

Creating Opportunities for U.S. Small Business

Office of Small and Disadvantaged Business
Utilization/Minority Resource Center



U.S. Agency for International Development

**1300 Pennsylvania Avenue, NW
Room 7.8E Ronald Reagan Building
Washington, DC 20523-7800**

www.usaid.gov

"The globalization of the world economy has meant that governments, while still essential, are not the only institutions through which public services are provided. The role of religious institutions, non-governmental organizations, private foundations, universities, and the private market economy in providing services and accomplishing public objectives has dramatically increased. USAID will undertake a much more systematic effort to leverage its funds and technical expertise with those of these private institutions to serve poor people in the developing world and build stronger self-sustaining local institutions. These partnerships will profoundly change the model through which USAID does its business with a much greater role for private institutions in development in the future."

Andrew S. Natsios

Administrator

U.S. Agency for International Development

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CREATING OPPORTUNITIES for U.S. Small Business

The United States Agency for International Development (USAID)

The United States has a long history of extending a helping hand to those people overseas struggling to make a better life, recover from a disaster or striving to live in a free and democratic country. It is this caring that stands as a hallmark of the United States around the world -- and shows the world our true character as a nation.

U.S. foreign assistance has always had the twofold purpose of furthering America's foreign policy interests in expanding democracy and free markets while improving the lives of the citizens of the developing world. Spending less than one-half of 1 percent of the federal budget, USAID works around the world to achieve these goals.

USAID's history goes back to the Marshall Plan reconstruction of Europe after World War Two and the Truman Administration's Point Four Program. In 1961, President John F. Kennedy signed the Foreign Assistance Act into law and created by Executive Order USAID. Since that time, USAID has been the principal U.S. Agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms.

USAID is a federal government Agency receiving overall foreign policy guidance from the Secretary of State. The Agency works to support long-term and equitable economic growth and to advance U.S. foreign policy objectives by supporting:

- economic growth, agricultural and trade;
- global health; and,
- democracy, conflict prevention and humanitarian assistance.

We provide assistance in four regions of the world:

- Sub-Saharan Africa;
- Asia and the Near East;
- Latin America and the Caribbean, and;
- Europe and Eurasia.

With headquarters in Washington, D.C., USAID's strength is its field offices around the world. We work in close partnership with private voluntary organizations, indigenous organizations, universities, American businesses, international agencies, other governments, and other U.S. government agencies.

USAID has working relationships with more than 3,500 American companies and over 300 U.S.-based private voluntary organizations.

Leadership

USAID is headed by an Administrator and Deputy Administrator, both appointed by the President and confirmed by the Senate. The Agency's Administrator is Andrew S. Natsios; the Deputy Administrator is Frederick Schieck.

Bureaus

In Washington, USAID's major organization units are called bureaus. Each bureau houses the staffs responsible for major subdivisions of the Agency's activities.

USAID has both geographic bureaus (which are responsible for the overall activities in the countries where we have programs) and functional bureaus (that conduct Agency programs that are world-wide in nature or that cross geographic boundaries). Each bureau is headed by an Assistant Administrator, appointed by the President and confirmed by the Senate. The Agency's geographic bureaus -- and the Assistant Administrators are:

- Sub-Saharan Africa (AFR) | Constance B. Newman, Assistant Administrator
- Asia and the Near East (ANE) | Ambassador Wendy Chamberlin, Assistant Administrator
- Latin America & the Caribbean (LAC) | Adolfo A. Franco, Assistant Administrator
- Europe and Eurasia (E&E) | Kent Hill, Assistant Administrator

USAID's Pillar Bureaus

- Global Health | Anne Peterson, Assistant Administrator
- Economic Growth, Agriculture, and Trade | Emmy B. Simmons, Assistant Administrator
- Democracy, Conflict, and Humanitarian Assistance | Roger P. Winter, Assistant Administrator
- Global Development Alliance | Holly Wise, Director

In addition, certain staff functions are also assigned to bureaus. Headquarter bureaus are:

- Management (M) | John Marshall, Assistant Administrator
- Legislative and Public Affairs (LPA) | J. Edward Fox, Assistant Administrator

- Policy and Program Coordination (PPC) | Patrick M. Cronin, Assistant Administrator

Independent Offices

In addition to these bureaus, USAID has several independent offices that carry-out discrete functions for the Agency. These offices are headed by directors who are appointed by the USAID Administrator. USAID's Independent offices are:

- Office of the Executive Secretariat (ES) & Chief of Staff | Douglas J. Aller
- Office of Equal Opportunity Programs (EOP) | Jessalyn L. Pendarvis
- Office of the General Counsel (GC) | John Gardner
- Office of Small Disadvantaged Business Utilization (OSDBU) | Marilyn Marton
- Office of Security (SEC) | C. Michael Flannery

Inspector General

The Office of the Inspector General reviews the integrity of Agency operations through audits, appraisals, investigations and inspections.

- Office of the Inspector General | Everett L. Mosley, Inspector General

Overseas Structure

USAID programs overseas are managed by USAID offices which form parts of U.S. Embassies.

In some cases there are USAID multi-country missions which administer and provide services involving multiple countries or regional services. Regional offices also may represent U.S. interests in development assistance matters to other organizations such as various international development organizations and bilateral donors. Field offices of the Inspector General carry out comprehensive programs of audits and investigations. These offices include Regional Inspector General for Audit Offices, and Investigative Field Offices.

