

The following pages contain Amendment #1 to the RFP#383-07-EG1 issued by the USAID/India Mission.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

BPA NO. 1. CONTRACT ID CODE PAGE 1 OF PAGES 26

2. AMENDMENT/MODIFICATION NO. 01	3. EFFECTIVE DATE 06/20/2007	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY CODE Regional Office of Acquisition and Assistance USAID/INDIA 9000 New Delhi Place Washington D.C. 20521-9000	7. ADMINISTERED BY (If other than Item 6) Same as block 6		CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) To All Offerors/Bidders	(X)	9A. AMENDMENT OF SOLICITATION NO. 383-07-BG1
	X	9B. DATED (SEE ITEM 11) 06-1-2007
		10A. MODIFICATION OF CONTRACT/ORDER NO.
		10B. DATED (SEE ITEM 13)
CODE	FACILITY CODE	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning one copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return one copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this Amendment is to (1) replace Section B.4 in its entirety and make certain, other changes and additions to Sections C, F, J, K and L.

The Specific changes are contained from page 2 onwards in this Amendment.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Marcus A. Johnson, Jr. Regional Contracting Officer
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED
16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)	16C. DATE SIGNED

1) *Delete* SECTION B.4 “CONTRACT LINE ITEMS (CLINs)” in its entirety as replace with the following:

“BASE PERIOD CLINs (Year 1 -3)

0001 – COMPONENT 1, Estimated Cost \$ _____
0001a – Fee, if any \$ _____
Subtotal (0001+0001a), Unit Price \$ _____

0002 – COMPONENT 2 to 5, Estimated Cost \$ _____
0002a – Fee, if any \$ _____
Subtotal (0002+0002a), Unit Price \$ _____

0003 - CRISIS MODIFIER, Estimated Cost \$ _____
0003a – Fee, if any \$ _____
Subtotal (0003+0003a), Unit Price \$ _____

(CLINs 0001 + 0002 + 0003) Ceiling Price \$ _____

CLIN – OPTION PERIOD ONE (Year 4)

0004 – COMPONENT 2 to 5, Estimated Cost \$ _____
0004a – Fee, if any \$ _____
Subtotal (0004+0004a), Unit Price \$ _____

CLIN – OPTION PERIOD TWO (Year 5)

0005 - COMPONENT 2 to 5, Estimated Cost \$ _____
0005a – Fee, if any \$ _____
Subtotal (0004+0004a), Unit Price \$ _____

CEILING PRICE (All CLINs Combined) \$ _____”

2) In SECTION C (page C-13) *delete*

“a. Foster increased access (among entrepreneurs and small producers in conflict-affected and – strategic areas):

- i. to Finance
- ii. to Business services
- iii. to Infrastructure
- iv. to ICT and
- v. to Business skills (through workforce development)”

and replace with

“a. Foster increased access (among entrepreneurs and small producers in conflict-affected and – strategic areas):

- i. to Value Chain Finance
- ii. to Business/agricultural services
- iii. to Infrastructure, and
- iv. to Information and Communication Technologies (ICT)”

3) In SECTION C (page 20) delete

“a.v. Implement a workforce development program that develops the skills needed by youth and others at risk of becoming involved in conflict to participate effectively in selected value chains”

and replace with

“COMPONENT 4 - Implement a workforce development program that develops the skills needed by youth and others at risk of becoming involved in conflict to participate effectively in selected value chains”

4) In SECTION F.6. a) add “The quarterly report shall include a summary quarterly financial report (statement) of the use of the local currency funds received (obligated into the contract) and expended to date.

The reporting format of expenditures is as follows.

- Technical assistance:
- Training:
- Subgrants:
- Commodities:

Note: All indirect cost such as overhead directly associated with the reported direct costs must be included in the above specified line items.

5) In SECTION K.2(a)1 add NAICS code “541990” and, in K.2(a)2, **add** size standard “\$6.5 million”

6) In SECTION L.7(d).1.b (Page L-8) delete

“Financial Sector
Program Element: Financial Services
Indicators – TBD”

and replace with

“Financial Sector

Program Element: Financial Services

Indicator – Number of material improvements in the infrastructure institutions that reduce market risks made this year with USG assistance.”

7) In SECTION L.7.1.d), (Page L-10), *delete* “Refer to Section C., Component 2.8 (page C-22)” and replace with “Refer to Section C., Component 7 (page C-24)”

8) In SECTION J add the following as ATTACHMENT #10.

“Lanka Orix (LOLC) Activity using the USAID Development Credit Authority (DCA)

This \$3 million, 7-year guarantee (September 30, 2006 through September 30, 2013) is being used to support LOLC’s lending to small & medium enterprises (SMEs) and micro enterprises in the Eastern and North Central provinces as well as tsunami-affected areas of the Southern province. While the guarantee is already in place, it is expected that links will be developed between this DCA and the new CORE program.

Originally designed to target SMEs in tsunami-affected areas, the guarantee has been modified to include the entire Eastern Province as well as the North Central Province. It is now also being used to support LOLC’s expanding microfinance portfolio. The official definition of the targeted borrowers is as follows:

Qualifying Borrowers: Private sector Sri Lankan small businesses in fisheries, agriculture (including processing and transport equipment), tourism, ancillary tourism services, and alternative energy development in the Eastern Province, North Central Province, or the tsunami-affected areas of the Southern Province. Small businesses are defined as enterprises with less than 50 employees. All businesses must be first-time equipment lessees or borrowers of the Guaranteed Party. [Credits in solar panels are limited to 10% of the guaranteed portfolio to be monitored by USAID on an annual basis.]

The reference to solar panels relates to LOLC’s program with the World Bank in which financing is provided to rural households for the installation of solar panels. Since these are generally households of farmers or micro entrepreneurs, it has been determined that this activity is in line with the objectives of the guarantee, but only as long as the collateral requirements are reduced.

