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E-Module #2: Understanding USAID's Types of Awards



- Welcome to our e-module series on “How to Work with USAID.” I’m Ellee Walker, Regional Legal Advisor, and I’ll be your host today for our second E-Module on “Understanding USAID’s Types of Awards.” This e-module is geared towards non-governmental organizations -- non-profits or for-profits, U.S.-based or local organizations.



The objectives of this e-module are to understand:

- the different types of awards and funding mechanisms used by USAID,
- the phases of the award cycle, and
- ways that USAID staff communicate to interested partners about award solicitations.

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- Before beginning the process of applying for U.S. Government funds, you must understand the types of awards that USAID uses and how USAID-funded competitions work. The objectives of this e-module are to understand...
 - the different types of awards and funding mechanisms used by USAID,
 - the phases of the award cycle, and
 - ways that USAID staff communicate to interested partners about award solicitations.



Topics We'll Cover Today

1. What are the differences between a **grant, cooperative agreement, and a contract**?
2. What are the types of **assistance awards**?
3. What are the types of **acquisition awards**?
4. What are some **sub-award opportunities**?
5. What are the **key phases of the award cycle**?
6. What are the different **partner communication tools** that USAID may use to communicate with interested partners?
7. What are some of the **competition rules** for acquisition and assistance?

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In this e-module, we will address seven questions.

- First, what are the differences between a **grant, cooperative agreement, and a contract**?
- Second, what are the types of **assistance awards**?
- Third, what are the types of **acquisition awards**?
- And what are some **sub-award opportunities**?
- Next, what are the **key phases of the award cycle**?
- We'll then discuss different **partner communication tools** that USAID may use to communicate with interested partners.
- Lastly, what are some of the **competition rules** for acquisition and assistance?



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Section 1. Differences between Acquisition & Assistance



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Let's first talk about the differences between Acquisition & Assistance.



Introduction

- The US Government awards funding to organizations either through **acquisitions** (contracts) or **assistance** (grants or cooperative agreements).
- The appropriate instrument for each award depends on the **principal purpose** of the award. ([ADS 304](#))



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- The US Government awards funding to organizations either through **acquisitions** (that is contracts) or **assistance** (that is grants or cooperative agreements).
- The appropriate instrument for each award depends on the **principal purpose** of the award, which is required by the Federal Grant and Cooperative Agreement Act and USAID's Operational Policies (called the Automated Directives System (ADS), Chapter 304).



Principal Purpose of the Award

Acquisition

- Obtaining (i.e. acquiring) goods and services for the direct use and benefit of the Agency
- USG is a **buyer of a good or service**
- Request for Proposals (RFP) or Request for Quotations (RFQ)

Assistance

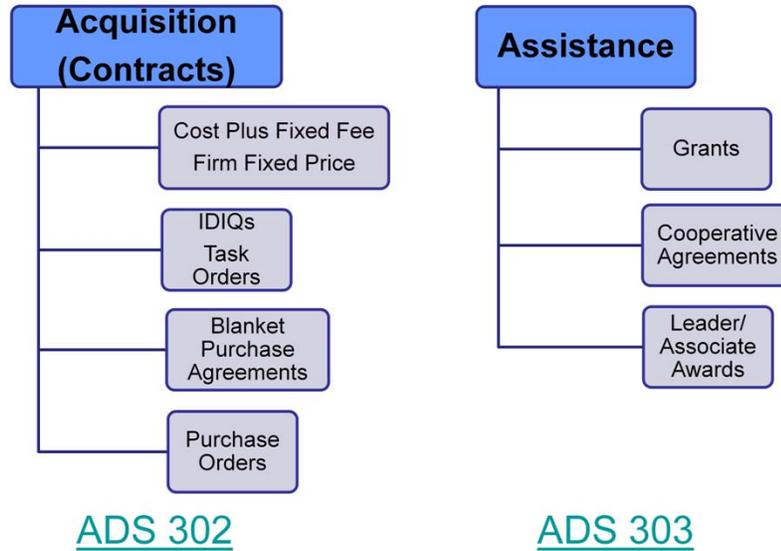
- Transferring funds (or other valuables) from USAID to another party for the implementation of programs that contribute to the public good and in furtherance of the Foreign Assistance Act
- USG is a **financial supporter of a program** to accomplish a public purpose
- Annual Program Statement (APS) or Request for Applications (RFA)

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- With regards to the principal purpose of the award, **acquisition** refers to obtaining (that is, acquiring) goods and services, through various types of contracts, for the use or benefit of the Agency.
 - Basically, the U.S. Government is a buyer of a good or service.
 - For acquisitions, interested organizations submit a proposal in response to a **Request for Proposals (RFP) or a quote in response to a Request for Quotations (RFQ)** that states the Agency's requirements and how USAID will evaluate and select the successful offeror or bidder.
- **Assistance** refers to transferring funds (or other valuables) from USAID to another party for the implementation of programs that contribute to the public good and in furtherance of the objectives of the Foreign Assistance Act.
 - Basically, for assistance, the U.S. Government is a financial supporter of a program to accomplish a public purpose.
 - For assistance, interested organizations submit an application in response to an Annual Program Statement (APS) or Request for Applications (RFA) which usually provides a program description and how USAID will evaluate and select the successful applicant.