A more complete description of these organizational units, authorities and responsibilities is available in Chapter 101 of the Agency's Automated Directives System (ADS), accessible at: www.usaid.gov/policy/ads.

Summary of USAID's Fiscal Year 2004 Budget

USAID's FY'04 budget request responds to the challenge laid out by President Bush in 2002 in his remarks on global development.

"The advances of free markets and trade and democracy and rule of law have brought prosperity to an ever-widening circle of people in this world. During our lifetime, *per capita* income in the poorest countries has nearly doubled. Illiteracy has been cut by one-third, giving more children a chance to learn. Infant mortality has been almost halved, giving more children a chance to live... Yet in many nations, in many regions, poverty is broad and seemingly inescapable, leaving a dark shadow -- a dark shadow across a world that is increasingly illuminated by opportunity... This growing divide between wealth and poverty, between opportunity and misery, is both a challenge to our compassion and a source of instability. We must confront it." (Excerpted from remarks of March 14, 2002, at the Inter-American Development Bank, in Washington, D.C.)

USAID will award approximately \$4.25 billion dollars in FY'04 in federal contracts and grants. Contracts are awarded primarily for technical assistance but also for commodities and/or equipment, transportation services and occasionally, construction. Grants are awarded for a variety of programs --- some recurring (e.g., Food for Peace grants and other grant programs exclusively for Private Voluntary Organizations, including Minority Serving Institutions (MSIs) --- and some for unique non-recurring programs. About one half of the contract and grant awards made by USAID are negotiated, issued and administered by our Washington D.C. Office of Procurement. The other half are negotiated, issued and administered by Contracting and Grant staff located at USAID Missions worldwide.

The total FY'04 program request is \$8.771 billion. \$4.255 billion is requested for programs to be implemented by USAID with accounts that are jointly managed with the Department of State (e.g., the Economic Support Fund, Assistance for Eastern Europe and the Baltic States, Assistance for the Independent States of the Former Soviet Union, Andean Counter drug Initiative, and the Global AIDS Initiative). \$4.516 billion is requested for accounts which are principally managed by USAID. These programs include activities in the areas of: Development Assistance; Child Survival and Health Programs Fund; International Disaster Assistance; Transition Initiatives; the Famine Fund; and P.L. 480 Title II Food Aid (which falling under the Subcommittee on Agriculture, is appropriated through the U.S. Department of Agriculture and is managed by USAID).

USAID has structured its programs around four "pillars": (1) the Economic Growth, Agriculture, and Trade (EGAT) pillar focuses on building stronger economies that are soundly-governed, broadly-based, and integrated into the global trading system; (2) the Global Health pillar includes child survival and maternal health, HIV/AIDS, infectious diseases, family planning and reproductive

health; (3) the Democracy, Conflict, and Humanitarian Assistance pillar responds to crises and promotes good governance; and (4) the Global Development Alliance operationalizes a new way of promoting development in partnership with others, including the private sector. The FY'04 budget request is organized around the three sectoral pillars; the Global Development Alliance is incorporated in all three.

Key Highlights of the FY'04 Budget (Expenditure levels are approximations.)

Developing Agriculture and Reducing Hunger \$1,133,000,000

To reduce hunger over the next 20 years, farmers in developing countries will have to more than double the productivity of their land, labor, and water resources without further encroaching on concentrations of biodiversity, degrading soil and water quality, or bringing marginal land into production.

To meet this huge challenge, USAID is revitalizing its agricultural programs and encouraging public and private donors and development partners to do the same. Agency-wide agricultural programs are aimed at four strategic themes:

- Mobilizing science and technology to reduce poverty and hunger;
- Developing global and local trade opportunities for farmers and rural industries;
- Increasing knowledge at the local level through training, outreach, and adaptive research; and
- Promoting sustainable agriculture and sound environmental practices.

Increasing Access to Efficient, High Quality Education \$333,400,000

Education — an important investment in people -- is the foundation for higher living standards and democratic societies. It is an important long-term investment in sustaining democracies, improving health, increasing per capita income and conserving the environment. Economic growth in developing countries requires creating a skilled workforce. Full educational participation by girls leads to improved family health and child survival, along with stronger family support for the education of future generations. Conversely, uneducated young men, without prospects of productive employment, are especially vulnerable to recruitment by groups supporting terrorism or contributing to civil and international conflict.

USAID's basic education programs help and encourage countries to improve their educational policies and institutions and to adopt improved educational practices in the classroom. The involvement of families and communities in

educational decision-making is crucial. In many developing countries, where girls face barriers to educational participation, USAID devotes special efforts to reducing these barriers and thereby promoting educational opportunity for girls. These efforts, along with the Agency's strong field presence, have given USAID a reputation as a technical leader and innovator in basic education.

Managing Natural Resources and Protecting the Global Environment \$538,800,000

In addition to improving management of natural resources for increased agricultural productivity, USAID invests in five key areas that affect environmental quality and the sustainable access of people to resources vital for life:

- Conservation of biological diversity;
- Improved management of land, water, and forests;
- Environmentally-sound urbanization;
- Enhancing the access of underserved populations to modern energy and promoting clean and efficient energy production and use; and
- Measures to reduce the threat of and facilitate adaptation to Global Climate Change while simultaneously promoting sustainable economic growth.