Since October 2006 only ten micro loans for a total of Rs.1,529,000 have been placed under the guarantee. This low utilization has been attributed to DCA’s original narrow definition of qualifying borrowers, as well as a general misunderstanding within LOLC of DCA processes. Both of these issues have been addressed and LOLC began placing loans under the guarantee in May of this year.

An ongoing concern for any DCA activity is additionally. The DCA should cover loans/leases that would not have been made, or would have been made at less favorable terms without the guarantee. Ideally LOLC will use the guarantee to cover new lending activities such as community loans to farmer associations, leasing for fishing boats, and micro loans to out growers of larger agricultural producers. All ten loans currently under the guarantee are for hand tractors; this is not a new lending activity for LOLC but is still considered “additional” because the clients fit a higher risk profile than the standard LOLC borrower.

Experience has shown that guarantees are most effective when there is a strong relationship between the partner financial institution and a USAID project. While the LOLC DCA is not officially tied to a particular technical assistance activity, additional support in the form of trainings, conferences (between LOLC and potential borrowers), and consultations could be offered by CORE to ensure that the full developmental benefits of the DCA are realized. It is also important that the changes in lending behavior initiated by the DCA last beyond the term of the guarantee. Such support should be considered for any future DCA activity as well.

In designing additional support for DCA partner banks, activities done by other donors should be taken into account. Two programs currently providing technical assistance to the finance sector are IFC's SME development program, which is working with many of the major local commercial banks, and GTZ's PROMIS project which is providing support to the microfinance sector. In the interest in maintaining focus on CORE's primary activities (i.e. so the project is not spread too thin), it may be necessary to liaise with these and/or other donor or government-funded financial sector programs."

9) In SECTION J add the following as ATTACHMENT #11.

“Guidance on the Use of Local Currency

7 U.S.C. § 1727e, Section 306 of P.L. 480, § 1727e. Use of local currency proceeds

(a) In general

The local currency proceeds of sales pursuant to section 1727c (2) of this title [title 7] shall be used in the recipient country for specific economic development purposes, including—

(1) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

(2) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, and promote family planning, maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 2151b (c)(2) of title 22, relating to the Child Survival Fund;

(3) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

(4) the promotion of free and open markets through specific policies and programs;

(5) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

(6) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

(A) to meet urgent or extraordinary relief requirements in the country or in neighboring countries; or

(B) to develop emergency food reserves;

(7) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

(8) the payment, to the extent practicable, of the costs of carrying out the program authorized in subchapter V of this chapter [Farmer-to-Farmer Program];

(9) private sector development activities designed to further the policies set forth in section 1691 of this title^{*}, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

(10) activities of the Peace Corps that relate to agricultural production;

(11) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

(12) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

(13) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences. Section 1306 of title 31 shall not apply to the use under this subsection of local currency proceeds that are owned by the United States.

^{*} For example, promoting broad-based, equitable, and sustainable development, fostering and encouraging the development of private enterprise and democratic participation, and preventing conflicts. See Section 2 of PL 480 (7 USC 1691).”

10) In SECTION J add the following as ATTACHMENT #12.

“Background Information on the Accelerated Skills Acquisition Program (ASAP)

Implementing Partners:

- Creative Associates International, Inc. (Prime contractor based in Virginia)
- International Youth Foundation (Subcontractor based in Maryland)
- Christian Childrens Fund (Subcontractor based in Virginia)

Time Span: November, 2006 to September, 2008 (22 months)

Budget: \$3,000,000 (US)

Beneficiaries: - 25,000 (approx.) unemployed O and A-level graduates and school leavers receiving employability skills

- Teachers trained in interactive teaching methods
- Businesses accessing work ready job applicants
- Training organizations implementing demand-driven curricula
- Organizations participating in training-business partnerships

Area of Operation: Focus on East, North-Central regions and Moneragala

Office Locations: Offices are presently planned to be in Colombo, Batticaloa and one additional site.

The Economic Need: Competitiveness of Sri Lankan firms depends on their ability to access employees that have the skills they need. Sri Lankan firms have reported in numerous studies (by World Bank, USAID, ILO and others) that they have great difficulty in finding employees qualified in English, computer literacy and problem solving skills. Migration out of areas bordering conflict has increased difficulties in finding qualified employees.

Relationship to Country’s Conflict: Program is designed to reduce pressures for continuing conflict by:

- Program focused in East coast and North Central region
- Target beneficiaries are the group that is most vulnerable to becoming involved in the conflict, unemployed, conflict affected, disaffected 15-25 year olds (O and A-level graduates and school leavers)
- Help youth transition to employment, self-employment, or in some cases further study
- Classes will have group process activities with messages concerning peace building, mediation, human rights and civic education
- Student recruitment will emphasize diversity to give youth experiences of envisioning positive personal and community futures alongside friends of diverse ethnicities and religions
- Catalyze English language gains as “lingua franca” bridge between cultures and groups
- Guide service learning projects with priority given to projects with a community peace building aspect

- Expose youth to use of ICT for further employment prep and peace building resources
- Approximately 450 teachers will learn how to lead interactive group processes that impart lessons concerning peace and inter-group understanding
- Assistance to businesses in East coast and North Central region in hiring multi-ethnic trainees, especially businesses partnering with USAID/SL PEACE program in agricultural supply chain and businesses for peace network
- Assist Ministry of Education, private and NGO/religious training organizations in developing programs to serve multi-ethnic populations in East coast and North Central region with pre-employment training with embedded peace/conflict learning objectives.

