or supplement hereto. Both parties reserve the right to vary the terms of any provision of said contract through mutual agreement so as to prevent inequities which might otherwise result to either party."

20. Article VIII is amended by deleting the date "May 18, 1957" and substituting in lieu thereof the date "June 30, 1959".

21. Article IX is amended by deleting the period at the end of the sentence and adding the following: "including educational allowances for dependents of University staff in Vietnam".

22. "Appendix I" attached to the agreement is hereby superseded by "Appendix I-Revised" attached hereto.

Except as expressly hereby amended said agreement is in all respects ratified, confirmed, and continued in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have by their representatives or officers duly authorized, executed this agreement as of the day and year first above written which shall be the date of execution by the last signatory hereto.

MICHIGAN STATE UNIVERSITY

GOVERNMENT OF THE UNITED STATES OF AMERICA
INTERNATIONAL COOPERATION ADMINISTRATION

By _____

By _____
Director, Office of Contract Relations

Date _____

Date _____

U. S. DOLLAR COSTS

APPENDIX I - REVISED

BUDGET ITEM	First Year 4/19/55-4/18/56	Second Year 4/19/56-6/30/57	Third Year 7/1/57-6/30/58	Fourth Year 7/1/58-6/30/59	TOTAL	CATEGORY TOTAL
I STAFF						
A. Salaries						
1. MSU Overseas Staff	204,667	311,000	577,500	523,300	1,616,467 ^{1/}	3,497,100
2. MSU East Lansing Staff	37,000	37,000	56,500	47,500	178,000	
3. Consultants Overseas	18,000	18,000	18,000	18,000	72,000	
B. Annuity and Social Security	16,567	24,010	44,380	36,872	121,829	
C. Post Allowance for Consultants and Per Diem for 3rd Country Travel	-----	-----	10,000	10,000	20,000	
D. Special Insurance	9,600	9,600	7,000	7,000	33,200	
E. Educational Allowance	-----	-----	10,000	10,000	20,000	
F. Travel						
1. Overseas to Vietnam	340,938	259,166	560,400	190,200	1,350,704	
2. Third Country Travel	-----	-----	37,500	30,000	67,500	
3. U. S. Staff Travel	4,200	4,200	5,000	4,000	17,400	
II EQUIPMENT, MATERIALS, AND SUPPLIES						
A. Demonstration Equipment	24,000	5,000	7,000	3,000	39,000	205,950 ^{2/}
B. Library Equipment	30,000	5,000	2,000	2,000	39,000	
C. Library Books and Materials	35,000	10,000	10,000	10,000	65,000	
D. Office and Home Equipment (Saigon)	-----	-----	5,000	5,000	10,000	
E. Office Supplies (Saigon)	-----	-----	6,000	4,000	10,000	
F. Cars or Station Wagons	21,950	-----	21,000	-----	42,950	
III PARTICIPANT PROGRAM						
A. 15 Participant Man-Years @\$5,000	75,000	75,000	-----	-----	150,000	385,666 ^{3/}
20 Participant Man-Years @\$5,000	-----	-----	100,000	100,000	200,000	
B. Transportation & Per Diem (U.S. Supv.)	1,280	1,280	2,000	2,000	6,560	
C. In-state Travel-Partic.&/or U.S. Supv.)	500	500	1,000	1,000	3,000	
D. Overhead	13,053	13,053	-----	-----	26,106	
IV OTHER						
A. Overhead						
1. 15% Overseas Salaries, incl. consultants	30,700	46,650	86,625	78,495	242,470	345,224
2. 36% East Lansing Salaries	13,320	13,320	20,340	17,100	64,080	
3. Costs of Partic. Program-See III D7	-----	-----	-----	-----	-----	
B. Direct Costs	6,331	5,743	13,300	13,300	38,674 ^{4/}	
V GUARANTEE OF DOLLAR EQUIVALENTS						
	100,000	-----	-----	-----	100,000	100,000
	982,106	838,522	1,600,545*	1,112,767	4,533,940	4,533,940 ^{5/}

Specific Limitations in Contract as Amended:

- 1/ Art. II-A-3 Specifically limits 4 yr. expenses for this item to this amount.
- 2/ Art. II-F Specifically limits 4-yr. expenses in this category to this amount.
- 3/ Art. II-C-1 Specifically limits 4-yr. expenses in this category to this amount;
and expenses prior to April 30, 1958 to \$268,246.
- 4/ Art. II-E Specifically limits 4-yr. expenses for this item to this amount.
- 5/ Art. I Specifically limits 4-yr. total expenses under contract to this amount;
and expenses prior to April 30, 1958 to \$3,240,106.

*Of which \$1,419,478 or 88% is available for programing up to April 30, 1958.