Addressing the HIV/AIDS Epidemic \$450,000,000

The HIV/AIDS epidemic is a major and growing threat to both health and overall development, especially in poor countries. HIV primarily strikes people in their peak productive years, with devastating effects on citizens, communities, economies, and national security. The guiding principle of USAID's HIV/AIDS strategy is to support programs that save the most lives. This strategy is both geographic and programmatic. Geographically, USAID directs resources to priority countries and regions selected on the basis of the severity of the epidemic, the risk of rapid increase of infection, and the commitment to deal aggressively with the spread of this disease. Programmatically, USAID implements activities in a "prevention-to-care" continuum to fight the spread of this disease. In FY'03, USAID in partnership with the Centers for Disease Control and Prevention (CDC) began implementation of the President's International Mother and Child HIV Prevention Initiative. This jointly managed initiative will be expanded in FY'04 to provide national coverage in fourteen countries in Africa and the Caribbean Basin.

Reducing the Threat of Other Infectious Diseases

\$122,600,000

USAID's FY'03 and FY'04 programs are aimed to reduce deaths and sickness from infectious diseases. They will support the prevention and control of tuberculosis and malaria as well as programs designed to combat anti-microbial resistance and improve disease surveillance and response capabilities. USAID will strengthen global and regional initiatives, such as Roll Back Malaria, the Global Partnership to Stop TB, and its related effort, the Global TB Drug Facility.

Reducing Infant and Child Mortality and Improving Maternal Health

\$351,100,000

USAID has been a global leader in child survival since the 1980s. Using proven tools, many of them developed with Agency support, child survival programs have saved tens of millions of children's lives, even in the poorest countries. As a result, mortality of children under five in developing countries (excluding China) declined from 105 per 1,000 births in 1985 to 70 per 1,000 in the year 2000. In other words, 4.4 million fewer children under five died in 2000 than would have died under child mortality rates that prevailed 15 years ago.

Protecting Vulnerable Children

\$23,000,000

In 2004, USAID will continue to support the Displaced Children and Orphans Fund (DCOF) by establishing effective approaches to working with local communities and nongovernmental organizations to provide care and support for vulnerable children. Activities will assist children affected by war, street children, and children with disabilities. These programs will seek to avoid institutional care solutions, working instead to meet children's needs within their communities.

Developing and Consolidating Democracy and Governance

\$2,661,600,000

USAID implements democracy and governance activities in nearly 80 country and regional programs that help nations develop and consolidate effective, authoritative, and legitimate democratic governance. The highest funding allocations have recently been directed to Serbia, Indonesia, Egypt, Gaza and the West Bank, Ukraine, Russia, Haiti, Nigeria, and Armenia. The work involves undertaking a variety of often-difficult political and institutional reforms and capacity building in the areas of:

- Promoting the rule of law and respect for human rights;
- Encouraging credible and competitive political processes;

- Helping develop politically active civil societies; and
- Promoting more transparent and accountable governmental institutions, including local government support and anticorruption efforts.

Using Humanitarian Assistance to Respond to Disasters and Emergencies \$235,500,000

International Disaster Assistance (IDA) funds humanitarian programs that provide relief, rehabilitation, and reconstruction assistance to victims of natural and man-made disasters.

USAID's disaster assistance funds the following types of activities:

- Search and rescue for victims of floods and earthquakes;
- Emergency health and nutrition;
- Water and sanitation;
- Shelter and survival kits;
- Food security and agricultural production;
- Emergency infrastructure rehabilitation;
- Resettlement and reintegration of internally displaced persons;
- Disaster preparedness and mitigation;
- General relief, administration, and logistics;
- Restocking of health clinics and hospitals with essential drugs and equipment;
- Training for local health care workers in primary health care;
- Support for nutritional and epidemiological surveillance to increase early warning of epidemics or other deterioration in health status;
- Training of traditional birth attendants (instrumental in reducing infant and maternal mortality); and
- Emergency immunization campaigns to vaccinate children against preventable diseases such as measles.

**Combating Food Insecurity through Food for Peace
\$1,185,000**

Almost a billion people worldwide are chronically undernourished. Reducing these numbers worldwide is not only a humanitarian concern of the U.S. Government, but a strategic concern as well, as food insecurity fuels political instability. P.L. 480 Title II food aid is the primary resource of the United States for responding expeditiously to the critical food needs of populations in emergency situations. Through its Office of Food for Peace, USAID seeks to ensure that food aid is provided to the right people, in the right places, at the right times, and in the right ways.

In keeping with section 602 of the Foreign Assistance Act of 1961 (22 U.S.C. 2352), as amended, USAID shall, insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of said Act, assist United States small business to participate equitably in the furnishing of supplies and services for Foreign Assistance activities.

It is the policy of USAID to: (1) Fully endorse and carry out the Government's small business program for placing a fair proportion of its purchases and contracts for supplies, construction (including maintenance and repair), research and development, and services (including personal, professional, and technical services) with small business, including minority small business concerns; and (2) Increase their participation in USAID procurement.

USAID Acquisition Regulations
Subpart 719.2 -- Policies

**USAID's Office of Small and Disadvantaged Business Utilization
and Minority Resource Center (OSDBU/MRC)**

The Office of Small and Disadvantaged Business Utilization and Minority Resource Center (OSDBU/MRC) is the initial point of contact at USAID for U.S. small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses and Veteran and service-disabled Veteran-owned small businesses. OSDBU/MRC is a small business advocacy and advisory office with the responsibility for assisting these enterprises and minority serving institutions (MSIs) in gaining access to USAID programs. The Office:

- Serves as an information clearinghouse for U.S. small businesses.
- Counsels small businesses on how to do business with USAID.

