USAID
FROM THE AMERICAN PEOPLE

UNDERSTANDING USAID AWARDS

“How to Work with USAID” Training Series

LEARNING OBJECTIVES

- Learn about the types of awards and funding mechanisms used by USAID.
- Review the phases of the award cycle.
- Discover how USAID staff communicate with interested organizations about award solicitations.

ACQUISITION AND ASSISTANCE AWARDS

DIFFERENCES BETWEEN AWARDS

USAID uses two methods to issue awards to address different needs. Solicitations result in:

- **Acquisition (contracts)**
  - USAID purchases goods and services from a contractor to implement an Activity as directed by the Agency.
  - Requests for Proposals (RFPs) announce an acquisition (contract) opportunity.
- **Assistance (grants and cooperative agreements)**
  - The Agency provides funds to a recipient and has limited direct involvement.
  - A Notice of Funding Opportunity (NOFO) announces an assistance (grant or cooperative agreement) opportunity.

AWARD MECHANISMS

ACQUISITION

- Cost Reimbursement Contracts
- Fixed Price Contracts

ASSISTANCE

- Grants
- Cooperative Agreements

U.S. GOVERNMENT INVOLVEMENT

With each type of award, the U.S. Government's involvement and relationship with the contractor or recipient during Activity implementation—through USAID—is a little different.

Contracts

- USAID exercises a higher level of oversight of the partner through technical direction on a regular basis.

Grants

- USAID has limited oversight, primarily on monitoring grant activities.

Cooperative agreements

- USAID has limited, pre-defined elements of involvement as stated in the agreement under the "substantial involvement" section.

PARTNER REGISTRATION REQUIREMENTS

- **NATO Commercial and Government Entity (NCAGE) code**

  Used by all non-U.S.-based businesses looking to work with the U.S. government. Must have an NCAGE code to register for a DUNS number.

- **Data Universal Numbering System (DUNS) number**

  A unique nine-digit number both U.S. and non-U.S.-based businesses can request for free.

- **System for Award Management (SAM)**

  Official portal for potential partners to register to do business with the US government.

  - Non-US-based entities must have an NCAGE and DUNS number before registering.
  - US-based entities must have a DUNS number before registering, and SAM will automatically generate a **Commercial and Government Entity or CAGE code.**

Learn more about USAID acronyms and terms in this brief "Acronym Soup" video and quick reference guide.

CONTRACT TYPES

CONTRACTS

- Contracts involve the U.S. Government buying supplies or services for its own use.
- Opportunities for contracts are published on beta.SAM.gov.
- Profit is allowed under contracts.

Rules governing USAID contracts may be found in the Federal Acquisition Regulation and its AIDAR Supplement.

TYPES OF CONTRACTS

Contract types vary according to partner responsibilities and profit incentive.

USAID's commonly used contract types include two broad categories:

- **Cost-reimbursement contracts**, which may be used when labor costs are difficult to estimate.
  - *Cost-plus-fixed-fee* contracts
  - *Cost-plus-award-fee* contracts
- **Fixed-price contracts** are used when deliverables are well-defined, and can be used for services as well as for commercial services.

OTHER CONTRACTS

Indefinite-delivery, indefinite-quantity (IDIQ) contracts:

- These contracts do not specify delivery or quantity at the time of the award. Work is requested through task orders, which may be issued as fixed price or cost reimbursement type orders.

Blanket purchase agreements (BPAs) :

- These are not contracts but can be referred to as agreements. However, purchase orders issued under a BPA do have legal contractual obligations.

See "Indefinite Delivery Contracts" and "Blanket Purchase Agreements" for details on regulations.

TYPES OF CONTRACTS

SUMMARY

- Contracts are used by USAID to purchase goods and services from a contractor to implement an Activity as directed by the Agency.
- Contracts vary depending on what is costed and paid for and the complexity of the work.
- Contract types include cost-reimbursement or fixed-priced contracts.

You can find additional policy guidance about contracts in the ADS, Chapter 302.

