

SECTION III

SUBMISSION AND 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 an original and four (4) copies and Cost Applications in an 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, Adobe Acrobat in MS Windows environment to aps10-005@usaid.gov with copy to Ms. Mintarso at hmintarso@usaid.gov.

and

- (b) **Hard Copies -**

Ms. Asuncion L. Juico
Office of Procurement
USAID/Indonesia
American Embassy
Jl. Medan Merdeka Selatan 3
Jakarta, Indonesia 10110
Mark: APS Indonesia 10-005

Faxed applications will not be considered.

Applicants should retain for their records one copy of the application and all enclosures which 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 of the APS).
6. In the submissions, the applicants must include as necessary 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 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's 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 is 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 no more than twenty five (25) pages plus specified attachments/annexes. Additional information will not be provided to the Technical Evaluation Committee. 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 no less than one inch on each border. Number each page consecutively.

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

(a) Cover Page (not more than one (1) page): The Cover Page should include the APS Number, names of the institutions involved (with the name of the lead or primary Applicant clearly identified), title of the application. Any proposed sub-grantees should also be listed. In addition, the Cover Page should provide a contact person for the primary Applicant, including the individual's name, title or position with the institution, mailing address, e-mail 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, and if not, the contact information for the appropriate person with authority to negotiate should also be listed.

(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 21 pages): The technical narrative will be evaluated in accordance with the Evaluation Criteria set forth in the section 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. Goal and Objectives
- ii. Proposed Outcomes
- iii. Context Analysis
- iv. Technical Approach
- v. Expected Impact

(d) Management Plan (2 pages): The Management Plan should include the proposed management structure, proposed key personnel and staffing, any partnership arrangements, contingency plans and an Implementation Schedule (including milestones).

Required Key Personnel: USAID's key personnel requirements for CADRE are as follows:

- (1) Chief of Party;
- (2) Disaster Risk Reduction Specialist/Project Manager

The minimum required qualifications for these key personnel positions follow below. The balance of the staffing and management structure is to be proposed by the Applicant and will be evaluated by USAID as per the technical evaluation criteria. Applicants are required to propose a minimum of two and a maximum of three additional key personnel positions based on the approach and implementation of the Applicant's technical proposal.

Chief of Party (COP): Responsible for program impacts, external representation and coordination with USAID, other donors and other programs while also contributing to technical guidance of the programs and, where appropriate, offering technical assistance to strategic partners. The COP will also be responsible for oversight of program activities to ensure quality work and compliance with grant results.

Qualifications: Advanced degree in relevant field and at least 10 years experience managing similar programs funded by an international donor; demonstrated technical expertise in subject matter are required. The experience should include program development; hiring; supervising; systems and office set-up; budgeting; financial management (tracking, reporting and accounting); procurement and tracking non-expendable property. Prior experience in Indonesia or East Asia/Pacific is highly desirable. Ability to communicate in Bahasa Indonesia and demonstrated understanding of USAID policies, programs and procedures related to managing programs are desirable.

Disaster Risk Reduction Specialist/Project Manager: Responsible for day to day program management; providing the main technical guidance for the program, designing the support program and technical aspects of the annual work plan programs and, where appropriate, offering technical assistance to strategic partners.

Qualifications: Advanced degree in relevant field is required. An additional four years of professional experience is required in lieu of an advanced degree. A minimum of eight years experience in disaster management is required. Candidate must have strong technical knowledge in integrity and accountability in Indonesia and must have experience in program development. Strong written and oral communication skills including strong presentation skills; demonstrated ability to interact professionally and work constructively with a range of individuals, including USAID mission, local partners and government officials; and fluency in written and spoken English are required. Prior experience in Indonesia or East Asia/Pacific and ability to communicate in Bahasa Indonesia are highly desirable.

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

(i) Illustrative Work Plan

(ii) Curriculum Vitae/Resume should 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 address. The 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 shall furnish award numbers and other details with contact information, for three projects funded over the past three (3) years by USAID, or any other government entity, or third-party source. 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.

(iv) Performance Monitoring Plan: Applicants should submit a proposed Performance Monitoring 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 Performance Monitoring Plan will be approved within 75 days after award.

(v) Signed Letters of Commitment should be provided by all proposed implementing partners. Such letters do not have to be exclusive to one Applicant.

C. BUDGET/COST APPLICATION FORMAT

The following sections describe the documentation that Applicants must submit for full applications. There is no page limitation on the Cost Application. 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 are not limited to, the following: personnel, fringe benefits, office rent, utilities, equipment, communications, and local 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 to each partner organization involved in the program.

4. The breakdown of all financial and in-kind cost share of all organizations involved in implementing the proposed activities.

5. Potential contributions of non-USAID or private sector donors to the proposed activities (including Global Development Alliances).

6. Attachments - The following documents must be provided as attachments:

- Supporting Data/Documentation of the various proposed costs,
- Global Development Alliance (GDA) Agreements or Drafts (as applicable),
- Joint Venture/Partnership Agreement(s) or Drafts (as applicable),
- Negotiated Indirect Cost Rate Agreement (NICRA). If none, copies of the Applicant's audited financial reports for the previous 3-year period.

