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INDONESIA

Issuance Date: August 2, 2010

Deadline for Receipt of Questions:

First Round of Concept Paper Reviews August 12, 2010

Second Round of Concept Paper Reviews June 2, 2011

Closing Date for Concept Papers:

First Round of Reviews October 7, 2010

Second Round of Reviews August 2, 2011

Closing Time for Submission of Concept Papers: 3:00 PM, Western Indonesia Time

Submit Concept Papers to: aps-497-10-000001@usaid.gov

**SUBJECT: ANNUAL PROGRAM STATEMENT (APS) NUMBER
INDONESIA APS-497-10-000001 “IKAT-US: CIVIL SOCIETIES
INNOVATING TOGETHER”**

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the United States Agency for International Development Mission Indonesia (USAID/Indonesia) is seeking applications from Indonesian and U.S. Non-Governmental Organizations (NGOs) for the “IKAT-US: Civil Societies Innovating Together” program.

Eligible organizations (as defined herein) are invited to submit applications which describe proposed approaches that encourage Indonesian NGOs to utilize their expertise and experiences *outside Indonesia* by developing and implementing projects on a range of democracy, governance, and human rights subjects in cooperation with their counterparts in other Southeast Asian countries. Details as to the program are addressed in the attached Program Description for which the period of any Applicant’s proposal may not exceed three years for Component 1 and five years for Component 2 from the date of the award to the Applicant, subject to the conditions stated herein.

This Annual Program Statement (APS) will be open for a period of one year from the issuance date of August 2, 2010 with two phases for applications and until such time as funding identified for this APS has been fully obligated. This APS is comprised of two steps: first, Concept Papers are being sought from prospective Applicants and, second, Applicants with the most highly-evaluated Concept Papers will be invited to submit Full Applications. Concept Papers must be received by the closing date and time specified in this Cover Letter. **Facsimile submissions are not authorized nor will be accepted.**

Subject to the availability of funds, USAID/Indonesia intends to award a series of Cooperative Agreements under Component 1 with approximate values between \$1,000,000

and \$3,000,000 each, for a period up to three years. Under Component 2 USAID/Indonesia intends to award a single Cooperative Agreement of maximum value \$1,000,000 subject to the availability of funds for a period up to five years. These conditions for award are further expounded upon within this APS. As well, USAID/Indonesia reserves the right to incrementally fund activities over the duration of the program, depending on program length, performance against approved program indicators and the availability of funds.

Pursuant to 22 CFR 226.81, USAID policy is not to award fee or profit under assistance instruments. As such, any for-profit organization receiving an award under this APS will not be eligible for fee or profit; however, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organizations, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations) may be recognized.

Issuance of this APS does not constitute an award commitment on the part of the U.S. Government, nor does it commit the U.S. Government to pay for costs incurred in the preparation and submission of an application. In addition, final award of any resultant Agreement cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures, on which condition this APS is issued. While it is anticipated that these procedures will be successfully completed, potential Applicants are hereby notified of these requirements and conditions for award as well as that Applicants will not be compensated for any proposal preparation and submission costs. The U.S. Government reserves the right to reject any or all applications received.

The preferred method of distribution of USAID procurement information is via www.Grants.gov on the World Wide Web (www). This APS and any future amendments can be downloaded from the Agency website. The World Wide Web address is <http://www.grants.gov>. Click on "Find Grant Opportunities", then click on "Browse by Agency" and choose "Agency for International Development". If you have difficulty registering or accessing the Grants.gov website, please contact the Grants.gov Contact Center at 1-800-518-4726 or via e-mail at support@grants.gov for technical assistance. Receipt of this APS through Grants.gov must be confirmed by written notification to the contact person noted below. It is the responsibility of the recipient of the application document to ensure that it has been received from Grants.gov in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes.

Additionally, notice of this procurement opportunity is also posted via the USAID/Indonesia website at <http://indonesia.usaid.gov/en/Procurement.aspx>. If you have difficulty accessing the web, please e-mail to aps-497-10-000001@usaid.gov for further technical assistance. It is the responsibility of the recipient of the application document to ensure that it has been received from USAID/Indonesia's website in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes.

Any questions concerning this APS must be submitted in writing to Ms. Johanna

Gardjito via email at aps-497-10-000001@usaid.gov no later than August 12, 2010 for the First Round of Concept Paper submittal and June 2, 2011 for the Second Round of Concept Paper submittal. No questions will be entertained after these dates. The closing time for the submission of Concept Papers is those dates specified above at 3:00 PM, Western Indonesia Time. Applicants should retain for their records one copy of all enclosures that accompany their applications.

Thank you for your consideration of this USAID initiative. We look forward to your participation.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Lewis", written in a cursive style.

Dale Lewis
Agreement Officer
USAID/Indonesia

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SECTION I PROGRAM DESCRIPTION

INISIATIF KEMITRAAN ASIA TENGGARA – UNITED STATES (IKAT-US) [SOUTHEAST ASIA-US PARTNERSHIP]: CIVIL SOCIETIES INNOVATING TOGETHER

A. BACKGROUND

Indonesia and the United States have formed a Comprehensive Partnership to expand and deepen bilateral ties regarding politics and security, trade and economic growth, energy and the environment, education, and people-to-people exchanges. An important goal of the Partnership is to develop ways in which the two countries can work together to solve global and regional problems, including supporting democratic aspirations, improving governance, and fostering respect for human rights. While the two governments can work together to achieve these goals, Indonesian and American citizens – through their civil societies – can also form effective partnerships to promote democracy and good governance.

A critical challenge in the effort to advance human rights and democracy in the 21st century is the need to build a broader coalition of partners with the legitimacy and the capacity to advance universal values. If the current global democratic backlash is to be countered, governments and civil societies of new and successful democracies must be engaged in the tasks of fostering greater respect for human rights and strengthening democracy in their regions.

Indonesian civil society organizations (CSOs) already possess a wealth of expertise and experience developed not only despite the authoritarian repression of the New Order, but also through the often tumultuous post-Soeharto *reformasi* period, and now into Indonesia's period of democratic consolidation. Tens of thousands of CSOs operate in Indonesia today, including religious organizations, mass-based membership organizations, labor unions, ethnic-based organizations, community organizations, non-governmental organizations, professional associations and politically affiliated organizations.

Indonesia's vibrant yet stable multi-party democracy stands as an example for other countries in various stages of democratic development to emulate – both within and outside of Southeast Asia. Indeed, President Yudhoyono has sought to capitalize on his country's position through the creation of the Bali Democracy Forum (BDF). Indonesians recognize the achievements their country and civil society have made since the end of Soeharto's New Order in 1998, but have only begun to share that experience and expertise abroad.