- Examines USAID buying needs for possible set-asides for 8(a) and other small businesses prior to publication on the FedBizOpps website.
- Reviews prime contracts to identify subcontracting opportunities for small businesses.
- Maintains the Small Business Data Resource. This is an automated database describing the capabilities of U.S. small businesses and organizations interested in participating in Agency sustainable development programs.
- Sponsors outreach conferences on “How to Do Business with USAID,” and participates in national, regional and local conferences sponsored by both private and public organizations.
- Develops operations, systems, and procedures to optimize participation of U.S. small businesses in USAID development assistance activities.

An Office of Small and Disadvantaged Business Utilization (OSDBU) exists in all U.S. Federal agencies in accordance with Public Laws 95-507 and 100-656 to encourage the participation of U.S. small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone small businesses and Veteran and service-disabled Veteran-owned small businesses in Federal procurement opportunities. In foreign affairs agencies, OSDBU contacts include: USAID at (202) 712-1500 (see staff list on page 18).

The Small Business Program

Small Business: A small business is a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified under the criteria and size standards set forth in 13 CFR 121.

Small Business Set Asides: For the most part, competitive purchases of goods and services between \$2,500 and \$100,000 are reserved for small business solicitations. Contracting Officers are also encouraged to “set-aside” competitive solicitations greater than \$100,000 for the small business community when the price is fair and reasonable.

Contracts executed by USAID in Washington that are equal to or less than the simplified acquisition threshold of \$100,000, are automatically set-aside for small business, unless the Contracting Officer determines there is not a reasonable chance of obtaining competitive offers from two or more responsible small business concerns [See FAR 19.502-2(a)].

8(a) Program: The applicant firm must be a small business, must be unconditionally owned and controlled by one or more socially and economically

disadvantaged individuals who are of good character and citizens of the United States, and must demonstrate potential for success. The small business must register with and be certified by the Small Business Administration to be considered an 8(a) company.

Specific 8(a) contractors are usually identified by USAID. The Agency then requests approval from SBA to enter into sole source negotiation with the identified firm. Once negotiations are completed, USAID provides SBA with contract documents for signature by SBA and the 8(a) firm.

A contract under \$3 million may be set-aside for a single 8(a) firm. Alternatively, USAID may request SBA approval to compete the contract among a limited number of 8(a) firms selected by USAID.

8(a) contracts over \$3 million must be awarded on the basis of competition between eligible 8(a) firms.

Small and Disadvantaged Businesses: A small and disadvantaged business (SDB) is a small business concern owned and controlled by a socially and economically disadvantaged individual and is at least 51 percent owned by one or more socially and economically disadvantaged individuals. In the case of any publicly owned business, at least 51 percent of the stock must be owned by one or more socially and economically disadvantaged individuals; and its management and daily business operations must be controlled by one or more socially and economically disadvantaged individuals. SDBs must be certified by the Small Business Administration to claim SDB status.

From CFR 123.103: Socially disadvantaged individuals are those who have been subjected to racial and ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control.

From CFR 124.104: Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

Women Owned Small Business: A small business concern owned and controlled by women means a concern: which is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more women, and whose management and daily business operations are controlled by one or more women.

The Federal Acquisition Streamlining Act (FASA) of 1994 established a goal of 5% of all federal procurement for women-owned small businesses. USAID and

other federal agencies contribute to this annual goal through both prime contract awards and subcontracting to women-owned small businesses. For additional information, visit the SBA website at: www.sba.gov, or contact the Office of Women's business Ownership at (202) 205-6673 or the U.S. Small Business Administration at 1-800-8-ASK SBA.

Service-Disabled Veterans: A small business concern owned and controlled by one or more service-disabled veterans means a concern: not less than 51 percent of which is owned by one or more service-disabled veterans, or in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and the management and daily business operations of which are controlled by one or more service-disabled veterans, or in the case of a veteran with a permanent or severe disability, the spouse or permanent caregiver of such veteran. For more information on the service-disabled veteran or veteran-owned small business programs, contact the SBA's Office of Government Contracting at (202)205-6460, visit SBA's web site at: www.sba.gov or visit the Department of Veteran Affairs' web site at: www.va.gov.

HUB Zone Business (Historically Underutilized Business): the HUB Zone Act of 1997 was designed to increase employment, investment and economic development in historically underutilized business zones. The HUB Zone Empowerment Contracting Program provides federal contracting assistance for qualified, small business concerns located in high unemployment and/or low income areas. This is a way of promoting private sector investment, employment opportunities and stimulating economic growth. The HUB Zone primarily is established geographically based on census tracts. To qualify as a HUB Zone business, you must be registered, approved, and certified by the Small Business Administration. For additional information on the HUB Zone Program, or to find out if your business is located in a HUB Zone, visit the SBA website at: www.sba.gov.

Private Voluntary Organizations Controlled By Socially And Economically Disadvantaged Individuals: A minority-controlled private and voluntary organization (PVO) is one in which more than 50% of its Board of Directors is comprised either of African Americans, Hispanic Americans, Native Americans, or of "socially and economically disadvantaged" individuals. USAID continues to encourage the utilization of minority-controlled PVOs in USAID-financed development assistance activities in keeping with the Congress's original intent to involve these enterprises more in USAID programs. USAID's Office of Private and Voluntary Cooperation, (202) 712-0840 registers U.S. PVOs that wish to partner with USAID in promoting development assistance throughout the world. PVOs registered with USAID are eligible to compete for grants through its programs for matching grants, child survival grants, cooperative development and farmer-to-farmer program grants, development education, and the ocean freight reimbursement program.

