

**TITLE: CIB 97-20 - Requirement for Full Reimbursement of M&IE Expense
to USAID Direct Contractors and PSC's**

August 29, 1997

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: Distribution List FAC

FROM: M/OP/OD, Marcus L. Stevenson

SUBJECT: Requirement for Full Reimbursement of M&IE Expenses to
USAID Direct Contractors and PSCs

CONTRACT INFORMATION BULLETIN 97 - 20

It has come to my attention that some Missions are pressuring PSCs and contractors to accept per diem/M&IE rates at less than what the Standardized Regulations authorize. In the case of PSCs, this is not a permissible practice and must cease immediately. Concerning USAID direct contractors, unless a Contractor's established policy is to reimburse employees for international travel and per diem at levels below those set forth in the Standardized Regulations, USAID may not arbitrarily limit reimbursement to the contractor.

Personal Services Contracts:

In accordance with AIDAR Appendix D provision, Travel and Transportation Expenses (July 1993), reimbursement for Personal Service Contractor (PSC) travel expenses will be in accordance with AID's established policies and procedures for its direct-hire employees and the provisions of the contract. Reimbursement of PSC travel and per diem costs at less than USAID direct hire equivalents would not be authorized without an official deviation from the AIDAR submitted in accordance with AIDAR 701.470(a).

USAID Direct Contracts

The AIDAR Travel and Transportation clause (752.7002) provides that a determination of reasonableness will be made based on the Contractor's established policies, USAID's established policies for direct hires, and the particular needs of the project. If any limits other than those in the Standardized Regulations are to be imposed, they must be established clearly at the time of contracting.

Considering USAID's longtime practice of reimbursing contractor travel and per diem expenses exactly in accordance with the Standardized Regulations, deviations from either clause most likely would not be approved.