For decades the U.S. has supported Indonesian CSOs working on programs inside Indonesia. IKAT-US is designed to promote partnerships among Indonesian, U.S. and third-country or regional CSOs to expand and deepen the sharing of Indonesia's experiences and expertise in the region. This initiative is an example of the next generation of cooperation by fostering mutual collaboration on democracy, good governance and human rights-related programs. It thus

recognizes both what Indonesia has to offer Southeast Asia as well as what the region can do to support such efforts in Indonesia.

B. OBJECTIVE

USAID welcomes Concept Papers that describe approaches to strengthen the capability of Indonesian CSOs to utilize their expertise and experiences *outside Indonesia*, cooperate with and learn from their counterparts from other Southeast Asian countries, and contribute to improved democratic development, better governance, and heightened respect for human rights in the region. Indonesian CSOs' capacity to project their skills and expertise throughout the region may initially be supported and enhanced through partnerships with U.S. organizations, if necessary. The long-term goal is sustained South-South partnerships between Indonesian CSOs and their counterparts throughout the region to advance human rights and democracy.

C. PARTNERSHIPS AND PARTNERSHIP SUPPORT

IKAT-US will have two components. The primary component will be partnerships among Indonesian, other Southeast Asian, and possibly U.S. non-governmental organizations. The second component will be support provided by an Indonesian organization to these partnerships.

Component 1: Partnerships

The program will primarily be implemented through a series of grants, issued in the form of Cooperative Agreements, awarded to **partnerships that may take one of three forms: (1) an Indonesian Recipient (awardee), a U.S. partner, and Southeast Asian partners/sub-awardee(s); (2) a U.S. Recipient, an Indonesian partner, and Southeast Asian partners/sub-awardee(s); or (3) an Indonesian Recipient and Southeast Asian partners/sub-awardee(s).** For the purposes of this APS, Southeast Asia is defined as comprising Burma, Thailand, Laos, Cambodia, Vietnam, Malaysia, Singapore, Brunei Darussalam, the Philippines, and Timor-Leste.

Proposed partnerships must evidence and establish meaningful and comprehensive technical cooperation and provide technical assistance to conduct projects and to achieve the results prescribed herein for IKAT-US as well as those proposed in the Recipient's application. While some Indonesian CSOs have already begun to undertake activities with their counterparts in neighboring countries, these activities have tended to be sporadic and limited in scope, and many others have not done so at all. Thus, the capacity of Indonesian CSOs to link up with their regional counterparts may initially be somewhat limited.

Applicants are referred to the "Eligibility" requirements of Section II of this APS. Applicants are to note in addition to these requirements that the inclusion of a U.S. organization in an Applicant's partnership could play any of a number of roles, such as linking its Indonesian partner(s) with regional counterparts, building the technical capacity of the Indonesian partner(s) to undertake activities abroad, or conducting grant and financial management (either directly or

in the form of assistance to a lead Indonesian Recipient). Note that partnerships are not required to include a U.S. organization if this is not considered necessary by the Applicant and the Applicant has the capacity and capability to successfully execute its proposed technical approach.

Component 2: Partnership Support

In addition to the partnerships funded by cooperative agreements, it is anticipated that a single separate supporting Cooperative Agreement will be awarded to **an Indonesian organization** to organize regular meetings and conferences among the partnership member organizations and help them distill and disseminate lessons learned from the IKAT-US program.

For this program, the process of enabling Indonesian CSOs to link up with their regional counterparts is as important as the substantive work conducted in the five thematic areas listed in Section D below. The twin goals of this program are greater democracy, improved governance and greater respect for human rights in Indonesia and the region, as well as the strengthening of South-South civil society linkages. Consistent with these principles, the documentation, conferences, and evaluation undertaken by the partnership support organization is meant to focus both on the work done by the partnerships in the thematic areas and their successes and challenges in collaborating on these activities. These support activities will give the partnership member organizations opportunities to share lessons learned and network within and across thematic areas.

D. AREAS OF CONCENTRATION

Component 1: Partnerships

Eligible Applicants for partnerships are welcome to submit Concept Papers describing activities that address the objective stated above by advancing any of the following five themes. Concepts for cross-cutting projects that work on more than one theme will also be considered.

- Elections and political participation;
- Independent media and freedom of information;
- Peace-building and conflict resolution;
- Transparency and accountability;
- Human rights monitoring and advocacy.