Procurement Preference Program: The Federal Government encourages full participation in its contracting activities through small business programs for groups that otherwise might not be able to compete on equal terms with large businesses. Section 221 of Public Law 95-507 and Public Law 100-656, Section 502 and 503 require that the head of each federal Agency, after consultation with the Small Business Administration, establish realistic goals for the award of contracts to small business concerns and to small businesses owned and controlled by socially and economically disadvantaged individuals.

Small Disadvantaged Business Program: Firms participating as SBA subcontractors in Federal minority procurement programs are required to be SBA-certified and on the SBA-approved list in order for their prime contractors to receive SDB subcontracting credit for these contracts. Certified SDBs are also eligible for the following Program benefits in approved industries:

- Qualified SDBs receive a price evaluation adjustment of up to 10% on procurements where mandated by regulation. The price evaluation adjustment for SDBs bidding as primes became effective October 1, 1998. Regulations mandate this approach in competitive acquisitions over the simplified acquisition threshold (usually \$100,000) where the NAICS code for the prime contract is authorized by U.S. Department of Commerce benchmarks. The price evaluation adjustment does not apply to 8(a) acquisitions and small business set-asides.
- Qualified prime contractors can receive a credit when using SDBs as subcontractors. The incentive applies only to competitive negotiated acquisitions over \$500,000, or \$1 million in construction. The evaluation factor does not apply to small business set asides, 8(a) acquisitions, or contracts performed entirely outside the United States. The evaluation factor for SDB participation allows credit for subcontractors only in the NAICS codes authorized by the US Department of Commerce benchmarks and requires that all SDBs be certified by the SBA. Once certified, firms remain on the SBA's list of SDB-certified firms for a period of three years.
- Contracting officers may include a monetary incentive in their contracts so that a contractor exceeding the total monetary target for SDB subcontracting will be eligible for a bonus of between 1% and 10% of the SDB subcontract dollars above the target. These benefits are available only to businesses that are certified as SDBs by SBA.

The Federal Acquisition Regulation also has a requirement to evaluate the past performance of offerors in complying with targets for SDB participation and subcontracting plan goals for SDBs whenever past performance is to be evaluated. USAID reinforces this requirement in AAPD-02-06 can be found at:

www.usaid.gov/procurement_bus_opp/procurement/cib/pdf/aapd02_06.pdf. For more information on the SDB program, contact SBA's SDB Office at (202) 401-1850 or visit SBA's website at: www.sba.gov.

Subcontracting: USAID publishes both intended procurements and awards of procurements on the FedBizOpps website. Publishing this information is required by the FAR, and it allows U.S. small businesses to identify business opportunities and potential joint venture and subcontracting partners.

The FAR requires that prime contracts exceeding \$500,000 (or \$1 million for construction) have a Small Business Subcontracting plan, if the Contracting Officer has determined the procurement has components that can be subcontracted, and if the awardee is other than a small business. For contracts performed entirely overseas, there is an exemption to the sub-contracting requirement (see FAR 19.702 (b)(3)), but many overseas contracts nevertheless have sub-contract plans.

FAR 19.704 and FAR 52.219-9 requires the Small Business Subcontracting Plan to express subcontracting goals in terms of both percentages and dollars for small businesses, for small disadvantaged businesses, for women-owned small businesses, for veteran-owned small businesses, and for HUBZone small businesses. The Plan is also required to identify the contractor's employee who will administer the Subcontracting Plan with detail of his/her duties; the procedures the contractor will employ to afford a fair and equitable opportunity for subcontracting with small businesses, small disadvantaged businesses, women-owned small businesses, veteran-owned small businesses, and HUBZone small businesses; the assurance that records will be maintained for review by the contracting Agency and the SBA; and the assurance that FAR-required subcontracting reports will be submitted to the contracting Agency.

The subcontracting reports are used by both the contracting Agency and the Federal Procurement Data Center to measure the contractor's achievement of the subcontracting goals expressed in the Small Business Subcontracting Plan.

A prime contractor's performance in implementing a Small Business Subcontracting Plan and in achieving goals expressed in the Plan are part of "past performance" evaluations that are considered for future awards.

Minority Serving Institutions (MSI) Program

Minority Serving Institutions (MSIs) are those Institutions of Higher Education in the U.S which either historically or currently have ethnic minority student enrollments of 25 percent or more which have been designated as MSIs by the U.S. Department of Education. MSIs include Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Tribal Colleges and

Universities (TCUs), and Asian-American and Pacific Islander Colleges and Universities (AAPICUs).

USAID awards grants and cooperative agreements to MSIs through competition among these institutions. MSIs also can receive awards via full and open competition as well as through unsolicited proposals.

For more information about the interests, capabilities and experience of MSIs, consult the Minority On-Line Information Service (MOLIS) website, found at: www.iam-molis.com.