TYPES OF ASSISTANCE AWARDS

ASSISTANCE AWARDS

Grants include fixed-amount awards (FAAs), which allow payments after you perform defined milestones.

Cooperative agreements are awards where USAID has limited, pre-defined elements of involvement as stated in the particular agreement.

Leader-with-associate awards cover specified worldwide activities. They allow a USAID Mission or other office to make other awards called Associate Awards to the Leader Award recipient.

Rules governing USAID assistance awards: Code of Federal Regulations (2 CFR 200).

FIXED AMOUNT AWARDS (FAA)

Opportunities are advertised through Annual Program Statements (APS) or a Notice of Funding Opportunity (NOFO).

- Payments are made when you reach defined milestones.
- There is no maximum amount for fixed amount awards.
- Appropriate only for certain types of activities. Not for infrastructure or construction projects. This applies to all awards under assistance.

COOPERATIVE AGREEMENTS

Cooperative agreements provide for substantial involvement between the Agency and recipient during implementation of an Activity.

Substantial involvement may include:

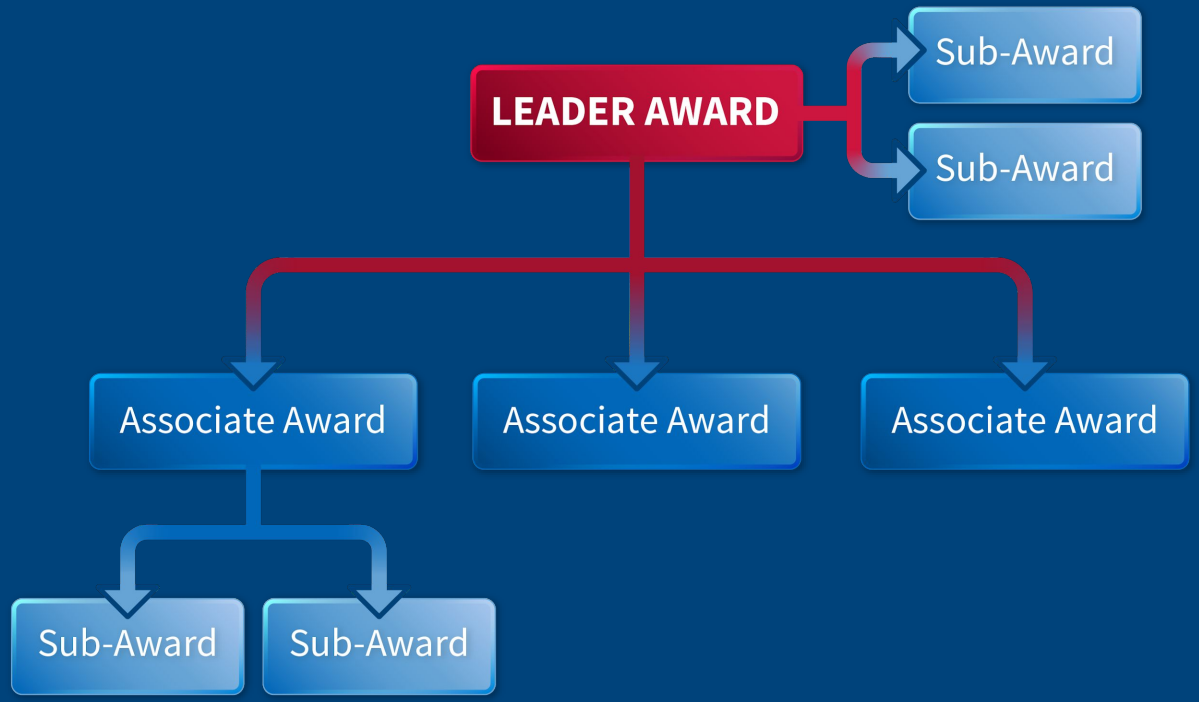
- Approval of implementation plans;
- Approval of key personnel; and
- Collaboration between USAID and the partner.
  - Examples: selection of advisory committee members, sub-awards, and review of the partner's monitoring and evaluation plans.

LEADER-WITH-ASSOCIATES AWARDS

This group of awards starts with a **leader award** to a prime recipient. USAID may decide to issue **associate awards**.