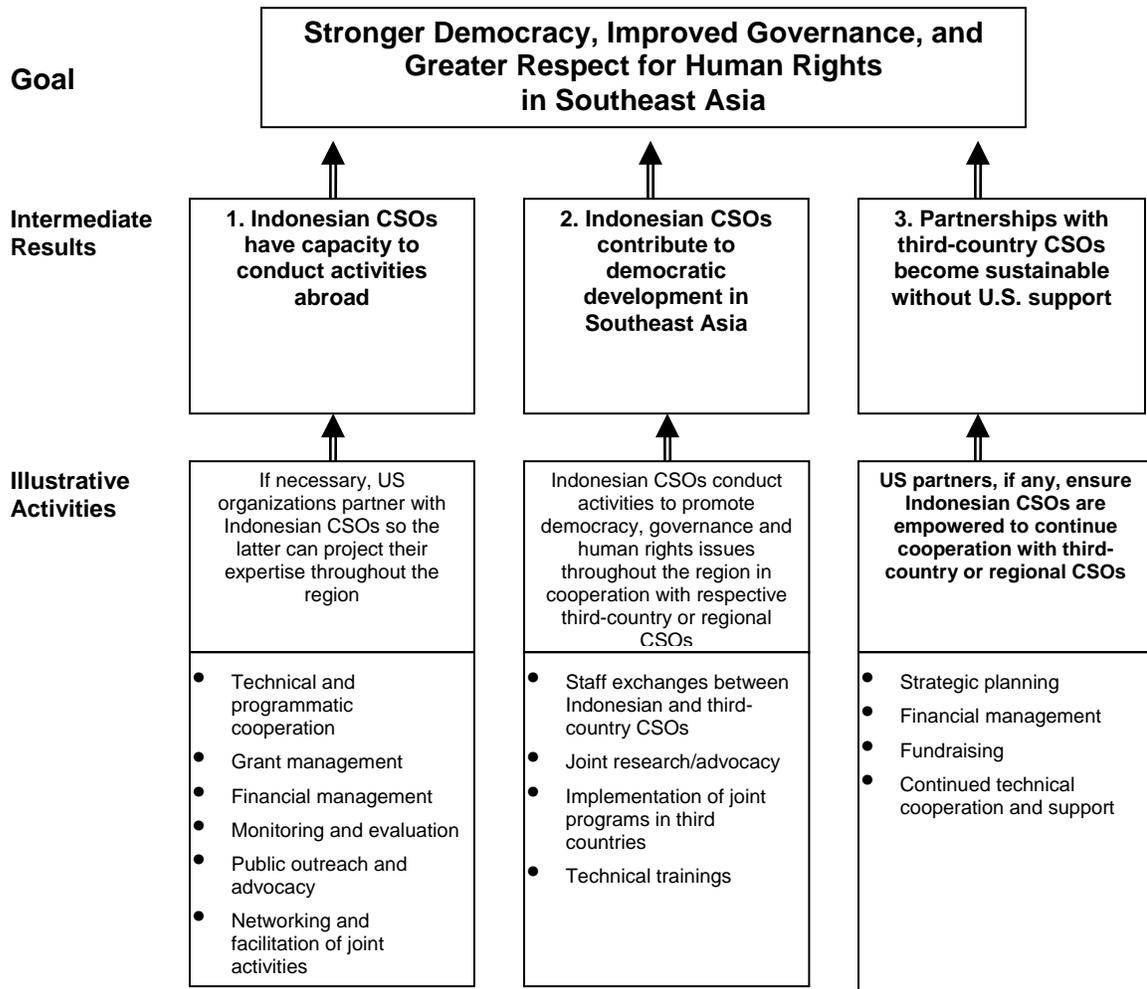
Component 2: Partnership Support

Eligible Indonesian organizations may also submit separate applications to propose an approach to conduct the following five-year program of support to the partnerships:

- Based on partnership quarterly and annual reports, distill, document and disseminate lessons learned from partnerships in capacity-building, establishing relationships with regional counterparts, and conducting activities abroad.
- Organize and host five annual IKAT-US conferences in Indonesia of partnership member CSOs to document and exchange best practices, build networks, and suggest future areas and countries of focus;
- In concert with the third of these annual conferences, organize and host a U.S.-Indonesia Civil Society Dialogue at the end of the third year of the program to discuss the viability and replicability of the IKAT-US model; and
- Conduct a program evaluation that outlines strengths and weaknesses of the IKAT-US model and an analysis of program results.
- The lessons learned reports should begin in the ninth month after award, and should be compiled every six months after that. The notional schedule of all support activities is thus as follows:
 - Month nine after award: 1st lessons learned report
 - Month 12: 1st annual conference
 - Month 15: 2nd lessons learned report
 - Month 21: 3rd lessons learned report
 - Month 24: 2nd annual conference
 - Month 27: 4th lessons learned report
 - Month 33: 5th lessons learned report
 - Month 36: 3rd annual conference/U.S.-Indonesia Civil Society Dialogue
 - Month 39: 6th lessons learned report
 - Month 45: 7th lessons learned report
 - Month 48: 4th annual conference
 - Month 51: 8th lessons learned report
 - Months 54-60: program evaluation
 - Month 60: 5th annual conference

E. RESULTS

The proposed partnerships are expected to achieve results that are concrete and tangible. The following framework outlines how activities across the five themes will contribute to overall results.



It is expected that the program will result in clearly measurable improvements in democracy, governance and respect for human rights in Southeast Asia and, at minimum, clearly measurable improvements in the capability of Indonesian CSOs and their regional counterparts to work together on these issues. Depending on the specific thematic focus of funded partnerships, the program will be monitored as to its impact using one or more of the following of USAID's common Governing Justly and Democratically/Civil Society indicators.

- Number of Civil Society Organizations using USG assistance to improve internal organizational capacity.
- Number of Civil Society Organizations using USG assistance to promote political participation.
- Number of policies that have been influenced by CSOs.
- Number of USG assisted Civil Society Organizations that engage in advocacy and watchdog functions.

F. INSTRUCTIONS TO APPLICANTS

1. ELIGIBILITY

USAID is seeking applications from Indonesian and U.S. Non-Governmental Organizations (for Component 1, the partnerships) and from Indonesian Non-Governmental Organizations (for Component 2, partnership support) for a program entitled Inisiatif Kemitraan Asia Tenggara-United States (IKAT-US)/Southeast Asia-US Partnership: Civil Societies Innovating Together.

NGOs are non-governmental organizations, including any non-profit or voluntary organizations, organized on a local, national or international level. They are not part of any Indonesian, U.S., or international governmental organization, and are independent of any governmental organization. They generally espouse humanitarian or cooperative objectives rather than commercial goals. For profit as well as not-for-profit organizations are eligible to submit applications under this Annual Program Statement (APS); however, for-profit institutions will not be eligible for fee or profit.

For Component 1, eligible Applicants must meet the following criteria:

- a. Be an Indonesian NGO that joins with U.S. and Southeast Asian NGOs as partners/sub-awardees; or be a U.S. NGO that joins with Indonesian and Southeast Asian NGOs as partners/sub-awardees; or be an Indonesian NGO that joins with Southeast Asian NGOs as partners/sub-awardees. Note: Preference will be given to Applicants that designate an Indonesian organization as the substantive "lead" in any partnership, i.e., that the Indonesian organization will undertake at least 60 percent of the total level of effort.
- b. Meet the identified needs of the Indonesian NGO(s);
- c. Demonstrate experience in the technical area(s) being proposed in achieving measurable results, beyond a sequence of activities, which must contribute toward a significant development impact and be clearly articulated in the Concept Paper and subsequent application;
- d. Provide convincing evidence that the programs developed and implemented with USAID funding will be continued and sustained beyond the term of award from USAID. Such evidence might include, for example, a plan that details how activities and funding under the award will be coupled with other endeavors and resources that contribute to the targeted development impact;
- e. Demonstrate management capacity regarding partnership activities, including a robust approach to monitoring and evaluation;
- f. Demonstrate experience implementing programs of similar scope and complexity with USAID or a similar donor agency, including a successful history of capacity-building for and/or knowledge transfer to CSOs; and
- g. Evidence the willingness of all significant partnership members to participate in regular meetings and conferences with other IKAT-US awardees.

For Component 2, eligible Applicants must meet the following criteria:

- a. Be an Indonesian NGO.

- b. Demonstrate experience in providing support activities similar in complexity to those described above: documentation of lessons learned, organization of conferences, and program evaluation.
- c. Demonstrate the management capacity to successfully implement the proposed support activities; and
- d. Demonstrate experience implementing programs of similar scope and complexity with USAID or a similar donor agency.

