



Activity Design Process for Acquisition and Assistance **Activities**

A Mandatory Reference for ADS Chapter 201

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I. OVERVIEW

This Mandatory Reference to [ADS 201.3.4.6](#) describes the typical process for designing an acquisition and assistance (A&A) activity in which a contractor/recipient will be competitively selected through a single-phase solicitation and evaluation process.¹ This process constitutes “Phase Two” of the activity design process. See [ADS 201.3.4.5](#), regarding “Phase One” in which Operating Units (OUs) identify high-level parameters to guide the process.

As part of this process, OUs complete six major interrelated results (see summary table below). The exact process varies depending on the circumstances. As such, the results reflected in the table below and in the subsequent sections are not necessarily sequential or universal, and teams should adapt these guidelines as appropriate. In cases in which these results do not fully apply, design teams should use the Phase One: Activity Planning period to outline a customized process (see [ADS 201.3.4.5](#)).

KEY RESULTS	KEY SUB-RESULTS
A. Analytic Design Process Conducted	<p>Country Development Cooperation Strategy (CDCS), Project Design Document (PDD), and other Agency policies reviewed, as applicable.</p> <p>Mandatory analyses (gender; environment; and climate risk, where applicable) conducted, reviewed, or planned.</p> <p>Other sources of evidence reviewed/analyzed.</p> <p>Design/solicitation approach identified.</p> <p>Selection of instrument considered (with ultimate</p>

¹ See [ADS 201.3.4.6\(b\)](#) regarding several types of A&A activities that are not addressed in this reference. These include:

- Unsolicited proposals/concept papers/applications;
- Multi-phase solicitations (e.g., multi-phase Broad Agency Announcements [BAAs], Annual Program Statements [APSs], or Requests for Proposals [RFPs]); and
- Field Support buy-ins.

KEY RESULTS	KEY SUB-RESULTS
	<p>finalization by the Contracting/Agreement Officer).</p> <p>Market research conducted (as input to the Individual Acquisition Plan, if applicable).</p>
<p>B. Activity Description Developed; Cost Estimate Constructed</p>	<p>Activity Description for the solicitation developed.</p> <p>Independent Government Cost Estimate/Budget developed.</p>
<p>C. If Applicable, Senior Obligation Alignment Review (SOAR) Process Executed</p>	<p>If applicable, SOAR document developed.</p> <p>If applicable, Action Memorandum approved by Assistant Administrator (AA) or Administrator.</p>
<p>D. Activity Approval Memorandum (AAM) approved by Mission Director/AA/Other Authorized Official/Designee</p>	<p>AAM approved by authorized official.</p>
<p>E. Remaining Pre-Obligation Requirements Completed, as Applicable; Requisition Created in the Global Acquisition and Assistance System (GLAAS)</p>	<p>Other inputs for solicitation developed.</p> <p>Remaining pre-obligation requirements addressed, as applicable.</p> <p>Requisition created in GLAAS.</p>
<p>F. Activity Solicited and Awarded</p>	<p>Solicitation released.</p> <p>Technical Evaluation/Selection Committee Memorandum developed.</p> <p>Award with successful offeror/applicant signed.</p>

II. PROCESS OF DESIGNING ACTIVITIES

Milestone A: Analytic Design Process Conducted

Generally, the first step in designing an A&A activity is to conduct an analytic design process based on the parameters identified during Phase One (see [ADS 201.3.4.5](#)). As part of this process, teams should do the following:

A.1. Review Relevant Agency Policy and their CDCS and PDD, if Applicable

Design teams should first review Agency policy, including the following:

- [USAID's Policy Framework](#), which describes the Agency's overall vision for advancing the "Journey to Self-Reliance."
- [USAID's A&A Strategy](#), which describes a number of priority approaches for advancing self-reliance in the design of A&A design, including: 1) targeting new and underutilized partners, especially the private sector and local and locally-established partners; and 2) embracing greater collaboration, co-design, and co-financing during design and implementation.
- [USAID's Policy on Protection from Sexual Exploitation and Abuse](#), which defines principles and mechanisms to uphold the Agency's commitment to protect and promote the dignity of all people.
- Other applicable development policies, strategies, or vision papers, which often depend on the sector (see [USAID's Policy Registry](#) for a full list).

In addition, design teams must review their CDCS and PDD, as applicable, and relevant analyses conducted during the processes of developing these plans. Taken together, these documents provide overarching parameters for the activity design process, as well as an analytical basis upon which the process can build.

