

February 15, 2006
REF: 2006-WBG-09

TO: All USAID/West Bank and Gaza Contractors, Grantees and Recipients

SUBJECT: Standards for Grant Worthiness and Responsibility Determination for sub-awards.

Dear Implementing Partners

I am writing to underscore the importance of your role in and accountability for ensuring that subawardees executed under your programs have been sufficiently and properly determined that they have the ability and systems to receive, manage and account for USAID funds in accordance with U.S. Government and USAID regulations prior to entering any sub-contract, contract, grant or sub-grant. The increasing attention and scrutiny of the West Bank and Gaza programs deems it essential that you clearly establish that subawardees are fully capable and have the capacity to satisfactorily execute that portion of the assistance program for which they have received a subaward.

In addition to being able to perform in accordance with U.S. statutory and regulatory requirements and guidance, you are reminded of the need to make a positive determination of the subawardee's grant worthiness or responsibility. In making this determination please refer to the following regulations and guidelines:

a. Grant and Subgrants-

- ✓ "ADS E303.5.9, Pre-Award Responsibility Determination", outlines the elements of establishing grant worthiness for U.S. and Non-U.S. Organizations.
- ✓ Checking the list of Parties Excluded from Federal Procurement and Nonprocurement Programs (see 22 CFR 226.13 and 22 CFR Part 208).
- ✓ Obtaining the relevant Representations and Certifications as required in ADS303 and AAPD 04-14.
- ✓ Checking the Office of Foreign Assets Control (OFAC) SDN & Blocked Persons List as required in Special Provision "Prohibition Against Support for Terrorism" incorporated under your respective Agreement/Contract.
- ✓ Ensuring that all relevant Special Provisions/Clauses incorporated in the Prime award are also included in all sub-awards.

b. Contracts and Subcontracts-

- ✓ "FAR Part 9.104, Standards" set out the criteria for making an affirmative responsibility determination.

- ✓ Checking the list of Parties Excluded from Federal Procurement and Nonprocurement Programs (see FAR part 9.104, 9.105 and FAR 9.4).
- ✓ Checking the Office of Foreign Assets Control (OFAC) SDN & Blocked Persons List as required in the Special Provision "Prohibition Against Support for Terrorism" incorporated under your respective Agreement/Contract.
- ✓ Ensuring that the relevant clauses/provisions that are incorporated in the Prime award are also included in all sub-awards.

I ask that you review your organizational practices and policies along with your staff to ensure that these principles are being applied and adhered to.

Sincerely,



Roy Plucknett
Contracting Officer
USAID/West Bank and Gaza