2. PROGRAM DURATION

This APS will be open for a period of one year from the issuance date of August 2, 2010 until such time as funding identified for this APS has been fully obligated. The duration of any proposed program implementation (life of project) may not exceed three years for Component 1 and five years for Component 2 from the date of the award, subject to the conditions stated herein.

This APS is comprised of a two stage application process. First, Applicants are required to submit Concept Papers for review by a Technical Evaluation Committee in accordance with the evaluation criteria set forth in Section II.C. Second, Applicants with the most highly-rated Concept Papers will be invited to submit Full Applications per the instructions described in Section III.

Concept Papers will be reviewed in two rounds, as follows:

	Deadline for Submission
First Round	October 7, 2010, 3:00 PM, Western Indonesian Time
Second Round	August 2, 2011, 3:00 PM, Western Indonesian Time

It is possible that the second round of applications will be canceled if funding identified for this APS has been fully obligated. It is also possible that no Concept Papers for Component 2 will be accepted in the Second Round if an award for Component 2 has been made as a result of the First Round. Depending on the availability of funds and the effectiveness of the award mechanism, the APS may be extended, revised or re-issued.

USAID reserves the right to incrementally fund activities over the duration of the program, if necessary, depending on program length, performance against approved program indicators, and availability of funds.

3. ANTICIPATED FUNDING AND NUMBER OF AWARDS

Under Component 1 of this APS, USAID initially intends to fund from two to four Cooperative Agreements each with a minimum budget of \$1,000,000 and a maximum budget of \$3,000,000. All USAID-funded activities under each partnership Cooperative Agreement will be completed within three years of the issuance of an award.

Under Component 2, USAID intends to fund a single Cooperative Agreement for partnership support which duration may extend up to five years from the time of award, subject to the necessary USAID programmatic approvals, with a maximum award level of \$1,000,000.

USAID reserves the right to make a single award, make multiple awards, fund parts of applications, or not to make any awards at all. Issuance of this APS does not constitute an award commitment on the part of the U.S. Government, nor does it commit the U.S. Government to pay for any costs incurred in the preparation and submission of any application.

4. SUBSTANTIAL INVOLVEMENT

USAID anticipates that grant(s) in the form of Cooperative Agreement(s) will be awarded as a result of this APS. Under a Cooperative Agreement, USAID may be substantially involved in the following areas:

- USAID approval of the recipient's Annual Work/Implementation Plans;
- USAID approval of key personnel funded under the agreement (limited to five positions or five percent of the recipient's total team size, whichever is greater);
- USAID approval of the program's Monitoring and Evaluation (M&E) Plans, including indicators;
- USAID approval of sub-recipients (sub-grants/sub-awards) and corresponding activities; and
- USAID monitoring to permit direction and redirection because of interrelationships with other projects.

5. OFFICIAL SOURCE DOCUMENT

This APS is the official source document for the application. Oral explanations of the applications will not be evaluated or considered; only written applications will be evaluated. Applicants should retain for their records a copy of the application and all attachments/enclosures that accompany their application. USAID will only consider applications conforming to the prescribed format.

Explanations or instructions given before award of a Cooperative Agreement will not be binding. Any information given to a prospective Applicant concerning this APS will be furnished promptly to all other prospective Applicants as an amendment of this APS.

----- END OF SECTION I -----

**SECTION II
APPLICATION AND SUBMISSION INFORMATION
FOR CONCEPT PAPERS**

A. APPLICATION PROCESS

Under Component 1 (the partnerships), USAID/Indonesia invites both Indonesian and U.S. non-governmental organizations (NGOs) to submit brief Concept Papers that demonstrate an innovative approach to improving democratic development, good governance, and/or respect for human rights in Southeast Asia through CSO partnerships. Activities must be conducted in any of the five thematic areas listed in Section I.D.; applications for cross-cutting projects in more than one thematic area will also be considered.

These Concept Papers should: identify the Indonesian partner organizations and U.S. partner/subawardee organizations (if any); provide definitive (or illustrative) third-country or regional CSO partners; demonstrate the approach; describe results that could be achieved should funding be awarded by USAID; and indicate the total funding required for the partnership. Each partnership should be designed to require no more than three years of USAID funding, with explicit plans included for continuing partnership activities beyond the term of USAID funding.

Under Component 2 (partnership support), USAID/Indonesia invites only Indonesian NGOs to submit brief Concept Papers that describe a feasible approach to carrying out the support activities listed in Section I.D. Concept papers should indicate the total funding required for this purpose.

This is a two-stage process. Applicants are required to submit short Concept Papers per the instructions below; Concept Papers need not be in the format or detail of a full proposal. The submitted Concept Papers will be reviewed using the criteria set forth below. The most highly-rated Applicants will be invited to participate in the second stage through the submission of Full Applications per the instructions in Section III.

USAID/Indonesia will keep this Annual Program Statement open for a period of one year from the date of issue and will review Concept Papers in rounds as follows:

	Deadline for Submission
First Round	October 7, 2010, 3:00 PM, Western Indonesian Time
Second Round	August 2, 2011, 3:00 PM, Western Indonesian Time

Applicants interested in being considered for funding should submit a Concept Paper via e-mail to aps-497-10-000001@usaid.gov. Only those Concept Papers that are received by the deadlines specified above will be reviewed for responsiveness to the requirements set forth in this APS.

Applicants will be notified in writing if USAID will request them to expand the Concept Paper into a Full Application. **Applicants should not prepare Full Applications unless specifically requested to do so by USAID/Indonesia's Office of Procurement.**

B. CONCEPT PAPER FORMAT

The Concept Papers must be written in English and formatted on standard 8 1/2" x 11" paper, with single space, 12 point font Times New Roman or similar font with margins no less than one inch on each border, and each page numbered consecutively. The Concept Paper should include three sections and total submission **should not exceed six (6) pages**. The Concept Papers are to be presented in the following format:

1. Cover Page (one page). The Cover Page must include the APS number, the Component being applied for (1 or 2), names of the organizations involved (with the name of the lead or primary Applicant clearly identified), and title of the application. In addition, the Cover Page should provide a contact person for the primary Applicant, including the individual's name, title or position with the organization, mailing address, email address, telephone and fax numbers. Applicants should also clearly state whether the identified contact person has the authority to negotiate on behalf of the Applicant, or, if not, the contact information for the appropriate person with authority to negotiate.