- Associate awards are related to the leader award and slightly tailored to a particular Mission's or Bureau's needs.
- Both the prime recipient and associates can work with smaller or local organizations through sub-awards.
- Leader and associate awards each have their own budgets and periods of performance.

EXAMPLE OF LEADER-WITH-ASSOCIATES AWARDS



ASSISTANCE AWARDS

SUMMARY

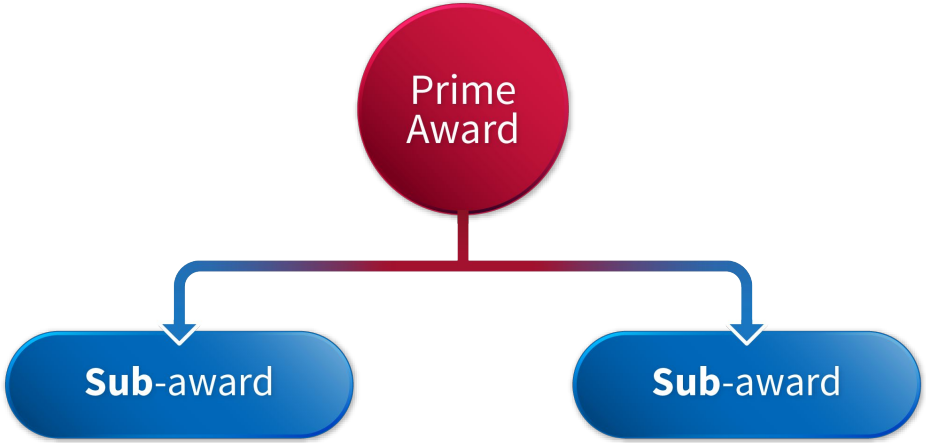
Assistance awards:

- Are funded by USAID to accomplish a public good.
- Include grants, cooperative agreements, and leader-with-associate awards.
- Must follow specific USAID rules and other U.S. Government regulations. **Review the 2 CFR 200 for details.**

You can find additional policy guidance in the ADS, Chapter 303.

SUB-AWARD OPPORTUNITIES

SUB-AWARDS



- The same rules apply to both prime and sub-award recipients.
- USAID does not maintain a direct relationship with sub-awardees. The prime recipient is responsible for the performance of sub-awardees.
- The type of award determines whether profit is allowed.
- USAID must approve almost all sub-awards.

GRANTS UNDER CONTRACT (GUC)

USAID may use the services of contractors to manage grants programs and administer a number of smaller awards on its behalf.

A GUC must meet a few conditions:

- Must not exceed $100,000;
- Must achieve local capacity development objectives; and
- Must help USAID develop relationships with new and inexperienced partners.

For more details: ADS Chapter 302, "Grants Under Contracts."

SUBCONTRACTING/TEAMING

In many cases, USAID's development assistance activities require specialized skills from a number of different partners.

- Organizations with complementary skills may form a team to apply for an award, or they may establish subcontracting arrangements to achieve the overall development goals.
- USAID encourages organizations to partner with small businesses and local partners to the greatest extent possible.

Find recent prime and sub-award recipients at USASpending.gov.

THE AWARD PROCESS

KEY PHASES OF THE AWARD PROCESS

USAID designs the Activity, identifies requirements and the appropriate type of award, and conducts market research.

The Agency publishes the funding opportunity, which we will talk about next in greater depth.

After evaluation of all applications or proposals, USAID announces the chosen partner and negotiates an agreement.

After an award is issued, USAID administers and monitors the partner's progress.

SOLICITATIONS

Solicitations for funding opportunities generally provide three critical details: (1) program description or statement of work; (2) application or proposal submission requirements; and (3) evaluation criteria.

Contracts:

- Requests for Proposals, which result in contracts; and
- Requests for Task Order Proposals are used for Task Orders under an IDIQ contract.

Grants and Cooperative Agreements:

- Solicited through a Notice of Funding Opportunity;
- You may also see a Request for Applications for grants and cooperative agreements.