Collaborations with other USAID programs: USAID and contractor are presently planning how to coordinate ASAP activities with the COordinating Regional Economies (CORE) project, Young Entrepreneurs of Sri Lanka (YESL), Last Mile Initiative, Democracy and Governance programming, past Office of Transition Initiatives and Humanitarian Assistance grant recipients and programming, and the Sri Lanka Tsunami Reconstruction Program’s Vocational Education Reconstruction Component (VERC) vocational centers.

Course Content:

Subjects covered in <i>Basic Course</i> (approximately one week)	Subjects covered in <i>Extended Course</i> (approximately one month)
Job interview practice	Job interview practice
CV writing	CV writing
Job-hunt strategies	Job-hunt strategies
Career awareness	Career awareness
Problem solving	Problem solving
Confidence building	Confidence building
Task based English	English for the workplace (leveled)
Private sector presentation or visit	Jobsite exp. or service learning project
Interactive group work re peace building	Interactive group work re peace building
	Hands-on computer practice”

11) In SECTION J add the following as ATTACHMENT #13.

“Selected Questions by Interested Parties and the USAID Contracting Officer Responses.

1. Contract Line Items (CLINs). The format set forth in the subject solicitation for costing CLINs under Section B.4 at pages B-1 and B2 does not encompass all Components of CORE, for both the Base Period and the Option Period. Please specify in detail the required CLIN format.

USAID Response: See page 2 of this Amendment.

2. Cost Proposal Summary Format #1. Related to question 1 above, under section L.9 at page L-15, the solicitation states that “offerors must provide the cost proposal inclusive of the following summary format...” Please clarify how the specified format is to be related to the required CLIN format set forth under Section B.4.

USAID Response: The format on page L-15 states USAID wants the budget broken down in that format for purpose evaluation only in addition to CLIN structure in Section B.4.

3. Cost Proposal Summary Format #2. Under section L.9 at page L-16, the subject solicitation states that “The cost proposal shall follow the budget format stated above, including the major budget line items, as set forth in Section B.4, and be broken down by year, for the period of the contract.” Please clarify how the “major budget line items” set forth in B.4 are to be related to “the budget format stated above,” namely at page L-15.

USAID Response: See response above.

4. Cost Proposal Summary Format #3. Please confirm that the reference to “the ‘Subcontract’ budget line item” under Section L.9 at page L-16 refers to the line item entitled “Subgrants” in preceding budget format at page L-15.

USAID Response: Offerors must add, after the “Allowances” budget line item but before the “Subgrants” budget line item, the “Subcontracts” budget line item. The “Subgrants” budget line item shall remain.

5. Cost Proposal Supporting Schedules. Under L.6 General Instructions to Offerors at page L-6 the subject solicitation specifies that (a) Offerors must submit their proposals in electronic form and either – (i) via internet mail ... in a MS Office 2003 Windows environment *or as PDF files.*” (our emphasis) Under L.9 Additional Instructions for Preparation of the Cost Proposal, c. Items to be included in the cost proposal, at page L-16 the subject solicitation states that “The contractor shall provide an electronic copy of all spreadsheets supporting the cost proposal in a format compatible with MS Excel.” Please confirm that these spreadsheets supporting the cost proposal may be submitted as PDF files.

USAID Response: We need the cost proposal in Excel compatible format and unlocked. Submitting it also as a PDF is okay if you wish but it is not in lieu of the Excel. Based on past experience we may need to ‘get into’ and “pull apart” the spreadsheet budget to understand it and more quickly check for suspected calculation errors.

6. Ceiling Rates. Under L.9 Additional Instructions for Preparation of the Cost Proposal, c. Items to be included in the cost proposal, at page L-16 the subject solicitation states that “NOTE 1: All indirect rates offerors propose (in the above budget format) must match those ceiling rates proposed in Section B.6.” However, B.6 COST REIMBURSABLE at page B-3 does not call for proposal of ceiling rates, nor does the previous Section B.5 INDIRECT COSTS at page B-2. Please clarify whether ceiling rates are to be proposed.

USAID Response: I am not seeking “Ceiling rates” whereby they are locked in or capped for the life of the contract. If your NICRA or other type of audit backed rates states they are “provisional rates,” and therefore subject to future adjustment, that is acceptable. By the way the most recent NICRA is assumed by me to be the maximum current ceiling rates acceptable to the Government. Above that published rate will require detailed explaining on why such would be reasonable to accept.

7. Non-functioning link. Would USAID/India please post to its website the document on cell phone growth in Sri Lanka’s North and East cited under Section C.2 Background at page C-4? The link presented (<http://ppc.usaid.gov/esds/economy.cfm>) is non-functioning.

USAID Response: The link is now working.

8. Component 4. The subject solicitation, at pages C-4 and C-5, specifies five Components for CORE. However, only four Components are explicitly defined between pages C-7 and C-23. Please confirm that the heading numbered “**a.v. Implement a workforce development program that develops the skills needed by youth and others at risk of becoming involved in conflict to participate effectively in selected value chains**” (page C-20) and its associated text should actually be designated as CORE Component 4.

USAID Response: That is correct.

9. Local currency funds #1. At page C-5 under 4. Statement of Work, the subject solicitation states “The local currency funds must be utilized by the contractor for small grants, micro-credit, local training and other closely related costs thereto.” Please clarify whether these funds can also be applied to Sri Lankan Rupee costs of technical assistance for designing and implementing interventions under Components 1 through 5, as well as other direct costs associated with supporting these Components.

USAID Response: Technical assistance for microcredit is possible, however initiating a new micro-loan program is not sought. Local currency funds may be applied for designing and implementing activities for authorized local currency activities (see the added Section J-ATTACHMENT above on page 5.)

10. Local currency funds #2. At page C-5 under 4. Statement of Work, the subject solicitation states “The local currency funds must be utilized by the contractor for small grants, *micro-credit*, local training and other closely related costs thereto.” (our emphasis) Please clarify whether USAID/Sri Lanka expects the contractor to employ some share of local currency funds as direct loan resources, for example by helping to capitalize micro finance institutions.