2. Technical Narrative. A narrative of **not more than four (4) pages** should outline the following:

- Goals – Describe the goals of the program.
- Problem Definition – Define the problem and provide an analysis of the context. Demonstrate adequate understanding of the demand for the proposed services.
- Partnership Structure – Identify the Indonesian partner organization(s) and U.S. partner organization(s) (if any), and provide definitive (or illustrative) third-country or regional CSO partners/subawardees.
- Technical Approach – Describe the technical approach to be used to achieve the goals, types and scale of activities, geographic spread, and general sequencing. Explain how or why the proposed approach will be more successful or effective than other development approaches. Proposals should specify reasons for the selection of activity sites.
- Sustainability (Component 1 only) – Describe how the program can be sustained beyond the period of USG funding.
- Expected Results – Outline the expected results and the mechanisms proposed to measure progress, achievement and sustainability.
- Administrative Capabilities – Describe technical and administrative experience and capabilities, including a description of any related past performance and implementation of similar programs. For Component 1 applications, the Concept Paper should evidence the proposed partners' agreement to participating in the partnership and identify the lead organization and the roles and expertise of each partner.

3. Budget. Provide a **one-page** budget that clearly identifies the major cost line items, such as personnel, travel, training, program activities, sub-awards, etc., by year, for the full program period. Applicants and their prospective partners are encouraged to focus resources on project implementation rather than salaries, equipment and supplies. The proposed costs and budget aspects of applications will be reviewed for cost realism to evaluate the relationship between the proposed costs and proposed program as well as the likelihood for success. **Note: Applicants under Component 1 partnerships should include in their budgets the travel costs for a representative of each significant partnership member organization to attend the three annual partner conferences that take place during the span of that partnership’s USAID funding received under this APS. Conversely, Applicants under Component 2, the partnership support, do not need to include these travel costs in their budget.**

C. TECHNICAL EVALUATION CRITERIA FOR CONCEPT PAPERS

USAID/Indonesia will establish a Technical Evaluation Committee to review and evaluate all Concept Papers received before the deadlines. The Concept Papers will be competitively evaluated against the following criteria in descending order of importance:

EVALUATION CRITERIA	
1. Technical quality and innovation of the Concept Paper, including having clear objectives and goals, and impact potential*	40 points
2. Demonstrated experience and track record of the Applicants in the proposed area of work	20 points
3. Technical and administrative capacity to manage the proposed program	20 points
4. Results to be achieved, beyond a sequence of activities, including (for Component 1 applications) sustainability and potential for scale-up	15 points
5. Cost effectiveness**	5 points
TOTAL	100 points

* Preference will be given to Applications that designate an Indonesian CSO(s) as the substantive "lead" in the partnership, i.e., that ensure the Indonesian CSO(s) will undertake at least 60 percent of the total level of effort.

****Cost Effectiveness:** The capability of the organizations to effectively achieve the IKAT-US program goals at the most efficient costs. The larger the value of the application, the greater the level of results that will be expected.

-----END OF SECTION II -----

SECTION III
APPLICATION AND SUBMISSION INFORMATION FOR FULL APPLICATIONS

NOTE: Applicants should not prepare Full Applications unless specifically requested to do so by the USAID/Indonesia Agreement Officer.

A. INSTRUCTIONS AND SUBMISSION PROCEDURES

Full applications should be written as succinctly as possible with sufficient detailed information to permit USAID's consideration and evaluation for possible award. Applicants are to adhere to the specific instructions of this APS and should appropriately organize and reference their applications.

Applications shall be submitted in two separate volumes: (a) Technical Application and (b) Business/Cost Application. Technical applications should be submitted in one original and four (4) copies and Cost Applications in one original and two (2) copies.

The Applicant shall submit the Full Applications both in hard copies and electronically, as follows:

a. Electronically – internet e-mail with attachments compatible with MS Word, Excel, and Adobe Acrobat in an MS Windows environment to **aps-497-10-000001@usaid.gov**.

and

b. Hard Copies -

Mr. Dale Lewis
Office of Procurement
USAID/Indonesia
American Embassy
Jl. Medan Merdeka Selatan 3
Jakarta, Indonesia 10110
Mark: APS - 497-10-000001

Faxed applications will not be considered.

Applicants should retain for their records one copy of the application and all enclosures that accompany their application. Erasures or other changes must be initialed by the person signing the application. To facilitate the competitive review of applications, USAID will consider only applications conforming to the format prescribed below. In addition to the aforementioned guidelines, the Applicant is requested to take note of the following:

1. Unnecessarily Elaborate Applications – Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this APS are not desired and may be construed as an indication of the Applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.
2. Acknowledgement of Amendment(s) to the APS shall be submitted together with the application.
3. Applicants are expected to review, understand, and comply with all aspects of this APS including attachments. Failure to do so will be at the Applicant's risk.
4. Each Applicant shall furnish the information required by this APS. The Applicant shall sign the application and print or type the name and title clearly on the Cover Page of the technical and cost applications. Applications signed by an agent shall be accompanied by evidence of that agent's authority.
5. Applicants must ensure that all the certifications are completed and signed (see Section E below).
6. In the submissions, Applicants must include any additional evidence of responsibility deemed necessary for the Agreement Officer to make a determination of responsibility in accordance with ADS E303.3.9 at the following website:
<http://www.usaid.gov/policy/ads/300/303.pdf>
7. Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purposes, should:
 - (1) Mark the title page with the following legend:
"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a Cooperative Agreement is awarded to this Applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting Cooperative Agreement. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction."
 - (2) Mark each sheet of data it wishes to restrict with the following legend:
"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

Full Applications received by the deadline will be reviewed for responsiveness to the requirements outlined in these guidelines and will be evaluated by a USAID Technical

Evaluation Committee (TEC). Additional discussions with Applicants may take place if the applications submitted do not adequately describe the activities to be funded and/or there are one or more points to be clarified or modified based on the recommendations of the TEC.

B. TECHNICAL APPLICATION FORMAT

Technical Applications are limited to twenty five (25) pages plus specified attachments/annexes. Applications must be written in English. The Application should be formatted on standard 8-1/2" x 11" paper, with single space, 12 point font Times New Roman or similar font with margins of not less than one inch on each border. Number each page consecutively.

1. Technical Applications should be kept as concise as possible. Technical Applications should be submitted in the following format:

(a) Cover Page (not more than one (1) page): The Cover Page should include the APS number, the Component being applied for (Component 1 or 2), names of the institutions involved (with the name of the lead or primary Applicant clearly identified, and all partners/subawardees), and title of the application. In addition, the Cover Page should provide a contact person for the primary Applicant, including the individual's name, title or position in the institution, mailing address, e-mail address, and telephone and fax numbers. Applicants should also clearly state whether or not the identified contact person has the authority to negotiate on behalf of the Applicant, and if not, the contact information for the appropriate person with authority to negotiate.