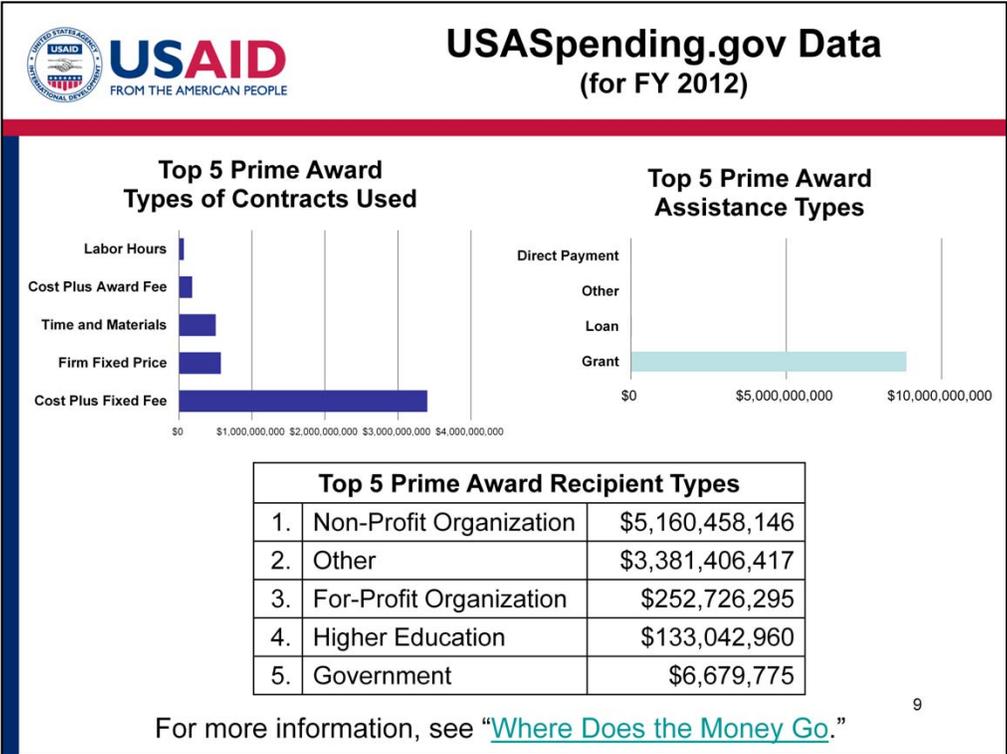


Award Mechanisms



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- The majority of aid is disbursed either through acquisition or assistance. This chart shows the different award types for acquisitions and assistance.
- For acquisitions, there's different types of contracts, including cost plus fixed fee and firm fixed price or a combination of the two. There's also Indefinite Delivery, Indefinite Quantity (IDIQ) contracts and blanket purchase agreements and purchase orders. We'll talk about each of these later in the e-module.
- On the assistance side of things, we'll talk about three types: grants, cooperative agreements, and Leader/Associate Awards.
- This e-module does not discuss grants to foreign governments or public international organizations.
- USAID's policies on Direct Contracting may be found in ADS 302 and for Assistance in ADS 303. We'll refer to these chapters throughout this e-module.



- We’ve provided a few tables here to show the various types of contracts and assistance awards used by USAID in FY 2012. This data comes straight from USASpending.gov.
- The most common type of contract at USAID is a cost plus fixed fee, which could include firm fixed price contract elements. In the future, USAID is aiming to increase the number of firm fixed price contract type arrangements. The most common type of assistance used by USAID is a grant, which for these statistical purposes also includes cooperative agreements.
- Non-profit organizations continue to be the top recipient of USAID awards. The “other” category includes Public International Organizations, such as the World Bank and the World Food Programme.
- For more information on USAID specific data, visit USASpending.gov or also click on this link, “Where Does the Money Go,” which offers a downloadable spreadsheet (in Excel format) that illustrates some key characteristics of how USAID’s funds were obligated for the latest fiscal year.



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U.S. Government Involvement



Limited Oversight

Substantial involvement
(approval of implementation
plan and key personnel, etc.)

Technical direction on a
regular basis

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- As far as U.S. government involvement in relation to the type of award, for grants, USAID has limited oversight over the implementation of a program.
- For cooperative agreements, USAID is substantially involved with the recipient in program implementation, which we'll discuss more in-depth later.
- For contracts, USAID typically exercises a higher level of control over the partner in obtaining results through technical direction on a regular basis.



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Section 2. Types of Assistance Awards



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- In Section 2, we'll discuss types of assistance awards.



- **Types of Assistance:**
 - Grants (including Fixed Obligation Grants (FOGs) and Simplified Grants)
 - Cooperative Agreements
 - Leader/Associate Awards
- USAID provides assistance to U.S. or non-U.S. organizations, nonprofits, and for-profit entities.
- **Prohibition of profit** to recipients of USAID assistance awards ([ADS 303](#); 22 CFR 226.81)

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- **Types of Assistance** may include
 - Grants (including Fixed Obligation Grants (FOGs) and Simplified Grants),
 - Cooperative Agreements, and
 - Leader/Associate Awards
- USAID provides assistance to U.S. or non-U.S. organizations, nonprofits, and for-profit entities.
- There is a **prohibition of profit** to recipients of USAID assistance awards. You can read more about these rules by clicking on this link (<http://www.usaid.gov/policy/ads/300/303sai.pdf>) or by consulting the regulations (22 CFR 226.81).



- **Solicitations:** USAID publishes Annual Program Statements (APS) and Requests for Applications (RFA) on [Grants.gov](https://www.grants.gov) to advertise competitive assistance programs.
- **Rules for assistance:** USAID's Policy: [ADS 303](#)
- As a condition for most grants, both U.S. and international private voluntary organizations (PVO) must be **registered with [USAID as a PVO](#)**.
 - Not applicable to local organizations.



- USAID publishes Annual Program Statements (APS) and Requests for Applications (RFA) on [Grants.gov](https://www.grants.gov) to advertise competitive assistance programs.
- **USAID's rules for assistance** may be found under USAID's Operational Policies, the Automated Directives System, or ADS, Chapter 303.
- As a condition for most grants, both U.S. and international Private Voluntary Organizations (PVO) must be **registered with [USAID as a PVO](#)**. Click on this link (<http://idea.usaid.gov/ls/pvo>) to find out more information about how to do so and also check out our e-module specifically on how to register as a PVO.
 - Note that the requirement to register as a PVO is not applicable to local organizations.



Fixed Obligation Grants

- Simplified grant mechanism that allows payments for the performance of defined milestones without monitoring the actual costs incurred by the recipient.
 - Payment based on outputs rather than inputs like costs
 - Competed and advertised through Annual Program Statements (APS) or Requests for Applications (RFA)
- Maximum amounts:
 - For U.S. NGOs, the total amount of the FOG must not exceed \$150,000 for a maximum of three years.
 - For Non-U.S. NGOs, the maximum grant amount is \$500,000 per year, for a maximum of three years, for a total of \$1.5 million.
- [ADS 303](#), on Fixed Obligation and Simplified Grants (FOGs), revised to give Missions greater flexibility to work with new USAID partners. ¹⁴

- Fixed obligation grants (or FOGs) are a simplified grant mechanism that allows payments for the performance of defined milestones.
 - Payments are based on outputs rather than inputs like costs.
 - Opportunities to apply for FOGs are competed and advertised through Annual Program Statements (APS) or Request for Applications (RFA). The application process for FOGs is often streamlined to require only an initial concept paper.
- For U.S. NGOs, the total amount of the FOG must not exceed \$150,000 for maximum of three years.
- For Non-U.S. NGOs, the maximum grant amount is \$500,000 per year, for a maximum of three years, for a total of \$1.5 million.
- USAID revised its rules in [ADS 303](#) (<http://www.usaid.gov/policy/ads/300/303saj.pdf>), on Simplified and Fixed Obligation Grants (FOGs) to give Missions greater flexibility to work with new USAID partners. The revised guidance includes a preference for using the FOG format when USAID can estimate the actual cost of the overall effort and define accomplishment of the purpose of the grant through defined milestones.



Fixed Obligation Grants (cont.)

- Appropriate activities for FOGs include studies, surveys, workshops, policy papers, disaster or humanitarian relief and assistance, and technical development assistance.
- FOGs may be used with non-US NGOs with little or no experience in receiving and implementing USG grants.



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- Activities listed as appropriate for FOGs include conferences, studies, surveys, workshops, policy papers, disaster or humanitarian relief and assistance, and technical development assistance when costs can be segregated by milestone. FOGs must not be used for infrastructure or construction projects.
- FOGs may be used with non-US NGOs with little or no experience in receiving and implementing U.S. Government grants.
 - This allows the recipient to complete grant activities while USAID assists in building institutional capacity.
 - It also provides the opportunity to strengthen and improve internal procedures, systems, and policies.
- FOGs remain available to existing USAID partners, but the focus is on using FOGs to **strengthen local NGOs** and local private sector partners with limited or no experience in receiving and implementing USAID grants.