USAID Response: Up to offerors to propose ideas.

11. Interventions under Component 2. At page C-12 under Component 2, the subject solicitation specifies that the contractor is to “**d. Identify priority interventions which address priority constraints**” and “**e. Implement priority interventions to develop competitive value chains using a conflict-sensitive lens.**” Are these interventions separate and different from the kinds of “illustrative activities” that USAID expects the contractor to implement under Components 3, 4 and 5? If so, please clarify how Component 2 interventions might differ from the illustrative activities of Component 3, 4 and 5.

USAID Response: There are complementarities as well as overlaps between Components 2 though 5. Offerors should propose how components would work together. These Components are all under the same CLINs (0002, 0004 and 0005).

12. Technical Assistance to Government on Policy. At page C-21 under the discussion of “Component 5: Foster an enabling government that facilitates economic growth and reduces inequities and conflict” the subject solicitation states “Therefore the CORE contractor will provide technical assistance to the government to shape its agricultural support program ...” Please clarify whether USAID/Sri Lanka has an agreement or understanding with any Government of Sri Lanka entity (Ministry or other agency) to receive such technical assistance, and if so, please identify that entity.

USAID Response: The RFP outlines the activities of past initiatives implemented by the mission such as TIPS, AgEnt and The Competitiveness Program (TCP.) These initiatives communicated with a wide variety of ministries and agencies related to agriculture. Although the mission communicates with various ministries and agencies, there is not an MOU in place. The statement is not referring to a particular existing agreement with a government ministry or agency that has been established for performance of CORE activities per se.

13. Tables and page limit. Please confirm that tables, like graphs and charts, do not count in the 40 page limit specified in the subject solicitation under L.7 Instructions for the preparation of the technical proposal at page L-7.

USAID Response: Tables, graphs and charts do not count in the 40-page limit.

14. Award Monitoring Plan (AWP) #1. At page L-8 under the discussion of b) An Award Monitoring Plan, the subject solicitation lists the indicators for Financial Sector, Program Element: Financial Services as “TBD.” Please clarify whether USAID/Sri Lanka will designate these indicators, or whether the offeror is expected to do so as part of the present bid.

USAID Response: The indicator for the Financial Services program element is: “Number of material improvements in the infrastructure institutions that reduce market risks made this year with USG assistance.”

15. Award Monitoring Plan (AWP) #2. At page L-8 under the discussion of b) An Award Monitoring Plan, the subject solicitation specifies that the AMP is not to exceed 10 pages. Please clarify whether the AMP page length counts against the 40-page limitation specified for the subject solicitation (excluding graphs and charts, etc.) under L.7 Instructions for the preparation of the technical proposal at page L-7.

USAID Response: The AMP page length counts against (within) the 40-page limitation.

16. Contractor Performance Information. At page L-12 under 3. Contractor Performance Information, the subject solicitation requires offerors to “(l)ist in an annex to the technical proposal up to 5 of the most recent and relevant contracts ...” and “for each of the contracts listed” to provide certain contact and description-of-performance data. Please clarify whether offerors may submit these data (in an annex along with the above-specified list of contracts) in the form of Contractor Performance Reports – Short Form, with Blocks 1 through 9 filled in.

USAID Response: Yes, if we need more information than that we will contact the offeror.

17. Please confirm whether the 10-page Award Monitoring Plan (AMP) is included in the 40-page limit for the Technical Proposal.

USAID Response: The AMP is included within the 40 page limit.

18. Section B.4 on page B-1 includes CLINs for only Components 1 and 2 in the base period and only Component 1 in the option period. However, section L-9 on Page L-15 states that CLIN 001 should not exceed \$1.3 million. Does this mean that the remainder of the budget should be allocated to Component 2? How do we budget for Components 3-5?

USAID Response: What is stated was not correct. It is changed per page 2 of the Amendment.

19. Please confirm that bidders should plan on a total of three project offices, to be located in Colombo, Ampara and Trincomalee.

USAID Response: Correct.

20. Section H.2 on page H-1 states that the authorized source for procurement is geographic code 000, while section H.9 on page H-5 states that the authorized geographic code is 935. Does section H.9 supersede section H.2?

USAID Response: Correct.

21. Will USAID consider changing the contract type from Cost Plus Fixed Fee (CPFF) "term" to a CPFF "completion-type"?

USAID Response: No.

22. Is there a limit to the number of long-term expatriate candidates that bidders may propose?

USAID Response: No, not specifically though we clearly state an expectation that non-key personnel will be Sri Lankan nationals at page L-11. [Quote] "The following minimum number of non-key positions must be filled by host country personnel (Sri Lankan citizens). In all cases, fluency in English and Tamil or Sinhala is required. Qualified individuals fluent in all three languages (English, Tamil and Sinhala) are more advantageous than those fluent in only two languages (English and Tamil or Sinhala). The contractor is required to describe the deployment of key host country personnel in the Colombo office and the two field offices. Offerors should ensure their position[s] are logically linked to the proposed technical approach:" [Unquote]

Offerors have the discretion to propose more positions as key than the two key personnel positions (COP and DCOP) listed in the RFP. Lastly, dual or multi-nationals, Sri Lankan citizens who are also citizens of another country or countries, are viewed as local (Sri Lankan) and eligible for non-key positions, assuming they are technically qualified.

23. Page L-16 of the solicitation states, "Offeror(s) should submit a preliminary BIP and MP (not to exceed two pages) as a separate annex to the cost proposal". Please clarify and confirm that this means the BIP may not exceed two pages and the MP may not exceed two pages separately or if the combination of both pieces is limited to two pages.

USAID Response: The combination of both is limited to two pages.