(b) Executive Summary (not more than one (1) page): A summary of the key elements of the Applicant's Technical Application, including but not limited to, the technical strategy and approach, methodologies, and implementation plan. Describe how the overall program will be managed. DO NOT provide cost figures other than the Total Amount of USAID funds requested.

(c) Technical Narrative (not more than 20 pages): The technical narrative will be evaluated in accordance with the Evaluation Criteria set forth in Section H below. Applicants must organize the narrative sections of their applications in the same order as the evaluation criteria and include the following sub-sections:

Program Description

- i. Goals and Objectives
- ii. Proposed Outcomes
- iii. Context Analysis
- iv. Partnership Structure
- v. Technical Approach
- vi. Expected Impact

(d) Management Plan (3 pages): The Management Plan should include the proposed

management structure, proposed key personnel and staffing, any partnership arrangements (including what type(s) of sub-awards are anticipated), contingency plans and an Implementation Schedule (including milestones).

It is expected that the Applicant will recruit and establish a small team of resident experts and supporting staff to develop and implement the program. Applicants, accordingly, are to include a listing of the proposed key personnel and staffing in the Full Application. Where possible, the Applicant is encouraged to minimize the use of expatriate staff. Building local capacity so that the majority of these positions are filled by Indonesian staff prior to the end of the three-year project period (for Component 1 applications) is also encouraged.

The agreement(s) which will result from this solicitation will include a key personnel clause for which the quality of key personnel proposed will be an evaluation factor. In accordance with the Substantial Involvement clause, these proposed personnel are subject to the approval of the Agreement Officer (AO). The Applicant will provide a minimum of two "Key Personnel" to lead the implementation of this project.

A minimum of three references for each proposed candidate as "Key Personnel" will be required. Contact information for Key Personnel references must also be included. The Mission reserves the right to check the references of any and all personnel proposed for this activity. The Applicant must include as part of its proposal a signed letter of commitment from each candidate proposed as key personnel, confirming his/her present intention to serve in the stated position during the term of the Agreement period. Curricula Vitae for proposed key personnel must be included in an annex to the Full Application.

(e) Annexes – The Technical Application should contain at the minimum the following annexes:

(i) Illustrative Work Plan

(ii) Curriculum Vitae/Resume are to be provided for each key technical personnel. They should be limited to a maximum of four pages per person. Each resume shall be accompanied by a signed letter of commitment from the candidate indicating his/her availability to serve in the stated position, in terms of period, after award. A minimum of three references must be submitted for the proposed key personnel, together with current telephone and fax numbers and e-mail addresses. The U.S. Government retains the right to contact employment references for all key personnel (including those not provided by the Applicant), and to use this information in the rating of personnel proposed.

(iii) Past Performance References (of Applicant and key partner institutions): Applicants are requested to list all contracts, grants, or cooperative agreements involving similar or related programs conducted by the Applicant over the past three (3) years. Applicants shall furnish award numbers and other details with contact information for these projects funded over the past three (3) years by USAID, or any

other government entity, or any other international donor. The details shall include the following: name of the organization or agency which funded the programs; award number; point of contact's name, mailing address, email address and phone number; and the overall dollar value of the program. Applicants shall include a brief description of the work performed by the Applicant for each project, providing evidence of successful results achieved in programs similar to those outlined in the APS, as well as demonstrated experience in program monitoring and evaluation, budgeting, and financial reporting.

If the Applicant is a partnership, information on past performance is to be provided for all known partners and/or prospective sub-awardees at the time of submitting its application. Reference information is to include the contact information for an official point of contact, award or contract numbers, and a brief description of the work performed by the Applicant's partners and/or sub-awardees.

(iv) Performance Management Plan: Applicants shall submit a proposed Performance Management Plan (PMP) to track the progress in activities and achievement of results over the life of the proposed activities. The proposed PMP will be used as a starting point of negotiation with USAID if an award is made. The draft PMP must include periodic (semi-annual), annual, and end-of-program indicators and targets to measure the progress of the proposed activities and the achievement of results. The end-of program indicators must be quantified in the performance monitoring plan. The final PMP will be approved within 75 days after award. For more information on PMPs, please see ADS 203 at <http://www.usaid.gov/policy/ads/200/203.pdf>.

(v) Signed Letters of Commitment shall be provided for all proposed implementing partners/subawardees of the Applicant.

C. BUDGET/COST APPLICATION FORMAT

The Cost Application is to be submitted under separate cover from the Technical Application. Certain documents are required to be submitted by an Applicant in order for the Agreement Officer to make a determination of responsibility. However, it is USAID policy not to burden Applicants with undue reporting requirements if that information is readily available through other sources.

All proposed costs will be evaluated for cost realism, reasonableness, allowability, allocability, and cost effectiveness based on the applicable cost principles.

The following sections describe the documentation that Applicants must submit for Full Applications. There is no page limitation on the Cost Application but Applicants are encouraged to be as concise as possible and provide the necessary detail to address the following:

1. A summary of the budget must be submitted using Standard Form (SF) 424, 424A & 424B which can be downloaded from http://www.grants.gov/agencies/approved_standard_forms.jsp

- SF-424, Application for Federal Assistance
- SF-424A, Budget Information – Non-construction Programs, and
- SF-424B, Assurances – Non-construction Programs

Any blocks that appear to be referencing issues that are not applicable to the Applicant's situation, should be left blank or marked "N/A." After receipt of Full Applications, USAID may choose to contact Applicants to clarify their SF424s. Applicants are requested to submit signed copies of the SF424s.

2. A Budget Narrative which provides, in detail, the total costs for implementation of the proposed program for the full program period. The budget should clearly show how funds will be used to support the activities proposed in the application's Technical Narrative. The budget should display unit costs (if applicable) and costs by year and should include sub-budgets for each component. The budget is to address (as applicable), but is not limited to, the following: personnel, fringe benefits, office rent, utilities, equipment, communications, and local and international travel. The Budget Narrative must explain all costs – and the basis of those costs – contained in the budget. The proposed costs and budget aspects of applications will be reviewed for cost realism to evaluate the relationship between the proposed costs and proposed program as well as the likelihood for success.

3. The breakdown of all costs of each partner organization involved in the program. **Note that Applicants under Component 1 partnerships should include in their budgets the travel costs for a representative of each significant partnership member organization to attend the three annual partner conferences that take place during the span of that partnership's USAID funding received under this APS. Conversely, Applicants under Component 2, the partnership support, do not need to include these travel costs in their budget.**

4. Potential contributions of non-USAID or private sector donors to the proposed activities.

5. Negotiated Indirect Cost Rate Agreement (NICRA): Applicants must provide a copy of the most recent indirect cost rate agreement negotiated with your organization's cognizant U.S. Government agency.

Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant government agency (e.g., USAID, U.S. Department of Health and Human Services) shall also submit the following information:

- a. Copies of the Applicant's financial reports for the previous three (3)-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
- b. Projected budget, cash flow and organizational chart;

If requested, Applicants that have never received a grant, cooperative agreement, or contract

from the U.S. Government are required to submit a copy of their accounting manual.

D. PROGRAM REQUIREMENTS

The following program requirements must be addressed fully when submitting an application:

1. GENDER. Given the critical role of women in development, it is essential that institutions competing for an award demonstrate knowledge and capacity to address gender-based constraints. Based on the different needs and roles of men and women, strategies for addressing these needs and for ensuring women's full participation in all proposed activities must be part of the methodology/proposed approach. In addition to explicitly addressing women's needs and participation, the proposed methodology/approach shall also address: (a) how will gender relations affect the achievement of sustainable results; and (b) how will proposed activities affect the relative status of men and women. Furthermore, the program strategy shall demonstrate how activities will be monitored, tracked and evaluated to measure the impact on women and on gender relations. All results and indicators must be disaggregated by sex.

2. ENVIRONMENTAL PROTECTION AND COMPLIANCE. All projects funded by USAID must conform to U.S. environmental regulations (22 CFR 216) requiring evaluation to ensure that any environmental impacts resulting from the project implementation are mitigated. Through development of the Initial Environmental Examination (IEE), 22 CFR 216 or "Reg. 216" ensures that environmental (i.e., natural resource or public health) impacts of USAID-funded activities are identified and mitigation measures are proposed at the design stage, prior to the irreversible obligation of USAID funds. Subsequently, over the Life of the Activity (LOA), these environmental mitigation measures are to be a standard component of program management.

3. BRANDING STRATEGY AND MARKING PLAN. Pursuant to ADS 320.3.3 and 22 CFR 226.91, the Applicant shall prepare a Branding Strategy and Marking Plan for any award under this APS. Branding and marking under this Cooperative Agreement will be carried out in accordance with AAPD 05-11, which is available at:
http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd05_11.pdf.

Should your organization be recommended for award under this APS, you will be required to submit the following:

- (a) Branding Strategy that describes how the program, project, or activity is named and positioned, how it is promoted and communicated to beneficiaries and cooperating country citizens, and identifies all donors and explains how they will be acknowledged, and;
- (b) A Marking Plan that will detail the public communications, commodities, and program materials intended to visibly bear the USAID identity together with a negotiable budget for each. Once submitted, the Branding Strategy and Marking Plan, and their costs, must be negotiated and approved by the USAID Mission Agreement Officer prior to award.

4. COST SHARING. Cost sharing is not a requirement under this APS.

E. MANDATORY REQUIREMENTS

1. IMPLEMENTATION OF E.O.13224 -- EXECUTIVE ORDER ON TERRORISM FINANCING (MAR 2002)

The Recipient/subrecipient(s) is reminded that U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient/subrecipient(s) to ensure compliance with these Executive Orders and laws. This provision must be included in all subawards issued under this agreement.

2. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JAN 2002)

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" or as approved by the Agreement Officer.

3. USAID DISABILITY POLICY (DEC 2004)

The objectives of the USAID Disability Policy are: (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website: http://www.usaid.gov/about_usaid/disability/.

USAID therefore requires that the Recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the Recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

F. APPLICABLE REGULATIONS AND REFERENCES

Standard Provisions will be provided in full text, as applicable, in the resultant agreement.

- Mandatory Standard Provisions for U.S. Nongovernmental Recipients
<http://www.usaid.gov/pubs/ads/300/303maa.pdf>
- Mandatory Standard Provisions for Non U.S. Nongovernmental Recipients
<http://www.usaid.gov/policy/ads/300/303mab.pdf>
- 22 CFR 226 USAID Assistance Regulations
http://www.access.gpo.gov/nara/cfr/waisidx_02/22cfr226_02.html
- 22 CFR 228 USAID Source, Origin, Nationality Regulations
http://www.access.gpo.gov/nara/cfr/waisidx_01/22cfr228_01.html
- ADS Series 303 Acquisition and Assistance
<http://www.usaid.gov/policy/ads/300/303.pdf>
- SF 424, SF 424A, SF 424B
http://www.grants.gov/agencies/approved_standard_forms.jsp

G. REVIEW PROCESS

All Applications which meet the eligibility and program requirements, and conform to the application preparation and submission instructions, will be evaluated by a panel of USAID reviewers with the evaluation criteria set forth in Section H below.

The budget narrative of all applications under consideration for award will be reviewed for necessary and reasonable costs to support the proposed program. Upon completion of the initial review of applications, USAID may, as it deems necessary and appropriate, conduct written and/or oral discussions with those Applicants whose applications are being favorably considered. The decision to conduct such discussions should not be considered a reflection of a final decision as to which organization will receive an award, but rather as a part of the evaluation process.

H. TECHNICAL EVALUATION CRITERIA FOR FULL APPLICATIONS

The criteria listed below are presented by major category so that Applicants may be aware of those areas that require emphasis in the preparation of the technical proposal. These criteria serve as the standards against which all technical information will be evaluated and serve to identify the significant matters which Applicants should address.

The number of points assigned to each of the following criteria indicates their relative importance. Sub-criteria will not be individually scored or weighted but, rather, are presented to inform Applicants of the scoring process. To make the selection process as objective as possible, each implementing partner should clearly demonstrate how the application meets these criteria.

Evaluation Criteria

1. Technical Approach	40 points
2. Organizational Capability	25 points
3. Key Personnel	20 points
4. Past Performance	15 points
TOTAL	100 points

1. Technical Approach (40 points)

The technical approach will be evaluated as to the:

- (a) Viability of the proposed technical approach toward achieving the goals as outlined in the APS, i.e., the proposed approach can reasonably be expected to produce the intended outcomes;
- (b) Application demonstrating a significant, feasible result that can realistically be achieved within the level of funding and time period being proposed;
- (c) Inclusiveness of approach and gender sensitivity;
- (d) Likelihood that the activities will be continued and sustained beyond project completion date and without USAID support (Component 1 applications only);
- (e) Potential for scale-up (Component 1 applications only); and
- (f) Application demonstrating the institution's capability to implement and monitor activities and provide an illustrative performance monitoring plan that outlines quantifiable measurement of progress of activities and their results.

2. Organizational Capability (25 points)

The proposal should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and staffing plan, in meeting the goals of civil society strengthening and democratic development in Indonesia and Southeast Asia.