Broad Agency Announcements (BAAs):

- Seek innovative ideas in response to a particular challenge or need.

For more details, see the "Exploring USAID Funding Opportunities" module.

REQUESTS FOR PROPOSALS (RFPs)

- RFPs are issued only for contract opportunities.
- Contracts may be awarded to *any* type of private organization.
- Both for-profit and nonprofit organizations may apply for contracts through RFPs.

RFPs are posted at beta.SAM.gov.

ANNUAL PROGRAM STATEMENTS (APS)

This type of solicitation:

- Allows multiple awards over a period of time;
- Funding is not through the APS but through rounds or addenda;
- The appropriate U.S. Government office generally accepts and reviews applications on a rolling basis; and
- Encourage potential partners to propose innovative approaches to address a specific challenge.

Annual Program Statements are posted at Grants.gov.

NOTICE OF FUNDING OPPORTUNITY (NOFO)

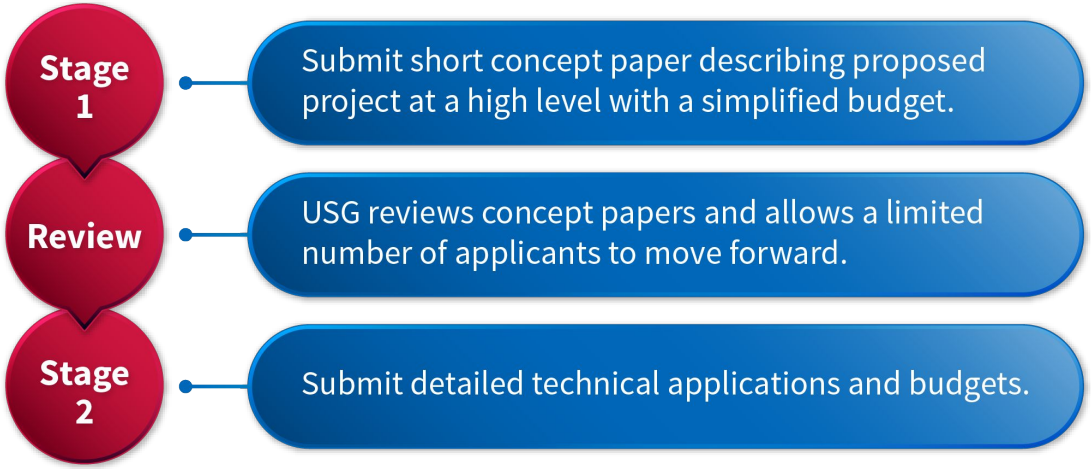
This type of solicitation is the most common means of soliciting applications from NGOs.

- Notices of Funding Opportunity (NOFOs) are used for grants, cooperative agreements, and leader-with-associate awards.
- The scope of a NOFO may vary from specific activities to very broad terms.
- The minimum period for receipt of applications is 30 days after the NOFO is issued.

Notices of Funding Opportunity are posted at Grants.gov.

MULTISTAGE COMPETITIONS

- Most often used when a large number of partners are expected to apply and can be used under an APS or a NOFO.
- This type of solicitation involves several application steps. For example:



- This process gives organizations an excellent opportunity to enter a competition without committing the time and resources needed for a full application.

AWARD ANNOUNCEMENTS

- USAID posts award announcements at USASpending.gov once a contract is awarded.
- It is critical for applicants to form partnerships with other organizations at an early stage in the application process.
- If a prime applicant you teamed with does not receive the award, you may want to reach out to others.

For more details, see the "Sub-Partnerships" module.

COMMUNICATION TOOLS

COMMUNICATION DURING PLANNING

TOOL	PURPOSE
Draft Statements of Work or Program Descriptions	Leverage development solutions from the partner community. Usually issued through an RFI.
Project Design	USAID may use pre-solicitation meetings that are for the purpose of market research.
Requests for Information	Gauge partner interest and help conduct market research.

COMMUNICATION DURING SOLICITATION

TOOL	PURPOSE
Bidders' Conferences	Held after the Agency posts a funding opportunity and before a solicitation closes. The purpose is to answer questions.