24. Page L-7 of the solicitation states, "Items such as graphs, charts, cover pages, dividers, table of contents, and attachments (i.e. key personnel resumes [of no more than 3 pages per person], table summarizing qualifications of proposed personnel, and past performance reports) are not included in the page limitation. Again, the maximum

number of pages is 40.” Does this mean that such items should be separated from the technical narrative, as appropriate in annexed sections? Alternatively, if items such as graphs or charts are included within the textual body of the proposal, will an excess of 40 pages in total correlating to such items be accepted and evaluated in full?

USAID Response: Either format is permissible. Graphs, charts, cover pages, dividers, table of contents, and attachments are not included in the page limitation.

25. Page L-6 under section L.4 of the solicitation sites email address IndiaRCO@usaid.gov as the appropriate contact for submitting protests. On the same page under section L.6 the solicitation states Offerors must submit their proposals in electronic form and either – (1) via internet email with up to 6 attachments.” Please confirm that proposals submitted via email should be sent to IndiaRCO@usaid.gov.

USAID Response: Confirmed.

26. Please confirm that offerors need only submit via email and that the inclusion of “in electronic form and either-...” on page L-6 (as stated in full in the question above) was an error. If this is not the case, please explain the electronic form required in addition to email submissions.

USAID Response: Proposals can be received by the due date by email (with attachments) or by a CD or diskettes that are delivered by hand or by regular mail. USAID seeks only one method of timely delivery of offers (via electronic media) and has no absolutely desire for duplicate deliveries or hardcopy.

27. Will USAID disclose the makeup of the technical committee that will be involved in reviewing submitted proposals?

USAID Response: No. Agency policy (ADS 302) is that the majority of any technical evaluation committee (TEC) be composed of individuals directly employed by USAID.

28. The Objective section (3) of the solicitation on pages C-4 through C-5 states that there are 5 components and that component 4 is as follows: “Implement a workforce development strategy that benefits groups located in rural, conflict affected and -strategic areas and that is driven by the needs of selected value chains.” However, the Statement of Work section (4) does not list any component 4 but rather includes the workforce development as a piece of component 3. Please confirm that workforce development is stand-alone component and should be included as component 4?

USAID Response: There are indeed 5 components. In the original RFP the heading for Component 4 was omitted by mistake on page C-20. See page 2 and 3 of this Amendment for the correction.

29. The solicitation states "the Mission anticipates that the CORE contractor will focus on the value chain component in year one, and plan for the workforce component of CORE to

start on/about October 2008 following and building on the ASAP program." However, the RFP also identifies 4 non-key positions that must be filled by Sri Lankan citizens including a Senior Workforce Development Manager. Does USAID anticipate this Senior Workforce Development Manager to start work at the beginning of the program or in 2008 when the ASAP program is completed? If this position is not expected to start until October 2008, are applicants expected to fill this position at this stage?

USAID Response: The Senior Workforce Development Manager position needs to be filled by October 1, 2008. Any earlier start date is up to the offeror to propose. Naming an individual now with the original submission not specifically required but would be helpful to USAID in more accurately gauging the quality and composition of the offer.

30. The Section C – Description of Services/Statement of Work lists 5 components (pages C-4 to C-5 of the solicitation). However, there are only 2 components accounted for in the CLINs: component 1 is livelihoods and component 2 is agriculturally-based value chains. Please clarify if component 2 is expected to be a compilation of technical components 2-5 or if each component is expected to have its own CLIN?

USAID Response: See page two of this Amendment for the correction.

31. Page C-7 of the solicitation refers to “three provinces: North Central, Eastern, and Uva (Moneragala District)” and goes on to state that “Within these three provinces, the programs should focus on 3-5 districts.” Page C-8 then refers to “the target areas of North and East.” Please confirm that activities should be in the North Central province, not the North province. Also, please clarify whether the program should focus on 3-5 districts within each of the provinces or 3-5 districts total.

USAID Response: The highest priority focus area is in the Eastern province as well as the neighboring Moneragala District in the Uva Province. A possible program can include parts of the North Central province or perhaps even some part of the Northern province depending on security situation, funding, and ability to show impact. Concerning the number of districts, offerors should propose the number that optimizes impact but it is expected that resources should be concentrated in 3 to 5 districts total.

32. Will USAID provide guidance on how to allocate core operating costs across CLINS?

USAID Response: The full cost of each CLIN is to be represented in the price of the CLIN.

33. The solicitation states that \$5M of the total estimated budget will be in local currency on page L-16. Will USAID provide guidance on how that funding should be accounted for in the budget?

USAID Response: We will require separate quarterly financial reporting of the local currency, primarily for the benefit of the Government of Sri Lanka since its permission was required to access the local currency in a Colombo-based bank.

The reporting format to state expenditures is as follows.

Technical assistance:

Training:

Subgrants:

Commodities:

All indirect cost such as overhead directly associated with the reported direct costs must be included in the line items. The report is just that a report not an invoice or the basis of actual payment or disbursement of the local currency funds to the Contractor.

Also see list of authorized uses of local currency mentioned above in this Amendment for addition to Section J.

34. The solicitation calls for a break-down of contract administration cost, grants administration cost and technical assistance. Will USAID provide guidance on how this should be represented in the budget?

USAID Response: Completion of the budget in the format as instructed on page L-15 for each year and when all years are combined will be sufficient. This is in addition to the CLIN format of the budget. Detailed Budget Notes and spreadsheets should be used to explain your assumptions to USAID so we understand the composition of the cost/price.

35. Page L-15 of the solicitation states, "The total unit price of CLIN 001 (Component 1) must be at least \$673,000 however it should not exceed \$1,300,000 in total price." Please clarify as to whether this meant as a total for component 1 over the 3 year base period only or over the total 5 years. Further, page L-16 states each of the two options years is estimated as US\$1,850,000 to 2,000,000. Since the options years only have component 1 listed and component 1 capped at \$1.3 million, how is this possible?

