

SUBCONTRACTING

Publishing both intended procurements and awards of procurements is required by the FAR, and it allows U.S. small businesses to identify business opportunities and potential joint ventures and subcontracting partners.



Nurses and female physicians assistants treat women and children in Afghanistan.

USAID publishes both intended procurements and awards of procurements on the FedBizOpps website (<http://www.fedbizops.gov>). Publishing this information is required by the FAR, and it allows U.S. small businesses to identify business opportunities and potential joint ventures 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 Plans 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.

HOST COUNTRY CONTRACTS

USAID finances contracts between less developed countries and contractors.

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 the requirements of 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 Contracts include payment provisions, but because USAID is not a party, the contract alone cannot commit USAID to pay the contractor. The payment obligation is established by USAID when the Mission Controller issues a **Letter of Commitment**.

Host country contractors are unable to file protest 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.

DID YOU KNOW?

Host country contractors are unable to file protest of awards under provisions of the FAR or other regulations.

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.

DID YOU KNOW?

USAID's basic policies and procedures regarding unsolicited proposals for contracts are those established in FAR 15.5 and AIDAR 715.5.

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 quite 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. Therefore, 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.

USAID's basic policies and procedures regarding unsolicited proposals for contracts are those established in FAR 15.5 and AIDAR 715.5. USAID's policies regarding unsolicited proposals for grants and cooperative agreements are set forth in ADS 303.5. Contract Information Bulletin (CIB) 99-18 dated 9/28/99 sets forth USAID's guidelines on submission of unsolicited proposals and procedures for responding to them that may result in the award of a contract, grant, or cooperative agreement.

PAYMENT PROCEDURES

USAID direct contracts, grants, and cooperative agreements include specific payment terms and the commitment of USAID to make direct payments to the contractor or supplier.

Host Country Contracts and Commodity Import Programs (CIP) do not include USAID as a party to the procurement and therefore cannot establish USAID's commitment to pay the U.S. contractor or supplier.

USAID direct contracts, grants, and cooperative agreements include specific payment terms.