A.2 Conduct or Review Mandatory Analyses

Design teams should conduct or review mandatory analyses, as applicable, to inform or shape the activity design. These analyses include:

- 1) Gender (see [ADS 205](#));
- 2) Environment (see [ADS 204](#)); and
- 3) Climate risk, where applicable ([ADS 201mal](#)).

See [ADS 201.3.4.5](#) for summary guidance on all three analyses.

A.3 Assess the Context/Underlying Development Problem, and Identify a Design or Solicitation Approach to Advance the Activity's Purpose

Design teams should assess the underlying development problem to better understand its root causes or drivers. To incorporate a self-reliance lens, teams should place particular emphasis on understanding the role of key local actors (*i.e.*, organizations or individuals in the government, private sector, or civil society) as they relate to the development problem and their capacity and commitment to advancing change. Teams should also identify key risks or opportunities in the broader development context that could affect, positively or negatively, the likelihood of advancing such change.

This analytic process should draw upon a combination of evidence or information, including that gathered while developing the CDCS and PDD as applicable, as well as additional evidence commissioned or identified during this process. By using multiple sources of evidence, teams can corroborate or triangulate findings, with each building off of the other, to facilitate deeper understanding of the development problem. See [ADS 201.3.4.5](#) regarding potential sources of evidence.

Based on the problem/context assessment, teams should then identify a design or solicitation approach to address the development problem and advance the activity's purpose. If the activity is a part of a larger project (see [ADS 201sam, Project Design and Implementation](#)), teams should also ensure that the activity design supports the project design as defined in the PDD, while recognizing that the PDD may be updated in response to decisions made during the activity design process.

The degree of specificity with which teams design an activity at this juncture in the overall design and implementation process will vary depending on the nature of the development problem and the availability of evidence. For example:

- In scenarios where the context is stable and causal dynamics are known, teams may opt to define specific interventions and an evidence-based theory of change that describes how and why such interventions are expected to achieve the activity's purpose.
- In scenarios where evidence is weak or contradictory, teams may instead opt to emphasize overall objectives so that offerors/applicants can propose or refine interventions and a theory of change based on the innovative ideas that they bring and their assessment of the evidence. (Note: For acquisitions, teams can achieve this through a type of Activity Description called a Statement of Objectives (see **Milestone B**). The Agency encourages this approach **to the extent appropriate**.)
- In scenarios in which the context is changing rapidly or evidence is highly incomplete or can only be determined in retrospect, teams should emphasize a

systematic approach for adaptive management (or define the challenge such that offerors/applicants can propose this approach).

These scenarios are not mutually exclusive because all contexts in which USAID operates have aspects of complexity within them, and all theories of changes are based on certain assumptions. Therefore, teams should build adaptive management approaches into all types of designs. Such approaches should support an ongoing process of collecting and using evidence to develop and/or refine the theory of change over time. However, certain contexts are particularly complex, and teams should be especially thoughtful about building a systematic approach to adaptive management into the design that supports real-time course corrections as needed.

A.4 Consider the A&A Instrument that will Most Effectively Advance the Design

Design teams must also consider the A&A instrument that will most effectively advance the design (see **Milestone A.3** above). USAID has a broad spectrum of A&A instruments and other types of legal agreements that address different types of development challenges. See [ADS 304, Selecting the Appropriate Acquisition and Assistance Instrument](#) for additional guidance. Also see [USAID's Implementing Mechanism Matrix](#) for an overview of the Agency's most frequently used mechanisms.

Design teams **must** explore these options in close collaboration with their Contracting/Agreement Officer (COs/AO), who is responsible for making the final determination on the selection of instrument. COs/AOs typically finalize this determination after the completion of market research (see **Milestone A.5**) and the development of the Activity Description (see **Milestone B**). **Also see [ADS 304.3.6](#) regarding selection of instrument documentation that must be completed once the determination is finalized.**

A.5 Conduct Market Research on the Capabilities of Prospective Non-Profit or For-Profit Entities in the Market to Advance the Design

Design teams should conduct market research on the capabilities of targeted for-profit and/or non-profit organizations in the market to advance the design of the activity. This often includes information on what local capacity is available and the potential participation of small businesses. For potential acquisition awards, teams must conduct research in accordance with [FAR Part 10](#) and [ADS 300](#). Such research may include a Sources Sought Notice in the [System for Award Management \(SAM\)](#) and/or consultation with USAID's Office of Small and Disadvantaged Business Utilization (OSDBU) on strategies for promoting the participation of small business concerns. Design teams may also reach out to potential applicants and/or use [Grants.gov](#) to collect comments and feedback on specific proposed activities, if agreed to by their CO/AO.