Response: CLIN 0001 (Component 1) is for only the 3-year base period. The price of this CLIN must be between \$673,000 and \$1,300,000. The minimum amount of \$673,000 is due to a displaced childrens and orphans Congressional earmark. See the change made to Section B.4 above.

36. Page K-1 of the solicitation states (a) (1) The North American Industry Classification System (NAICS) code for this acquisition is 541990 [insert NAICS code]. (2) The small business size standard is \$6.5m [insert size standard]. Will USAID provide the information missing in these blanks?

Response: I inserted the code and SBA size above in blue text. This is also reflect on Page 3 of the Amendment.

37. Is the contracting officer exercising his waiver authority as per FAR 15.403-1(b)(1) over certifications to the cost/price data? If not, when does the CO require the certification

form submitted – once negotiations are completed or by the closing date of submissions (July 17, 2007).

USAID Response: Correct. I expect adequate competition so no cost/price data certification is required in the submission of the offers.

38. The internet site <http://ppc.usaid.gov/esds/economy.cfm> included on page C-4 of the solicitation is not working. Please provide an alternative means to accessing this information.

USAID Response: The site is now working.

39. Page L-11 of the solicitation states, “None of the key personnel positions under the contract require possession of U.S. citizenship.” Assuming candidates meet the requirements of neutrality and qualifications associated with each position, does USAID have any additional requirements for Third Country Nationals? Accordingly, please confirm that no personnel compensation terms apply other than those as indicated in section H.5 on page H-3 of the solicitation.

USAID Response: USAID policy AIDAR 722 states that TCNs are generally treated the same as a HCN or CCN (“locals”) and must be paid no more than US Mission Local Compensation Plan (LCP). However Contracting Officers may pay more than the LCP provided Mission Director-approval is obtained. If it is a reasonable rate of pay based on the Section H.5 criteria I see no specific, structural problem. The mission has no arbitrary policy or practice of withholding approval for compensation of TCNs above the LCP.

40. Page L-8 solicitation states "The PMP must be subjected to rigorous data quality analysis and independent measurement of the impact for each specific indicator and client satisfaction" is specified. Please define "independent measurement". Must all indicators be verified by an independent external organization? Would this include even output indicators normally based on project records such as the number of firms receiving project assistance to invest in improved technologies? We are concerned that contracting with a third party for such verification will be extremely expensive.

USAID Response: Data collected for each specific indicator and client satisfaction should be independently verifiable. Indicators do not have to be verified by an independent external organization but the data should be collected from sources and in manners such that the indicator data is independently verifiable. Contractor should describe its methodology for objectively gathering baseline and implementation data. Again, hiring an independent measuring organization is not the requirement. The requirement is that the methodology for collecting the data be objective thereby producing independently verifiable information.

41. Section C (7) on page C-25 of the solicitation states that contractors must include “a budget line of no more than US\$ 300,000 in unit price as a contract line item to respond to a future crisis” and details illustrative activities associated with the Crisis Modifier. Further, Page L-10 of the solicitation, which describes instructions for preparation of the

technical proposal, specifically addressing “Technical Approach” states, “The contractor should demonstrate to USAID their ability to respond quickly in situations of escalating conflict. Refer to Section C., Component 2.8 (page C-22).” However, there is no discussion of Component 2.8 on that page or any other. In the absence of locating the referenced information, please clarify what information offerors must include relative to the Crisis Modifier and in what format. Based solely on the information provided, it would seem that budgeting the appropriate amount in the cost proposal and including past experience in responding to situations of escalating conflict as part of the “Technical Approach.” However, this information would seem more fitting under the “Contractor Performance Information” section described on page L-12-13. Further, information regarding offerors specific strategies to address escalating conflict during implementation of this program would seem more appropriate for the “Technical Approach” section, although this information is not requested. Please clarify.

USAID Response: It should read “Refer to Section C., Component 7 (page C-24).” USAID believes it is probable that a crisis situation will arise, where, through the Contractor, a positive difference may be made to alleviate. The specific crisis is unknown by USAID but USAID is directing that \$300,000 be set aside in the Contractor’s budget in anticipation of some type of crisis arising that the Contractor will be directed by the Contracting Officer to address.

42. In Section L.7, subsection 3, USAID requests a copy of the most recent SF 294 “Subcontracting Report for Individual Contracts” for each contract against which we were required to report for the past three years. The requirement would result in a submission of over 40 pages of SF 294 forms from our company. Does USAID still want to see SF294s for all contracts from the last three years, keeping in mind this will result in a submission of over 40 pages of SF294 reports?

USAID Response: Yes. Remember proposals are submitted only electronically per Section L.6. No hardcopy is required or desired.

43. Somewhere between page C-13 and C-21 the “Component 4” subsection title is missing so that it is unclear where the description for Component 4 begins. Where exactly does the description for Component 3 end and Component 4 begin?

USAID Response: The content on page C-20 and going onto the 4 bullets on page C-21 describe the workforce development component. There are indeed 5 components. In the original RFP the heading for Component 4 was omitted by mistake on page C-20. See page 2 and 3 of this Amendment.

44. Is there a limit to the number of annexes and attachments we can submit?

USAID Response: No.

45. Is the Award Monitoring Plan to be submitted as an annex to the technical?

USAID Response: No. The AMP is included in the 40-page maximum.

46. May we provide additional staffing that we feel is important for the start-up and implementation of the project?

USAID Response: Yes. The key and non-Key staff positions USAID cited in Section L.9 is minimum the Government requires.