Simplified Grants

- For small awards on a cost reimbursement basis.
- Maximum amounts:
 - Grants must not exceed three years or \$150,000.
- Restrictions:
 - **Cannot** be used when organization has a negotiated indirect cost rate agreement (NICRA) with a U.S. Government Agency
 - **Cannot** purchase any single item with a useful life over a year that is >\$5,000 (Purchase of goods)
 - Must comply with Source / Nationality Rules (22 CFR 228 and ADS 310)
- **Examples:** emergency humanitarian assistance, maintenance of equipment to purify water
- See [ADS 303](#) for more details.

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- Simplified grants may be issued without competition for small awards on a cost reimbursement basis.
- An Agreement Officer may award a Simplified Grant if the grant meets all of the following conditions:
 - Grants must not exceed three years, and the total grant amount may not exceed \$150,000.
- Simplified grants have a number of restrictions:
 - Simplified grants cannot be used when an organization has a negotiated indirect cost rate agreement (NICRA) with a U.S. Government Agency.
 - Simplified grants cannot be used to purchase any single item with a useful life over a year that is greater than \$5,000.
 - Also, simplified grants must comply with Source / Nationality Rules as required by 22 CFR 228 and ADS 310.
- Some examples of when simplified grants have been used include to provide small-scale emergency humanitarian assistance and maintenance of equipment to purify water.
- For more details on simplified grants, see ADS 303.



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Assistance: Cooperative Agreements

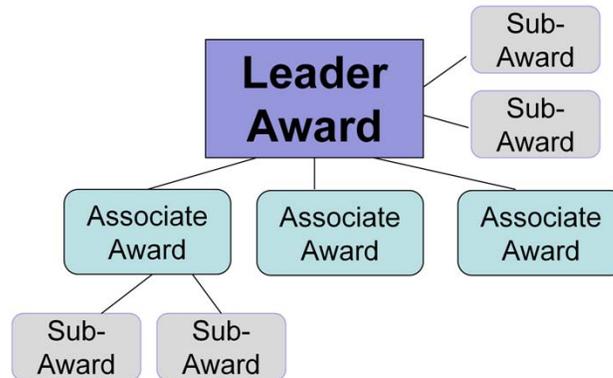
- Cooperative agreements are used when the U.S. Government wishes to retain **substantial involvement** in a project.
- Elements of substantial involvement:
 - Approval of implementation plans
 - Approval of specified key personnel (leadership slots)
 - Agency and recipient collaboration of joint participation
 - Collaborative involvement in selection of advisory committee
 - Concurrence on the substantive provision of sub-awards
 - Approval of the recipient’s monitoring and evaluation plans
- See [ADS 303](#).

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- **Cooperative agreements** are used when the U.S. Government wishes to retain **substantial involvement** in a project. Anticipated substantial involvement by USAID is a relative, rather than an absolute concept. USAID must always have some involvement in assistance awards, for example monitoring performance, reviewing reports, or providing approvals required by regulations.
- Substantial involvement may include the following elements.
 - Approval of implementation plans
 - Approval of specified key personnel, generally no more than 5 leadership positions or 5% of recipient employees working under the award
 - When the recipient’s successful accomplishment of program objectives would benefit from USAID’s technical knowledge, the Agreement Officer may authorize the collaboration or joint participation of USAID and the recipient on the program. This involvement should be specifically tailored to support the identified elements in the program description. Some examples of joint participation may include collaborative involvement in selection of advisory committee members, concurrence on the substantive provision of sub-awards, or approval of the recipient’s monitoring and evaluation plans.
- See ADS 303, and search in the table of contents for the section on “Cooperative Agreements” for more information on what constitutes substantial involvement in the context of cooperative agreements.



Assistance: Leader/Associate Awards



- **One Prime Recipient** holds one Leader and all Associate Awards.

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- A Leader/Associate Award, also known as a Leader with Associates award (or “LWA”), represents a group of awards, starting with a Leader Award but with added Associate Awards to the **same** organization that holds the Leader. So one prime recipient holds one Leader and all Associate awards. Associate Awards are intended to allow Missions or Bureaus within USAID to support programs related to the Leader program that are slightly tailored to the Mission’s or Bureau’s particular needs.
- Whether on a Leader or an Associate award, Leader/Associate Awards present opportunities for smaller or local organizations to partner with larger organizations through subawards.
- The Prime Recipient may have different sub-recipient partners for the Leader Award as well as one or more Associate Awards.
- Note that the Leader and each Associate Award will each have its own budget and period of performance, which cannot exceed five years.



- The relationship between Leader and Associate Awards and their sub-recipients can seem confusing, so let’s talk about an example to clarify how Leader/Associate Awards work in practice.
- So for example, an NGO that we’ll call “World Care” wins a Leaders/Associate Award and then is considered the prime recipient of a Leader Award from USAID headquarters’ Global Health Bureau. The project is to implement HIV/AIDS prevention activities in numerous countries around the world. Later the USAID Mission in Malawi requests an Associate Award application from World Care to focus on HIV/AIDS prevention methods in Malawi. So USAID/Malawi may request an application directly from World Care and make its own Associate Award. Other missions, say for example our mission in Kenya or Ethiopia also may request Associate Award applications directly from the Leader, World Care.
- Then, under the Associate Award for USAID/Malawi, World Care may propose a sub-award to a local organization that specializes in HIV/AIDS prevention methods that are culturally appropriate in Malawi.
- World Care also may make sub-awards under the Leader Award to a U.S.-based organization, for example to put together informational materials about HIV/AIDS prevention to be distributed to multiple countries.
- We hope this example provides some clarity about generally how Leader/Associate Awards and their sub-awards function. For more information about Leader/Associate Awards, see ADS 303.

Section 3. Types of Acquisition Awards



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- Let's move on to Section 3, Types of Acquisition Awards.



Acquisition (Contracts)

- **Acquisition** → **buys supplies or services** (including construction) by and for the use of the Federal Government through purchase or lease
 - Could be anything from pens and paper to special services, such as information technology, printing services, or health services
- **Profit allowed**
- **Applicable Rules:**
 - Federal Acquisition Regulation (FAR)
 - USAID Supplement to the FAR (AIDAR)
 - USAID's Policy –ADS 302
- Opportunities published on [FedBizOpps.gov](https://www.fedbizopps.gov).

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- Acquisition involves buying supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.
 - Examples of supplies or services could be anything from pens and paper to special services, such as information technology, printing services, health services, or construction of a health clinic.
- Profit is allowed under contracts. Non-profit organizations may apply for contracts and opt not to accept profit.
- The applicable rules concerning contracts are
 - The Federal Acquisition Regulation (FAR),
 - USAID's Supplement to the FAR (AIDAR), and
 - USAID's Policy –ADS 302.
- Opportunities for contracts are published on [FedBizOpps.gov](https://www.fedbizopps.gov).