For most acquisition awards, design teams must document their market research in the Individual Acquisition Plan (IAP) that the team must complete prior to submitting a requisition into GLAAS (see **Milestone E**).

Milestone B: Activity Description Developed; Cost Estimate Constructed

After completing the analytical process, design teams should:

B.1 Develop an Activity Description

Design teams should develop an Activity Description based on the identified design and the type of instrument that is being contemplated (see **Milestones A.3 and A.4**). The Activity Description is ultimately part of the solicitation, and, for most contracts, the agreement as well. There are several different types of Activity Descriptions, including, but not limited to: Statements of Work (SOWs), Statements of Objectives (SOOs), and Performance-Based Work Statements (PWSs) for acquisition; and Program Descriptions for assistance (see [Additional Help: Common Types of A&A Activity Descriptions](#) for additional guidance).

Note: There are other types of Activity Descriptions that result from different processes than the process described herein. These include Concept Papers/Notes that result from multi-step or co-creative solicitation approaches, such as under a BAA or an APS, or an unsolicited proposal/application (see [ADS 201.3.4.6\(b\)](#) for additional guidance).

In addition to the overall design approach, teams should consider including, as appropriate, the following:

- A simple logic model to provide a visual illustration of the if-then sequence of results that the activity aims to advance in support of its purpose (and/or a requirement that the offeror/applicant prepare or refine a logic model as part of its proposal/application);
- Information about key learning priorities or knowledge gaps to fill during implementation (and/or a request that the offeror/applicant identify or refine key learning priorities as part of its proposal/application);
- Information about the activity's approach to adaptive management (and/or a request that the offeror/applicant propose or refine an adaptive management approach as part of its proposal/application);
- Information about any complementary activities in the broader project context with which the OU will expect the implementing partner to collaborate;
- Information about any planned evaluations, including the timeline and scope of the implementing partner's expected engagement; and/or

- Other background to ensure that prospective implementing partners have as much information as possible to develop a response that meets the OU's needs and enables the team to assess its technical capability.

B.2 Develop a Cost Estimate

Design teams must also develop an “Independent Government Cost Estimate (IGCE)” (term for acquisition) or a “budget” (term for assistance) that estimates the costs that a contractor or recipient may incur during implementation. Design teams should develop the IGCE/budget in collaboration with the OU's budget team with a view to ensuring that the Activity Description is appropriately scoped given the availability of funds. The IGCE/budget serves as a basis for reserving funds, in addition to serving as a basis for comparing costs or prices proposed by multiple offerors/applicants or determining price reasonableness in cases in which one offeror/applicant responds to a solicitation.

For assistance awards, teams should also set a realistic goal and supporting analysis for cost share from the recipient, if cost share is contemplated in the award. Cost share can be an important consideration because it can increase the resources available to achieve the activity's objectives (see [ADS 303.10.1](#) and [Cost Share in the Program Cycle](#) for additional guidance on cost share).

For additional help, see [IGCE Guide and Template](#) and [IGCE Guide and Template for Excel](#).

Milestone C: If Applicable, SOAR Process Executed

Per [ADS 300.3.4](#), if a prospective activity meets applicable criteria, design teams must engage senior leadership in Washington in reviewing the activity through the SOAR process. For proposed A&A mechanisms, design teams must participate in the SOAR process if the planned solicitation has a Total Estimated Cost/Amount at or above \$50 million. For proposed awards that are at or above \$50 million and less than \$100 million, the responsible AA in Washington provides final approval. For proposed awards that are at or above \$100 million, the Administrator provides final approval. For proposed Inter-Agency Agreements, the threshold is \$50 million or more (see [ADS 201.3.4.7](#) for additional guidance on PIOs and interagency agreements).

The primary purpose of the SOAR process is to ensure that the Agency's proposed high-value investments are designed from the outset to advance USAID's corporate priorities, such as co-creation; private sector engagement; the use of new and underutilized partners, adaptive management, performance-based instruments; and the use of evidence. This review is also intended to contribute to more rigorous activity designs and establish greater linkages between Washington and field activities. Therefore, if the design team anticipates the need to complete a SOAR process, it must

become familiar with the SOAR guidance early in the design process and systematically and intentionally incorporate the Agency's policy priorities throughout the process.

