



USAID | CENTRAL ASIAN REPUBLICS

TO: USAID/Central Asia Implementing Partners

THROUGH: Mission Contracting Officer's Technical Representatives (COTR) and
Mission Agreement Officer's Technical Representatives (AOTR)

FROM: Erin Elizabeth McKee, Acting Regional Mission Director

SUBJECT: Local Procurement Blanket Waiver

Date: December 22, 2010

The purpose of this letter is to notify you that the USAID Administrator approved a blanket waiver authorizing local procurement from the cooperating country in an amount of up to \$5 million of commodities and services under your award effective as of November 24, 2010.

For Acquisition awards only:

This waiver authority is provided under the clause AIDAR 752.225-71 "Local Procurement" for the purchase of goods and services supplied by local businesses, dealers or producers with the following limitations and requirements.

For Assistance awards only:

This waiver authority is provided under the provision in the Mandatory Standard Provisions for U.S., Nongovernmental Recipients "Local Procurement" of your grant/cooperative agreement for the purchase of goods and services supplied by local businesses, dealers or producers with the following limitations and requirements.

The waiver includes:

- Services of host country nationality;
- Commodities of host country source and origin;
- Commodities of host country source and any origin (Code 935)

This blanket waiver effectively establishes (per USAID award) a single \$5 million threshold for local procurement to replace those individual thresholds currently set forth in 22 CFR 228.40 Local Procurement and ADS Chapter 311. Under the authority of this blanket waiver, you may now purchase

- up to \$5 million of commodities of U.S. origin from local suppliers; OR
- up to \$5 million of commodities of geographic code 935 origin from local suppliers; OR
- up to \$5 million of professional services contracts from local suppliers; OR
- any combination of these commodities and professional services not to exceed \$5,000,000.

The waiver does not affect the eligibility of construction-related local procurements nor commodities and services which are only available locally as set forth at 22 CFR 228.

This amount is a single aggregate total comprised of all purchases under the prime award, all subawards, and purchases under those subawards. You may choose to allocate portions of the waiver threshold authority to subawardees; however, it is your responsibility as the prime awardee to monitor and document the total local procurement expenditures made under the authority of the blanket waiver to ensure that the cumulative sum of those procurements under the award does not exceed the dollar threshold in the waiver.

If the total amount of purchases of goods and services reaches the \$5 million threshold authorized in the waiver, then the requirements for local procurement revert to 22 CFR 228.40 (and as supplemented in ADS 311) for any additional purchases above the threshold.

Individual or case-by-case waivers which were approved before the effective date of the blanket waiver are not considered part of the \$5 million threshold.

This waiver does not include Restricted Commodities and Eligibility of Commodities under the Commodity Eligibility Listing (CEL). Waiver approval requirements for restricted commodities (as set forth in 22 CFR 228 Source Origin and Nationality Rules and ADS 312, e.g., motor vehicles, pharmaceuticals, and agricultural commodities, as well as construction or engineering services from an advanced developing country) remain in effect; eligibility of commodities as set forth in the CEL are also unchanged (Mandatory Reference to ADS 312).

All other terms and conditions of the award remain unchanged.

Please do not hesitate to contact your Contracting or Agreement Officer with any questions about the implementation of these approvals authorized by the agency blanket local procurement waiver or the corresponding documentation requirements.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erin Elizabeth Meke', written in a cursive style.

Erin Elizabeth Meke
Acting Regional Mission Director