Acquisition: Types of Contracts

- Cost Reimbursement contracts:
 - Cost Plus Fixed Fee contract – [FAR 16.306](#)
 - Cost Plus Award Fee contract – [FAR 16.305](#) and [FAR 16.4](#)
- Fixed-price contracts:
 - Firm Fixed Price contract – [FAR 16.202](#)
- Combination:
 - E.g. Cost Plus Fixed Fee + Firm Fixed Price



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- Let's talk about the wide selection of contract types that USAID may use. Contract types vary according to (1) the degree and timing of the responsibility assumed by the contractor for the costs of performance; and (2) the amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals. Under federal acquisition rules, profit also is called a "fee."
- USAID's commonly used contract types are grouped into two broad categories: cost-reimbursement contracts and fixed-price contracts.
- Cost reimbursement contracts may include cost plus fixed fee or cost plus award fee.
- We've provided links to the Federal Acquisition Regulations if you'd like to read more specifics and nuances about types of contracts.
- Also note that sometimes acquisition involves a **combination** of contract types, such as a cost plus fixed fee in conjunction with a firm fixed price.



Acquisition: Indefinite Delivery, Indefinite Quantity Contracts

- **Indefinite Delivery, Indefinite Quantity (IDIQs)** contracts do not specify definite quantities or delivery at the time of the award.
- Work is requested through task orders.
- IDIQs enable USAID to secure services from a set of IDIQ contract holders.
 - Organizations may work as approved subcontractors to prime IDIQ contractors.
- Standard terms and conditions flow down from the basic IDIQ contract.
- [FAR 16.5](#).

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- For **Indefinite Delivery, Indefinite Quantity Contracts (IDIQs)**, also known as **IQCs**, delivery signifies services, while quantity generally signifies goods. IDIQs do not specify definite quantities or delivery at the time of the award. Rather, they are sector-based contracting mechanisms used by USAID to simplify procurement processes for USAID Missions and Bureaus.
- Under IDIQs, work is requested through task orders.
- Usually, IDIQs are awarded to multiple contractors to ensure competition among the awarded IDIQ holders for each competed task order.
 - Organizations may find it beneficial to work as subcontractors with IDIQ holders to work in specific countries or for specialized types of work. Task orders present opportunities for new subcontracts.
- Standard terms and conditions from the basic IDIQ contract “flow down” to each task order. There may be additional terms and conditions based on the work required under the specific task order.
- You may see FAR section 16.5 for more details on IDIQs.



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Acquisition: Blanket Purchase Agreements

- Simplify the filling of recurring needs for supplies and services.
- USAID may evaluate different contractors on the GSA schedule and then establish either an order or ongoing agreement for repetitive orders.
- [FAR 8.405-3](#)



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- Moving right along, let's talk about Blanket Purchase Agreements (or BPAs). USAID usually sets up Blanket Purchase Agreements using the U.S. General Services Administration schedules. The GSA Schedules simplify the filling of recurring needs for supplies and services.
- To establish BPAs, USAID may evaluate different contractors on the GSA Schedules for a particular category of supply or service with priority to small business holders, then establish either an order or an ongoing agreement for repetitive orders (that is, a BPA) from the selected contractor.
- For example, USAID may need financial support services and may elect to search for 3-5 small businesses listed using the GSA schedule. If the need is only for one time, USAID would only place an order. If USAID foresees a recurring need, USAID would set up a BPA. The one time order or BPA may include the final negotiated costs.
- For more information on BPAs, see FAR subsection 8.405-3.

Section 4. Sub-award Opportunities

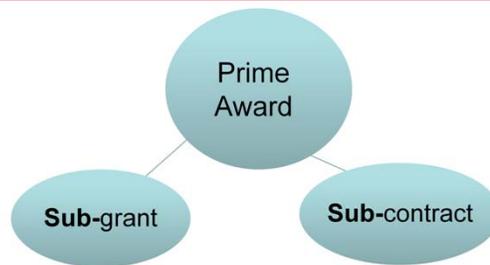


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- Because many partners begin working with USAID as subawardees of prime awards, let's discuss subaward opportunities.



Sub-Awards



- Most rules that apply to a prime award “flow down” to a sub-award.
- USAID has no direct relationship with subs. Prime is responsible for subs.
- Whether profit is allowed depends on the type of instrument each organization holds, rather than the prime/sub relationship.
- USAID approves all sub-awards.

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- A “sub-award” is a broad term often used to characterize an implementing instrument under the prime award from USAID. A sub-award can be in the form of a grant, cooperative agreement, or contract from a prime recipient as allowed under its agreement with USAID.
- Usually, the same rules that apply to the prime recipient apply to the subawardee. Importantly, note that USAID does not have a direct relationship with the subawardee, so the prime recipient is always responsible and accountable for the performance of the sub. A prime may use its established selection process to choose subs, which may include issuing its own Request for Applications (RFA) or Request for Proposals (RFP).
- But what about profit? Just remember the type of instrument your organization holds will drive whether you may charge profit or not. It does NOT depend on the prime-sub relationship. For example, if you hold a sub-grant under any type of prime instrument, you may never charge profit. On the other hand, this prohibition against profit does not apply to sub-contracts to procure goods and services. The prime recipient may pay a fair and reasonable profit to sub-contractors providing goods and services under a sub-contract.
- Lastly, USAID must approve virtually all sub-awards, whether at the time an organization responds to a solicitation and is selected for an award, or later on an as-needed basis after a prime award is in place.



Grants Under Contract

- Grants Under Contract (GUCs) allow USAID to hire a contractor to compete, award, and manage numerous smaller awards.
- Contractors may not execute or administer cooperative agreements on USAID's behalf, only grants.
- Criteria for managing GUCs:
 1. Each grant to a U.S. organization must not exceed \$100,000.
 2. Only used when USAID needs to achieve local capacity development objectives more broadly.
 3. USAID must approve each grant recipient.
 4. USAID grant rules apply to contractor-issued grants.
 5. USAID retains ability to terminate the grant activities at any time.

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- You'll also notice that some USAID contractors may issue Grants Under Contract (or GUCs). USAID may use the services of a contractor to manage a grants program, often to further expand USAID's partner base and develop local capacity.
- USAID does not authorize contractors to execute or administer cooperative agreements on its behalf, only grants.
- The grant program under the Grant Under Contract's authority must meet the following conditions:
 1. First, the total value of an individual grant to a U.S. organization must not exceed \$100,000. (This limitation does not apply to grant awards to local organizations.)
 2. Secondly, another criteria for using a Grant Under Contract is for USAID to achieve local capacity development objectives more broadly.
 3. Thirdly, USAID remains significantly involved in establishing the selection criteria and must approve the recipients.
 4. In addition, USAID must ensure that the requirements that apply to USAID-executed grants will also apply to grants that a USAID contractor executes.
 5. Lastly, USAID must retain within the contract the ability to terminate the grant activities unilaterally in extraordinary circumstances.



- Contractors may advertise potential GUC opportunities through newspapers, professional associations, or websites.
- For smaller organizations, GUCs can be a great gateway to USAID funding.
 - GUCs may come with technical assistance, trainings, and other benefits for the subawardees.
- See [ADS 302](#) for more information.