- Conducted by USAID officials.
- Provide an opportunity for interested partners to meet and develop relationships or teaming arrangements.
- Notices at beta.SAM.gov or Grants.gov list conference locations; you may be able to connect via teleconference or webinar.
- Written materials may be placed online for all participants.

COMMUNICATION DURING CONTRACT AWARD STAGE

TOOL	PURPOSE
USAID Debriefing	Learn how to prepare excellent proposals for future USAID contract solicitations.

- An offeror may request a debriefing after receiving news about the status of a contract proposal. **Take advantage of debriefings!**
- Both successful and unsuccessful offerors may request debriefings. Debriefings are not provided under assistance rules.
- A debriefing may be provided in person or via letter, teleconference, or webinar.
- To request a debriefing after receiving solicitation news, write to the contact listed in the solicitation.

For additional policy guidance on debriefings, see the FAR 15.505 and 15.506.

COMPETITION RULES

COMPETITION

- Competition results in innovation, diversity, creativity, better solutions, higher-quality activities, and better value.
- To be fair and as transparent as possible, the U.S. Government avoids actions that give one organization an unfair advantage over another.
- USAID seeks competition whenever it announces a funding opportunity:
  - For grants and cooperative agreements, the Agency seeks invites competition through notice of funding opportunity and annual program statements.
  - For contracts, the Agency invites competition through requests for proposals. Acquisition rules require the use of full and open competition.

EXCEPTIONS TO COMPETITION AND ELIGIBILITY LIMITATIONS

- Exceptions to **competition** generally apply to acquisition (contracts).
- Limitations on **eligibility** are generally used for assistance (grants and cooperative agreements).

Examples of exceptions to competition may include awards that involve:	**Examples of restrictions on eligibility may be based on Agency determinations that:**
• Local competition; • Transition awards; • Small grants; or • New entrants.	• Increase USAID's partner base; • Develop local capability; • Access specialized skills or experience; or • Respond rapidly to disasters and crises.

SMALL BUSINESS SET-ASIDES

- USAID works with the U.S. Small Business Administration to set goals for small business participation.
- Small business set-asides do not include non-U.S. small businesses.
- The 8(a) Business Development Program helps small businesses compete.
- Confirm small business status at beta.SAM.gov.

Learn more at the USAID Small Business Program.

UNSOLICITED APPLICATIONS AND PROPOSALS

Only in highly exceptional cases can the Agency fund unsolicited submissions.

Stringent criteria:

- Must be for new, unique, and innovative activities that cannot be funded through competitive methods.

More information:

- Guide for submitting unsolicited acquisition proposals
- Guide for submitting unsolicited assistance applications
- Effectively Responding to a USAID Award Solicitation module

SUMMARY

USAID uses two methods to issue awards that address different needs.

Acquisition awards (contracts)

- USAID purchases goods and services from a contractor to implement an Activity as directed by the Agency. To be considered, submit a proposal.
- Requests for Proposals (RFPs) are announced at beta.SAM.gov.

Assistance awards (grants and cooperative agreements)

- The Agency provides funds to a recipient and has limited direct involvement. To be considered, submit an application.
- Annual Program Statements (APS) and Requests for Applications (RFAs) are announced at Grants.gov.

USAID awards contracts, grants and cooperative agreements competitively.

RESOURCES

- Bureau for Management Office of Acquisition and Assistance Fiscal Year 2020 Progress Report
- USAID "Acronym Soup" video and Quick Reference Guide
- Exploring USAID Funding Opportunities module
- Effectively Responding to a USAID Award Solicitation module
- USAID Small Business Program
- Federal Assistance Regulations and Agency for International Development Acquisition Regulations
- Code of Federal Regulations for Assistance Awards
- USAID Automated Directives System Chapter 302
- USAID Automated Directives System Chapter 303

Thank You

This module was produced by the United States Agency for International Development. The presentation team comprises staff from USAID and the Partnerships Incubator.

USAID thanks all the individuals who contributed their time and ideas toward the development of this training module.

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