To initiate this process, the design team must first develop a SOAR document based on the template provided in [ADS 300man](#). In addition, the team must develop an Action Memorandum addressed to either the AA or the Administrator based on the template provided on the [Executive Secretariat's internal webpage](#). The design team should consult the relevant Washington Bureau's SOAR liaison early in this process to ensure that content addresses SOAR priorities and conforms with SOAR style guidelines. The design team then clears the SOAR package (SOAR document and Action Memorandum) through the Mission Director (if a Mission) or Office Director (if in Washington). After the Mission Director/Office Director provides clearance, the SOAR Liaison coordinates a multi-step process of review and clearance in Washington within time limits described in [ADS 300.3.4](#).

Milestone D: AAM Approved by an Authorizing Official

After completing the Activity Description **and SOAR process, if applicable**, design teams must prepare an AAM for approval by the Mission Director (if in a Mission) or the AA or Independent Office Director (if in Washington). Mission Directors and AAs are also encouraged to delegate their authority to the extent appropriate (e.g., to an Office Director or Project Manager for AAMs below a certain threshold).

The AAM has several functions:

- 1) The AAM authorizes the OU to proceed with releasing a solicitation.
- 2) The AAM provides a mechanism for senior management to review and approve the Activity Description.
- 3) For Missions, the AAM documents how the activity will advance results set forth in a PDD and/or CDCS, as applicable.
- 4) The AAM confirms that the OU has satisfied, or will satisfy, core pre-obligation requirements described in [ADS 201mai](#) before making an obligation. These requirements reflect general provisions based in statute, regulation, or other type of legal authority.²

In cases in which teams are concurrently designing multiple complementary activities (e.g., in support of a project), OUs may opt to approve these activities in a single AAM. The Agency encourages concurrent design, wherever feasible, to minimize lead times and ensure that activities are designed to complement one another.

² Per Milestone E, OUs may document compliance with other pre-obligation requirements through a simple checklist separate from the AAM (see [Additional Help: List of Pre-Obligation Requirements for New Activities](#)).

See [ADS 201mai, Activity Approval Memorandum \(AAM\)](#) for additional guidance.

Milestone E: Remaining Requirements Completed; Requisition Created in GLAAS

In the final step before solicitation, design teams must address any remaining pre-obligation requirements, as applicable. A “pre-obligation requirement” is an umbrella term that refers to a range of legal, Agency, Congressional, instrument-specific, sector-specific, and region/country-specific requirements that OUs must satisfy prior to the obligation of funds. Design teams should address as many pre-obligation requirements as possible prior to solicitation. These include a number of additional inputs for the solicitation, in addition to other requirements as applicable.

After teams complete applicable pre-obligation requirements, they must create a requisition in [GLAAS](#). To avoid double-filing, teams should upload all final planning and pre-solicitation documents, including for pre-obligation requirements, to the GLAAS requisition. GLAAS has an interface that will automatically export these documents into the Agency's official electronic filing system for A&A awards: the Agency Secure Image and Tracking System ([ASIST](#)). For additional guidance on ASIST filing standards, see the [ASIST & File Standardization Guide](#).

E.1 Inputs for the CO/AO to Reflect in the Solicitation

Design teams must provide their CO/AO with the following inputs to incorporate into the solicitation, as applicable:

- **An Approved Activity Description (e.g., an SOW, SOO or PWS for acquisition, or a Program Description for assistance):** For additional guidance, see **Milestone B** on the Activity Description. Also see **Milestone D** on the AAM through which this description is approved.
- **Submission Instructions to Offerors/Applicants:** This section must describe how offerors/applicants should prepare and submit proposals/applications. For acquisitions, this section may also provide any special instructions on how to prepare the cost proposal.
- **Evaluation Criteria (for acquisitions)/Merit Review Criteria (for assistance):** This section must describe the bases upon which the Technical Evaluation Committee/Selection Committee will score proposals/applications. These criteria should mirror the organization outlined in the submission instructions (see [ADS 303.3.6.2](#) for further guidance on Merit Review Criteria).
- **Solicitation Language Designating Required Indicators, if applicable:** This language must describe any mandatory indicators that the successful

offeror/applicant will be required to track and report. These indicators must include relevant indicators in the OU's Performance Management Plan, if applicable. (Note: These indicators may also be incorporated into language on the Activity MEL Plan, if applicable - see bullet on "Reporting" below.)