- A few more points about GUCs.
- The contractor may advertise potential Grants under Contract through newspapers, professional associations, or websites. So if you're searching for a sub-opportunity, be on the lookout through these sources.
- For smaller organizations, GUCs can be a great gateway to USAID funding.
 - In addition, contractor grant programs may come with technical assistance, trainings, and other benefits for the subawardees that may help develop an organization's own capacity.
- For more information on GUCs, see ADS 302.



Subcontracting / Teaming

- Organizations with complementary skills and experience may form a team for an award or establish subcontracting arrangements to achieve the overall development goals.
- Small business partnerships and local entity or organization partnerships are paramount in doing USAID work.
- Below are some resources for partnering with other organizations:
 - [Small Business Association for International Contractors](#)
 - [Professional Services Council](#)
 - [Inside NGO](#)
 - [Society for International Development](#)
 - [InterAction](#)
- See also [USASpending.gov](#), for organizations that have obtained recent awards with USAID.

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- **Subcontracting & Teaming:** In many cases, USAID's development assistance activities require specialized skills from a multiple set of development partners. For example, one organization may not have all of the professional skills, services, and knowledge base the Agency requires to reform education in a post-conflict country. Organizations with complementary skills and experience may form a team for an award or establish subcontracting arrangements to achieve the overall development goals.
- Organizations interested in doing business with USAID should understand that small business partnerships and local entity or organization partnerships are paramount in doing USAID work. USAID encourages organizations to partner with small businesses and local partners to the greatest extent possible.
- Below are some resources for partnering with other organizations that have been engaged with USAID work (not sponsored by USAID):
 - [Small Business Association for International Contractors](#)
 - [Professional Services Council](#)
 - [Inside NGO](#)
 - [Society for International Development](#)
 - [InterAction](#)
- Also explore [USASpending.gov](#), to find out more information about both prime awardees as well as sub-awardees that have obtained recent awards with

USAID.

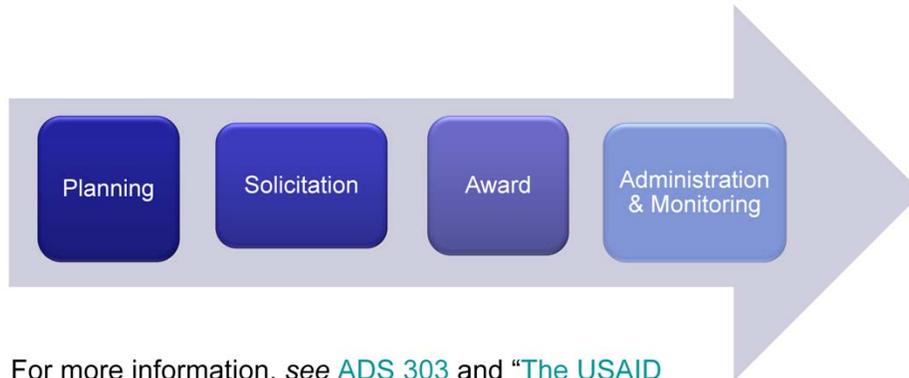
Section 5. Key Phases of the Award Process



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- Let's move on to talk about key phases of the award process.

Key Phases of Award Process



For more information, see [ADS 303](#) and [“The USAID Grant and Contract Process: A Basic Guide.”](#)

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- Key phases of the award process include:
 - Planning, including project design, identifying requirements and the appropriate type of award, and conducting market research.
 - The Solicitation phase involves publishing the funding opportunity, which we’ll talk about next in greater depth.
 - After an evaluation of all applications or proposals, USAID will make an award to the chosen organization, and the agreement is negotiated.
 - After an award is issued, USAID will administer and monitor the awardee’s progress.
- For more information on the award process, see ADS 303 as well as the “USAID Grant and Contract Process: A Basic Guide.”



- Solicitations generally provide **three critical details**:
 1. Program description / statement of work
 2. Application / proposal submission requirements
 3. Evaluation criteria

- **Types of Solicitation Vehicles**:
 - Annual Program Statement (APS)
 - Request for Applications (RFA) for grants and cooperative agreements
 - Request for Proposals (RFP) for contracts and Requests for Quotations (RFQ) for IDIQs

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- Solicitations for funding opportunities generally provide three critical details:
 1. Program description or statement of work
 2. Application or proposal submission requirements, which includes what documents and information must be submitted by when as well as which organizations are eligible to apply, and
 3. Evaluation criteria, that is how the applications or proposals will be evaluated.

- Types of Solicitation Vehicles include
 - Annual Program Statement (APS)
 - Request for Applications (RFA) for grants and cooperative agreements
 - Request for Proposals (RFP) for contracts and Request for Quotations for IDIQs



- Allow the USG to make multiple awards over a period of time. Applications are generally accepted and reviewed on a **rolling basis** over a defined period (e.g. a year).
- Encourage potential applicants to propose innovative and effective new approaches to address a specific challenge.
- May look for proposed activities that strengthen local capacity. See [E-Module on Local Solutions](#).
- APS are posted on [Grants.gov](#). See [ADS 303](#) for more details on USAID's policies regarding APS.

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- Annual Program Statements (APS) allow the U.S. Government to make multiple awards over a period of time. Applications are generally accepted and reviewed on a **rolling basis** over a defined period (e.g. a year). While the U.S. Government may set an award ceiling for each grant, under an APS, applications may be accepted for any amount up to the maximum and for variable periods. Usually, USAID will set a total overall budget for the solicitation, and once those funds are committed or after one year, the call for applications is closed.
- APS encourage potential applicants to propose innovative and effective new approaches to address a specific challenge.
- With USAID Forward's objective of developing local capacity, an APS may look for proposed activities that work with local organizations and/or strengthen their capacity. If you are a local organization, take the E-Module on Local Solutions for further information.
- APS are posted on Grants.gov. Also note that USAID Missions, Bureaus, and Technical Offices can issue addenda under an APS. Addenda may highlight specific development objectives and programs that the USAID Mission, Bureau, or Technical Office would like to support under the main APS, which is sometimes referred to as a "global APS." Concept papers proposed in response to addenda must still comply with the terms and criteria outlined in the main APS. See [ADS 303](#) for more details on USAID's policies regarding APS.



Requests for Applications (RFA)

- Only for **grants, cooperative agreements, and leader/associate awards.**
- Posted on [Grants.gov](https://www.grants.gov).
- RFA invite interested parties to submit competitive applications for USAID assistance.
- The scope of a RFA may vary from focusing on specific activities to being very broad.
- The **minimum period** for receipt of applications in response to a RFA is **30 days** after the RFA is issued.
- See [ADS 303](#) for more details on USAID's policies.

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- Requests for Applications (RFA) are the most common means of soliciting applications from NGOs. RFA are only for grants, cooperative agreements, and leader/associate awards. The funding announcement for every Leader/Associate Award program must include an estimate of the dollar amount of anticipated Associate Awards.
- These solicitations are posted on Grants.gov.
- RFA invite interested parties to submit competitive applications for USAID assistance.
- The scope of a RFA may vary from focusing on specific activities to being very broad.
- The minimum period for the receipt of applications in response to an RFA is 30 days after the RFA is issued. USAID tries to provide longer response periods for sizeable activities or more detailed applications to ensure high quality.
- For more information, see ADS 303 for details on USAID's policies concerning Assistance.