NOTE :

- i. If the Applicant is a joint venture or partnership, the budget (cost) application must include a copy of the agreement between the parties to the joint venture/partnership and an explanation of the proposed accounting system to be utilized post-award. The agreement and/or accounting system explanation should be included as an annex/attachment to the application which will not be counted against the page limit. The agreement will include a full discussion of the relationship between the firms, including: which firm will have responsibility for negotiation of the award; which firm will have accounting responsibility; how work will be allocated, overhead calculated (note that fee/profit is specifically prohibited), and the express agreement of the principals thereto to be held jointly and severally liable for the acts or omissions of the other. Such attachments are not restricted by page limitations.

- ii. **Public-Private Partnerships:** A partnership is not an expression by an Applicant of its intention to seek third-party partnerships that are not yet formed. Evidence of public-private partnership commitments and roles must be articulated and provided in the agreement document(s) signed by authorized corporate agents/officers of all parties involved. These attachments will not count towards the page limitations.

D. PROGRAM REQUIREMENTS

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

1. **RESPONSIBILITY DETERMINATION** - Applicants should be prepared to 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 ordinary 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.

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.

2. **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/Regional Mission Agreement Officer prior to award.

3. 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.

4. ENVIRONMENTAL PROTECTION AND COMPLIANCE

All projects funded by USAID must conform to U.S. environmental regulations (22 CFR216) 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.

5. COST SHARING

Cost sharing and/or leveraging may be proposed where technical/programmatic benefits would result. Applications that incorporate larger cost sharing/leveraging will be considered more responsive to this APS and will be more positively evaluated. Cost sharing includes contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives and which are verifiable from the recipient's records. Cost sharing contributions may include volunteer services provided by professional and technical personnel and un-recovered indirect costs. Additional information may be found in 22 CFR 226.23 "Cost sharing and matching" and the USAID Automated Directives System (ADS) 303.3.10, both documents are available on line at: <http://www.usaid.gov/business/regulations/>.

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 prohibits 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 AO. Full APS Indonesia 10-005 (Original APS with Sections I, II and III included).

3. USAID DISABILITY POLICY (DEC 2004)

(a) 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/.

(b) 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>
- AAPD 02-10 Cost Sharing in Grants and Cooperative Agreements to NGOs
http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd02_10.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 reviewed and scored by a panel of USAID reviewers with the evaluation criteria set forth in this section.

The budget narrative of all applications under consideration for award will be reviewed for what are necessary and reasonable costs to support the 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 remain in the competitive range. The decision to conduct such discussions should not be considered a reflection of a final decision about which organization will receive an award, but rather would be part of the evaluation process.

H. BEST VALUE DECISION

Award will be made to the Applicant whose application offers the best value to the Government. Best value is defined as the expected outcome of a procurement that, in the 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 cost relative to deciding which Applicant best might perform the work. Cost realism and

reasonableness, as well as the amount of cost sharing, will however be important criteria and may be the determining factor 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 Government considering both technical and cost factors.

I. TECHNICAL EVALUATION CRITERIA FOR FULL APPLICATIONS

The criteria listed below are presented by major category, so that Applicants will know which areas require emphasis in the preparation of the technical proposal. These criteria serve as the standard 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. Within each category, sub - criteria are weighted according to the points indicated. Sub-criteria that do not have weights assigned are intended to broadly inform the scoring process and will not be individually scored or equally weighted, and are not listed in any particular order. 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	20 points
3. Key Personnel	20 points
4. Past Performance	15 points
5. Cost sharing and resource leverage from non-USAID/Federal sources	5 points
TOTAL	100 points

1. Technical Approach (40 points)

The technical approach will be evaluated on:

- (a) Viability of 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 demonstrates 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; and
- (e) Application demonstrates the institution’s capability to implement and

monitor activities, and provides an illustrative performance monitoring plan that provides quantifiable measurement of progress of activities and their results.

2. Organizational Capability

(20 points)

The proposal should demonstrate the organization's effectiveness in terms of internal structure, technical capacity, and key personnel, in meeting the goals of disaster risk reduction and climate change adaptation.

(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) If the applicant is a partnership or consortia, 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 involve partnerships with local Indonesian institutions.

3. Personnel

(20 points)

The proposed Key Personnel will be evaluated on their ability to implement the program and relevant qualifications.

(a) The proposed staffing plan and proposed personnel are appropriate for the proposed activities.

(b) Applicants should provide CVs for the Chief of Party, Project Manager, and key technical positions. Individuals proposed 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 evidence of past achievement of successful results on programs similar to those outlined in the APS, as well as demonstrated experience in program monitoring and evaluation, timeliness, 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 years. If the applicant is a partnership or consortia, 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.

(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 competency of the personnel who worked on the contract/agreement.

(c) In cases where an applicant lacks relevant past performance experience or in which the information is not available, it will be at the discretion of the Agreement Officer to give a neutral rating.

5. Cost sharing and resource leverage from non-USAID/Federal sources (5 points)

J. 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);
- Proposed cost sharing.

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 Applicant's 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 Applicant will be successful in providing the supplies or services for the costs proposed.
- Assess the degree to which the costs included in the Costs 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.

Notes on Cost Sharing:

- Cost share is defined by USAID as “contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives and which are verifiable from the recipient's records.” Please take note of the provision on cost-sharing in 22 CFR 226.23.
- Although there is no requirement that Applicants propose a specific cost share, USAID policy is that cost sharing is an important element of the USAID-recipient relationship. USAID requires Applicants to demonstrate their commitment to program success by addressing the issue of cost-sharing. Applications that incorporate larger cost sharing will be more positively evaluated.