

The image features a large, light gray watermark of the USAID seal in the background. The seal is circular and contains the text "UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT" around the perimeter. In the center of the seal is a shield with a map of the United States, and the word "USAID" is written in a large, bold, sans-serif font across the middle of the shield.

USAID

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September 13, 2001

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: Distribution List FAC

FROM: M/OP, Mark S. Ward, Director

SUBJECT: Expansion of Use of the Simplified Grant Format and
Fixed Obligation Grant Format

CONTRACT INFORMATION BULLETIN 01 - 17

After a review of the generally positive experience with the Simplified Grant Format and Fixed Obligation Formats in ADS 303.5.15, their use is being expanded as follows:

The Simplified Grant and Fixed Obligation Grant Formats may be used for U.S. recipients for grants not in excess of \$100,000 and for non-U.S. recipients for grants not in excess of \$250,000. The threshold for U.S. recipients is limited by the requirement to obtain OMB's approval of a class deviation applicable to grants in excess of this amount. A one-time deviation may be requested for grants in excess of these amounts following the procedures in ADS 303.5.2.

Please note that in addition to meeting the dollar limitations, the grant must also meet the conditions listed in ADS 303.5.15, and for a Fixed Obligation Grant, the factors in ADS E303.5.15b. These are modified as follows:

- a. The limitation in 303.5.15(a) that USAID only cover a portion of the costs of the activity is deleted.
- b. The requirement in 303.5.15(f) that the grant be fully funded is deleted.

- c. The requirement in 303.5.15(g) that the grant may not include any subagreements is deleted. If the agreement officer determines that it is necessary for the program, subagreements may be awarded. All of the conditions in 303.5.15 are applicable to a subagreement.
- d. The limitation in 303.5.15(d) on including indirect costs is revised to clarify that this limitation applies only to cost-reimbursement grants using the simplified grant format.
- e. In E303.5.15b, the factors to be considered in issuing a Fixed Obligation Grant are revised to state "3. Adequate cost information is available to allow the agreement officer to determine and negotiate the fixed price of the grant. The fixed price may include an amount based on the grantee's demonstrated indirect costs."

This will be included in ADS Chapter 303.

Any questions regarding this CIB may be addressed to Allen Eisenberg, M/OP, 202 712-1467.