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Requests for Proposals (RFP)

- Only for contracts. Posted on [FedBizOpps.gov](https://www.fedbizopps.gov).
- Contracts may be awarded to **ANY** type of private organization.
 - Although frequently utilized by for-profits, non-profits can apply for contracts through RFPs too!
- See [ADS 302](#) for more details on USAID's policies.



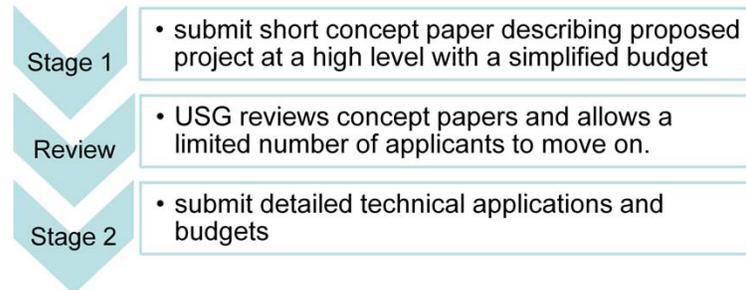
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- Requests for Proposals (RFP) only are issued for contract opportunities and are posted on FedBizOpps.gov.
- Contracts may be awarded to **ANY** type of private organization.
 - Although frequently utilized by for-profits, as mentioned earlier non-profits can apply for contracts through RFPs too!
- See ADS 302 for more details on USAID's policies (<http://www.usaid.gov/policy/ads/300/302.pdf>).



Multi-Stage Competitions

- Often used when a large number of applicants or offerors are expected to apply.
- For example, for assistance:



- Excellent opportunity to enter a competition without committing the time and resources needed to develop a full proposal or application.

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- USAID may establish a tiered competition system, which are most often used when a large number of applicants or offerors are expected to apply.
- For example, for assistance in a multi-stage competition, USAID may ask potential applicants to submit an executive summary or concept paper and corresponding budget information first. After USAID reviews and evaluates these submissions, staff select a limited number of applications and conduct a second level of competition that uses more specific evaluation criteria. In Stage 2, applicants submit detailed technical applications and budgets.
- This type of process gives organizations an excellent opportunity to enter a competition without committing the time and resources needed to develop a full proposal or application.



Award Announcements

- For most contracts, Contracting Officers are required to post an announcement to [FedBizOpps](https://www.fedbizopps.gov/) once a contract is awarded to an organization.
- To find out which organization received an assistance award, go to [USASpending.gov](https://usaspending.gov).
 - Type “Agency for International Development” and click search. Then click “Advanced Search” and enter search terms.
- Organizations interested in subawardee opportunities may want to reach out to those listed in award announcements at an early stage.
 - See [E-Module on Forming Sub-Award Partnerships](#).

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- For most contracts, Contracting Officers are required to post an announcement to [FedBizOpps.gov](https://www.fedbizopps.gov/) (<http://www.fedbizopps.gov/>) once a contract is awarded to an organization.
- To find out which organization received an assistance award, check [USASpending.gov](https://usaspending.gov) and type “Agency for International Development” and click search (http://usaspending.gov/search?form_fields=%7B%22search_term%22%3A%22AGENCY+FOR+INTERNATIONAL+DEVELOPMENT%22%7D). Then click on “Advanced Search” and enter relevant search terms.
- Forming partnerships at an early stage is critical, particularly to be included as a potential subawardee in response to a solicitation. However, if you did so and the prime applicant or offeror that you teamed with was not the chosen awardee, then you may want to reach out to those listed in award announcements at an early stage to further explore potential subaward opportunities. For more information about how to market your organization as well as develop team arrangements and search [USASpending.gov](https://usaspending.gov) for prime awardees, please take our E-Module on Forming Sub-Award Partnerships.

Section 6. Partner Communication Tools



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- USAID Contracting and Agreement Officers and other staff may communicate with partners during the planning stage, solicitation period, or award stage in a variety of manners. In Section 6, we'll walk through each type of partner communication tool.



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Partner Communication Tools During the Planning Stage

<i>Tool</i>	<i>Purpose</i>
Draft Statements of Work (SOW) or Program Descriptions (PD)	leverage development solutions from the partner community
Project Design Meetings	seek input from industry and development partners to understand challenges and resources available
Requests for Information (RFI) / Sources Sought	gauge partner interest and are used to conduct market research
Draft Requests for Proposals or Applications (RFP/RFA) for Public Comment	weigh in on design elements (often for large programs > \$100 M)
Pre-Solicitation Meetings or Conferences	solicit feedback and questions from potential partners before the competition begins and then issues clarifications

- Notices are posted on [Grants.gov](https://www.grants.gov) or [FedBizOpps.gov](https://www.fedbizopps.gov).
- Use of these tools are at the discretion of the Contracting Officer / Agreement Officer (CO/AO). Some, none, or all may be used.

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Prior to an award being posted either on Grants.gov or FedbizOpps.gov, USAID may communicate with partners through a variety of ways.

- We may issue **Draft Statements of Work (SOW) or Program Descriptions (PD)** that seek to leverage development solutions from the partner community;
- **Project Design Meetings** seek input from industry and development partners to understand challenges and resources available;
- **Requests for Information / Sources Sought** gauge partner interest and are used to conduct market research.
- **Draft Requests for Proposals or Applications (RFP/RFA) for Public Comment** weigh in on design elements (often for large programs greater than \$100 Million); and
- One of the most common partner communication tools USAID uses prior to issuing an award solicitation is **Pre-Solicitation Meetings or Conferences**, which solicit feedback and questions from potential partners before the competition begins and then USAID issues clarifications. These may help you gain insights on submitting a successful application or proposal and give you an opportunity to meet with other interested implementing partners, which could be very valuable in forming partnerships early in the process.
- While this seems like a long list, don't get too caught up in what these tools are called. Rather, just know that USAID may use a variety of tools to communicate with potential partners during the planning stage.

- Notices for these types of partner communication tools as well as post conference questions and answers may be posted on Grants.gov or FedBizOpps.gov.
- Whether any of these partner communication events are held are at the discretion of the CO or AO. Some, none, or all such tools may be used. Generally, the likelihood of whether these events are held include factors such as priority initiatives (such as Feed the Future), small or disadvantaged business focus, complex requirements, or complex working environment. The larger the award, the more likely one or more of these tools will be used.



Partner Communication Tools During Open Solicitation

<i>Tool</i>	<i>Purpose</i>
Pre-Solicitation Conferences	Held prior to a APS/RFA/RFP closing for an open solicitation to answer questions

- Conducted by the CO/AO, COR/AOR, and/or other relevant USAID officials.
- Provide an opportunity for interested partners to meet and develop relationships or teaming arrangements.
- Notice will identify location; may be able to connect via teleconference or webinar.
- Written materials may be placed online for all participants (including Q&A).