47. The plug figure for the Crisis Modifier is shown under L.9 Additional Instructions for Preparation of the Cost Proposal, paragraph C as a lump sum of \$300,000.00. The B4 chart shows Crisis Modifier as a CLIN 3 with the option line for fee. Is this \$300,000 figure inclusive of fee? Further, is it to be spread over the full base period, base and option, or only on year one? Please clarify.

USAID Response: Offerors must include all cost and profit within the stated \$300,000 limit. The performance period is for up to 3 years in length - the base period.

48. Section C, Section 4 states USAID will provide the equivalent of USD \$5Million in Rupees toward grants. It is unclear the distribution of these funds throughout the period. Please clarify. Further, what will the conversion rate be?

USAID Response: USAID will ensure that, on the date of obligation of the Sri Lankan Rupees into the Contract, the funds obligated equal to US\$5 million. USAID/Sri Lanka currently maintains a local (Sri Lankan Rupee) bank in Colombo. USAID recommends offerors reference <http://www.exchangerate.com/> for exchange rate information and other sources offerors are aware of.

49. The B.4 chart indicates that Component 2 and 3 will not be part of the option years, but rather only Component 1 from CLIN I. Please clarify or confirm. *USAID Response: Section B.4 is changed by this Amendment (page 2).*

50. Please clarify the invoicing and issuing currency to be used for this project.

USAID Response: USAID will provide the local currency from project inception. The contractor will be required to provide quarterly financial report on the local currency (\$5m equivalent) expenditures.

51. While section B.4 makes it appear that CLIN 1 is built of components 1-3, Section L.9 Additional Instructions paragraph B5 indicates that the term “CLIN” is being used synonymously for “component.” Please clarify.

USAID Response: CLIN and component are not synonymous. Some CLINs involve more than one component. See the Section B.4 as changed by this Amendment #1 on page 2.

52. What is the basis of the range provided for CLIN 1 (Component 1) as \$673,000-\$1,300,000 stated in L.9 Additional Instructions paragraph B5?

USAID Response: The minimum amount of \$673,000 is due to a displaced childrens and orphans Congressional earmark. The maximum is a funding limitation given its other priorities.

53. What is the basis of the range provided in L.10 for the Base Periods and Option Periods? Additionally, is the \$19,000,000-\$20,000,000 in United States dollars?

USAID Response: The contract may last up to 5 years if all Option Periods are exercised. There is only one Base Period and it is 3 years in length. It contains three CLINs. Up to \$5 million of the maximum \$20 million will be provided in Sri Lankan Rupees.

54. Is CORE meant to be an integrated program to replace both the anticipated PEACE RFP and LSCAP RFA?

USAID Response: Yes. "CORE" replaces the program that was going to be referred to as "PEACE." LSCAP is now a part (CLIN 1) of the CORE RFP. Primarily for this reason and the fact that no significant change was made to the content, CLIN 1, where performed by an entity other than the prime contractor (a "sub") may be performed under a subcontract or a sub grant mechanism to the prime contractor. Entities based in the Geographic Code 935 (countries of the Free World) are eligible under either mechanism. In the instance of a (sub)grant award type to perform CLIN 1, profit/fee is not allowed to be charged by the sub grantee. Offerors should not read this as an invitation to propose or USAID acceptance of approaches devoid of programmatic and geographic linkage or complementary with CLINs 2 through 5.

55. Page C-5 states that a small grants component can be up to 10% of the project value. Does this include the \$5 million equivalent in rupees allocated to augment US funds (i.e. grants component budget of up to \$1.9-2 million)?

USAID Response: Yes, offerors need to recommend how to use the \$5 million. It is up to the offeror to present options and a strategy. Also see list of authorized uses of local currency included earlier in this Amendment.

56. Does the grants component incorporate matching contributions from beneficiaries, and if so, what minimum percentage of the individual grant award to beneficiaries should be matched?

USAID Response: USAID is not dictating that there must be matching or cost-sharing. Offerors may propose and justify the policy they feel will be most effective.

57. What entities are eligible for the grants component (individual businesses or only groups, etc.)?

USAID Response: USAID is not dictating this. Offerors can propose and justify the policy they feel will be most effective.

58. On page C-8, objective 1 of Component 1 is to engage in action-oriented research into the current range of livelihood support strategies. The outputs of the research are intended to guide subsequent objectives. What is the timeframe for completing the action-research?

USAID Response: Up to, but not exceeding, 3 years.

59. On page C-9, with regard to objective 3 of Component 1, will activities such as food for education (incentive for children to attend school/improved nutritional status) be accepted as part of improving the physical and educational environment for children?

USAID Response: Up to offeror to determine.

60. A subsection for Component 4: Workforce Development seems to be missing from Section C of the RFP. Is subsection Component 3.a.v. on page C-20 meant to serve as the description for Component 4? Please clarify.

USAID Response: Yes. The content on page C-20 and going onto the 4 bullets on page C-21 describe the workforce development component. There are indeed 5 components. In the original RFP the heading for Component 4 was omitted by mistake on page C-20. See page 2 and 3 of this Amendment.

61. On page L-12, the RFP asks for “up to 5 of the most recent and relevant contracts for efforts similar to work in the subject proposal?” Does this allow for 5 PPRs per contractor whose proposed cost exceeds 10% or 5 PPRs for the consortium as a whole?

USAID Response: It meant for each entity that is proposed to perform at least 10% of the value of the contract in any given year.

62. While CORE tends to also focus on some conflict-affected areas (e.g. Trincomalee and Batticaloa), the poorest and most conflict-affected areas from which the roots of the conflict originate and that were originally included in the LSCAP draft program description (e.g. Jaffna, Vavuniya, Mullaitivu, etc.) have been excluded. Hence, some of those most in need of the interventions proposed for CORE continue to be neglected and sidelined. Will this not widen the gap between the developed and less developed regions of Sri Lanka and only fuel the conflict?

