

**Major Functional Series 300: Acquisition & Assistance Agreement
ADS Chapter 317 - PROCUREMENT UNDER FIXED AMOUNT REIMBURSEMENT
ACTIVITIES**

Please note that numbering and editorial changes were made to ADS 317 for DR-CD 9. The changes are reflected below.

Table of Contents

<u>317.1</u>	<u>Authority</u>	2
<u>317.2</u>	<u>Objective</u>	2
<u>317.3</u>	<u>Responsibility</u>	2
<u>317.4</u>	<u>Definitions</u>	2
<u>317.5</u>	<u>POLICY</u>	2
<u>317.5.1</u>	<u>EVALUATION OF RECIPIENT ORGANIZATION'S PROCUREMENT SYSTEM</u>	2
<u>E317.5.1</u>	<u>Evaluation of Recipient Organization's Procurement System</u>	2
<u>317.5.2</u>	<u>PROCUREMENT OF GOODS</u>	2
<u>E317.5.2</u>	<u>Procurement of Goods</u>	3
<u>317.5.3</u>	<u>PROCUREMENT OF SERVICES</u>	3
<u>E317.5.3</u>	<u>Procurement of Services</u>	3
<u>317.6</u>	<u>Supplementary References</u>	3

**Major Functional Series 300: Acquisition & Assistance Agreement
ADS Chapter 317 - PROCUREMENT UNDER FIXED AMOUNT REIMBURSEMENT
ACTIVITIES**

317.1 Authority

1. [Section 604\(a\) of The Foreign Assistance Act of 1961, as amended.](#)

317.2 Objective

- * To establish procurement requirements applicable to fixed amount reimbursement (FAR) activities. For guidance concerning how to utilize FAR as a means of achieving development objectives, see ADS Supplemental Reference, "Use of [Fixed Amount Reimbursement](#) Method for Local Cost Financing."

317.3 Responsibility

- * Mission Director or designee is responsible for determining whether the recipient's procurement system is adequate for the FAR activity or whether USAID should oversee procurement transactions under the FAR activity.
- * The Strategic Objective/Results Package Team is responsible for ensuring compliance with the source, origin, and nationality requirements.

317.4 Definitions (See [ADS GLOSSARY](#))

FIXED AMOUNT REIMBURSEMENT

317.5 POLICY

The following are the official Agency policies and corresponding essential procedures:

317.5.1 EVALUATION OF RECIPIENT ORGANIZATION'S PROCUREMENT SYSTEM

- * The Mission Director or designee shall assure him/herself that the recipient organization is qualified to implement the FAR activity effectively.

E317.5.1 Evaluation of Recipient Organization's Procurement System - N/A.

317.5.2 PROCUREMENT OF GOODS

FAR funds may be used to finance the following types of goods:

a) Indigenous Goods

Goods indigenous to the host country, i.e. grown, mined, or produced within the country receiving the assistance, may be financed by USAID without limitation.

b) Imported Items

Goods from Geographic Code 000 may be purchased without limitation. Imported items of free world (**See Mandatory Reference, [Geographic Code 935](#)**) origin which are available locally may be financed, except that the estimated procurement of such items shall not constitute more than 25% of the total cost of the commodity element of the FAR activity, unless a higher percentage is approved in the Implementation Letter.

c) Goods Imported Specifically for the Activity

Imported items from any free world country, which are imported specifically for the activity, may be financed if the cost of the transaction does not exceed \$5,000, exclusive of transport costs.

E317.5.2 Procurement of Goods - N/A

317.5.3 PROCUREMENT OF SERVICES

* USAID policies on nationality (**See [ADS 310](#)**) and for cooperating country contracts (**See [ADS 305](#)**) are waived for procurement of services under FAR activities.

E317.5.3 Procurement of Services - N/A

317.6 Supplementary References

[Use of Fixed Amount Reimbursement Method for Local Cost Financing](#)