USAID/OSDBU Staff List

Marilyn Marton
mmarton@usaid.gov Director

LaVerne Drummond
ldrummond@usaid.gov Deputy Director

Small Business Program

Robert Egge
regge@usaid.gov Program Analyst managing the portfolios for the Office of the Administrator; the Office of the General Counsel; the Office of the Inspector General; the Office of Security; the Bureau for Latin American & the Caribbean; the Bureau for Legislative and Public Affairs; the Bureau for Management; the Bureau for Policy & Program Coordination; and the Small Business Resource Data (SBRD); Business Transformation Executive Committee Sub-Committee (BTEC/BSM); and Reporting and Data Analysis

Rhoda Isaac
risaac@usaid.gov Business Specialist managing the portfolios for the Bureau for Asia and the Near East (ANE); the Bureau for Europe & Eurasia (EE); the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA); and Administrative Officer and Women-Owned Small Business Representative

Sharon Jones-Taylor
sjones-taylor@usaid.gov Business Specialist managing the portfolios for the Bureau for Africa (AFR); the Bureau for Economic Growth, Agriculture and Trade (EGAT); the Global Health (GH); Global Development Alliance (GDA)

Minority Serving Institutions (MSI) Program

Alfred Harding
aharding@usaid.gov MSI Coordinator

Tracy Scrivner
tscrivner@usaid.gov MSI Administrative Specialist

Support Staff

Margaret P. Hunt
mhunt@usaid.gov Executive Secretary

Carolyn Olidge
colidge@usaid.gov Program Operations Assistant

USAID/OSDBU/MRC
Ronald Reagan Building
Room 7.8E
1300 Pennsylvania Avenue, NW
Washington, DC 20523-7800

www.usaid.gov/procurement_bus_opp/osdbu
Telephone: (202) 712-1500

USAID Procurement Information

USAID maintains a Business and Procurement homepage located on USAID's web site at: www.usaid.gov/business. This site (see next page) has links to pages that allow organizations interested in doing business with USAID to browse or download solicitation documents, including Requests for Proposals (RFPs), Invitations for Bid (IFBs) and Requests for Applications (RFAs), as well as view official notices, annual procurement plans, and updates on changes affecting procurement in the Agency. Links also are provided to other USAID business information resources, such as the Office of Small and Disadvantaged Business Utilization (OSDBU), the Global Technology Network (GTN), and the periodic publication of procurement awards in the [USAID Yellow Book](#).

USAID procurement information formerly published in the Commerce Business Daily is now included on the FedBizOpps internet site which may be found at: www.fedbizopps.gov.

USAID procurements include:

- Technical Assistance: e.g., contracts for managerial and technical consultants in developing and implementing sustainable development programs in Broad-Based Economic Growth; Democracy; Environment; Population and Health Education and Training, Humanitarian Assistance and Support for Post-Crisis Transitions.
- Commodities: e.g., equipment and supplies needed to fulfill USAID project needs, disaster relief, as well as materials financed through USAID-funded commodity import programs, household and office products/equipment for USAID Mission staff.
- Training: e.g., academic or professional training needed for the implementation of sustainable USAID projects as well as staff training.
- Food Aid: e.g., provisions needed in conjunction with emergency, supplemental feeding and food security programs developed by USAID in collaboration with host governments. Most non-emergency food aid is financed through the Food for Peace Program (P.L. 480) and purchased through the Department of Agriculture.

Website for Business & Procurement: www.usaid.gov/business.

USAID Acquisition and Assistance Instruments

USAID utilizes various acquisition and assistance instruments to implement its activities. Contracts, grants, cooperative agreements, and purchase orders are some of the instruments which are negotiated and signed worldwide by USAID. These instruments provide a variety of commodities and technical assistance to support the attainment of the Agency's objectives.

Acquisition refers to obtaining goods and services, through various types of contracts, for the use or benefit of the Agency. Acquisition is governed by the Federal Acquisition Regulations (FAR), the USAID Acquisition Regulations (AIDAR), and the USAID Automated Directive System (ADS). Assistance refers to transferring funds (or other valuables) from USAID to another party for the implementation of programs which will contribute to the public good through the

furtherance of the objectives of the Foreign Assistance Act. Assistance is governed by USAID Regulation 26 (22 CFR 226), OMB Circulars, and the ADS.

Only warranted Contracting/Agreement Officers in Washington and overseas have the authority to sign procurement and assistance instruments.

ACQUISITION ACTIVITIES

Services of Firms, Universities and Non-Profits: To obtain the services of firms, universities, and non-profits through contracts, the Agency's requirements must generally be advertised, negotiated, and awarded through full and open competition procedures. The sequence of some of the key steps involved in the contracting process is described below:

- Step 1: 8 (a) and Small Business Set-Aside applicability is determined by the Contracting Officer in consultation with the Office of Small and Disadvantaged Business Utilization;
- Step 2: The requirement is advertised on the FedBizOpps website and posted on the USAID Internet Site at least 15 days prior to the issuance of the Request for Proposals (RFPs);
- Step 3: The RFP is issued in hardcopy, if requested, or through the internet site with proposals due at the designated location not less than 30 days later;
- Step 4: Technical proposals are evaluated by a Technical Review Committee while cost proposals are evaluated by the Contracting Officer;
- Step 5: Based upon the combined technical and cost evaluations, the Contracting Officer determines a competitive range which includes all those offers with reasonable expectation of winning the contract;
- Step 6: Negotiations are conducted with all those included in the competitive range; negotiations may include technical and/or cost considerations;
- Step 7: Best and Final Offers (BAFOs) are requested at the conclusion of negotiations; offerors may revise technical and cost elements of their proposals;
- Step 8: a) The BAFOs are evaluated and b) award is made to the offeror providing the greatest value to the Government, cost and technical factors considered.