Acquisitions Only:

- **A Branding Strategy**: This language should convey whether the contractor will be required to follow USAID's standards for branding and marking, or whether the OU will require other standards based on exceptions, waivers, or the Administrator's determinations (see [ADS 320.3.1.2](#) for further guidance).
- **An Approved Environmental Compliance Document**: Depending on the circumstances, this document may be an Initial Environmental Examination (IEE), Request for Categorical Exclusion (RCE), or Environmental Assessment (EA). In some cases, the IEE may document a deferral to a pre-award or post-award juncture (see [ADS 201.3.4.5](#) and [ADS 204](#) for additional guidance, as well as **Milestone A.2** in this reference).
- **If Applicable, An Approved Climate Risk Assessment**: Where applicable, this assessment should be coupled with the approved environmental compliance document. For additional guidance, see [ADS 201.3.4.5](#) and [ADS 201ma](#), as well as **Milestone A.2** in this reference.

Assistance Only:

- **Substantial Involvement, if applicable**: This section must describe the type of substantial involvement that is anticipated between USAID and the recipient in implementing the activity. This section is only required if a cooperative agreement is expected. Per [2 CFR 200](#), "substantial involvement" means involvement that goes beyond normal award administration and technical assistance (see [ADS 303.3.11](#) for examples of potential areas of substantial involvement).

In addition, design teams may provide inputs to the following sections as appropriate:

- **Reporting**: The design team may submit custom language regarding reporting requirements during implementation, such as the work plan, the quarterly report, the Activity MEL Plan, the annual report, etc. The design team should work closely with the OU's MEL specialist in developing custom language on the MEL Plan, where applicable (as well as any other language that discusses MEL). For assistance, reporting is limited to deliverables authorized in [2 CFR 200.328](#).
- **Key Personnel**: The design team may customize this section to specify certain positions as "key personnel." If the design team opts not to specify key

personnel positions, the solicitation may alternatively allow offerors/applicants to designate positions (as well as individuals). For acquisitions, the number of designated key personnel may not be more than five individuals or five percent of the contractor's employees who are working under the contract, whichever is greater (see [ADS 302.3.5.4](#) for additional guidance on key personnel requirements in acquisitions).

- **Attachments:** The design team may submit additional information to be attached as annex(es) to the solicitation. For example, the team may submit a redacted version of its PDD, if applicable, key analyses that informed the design, illustrative indicators that could change during implementation, and/or templates for the Activity MEL Plan or work plan, among other examples.

E.2 Satisfy Other Pre-Obligation Requirements

Teams must also ensure that they satisfy any other pre-obligation requirements—beyond the core requirements addressed in the AAM (see **Milestone D**)—prior to publishing a solicitation, as applicable and appropriate. These requirements include the IGCE/budget (see **Milestone B.2**); the IAP, if applicable (see **Milestone A.5**); a completed Inherently Governmental and Critical Functions Template, if applicable (see [ADS 300mak](#)), and any other documents needed for special clearances (e.g., source nationality waivers, among other examples).

For additional guidance, see [Additional Help: List of Pre-Obligation Requirements for New Activities](#), which provides a general list of requirements, many of which are contingent on the sector or type of instrument, among other scenarios. This list is not universal or complete, as there are other pre-obligation requirements that are specific to certain sectors, regions, and countries, or that change year-to-year based on the annual Appropriations Act. Teams should consult their OU's guidance and their Regional Legal Officer/the Office of the General Counsel, Program Office, and Office of Acquisition and Assistance along with this list to ensure compliance with all applicable requirements.

Milestone F: Activity Solicited and Awarded

After creating the requisition in GLAAS (see **Milestone E**), the design team—particularly, the primary Planner—must work closely with the CO/AO to finalize the solicitation and conduct other pre-award responsibilities, including the technical evaluation of acquisition proposals or the merit review of assistance applications that result in Technical Evaluation Committee or Selection Committee memorandums (see [ADS 300](#), [ADS 302](#), and [ADS 303](#) for additional guidance).

Once the OU has completed all requirements and made an award, the signed award marks the beginning of the next phase, activity implementation.

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