

FREQUENTLY ASKED QUESTIONS ON IMPLEMENTATION AND PROCUREMENT REFORM (IPR)

Question: The reforms seem labor intensive. How will USAID take on this extra work without additional staffing?

Answer: The Implementation and Procurement Reform (IPR) Group has put together a staffing and training plan which would strengthen the capacity of both Missions and Washington to implement these reforms. We are working with Department of State, Office of Management and Budget (OMB) and Capitol Hill on different scenarios to finance the required staffing and training for the reform.

Question: Will USAID continue to use Indefinite Quantity Contracts (IQCs)?

Answer: Yes, we still use existing IQCs. The IQC contract mechanism will still be used in the future, but the Agency will put out policy guidance on when it is appropriate to use an IQC and when a stand alone contract is preferred. In addition, in some cases, the size, substantive scope and geographic coverage of IQCs will be more limited in the future in order to have more opportunities for different and smaller firms and NGOs to participate.

Question: Will USAID continue to use grants under contract?

Answer: Yes, USAID will use grants. The Agency is putting more emphasis on building local capacity and so it is important that when you use grants under contract that the contract stresses the importance of doing capacity building of the local grantees. The contract should specifically require some measurable outputs with regard to capacity building.

Question: What about a contract that is both for technical services and purchase of equipment and/or commodities? What kind of contract will USAID use?

Answer: We are trying to move to more fixed price mechanisms where possible, so in the example above, USAID may use a hybrid approach where the equipment/commodities are fixed price and the technical services are

done in a different way if it doesn't make sense to also have the technical services provided at a fixed price.

Question: How will USAID know if the country where we are working has adequate public financial management or procurement systems in place?

Answer: The CFO's office is developing an assessment tool that Missions can use to determine whether a specific Ministry or government department has the requisite systems in place.

Question: It is very labor intensive and time consuming to manage smaller grant mechanisms with local nonprofit organizations. In addition, many of them cannot meet the current USAID responsibility determination requirements. How will USAID increase the number of local partners you work with if it is so difficult to do so for the reasons mentioned above?

Answer: We are going to revise the policies and responsibility determination requirements with regard to working with local organizations so that we can make it easier and less labor intensive. We have established five pilot local capacity development teams in South Africa, Kenya, Egypt, Peru and the Philippines. These teams are comprised of first tour foreign service officers (FSOs) and foreign service national staff (FSNs) and will work with each Mission and neighboring country Missions to do more outreach with local nonprofit organizations and to manage the full grant process in each of the countries.