Indefinite Quantity Contracts (IQCs): IQC/Task Order Contracts are intended to provide services quickly. Most contracts are awarded by USAID/Washington with orders generated from Washington as well as overseas. They cover many functional categories including but not limited to health, education, governance, and management. IQC contracts are awarded competitively and the Agency is committed to a minimum payment under each contract. Each contract also establishes a maximum to be supplied by the contractor. The Agency cannot specify individuals that will be provided under Task Orders.

Simplified Acquisition: This term refers to small purchases. All acquisitions exceeding \$2,500 and not exceeding \$100,000 (the current simplified acquisition threshold) are reserved for small business concerns. Micro-purchases are those defined as purchases at the \$2,500 micro-purchase threshold or less. These purchases do not require competitive quotes to be submitted. Prompt payment discounts will be accepted and are encouraged. For purchases exceeding the micro-purchase threshold, competition is required unless a sole source justification has been approved. Competition is deemed to have occurred when three sources have been solicited. Both written and oral solicitations are acceptable. An award is usually made on a best value basis where price or price and other factors are considered.

Contract actions expected to exceed \$10,000, but not expected to exceed \$25,000, are displayed on the website for USAID Procurements under the heading of "Small Purchases Opportunities".

See: www.usaid.gov/business.

Commodity Procurement: USAID may finance the procurement of a wide variety of basic commodities needed in a host country economy through a Commodity Import Program (CIP). To participate in a CIP, suppliers submit bids in response to competitive tenders issued by foreign importers. Resulting transactions then occur directly between American suppliers and foreign importers. USAID also provides funding to finance the procurement of project commodities that are purchased in support of country specific objectives.

CIP and project commodity procurement requirements are advertised in Procurement Information Bulletins (PIB). These are made available on the USAID internet web page. Click on "Business and Procurement," then on "USAID Procurements" and then on "Procurement Information Bulletins."

Title XII Set-Asides: Title XII of the Foreign Assistance Act (FAA) permits other than full and open competition when contracting with U.S. land-grant universities for agriculture-related activities.

Competition Exceptions: While most acquisitions are conducted under full and open competition procedures, there are times when "other than full and open

competition" procedures may be appropriate. The following seven circumstances may allow for other than full and open contracting procedures to be conducted.

- Sole Source: When there is only one source deemed capable of filling the requirement.
- Unusual and Compelling Urgency: The requirement is so urgent that a delay in the award would cause serious injury to the U.S. Government.
- Industrial Mobilization, Research or Engineering Capability: Used in certain cases where industrial mobilization, engineering development, or research capability is required.
- International Agreement: Used when the terms of an international agreement or treaty require contracting through other than full and open competition.
- Authorized or Required By Statute: Such as Federal Prison Industries, the 8(a) program, blind-made products, and the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- National Security: Used when disclosure of the Government's needs would compromise national security (e.g., would violate security requirements).
- Public Interest: To be used when none of the other authorities listed above apply. Requires determination by the Administrator and 30 days advance notice to Congress.

In addition to the above exceptions to full and open competition, USAID acquisition regulations (AIDAR) provide further circumstances that allow for other than full and open competition procedures to be utilized. The AIDAR authorizes other than full and open competition when not to do so would impair or otherwise have an adverse effect on programs conducted for the purpose of foreign aid, relief, and rehabilitation. The authority may be used for personal services which are to be exclusively performed overseas or if otherwise authorized by law; contracts for \$250,000 or less which are procured by an overseas USAID Mission; when a determination is made by the cognizant Assistant Administrator or the Administrator that compliance with full and open competition procedures would impair the objectives of the Foreign Assistance Act; to support disaster assistance efforts under certain circumstances; and for an award for the continued provision of highly specialized services when an award to another resource would result in substantial additional costs to the government or would result in unacceptable delays.

Host Country Contracts: USAID finances contracts between less developed countries and contractors. These "Host Country Contracts" (HCCs) are not subject to the Federal Acquisition Regulations (FAR) or to USAID's Acquisition Regulations (AIDAR) but are subject to requirements in the USAID Country Contracting Guidebook and ADS 305.

Before Host Country Contract procedures can be used to undertake a procurement exceeding \$250,000 in value, the Mission Director must make a determination in writing that the host country contracting Agency has or will obtain the capability to undertake the procurement. Host Country Contracts must contain a limited number of clauses required by U.S. Government statute or regulation.

Host country contractors are unable to file protests of awards under provisions of the FAR or other regulations. The competition procedure normally provides for competition on technical merits only. The "short listing" of the top ranked firms is based on the results of a technical evaluation. Negotiation of cost is then conducted with the top ranked firm only. If agreement cannot be reached, negotiations with that firm are discontinued and negotiations begin with the next highest ranked firm.

ASSISTANCE ACTIVITIES

Grants: With a grant, USAID agrees to fund, in whole or in part, the program of a non-governmental organization (NGO), university, or institution that will contribute to the public purpose. Responsibility for achieving program objectives rests with the recipient.

Cooperative Agreements: A Cooperative Agreement is administered in the same manner as a grant, with the one difference being that of substantial involvement by USAID. Substantial involvement may include the approval of annual work plans; designation of key positions and approval of key personnel; or USAID approval of monitoring and evaluation plans and USAID involvement in monitoring progress toward the achievement of program objectives during the course of the cooperative agreement. While for-profit firms are eligible for grants and cooperative agreements, it is USAID's policy not to pay a fee or profit under such assistance instruments.