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- In addition to pre-solicitation conferences that may be held during the planning stage, USAID also may hold pre-solicitation conferences during an open solicitation (that is after USAID has posted a funding opportunity on Grants.gov or FedBizOpps.gov and prior to the solicitation closing). Again, the main purpose of pre-solicitation conferences is to answer questions from interested partners.
- Pre-Solicitation Conferences are conducted by the Contracting or Agreement Officer, their representatives (known as COR or AOR), and/or other relevant USAID officials.
- These events also provide an opportunity for interested partners to meet and develop relationships or teaming arrangements.
- Notices posted either on Grants.gov or FedBizOpps.gov will identify the location of the conferences. If you are unable to attend in person, you may be able to connect via teleconference or webinar.
- Written materials may be placed online for all participants (including questions and answers).



Partner Communication Tools Award Stage

Tool	Purpose
USAID Debriefing	Opportunity for Applicants/Offerors to learn and prepare for future USAID solicitations

- Applicant/Offeror may request a debrief after receiving news about the status of the application/proposal. **Take advantage of debriefs!**
- Both successful and unsuccessful applicants and offerors can request debriefings.
- A debrief or feedback session may be provided in person, official letter, teleconference, or webinar.
- To request a debriefing or feedback session after receiving news, write to the Point of Contact listed in the solicitation.
- See [ADS 303](#) for more information about assistance de-briefings; [FAR 15.505 and 15.506](#) for more information about acquisition de-briefings.

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- USAID acquisition and assistance rules provide for debriefings during the award stage. An applicant or offeror may request a debrief after receiving news about the status of the application or proposal. Debriefings are a good opportunity for applicants or offerors to learn and are intended to assist partners when responding to future USAID solicitations, so you should take advantage of debriefs!
- Both successful and unsuccessful applicants and offerors can request debriefings.
 - During a debriefing, you may ask the Technical Evaluation Committee chair to explain the basis for the decision and the strengths and weaknesses of the technical application or proposal in terms of the published evaluation and review criteria.
- A debrief may be provided in person, official letter, teleconference, or webinar.
- To request a debriefing after receiving news on a solicitation, send a written request for additional information for a de-briefing to the Point of Contact listed in the solicitation.
- For assistance, this request should be made within 10 working days. See ADS 303 for more information about assistance de-briefings.
- For acquisitions, the request should be made within 3 days after receipt of the notice of exclusion from the competition. See FAR 15.505 and 15.506 for more information about acquisition debriefings.



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Section 7. Competition Rules



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- In this last section, we'll cover some competition rules.



- Competition is not just a good idea – it results in innovation, diversity, creativity, better solutions, higher quality, and lower prices.
- To be fair and as open as possible, the USG avoids actions that give one organization an unfair advantage over another.
- Some methods for seeking competition:
 - Assistance: Requests for Applications (RFA) & Annual Program Statements (APS)
 - Acquisition: Requests for Proposals (RFP) & Request for Quotations (RFQ).

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- Competition is not just a good idea – it results in innovation, diversity, creativity, better solutions, higher quality, and lower prices. Unless an exception applies, USAID must award all contracts, grants, and cooperative agreements competitively.
- To be fair and as open as possible, the U.S. Government avoids actions that give one organization an unfair advantage over another.
 - If you ask the U.S. Government a question about a particular solicitation, it only provides an answer if it does so to all the other organizations applying.
- Some methods for seeking competition include:
 - For Assistance, Requests for Applications (RFA) and Annual Program Statements (APS).
 - For Acquisition, Requests for Proposals (RFP) and Request for Quotations (RFQ).



- Exceptions must be specific and well documented.
- Examples of a **few** exceptions to competition that are relevant to smaller organizations with little to no experience working with USAID include:
 - Local Competition
 - Transition Awards
 - Small Grants
 - New Entrant Exception

- There should always be competition unless an exception is made. Exceptions to competition must be specific and well documented.
- Examples of a **few** exceptions to competition that are relevant to smaller organizations with little to no experience working with USAID include:
 - Local Competition
 - Transition Awards
 - Small Grants
 - New Entrant Exception



Some Exceptions to Competition (Cont.)

	Authority	Description
Acquisition Limited to Local Entities	FY 2012 Appropriations Act, Sec. 7700; ADS 302	Applicable to new contracts < \$5 M
Assistance Limited to Local Competition	ADS 303	Limited to local or regional (indigenous) organizations.
Transition Awards	ADS 303	For local organizations that have been a subawardee under a USAID prime award; < \$5 M, < 5 years.
Simplified (Small) Grants	ADS 303	Awards < \$150,000 for no more than one year.
New Entrant Exception	ADS 303	For grants or cooperative agreements < \$5 M, limited to organizations that have received USAID direct assistance of < \$1.5M during past 3 years

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- Here, we've included a table that explains a few exceptions to competition along with their authorities and a brief description.
- USAID's FY 2012 Appropriations Act contains the authority for a pilot program that allows contracts to be limited to competition among local entities if doing so would (a) result in cost savings; (b) develop local capacity, or (c) enable the Agency to initiate a program or activity in appreciably less time than if competition were not so limited. This exception is applicable to new contracts not exceeding \$5 million.
- Similarly, USAID may limit competition to local or regional (indigenous) organizations for assistance awards under ADS 303.
- USAID also may award transition awards without competition to a local organization that has been a subawardee under a USAID prime award and meets certain conditions, which include a restriction that the direct award to the local organization may not exceed \$5 million (or \$20 million for Critical Priority Countries) and does not exceed 5 years in duration.
- In addition, USAID may issue without competition simplified or small grants with an estimated value each of \$150,000 or less and a term of no more than one year.
- Finally, the new entrant exception allows USAID to shortlist implementing partners (local or U.S.) that have received USAID direct assistance of less than \$1,500,000 during the past three years. The intent of this exception to

competition is to expand the number and sustainability of development partners and helps new partners get in the door. This exception is limited to grants or cooperative agreements valued less than \$5 million.

- You should be on the lookout for these exceptions listed in solicitations and carefully read any limits on competition to determine if your organization is eligible to apply.



Small Business Set-Asides

- There are several initiatives that are intended to benefit small businesses, as defined by the U.S. Small Business Administration (SBA), competing for federal awards.
- These programs include incentives, set-asides, and preferences including, but not limited to:
 - Women-owned, Veteran-owned, Minority-owned, and Disadvantaged Businesses
 - Limited Competition Programs for small businesses under the SBA 8(a) Program and for eligible businesses located in Historically Underutilized Business Zones (HUBZONE) (see ADS 302.3.4.4 and FAR Part 19)
- Please contact the USAID Office of Small and Disadvantaged Business Utilization at osdbu@usaid.gov for information about USAID opportunities or the SBA at answerdesk@sba.gov for general information about small business programs.

