ADS Chapter 317
Procurement under Fixed Amount Reimbursement Activities

Document Quality Check Date: 08/30/2012
Partial Revision Date: 10/06/2011
Responsible Office: M/OAA/P
File Name: 317_083012
Major Functional Series 300: Acquisition & Assistance Agreement  
ADS Chapter 317 – Procurement under Fixed Amount Reimbursement Activities  
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*An asterisk and yellow highlight indicate that the adjacent material is new for this chapter or substantively revised.*
317.1 **OVERVIEW**
Effective Date: 08/25/1997

This chapter establishes procurement requirements applicable to fixed amount reimbursement (FAR) activities. For guidance concerning how to utilize FAR as a means of achieving development objectives, see ADS Supplemental Reference, "Use of Fixed Amount Reimbursement Method for Local Cost Financing."

*317.2 PRIMARY RESPONSIBILITIES*  
Effective Date: 10/06/2011

a. **Mission Director or designee** is responsible for determining whether the recipient's procurement system is adequate for the FAR activity or whether USAID should oversee procurement transactions under the FAR activity.

*b.* The **Development Objective/Results Package Team** is responsible for ensuring compliance with the source, origin, and nationality requirements.

317.3 **POLICY DIRECTIVES AND REQUIRED PROCEDURES**  
Effective Date: 08/25/1997

The following are the official Agency policies and corresponding essential procedures.

317.3.1 **Evaluation of Recipient Organization’s Procurement System**  
Effective Date: 08/25/1997

The Mission Director or designee shall assure him/herself that the recipient organization is qualified to implement the FAR activity effectively.

317.3.2 **Evaluation of Recipient Organization’s Procurement System - N/A.**  
Effective Date: 08/25/1997

317.3.3 **Procurement of Goods**  
Effective Date: 08/25/1997

FAR funds may be used to finance the following types of goods:

a) **Indigenous Goods**

Goods indigenous to the host country, i.e. grown, mined, or produced within the country receiving the assistance, may be financed by USAID without limitation.

b) **Imported Items**

Goods from Geographic Code 000 may be purchased without limitation. Imported items of free world (See Geographic Code 935) origin which are...
available locally may be financed, except that the estimated procurement of such items shall not constitute more than 25% of the total cost of the commodity element of the FAR activity, unless a higher percentage is approved in the Implementation Letter.

c) Goods Imported Specifically for the Activity

Imported items from any free world country, which are imported specifically for the activity, may be financed if the cost of the transaction does not exceed $5,000, exclusive of transport costs.

317.3.4 Procurement of Goods - N/A
Effective Date: 08/25/1997

317.3.5 Procurement of Services
Effective Date: 08/25/1997

USAID policies on nationality (See ADS 310) and for cooperating country contracts (See ADS 305) are waived for procurement of services under FAR activities.

317.3.6 Procurement of Services - N/A
Effective Date: 08/25/1997

317.4 MANDATORY REFERENCES

317.4.1 External Mandatory References
Effective Date: 08/25/1997

a. Section 604(a) of The Foreign Assistance Act of 1961, as amended

317.4.2 Internal Mandatory References
Effective Date: 04/25/2013

a. ADS 300, Agency Acquisition and Assistance (A&A) Planning
b. ADS 305, Host Country Contracts
c. ADS 310, Source, Origin, and Nationality of Commodities
d. Geographic Code 935
e. Use of Fixed Amount Reimbursement Method for Local Cost Financing

317.5 ADDITIONAL HELP
Effective Date: 08/25/1997

There are no Additional Help documents for this chapter.
317.6 DEFINITIONS
Effective Date: 08/25/1997

See the ADS Glossary.

Fixed Amount Reimbursement
Fixed amount reimbursement is a form of assistance under which the amount of reimbursement is fixed in advance based upon cost estimates reviewed and approved by USAID. Reimbursement is made upon the physical completion of an activity, a sub-activity, or a quantifiable element within an activity. The emphasis is upon reimbursement based on outputs rather than inputs or costs. (Chapters 317, 630)

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