- (a) **Management Plan:** Appropriate systems to manage the administrative aspects of the program supporting effective and efficient project implementation in a transparent and accountable manner. Applicants should show structure and capacity to manage (technically, administratively, and financially) a project of similar type and complexity and to deliver the required results.
- (b) **Staffing Plan:** The proposed staffing plan and proposed personnel are appropriate for the proposed activities

(c) For Component 1 applications, as the Applicant will be comprised of a partnership, the proposal should explain the roles and expertise of each partner, especially in building lasting technical and administrative capacity of Indonesian partners. Preference will be given to applications that designate an Indonesian CSO as the substantive "lead" in the partnership, i.e., that ensure the Indonesian CSO will undertake at least 60 percent of the total level of effort.

3. Key Personnel

(20 points)

The proposed "Key Personnel" will be evaluated as to their ability to implement the program and relevant qualifications. Proposed individuals will be evaluated for their strengths and skills, including:

- i) sufficient technical leadership experience to develop and implement the proposed program, including appropriate academic credentials and experience with effective program monitoring and evaluation techniques;
- and
- ii) adequate experience to oversee the administrative, contracting, financial, and logistical aspects of the proposed program;

4. Past Performance

(15 points)

USAID will evaluate past performance on the basis of evidence of past achievement of successful results in programs similar to those outlined in the APS, as well as demonstrated experience in program monitoring and evaluation, budgeting, and financial reporting.

- (a) Applicants are requested to list all contracts, grants, or cooperative agreements involving similar or related programs conducted by the Applicant over the past three (3) years. If the Applicant is a partnership, information on past performance should be provided for all known partners and prospective sub-awardees. Reference information should include the contact information for an official point of contact, award or contract numbers, and a brief description for the work performed by the Applicant and partners/sub-awardees.
- (b) USAID's evaluation will focus on the Applicant's record of conforming to contract/agreement requirements and to standards of good workmanship, record of forecasting and controlling costs, adherence to schedules, history of reasonable and cooperative behavior, commitment to customer satisfaction, business-like concern for the interest of the customer, and the competence of the personnel who worked on the contract/agreement.
- (c) In cases where an Applicant lacks relevant past performance experience or for which the information is not available, it will be at the discretion of the Agreement Officer to assign a neutral rating.

I. RESPONSIBILITY DETERMINATION

Applicants shall submit any additional evidence of responsibility deemed necessary for the Agreement Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

- (a) Has adequate financial, management and personnel resources and systems, or the ability to obtain such resources as required during the performance of the award;
- (b) Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the Applicant, nongovernmental and governmental;
- (c) Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance;
- (d) Has a satisfactory record of integrity and business ethics; and
- (e) Is otherwise qualified and eligible to receive an award under applicable laws and regulations (e.g. EEO).

An award will be made only when the Agreement Officer has made a positive determination that the Applicant possesses, or has the ability to obtain, the necessary management competence in planning and carrying out the assistance program and that it will practice mutually agreed upon methods of accountability for funds and other assets provided by USAID. For the organizations which have had no prior or few USAID awards, or organizations with outstanding audit findings, it may be necessary to perform a pre-award survey prior to the Agreement Officer making this determination or establishing conditions under the award.

J. PRE-AWARD SURVEYS (GRANT WORTHINESS ASSESSMENTS)

The Agreement Officer or the survey team's responsibility is to ensure that a recipient has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them, in order to achieve the objectives of the program.

- (1) For a U.S. organization, the Agreement Officer applies the standards in 22 CFR 226, to include 22 CFR 226.20 (Financial and Program Management), 22 CFR 226.30 – 226.37 (Property Standards), 22 CFR 226.40 – 226.49 (Procurement Standards), and 22 CFR 226.50 – 226.53 (Reports and Records).

To establish whether the potential recipient is responsible, the Agreement Officer or a representative must conduct a detailed analysis of the Applicant's systems that addresses whether –

- its accounting, recordkeeping, and overall financial management systems meet the applicable standards in 22 CFR 226;

- the Applicant's system of internal controls, including segregation of duties, handling of cash, contracting procedures, personnel and travel policies, is reasonable and in accordance with the applicable cost principles;
- the Applicant's property management system, if applicable, meets the property standards in 22 CFR 226;
- the Applicant meets the responsibilities in OMB Circular A-133 for the administration and monitoring of sub-awards; and
- the Applicant's procurement system, if procurement is significant to the award, meets the standards set forth in 22 CFR 226.

(2) For a non-U.S. Applicant, although 22 CFR 226 does not directly apply, the Agreement Officer must use the standards of 22 CFR 226 in determining whether a potential non-U.S. recipient is responsible.

K. COST EVALUATION CRITERIA

Evaluation points will not be awarded for cost. Cost will primarily be evaluated for realism, allowability and reasonableness. This evaluation will consist of a review of the cost portion of an Applicant's application to determine if the overall costs proposed are realistic for the work to be performed, if the costs reflect the Applicant's understanding of the requirements, and if the costs are consistent with the Technical Application.

Evaluation of Cost Applications will consider, but not be limited to, the following:

- Cost reasonableness, cost realism and completeness of the cost application and supporting documentation;
- Overall cost control/cost savings evidenced in the application (avoidance of excessive salaries, excessive home office visits, and other costs in excess of reasonable requirements).

Cost realism is an assessment of accuracy with which proposed costs represent the most probable cost of performance, within each Applicant's technical and management approach. A cost realism evaluation shall be performed as part of the evaluation process as follows:

- Verify the Applicants' understanding of the requirements.
- Assess the degree to which the Cost Applications accurately reflect the technical and management approach as well as the risk that the Applicants will be successful in providing the supplies or services for the costs proposed.
- Assess the degree to which the costs included in the Cost Applications accurately represent the work effort included in the respective Technical Applications.

The results of the cost realism analysis will be used as part of the Agency's best value/tradeoff analysis. Although technical evaluation criteria are significantly more important than cost, the closer the technical evaluation scores of the various applications are to one another, the more

important cost considerations will become. Therefore, the evaluation of costs proposed may become a determining factor in making the award.

L. BEST VALUE DECISION

Award will be made to the Applicant whose application offers the best value to the U.S. Government. Best value is defined as the expected outcome of a procurement that, in the U.S. Government's estimation, provides the greatest overall benefit in response to the requirement.

For this APS, technical proposal merits are considered significantly more important than costs in deciding which Applicant might best perform the work. However, cost realism and reasonableness will be important criteria and may be the determining factors in the event that the applications receiving the highest ratings are closely ranked. Therefore, after the final evaluation of the application, the Agreement Officer will make the award to the Applicant whose application offers the best value to the U.S. Government, considering both technical and cost factors.

----- END OF SECTION III -----