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- There are several initiatives that are intended to benefit small businesses, as defined by the U.S. Small Business Administration (SBA), competing for federal awards.
- These programs include incentives, set-asides, and preferences including, but not limited to:
 - Women-owned, Veteran-owned, Minority-owned, and Disadvantaged Businesses
 - Limited Competition Programs for businesses under the SBA 8(a) Program
 - Assistance for eligible businesses located in Historically Underutilized Business Zone (HUBZONE) areas
- Please contact the USAID Office of Small and Disadvantaged Business Utilization at osdbu@usaid.gov for information about USAID opportunities or the SBA at answerdesk@sba.gov for general information about small business programs.



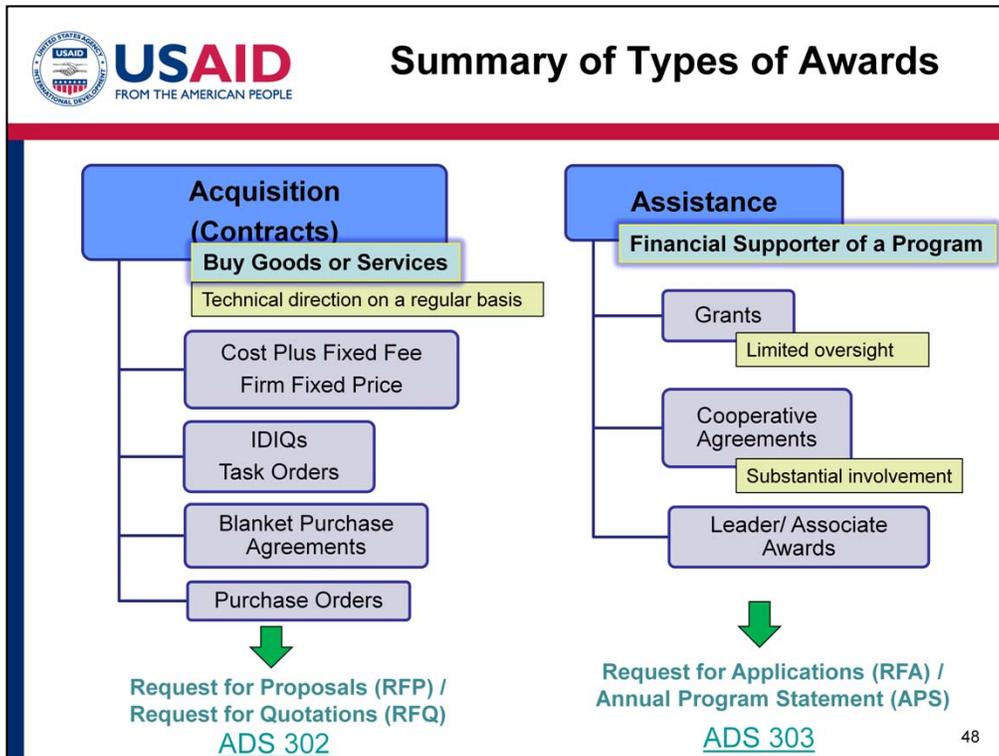
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Unsolicited Proposals & Grant Applications

- **Only in highly exceptional cases** are unsolicited proposals funded.
- **Stringent criteria:**
 - Must be new, unique, and innovative activities that cannot otherwise be obtained through competitive methods
- [Guide for submitting unsolicited contract proposals](#)
- [Guide for submitting unsolicited assistance applications](#)
- Instead, use the 5-step approach to research opportunities covered in [E-Module #1](#).

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- Finally, we'd like to say a few points about unsolicited proposals and grant applications.
- USAID prefers to issue **competitive** awards whenever possible to ensure that we achieve the best value and strongest solutions from those who can deliver the desired results. **Only in highly exceptional cases** are unsolicited proposals or grant applications funded.
- Note that the **criteria** for unsolicited proposals and grant applications are quite **stringent**. Unsolicited proposals and grant applications are expected to be for new, unique, and innovative activities that cannot otherwise be obtained through competitive methods.
- If you would like to find out more information, please click on the links for these guides [Guide for submitting unsolicited contract proposals: <http://www.usaid.gov/policy/ads/300/302map.pdf>; Guide for submitting unsolicited assistance applications: <http://www.usaid.gov/policy/ads/300/30354s1.pdf>]
- Given that unsolicited proposals or applications are **rarely** funded, we'd instead suggest using the 5-step workplan to research opportunities as discussed in E-Module #1, which covers research techniques that interested partners can use to have more success in determining on-going programs and submitting applications or proposals for future funding opportunities that fit within USAID's specific strategies and development objectives.



In closing, I'd like to take a moment to summarize some of the main points that we covered in this e-module.

- For acquisitions, different types of contracts include cost plus fixed fee, firm fixed price, and Indefinite Delivery, Indefinite Quantity (IDIQ) contracts as well as blanket purchase agreements.
- On the assistance side of things, we talked about grants (including Fixed Obligation Grants (FOGs) and simplified grants), cooperative agreements, and Leader/Associate Awards.
- With regards to the principal purpose of the award, for **acquisition**, the U.S. Government is a buyer of a good or service. **Assistance** refers to where the U.S. Government is a financial supporter of a program to accomplish a public purpose.
- As far as U.S. government involvement in relation to the type of award, for contracts USAID typically exercises a higher level of involvement through technical direction on a regular basis. For cooperative agreements, USAID is substantially involved with the recipient in program implementation, and for grants, USAID has limited oversight over the implementation of a program.
- For acquisitions, interested organizations submit a proposal in response to a Request for Proposals (RFP) or a quote in response to a Request for Quotations (RFQ). For assistance, interested organizations submit an application in response to a Request for Applications (RFA) or Annual Program Statement (APS).

- Throughout this e-module we referred to USAID's policies, which for acquisition is covered in ADS 302 and for assistance is in ADS 303.
- In addition, we talked about the key phases of the award cycle, partner communication tools, and outlined some examples of exceptions to competition, including local competition, transition awards, small grants, and new entrants.
- We hope that you've found this e-module to be helpful and hope you'll check out other e-modules in our series on "How to Work with USAID." Thanks for your time.

Cumulative Review

The following questions will check how well you have understood the content in this E-Module.

Instructions: Read each question carefully before clicking “submit” and moving to the next question.

Your Cumulative Review results should give you a good idea of how well you’ve mastered the content of this E-Module.

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Types of Awards Quiz

Question 1 of 6

Point Value: 30

Match the following statements about acquisition and assistance. Drag and drop the statements to the correct choice by using your mouse.

For acquisitions, organizations submit a proposal in response to...

a Request for Proposals (RFP) or a quote in response to a Request for Quotations (RFQ).

For assistance, organizations submit an application in response to...

an Annual Program Statement (APS) or Request for Applications (RFA).

Cost plus fixed fee and firm fixed price are some types of...

contracts (that is, acquisition) used by USAID.

Grants, cooperative agreements, and leader/associate awards are types of...

assistance used by USAID.

PROPERTIES

On passing, 'Finish' button:

[Goes to Next Slide](#)

On failing, 'Finish' button:

[Goes to Next Slide](#)

Allow user to leave quiz:

[At any time](#)

User may view slides after quiz:

[At any time](#)

User may attempt quiz:

[Unlimited times](#)





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