Competition Requirements: It is USAID policy to compete all grants and cooperative agreements. Competition is defined as being met when the requirement has been announced and an award has been made following an impartial review and evaluation of all applications received. USAID announces its assistance requirements by publishing Annual Program Statements (APS) or Requests for Applications (RFA). These are posted on the internet except when a program is specifically designed only to be available for local (indigenous)

organizations, in which case announcements are made in local publications, Mission Bulletin Boards, or other means that substitute for announcement on the internet.

Competition is not required for the following categories of assistance awards:

- Amendments to existing assistance awards;
- Follow-on awards intended to continue or further develop an existing assistance relationship;
- Awards based on unsolicited applications, provided that the proposals were not solicited by USAID; that they are unique, innovative, or proprietary; and that they represent appropriate use of USAID funds to support a public purpose;
- Awards for which one recipient is considered to have predominant capability based on experience, specialized facilities, technical competence, or an existing relationship with the cooperating country or beneficiaries; and
- Those situations which are deemed by the cognizant Assistant Administrator (or an Office Director who reports directly to the Administrator) to be critical to the objectives of the foreign assistance program.

INFORMATION TECHNOLOGY AT USAID

The distribution of information has become a very important aspect of global development. USAID has dedicated itself to empowering developing countries with the knowledge and technology not only to survive but to thrive in the electronic global climate. Here are a number of USAID's Information Technology efforts:

AfricaLink

The United States Agency for International Development (USAID) is engaged in a number of initiatives to facilitate access to the Internet for its colleagues and partners in Africa. One such initiative is AfricaLink.

DOT-COM Alliance

Digital Opportunity through Technology and Communication Partnerships (DOT-COM) is a set of three cooperative agreements to promote information and communication technology for development. Building on the strategies of the African Leland initiative and the worldwide Internet for Economic Development Initiative, DOT-COM provides USAID missions with a broad set of tools to

participate in a global effort to bridge the digital divide.

Gemini Application Server

Gemini is a new application server that is maintained by USAID's Internet Data Services. Currently, this server contains web-enabled, database driven applications. This server contains the following applications: The AfricaLink Project, USAID Employee E-mail Directory, the USAID Fax Directory, the USAID Phone Directory and the Office of Procurement's YellowBook.

Internet Center for Development

USAID works around the world in close collaboration with contractors, cooperating organizations, and grantees to implement development programs. Sharing information in tough environments is a difficult task. The Internet Center for Development is here to help.

Internet for Economic Development (IED) Initiative

In November 1998, the U.S. Government announced the Internet for Economic Development (IED) Initiative to expand access in developing countries to the Internet and its applications such as e-commerce, distance education, e-governance, tele-medicine, and environmental surveillance. Activities are already underway in 21 countries.

Leland Initiative

The Leland Initiative is a five-year, \$15 million U.S. government effort to extend full Internet connectivity to 20 or more African countries. The Leland Initiative builds on existing capacity with the ultimate aim of facilitating Internet access throughout each country.

Remote Access to AIDNET

The Remote Access site provides all the information and instructions necessary for USAID employees, contractors, and partners to access USAID's network from remote locations, such as their homes or an offsite business location.

South Africa Regional Telecommunications Restructuring (RTR)

The RTR Program objective is to help ensure that Southern African Development Community (SADC) member states realize the significant economic and social benefits of a modern information infrastructure and have the resources, both technical and financial, to develop it.

LearnLink

LearnLink is a five-year, \$25 million activity funded by USAID's Global Bureau, Africa Bureau, and other USAID bureaus, offices and missions to develop and disseminate tools and models for the effective use of information technology for learning and assist the implementation of such programs in USAID-assisted countries.

Unsolicited Proposals

USAID encourages the submission of unsolicited proposals which contribute new ideas consistent with and contributing to the accomplishment of the Agency's objectives. However, the requirements for contractor resources are normally program specific and must be responsive to host country needs. Further, USAID's specific objectives are usually designed in collaboration with the cooperating country. These factors can limit both the need for and USAID's ability to use unsolicited proposals. Prospective offerors are encouraged to contact USAID to determine the Agency's technical and geographical requirements as related to the offeror's interests before preparing and submitting a formal unsolicited proposal.

Contract Information Bulletin (CIB) 99-18, dated 9/28/99, describes USAID's guidelines on the submission of unsolicited proposals and procedures for responding to them. USAID's basic policies and procedures regarding unsolicited proposals for contracts are those established in FAR 15.5 and AIDAR 715.5.

Exporting and Importing

The International Trade Administration (ITA) at: www.ita.doc.gov has established a "one-stop-shop" to serve as a comprehensive resource for information on all U.S. Federal Government export assistance programs.

This Trade Information Center (1-800-USA-Trade) provides information on export counseling, technical assistance, foreign markets, overseas buyers, export financing and seminars and conferences. ITA's regional trade specialist and the Department's Export Counseling Office at (202) 482-5247 can provide additional information on country desk officers, industry sector contacts, and various publications. A Basic Guide to Exporting is available from the Government Printing Office at 202-783-3238.

For information about importing, as well as exporting, contact the U.S. Customs Service, now part of Homeland Defense.

The Small Business Administration also provides services to assist firms in identifying export opportunities. SBA Website: www.sba.gov.