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USAID PROCUREMENT EXECUTIVE

PROCUREMENT EXECUTIVE'S BULLETIN (PEB) NO. 2015-01

SUBJECT: **ASSISTANCE STREAMLINING PROCEDURES**

- 1. Scope:** This Bulletin applies to all USAID Agreement Officers (AOs) worldwide and all those delegated authority to sign assistance agreements.
- 2. Purpose:** This PEB documents best practices for streamlining Assistance procedures.
- 3. Responsibilities and Requirements:** To guarantee the integrity of the competitive process in accordance with the Federal Grant and Cooperative Act, USAID encourages competition in the award of grants and cooperative agreements. In order to further streamline award formation, all AOs worldwide should follow the procedures outlined below when executing any new assistance instrument.
- 4. Background:** Several methods are currently in use by Agreement Officers (AOs) as part of the continued effort to streamline the assistance action lead times. These include early engagement by AOs with the technical teams during the early conceptualization of the program, improving the quality and utilization of market research, improving the industry's understanding of program needs through the use of industry days, and employing phased application processes through the use of an initial concept paper followed by a full application. These activities remain valid and tested streamlining methods under assistance award processes.

The Bureau for Management, Office of Acquisition & Assistance (M/OAA) is pleased to highlight assistance streamlining procedures for the awarding of grants and cooperative agreements currently found in [2 CFR 200](#), [2 CFR 700](#) and [ADS 303](#). These streamlining procedures more appropriately reflect the assistance award process. Additional announcements will be made as more areas of streamlining are identified. In the meantime, this PEB focuses on the following:

- a. The "Notice of Funding Opportunity (NOFO)" template will be provided based on the established format in [Appendix I of 2 CFR 200](#).
- b. Reframing "competition requirements" as "eligibility requirements."
- c. Limiting merit review criteria to focus on programmatic and administrative elements of the application and reduce the number of mandatory criteria.
- d. Eliminating the practice of competitive range determinations.
- e. Providing additional information to unsuccessful applicants in line with ADS 303.3.7.2
- f. Requiring a detailed budget review for only the apparently successful applicant(s).

5. Discussion:

Simplification of the Request for Applications and Clarification of Eligibility

A. Notice of Funding Opportunity (NOFO), formerly termed Request for Application

The new simplified template, based on [Appendix 1 of 2 CFR 200 - Full Text Notice of Funding Opportunity](#) is undergoing revision and will be released by M/OAA when completed.

B. Eligibility

The AO guarantees the integrity of the competitive process by ensuring overall fairness and consideration of all eligible applications. As such, the AO must clearly identify, in the funding announcement, the types of entities that are eligible to apply. If there are no restrictions on eligibility, this section must indicate that all potential applicants are eligible. If there are restrictions on eligibility, it is important to be clear about which entities are eligible, rather than a singular focus on those that are ineligible. For example, regardless of any restrictions on eligibility, it is better to state explicitly whether local non-U.S. organizations are eligible to apply, rather than to assume that they can unambiguously infer that from a statement those nonprofit organizations may apply.

It is important to note that the AO cannot limit eligibility when awarding grants and cooperative agreements, unless a Justification to Restrict Eligibility (JRE) has been approved in accordance with ADS 303.3.6.5. Please see the revised ADS 303.3.6, Eligibility, for a complete discussion of this topic.

C. Merit Review of Applications

FAR Part 15 source selection procedures must not be used in awarding assistance instruments. The Assistance Selection Committee Template and Guide is found on M/OAA's Intranet page, under Mandatory Templates, and should be used by the selection committee (SC) conducting the merit review process. Past performance is now reviewed as part of the apparently successful offeror's risk assessment and is not evaluated at the merit review stage. Additionally, the Branding Strategy and Marking Plan (BS/MP) is no longer a mandatory review criterion; however BS/MPs must be approved for successful applicants.

D. Eliminating the Practice of Competitive Ranges

"Competitive range" has a specific definition and application to acquisition under the FAR. The technique of establishing competitive ranges is not found in any federal assistance regulation or Agency policy. Using competitive ranges or requesting application revisions from more than the apparently successful applicant(s) consumes unnecessary resources and can lengthen lead times.

It is critical that AOs avoid incorporating acquisition terms and processes in the assistance award processes and documentation. If an AO wants to give an applicant, or group of applicants, the opportunity to improve its application, written or verbal engagement is sufficient to do so.

E. Additional Information to be Provided to Unsuccessful Applicants

AOs are encouraged to provide additional feedback to unsuccessful applicants to improve future applications. For additional guidance, please see **ADS 303.3.7.2**.

F. Streamlining the Budget Review

The purpose of a budget or cost review under assistance actions is to permit the AO to determine allowability, allocability, and reasonableness of costs to be charged to federal funds. Accordingly, a detailed budget review is only required for the budget of the apparently successful applicant(s). The review for the apparently successful applicant must follow the Cost Principles in Subpart E of 2 CFR 200 for non-profit organizations or the Cost Principles found in FAR Part 31 for for-profit entities. In addition, AOs should rely on the following:

- Historical Cost Data
- Comparison of Cost
- Budget Estimate
- Internal Policies of Recipient
- Market Research

The Assistance Cost Application Template and Guide found on M/OAA Intranet page, under Mandatory Templates, provides guidance on how to perform the detailed review of the budget for the apparently successful applicant(s).

Price analysis procedures should be followed when using fixed amount awards to analyze price reasonableness of milestones.

To expedite the budget review, prospective applicants will be required to provide budgets conforming to the same level of detail as in the Activity Budget Estimate (ABE) prepared for the funding opportunity.

6. Effective Date: This Bulletin is effective as of September 2, 2015 and will remain in effect until cancelled by the Senior Procurement Executive.

9/03/2015

Date

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Aman S. Djahanbani
Senior Procurement Executive