USAID Response: USAID strategy is to focus resources. Trincomalee and Ampara districts are the initial foci. The main focus is in the East. It is possible the program can serve North and North Central provinces depending on security situation, funding, and ability to show impact.

63. In L.7.3.a.1 on page L-12, does the statement “List in an annex to the technical proposal up to 5 of the most recent and relevant contracts for efforts similar to the work in the subject proposal.” Refer to the contractor and the subcontractor together maximum 5 (or each 5?).

Response: Each.

64. Can you please clarify if 3.d.A, 3.d.B, and 3.d.C. on page L-13 are to be included in an annex or are included in the 40 page limit of the Technical?

Response: Those items are to be put in an annex and are not counted in the 40-page limit.

65. Will there be a separate fifth component, or will the component currently labeled 5 be relabeled 4?

Response: See page 2 and 3 of this Amendment for the correction.

66. A budget range has been specific for Component 1. Does USAID have any indication as to how it would like to see the remaining available budget split between components 2 through 4?

Response: No

67. Can the funds available in local currency (\$5 mil) be allocated to any of the components, or should they be restricted to components two and three? Since they were originally from a grant instrument, is there any further restriction on their use, besides the limitation to small grants, etc.?

Response: Please refer to list of authorized uses for local currency funds mention earlier in this Amendment for inclusion in Section J.

68. Does USAID intend that CORE will replace both the PEACE and LSCAP assistance instruments previously discussed?

Response: Yes. Also as a result USAID is flexible as to the mechanism used to implement CLIN 1. Where a prime offeror proposes to use another entity to perform CLIN 1, it may use either a subcontract (acquisition) or a sub grant (assistance) mechanism. Entities based in the Geographic Code 935 (countries of the Free World) are eligible under either mechanism. In the instance of a (sub)grant award type to perform CLIN 1, profit/fee is not allowed to be charged by the sub grantee. Offerors should not read this as an invitation to propose or USAID acceptance of approaches devoid of programmatic and geographic linkage or complementary with CLINs 2 through 5.

69. On page C-7, the RFP states that USAID does expect the contractor to implement the “Illustrative Activities”. However, the budget limitation on Component 1 (\$ 1.3mil) would seem to make it challenging to complete all the listed Illustrative Activities under that component. Will USAID consider increasing or eliminating the budget limitation on Component 1?

Response: No. The list is “illustrative” and should be viewed as an incomplete menu of probably activities rather than a mandatory ‘to do’ list to complete in the maximum 3 year timeframe of CLIN 1.

70. Could USAID please confirm that the contract authorizes a 6 day workweek for short-term advisors as a cost savings for the U.S. Government?

USAID Response: The Solicitation presumes a 5-day workweek. If USAID determines the cost/price assumption mentioned is more advantageous, then it may of course accept it.

71. Section C. 4. Statement of Work indicates that “USAID will provide the contractor the equivalent of US\$5 million in Sri Lankan Rupees from a PL 480 Title III Agreement local currency account held jointly with the Government of Sri Lanka to augment the U.S. dollar obligated in the contract. These local currency funds are within the U.S. Government’s maximum estimated budget stated in Section L.” Does USAID anticipate that these funds will be managed as a separate CLIN? Does USAID anticipate that these funds would be available at project inception?

USAID Response: No, the funds are not managed as a separate CLIN though USAID requires separate, quarterly reports of its expenditure. See page 3 of this Amendment for the change to Section F.6 of the RFP. USAID anticipates these funds would be available at project inception and must be used for activities consistent with the use of local currency guidance provided in Section J of the RFP by this Amendment.

72. Is the performance monitoring plan (PMP) for the overall USAID/Sri Lanka Mission available for public access?

USAID Response: No.

73. Please verify that the addition of non-requisite documents may be added to the appendices of the proposal.

USAID Response: Yes, but keep it directly relevant to the RFP.

74. The Government estimate provided in Section L.10 includes approximately \$5,000,000 in local Sri Lankan currency in the total range provided for the project. Could you please clarify whether the \$5 million in local currency is to be budgeted for the base period only or to be spread over the total five year period, including the option years?

USAID Response: Up to offeror, either is possible.

75. Section L.9 (c) calls for the submission of the representations and certifications as set forth in Section K of the subject solicitation and requests that Section Ks also be completed by any proposed subcontractors. Could you please clarify whether Section Ks are also required for local Sri Lankan subcontractors or US subs only?

USAID Response: Any named US-based subcontractor where the subcontract is to exceed \$100,000 in total value.

76. On page L-11, personnel instructions read “The offeror must supply a resume/CV, not to exceed three pages, for each candidate for key and non-key positions.” Please clarify whether this requirement extends to proposed short-term personnel as well.

USAID Response: It does not. It is intended for long term positions only. However, if offerors submit resume/CV for short-term consultants (in the technical proposal package) in addition to the requisite completed, signed biographical data sheet form (in the cost proposal) they will be evaluated and the determination made at that point whether to accept or reject the persons both on technical and cost grounds. USAID thinks this may be advantageous for both parties.

77. Please provide clarification regarding the location within the proposal that is desired for the Offeror's Management Plan. On RFP Page L-8 (Section 1.a), the organizational structure is requested in the Technical Approach, but on RFP Page M-2 (Section B.2), an organizational chart and staff plan is requested in the Personnel Section. Per Section L.7 (a), the RFP states, "The technical proposal should be organized by the technical evaluation criteria listed in Section M." Please clarify whether the Offeror's Management Plan (including organizational structure, each staff member's role and technical expertise, and overall corporate management capability and approach) should be included within the Technical Approach, within the Personnel Section, or both Sections of the Offeror's proposal in light of the above contradiction in the RFP.

USAID Response: Within the “PERSONNEL” Section of Section M.2.”