



April 12, 2012

REQUEST FOR APPLICATIONS NO. SOL-268-12-000006

Building Alliance for Local Advancement, Development, and Investment (BALADI)

AMENDMENT NO. 4

The purpose of this amendment is to extend the submission deadline, remove office rent from being a requirement to cost share to being preferred and provide answers to questions received.

The subject RFA is hereby amended as follows:

1-Cover letter, delete:

“Application Submission Date: April 25th, 2012, 2:00 pm Cairo Local Time i.e. 3 p.m. Beirut Local Time”

Replace with:

“Application Submission Date: May 2, 2012, 2:00 pm Cairo Local Time i.e. 3 p.m. Beirut Local Time”

2- Under SECTION I. FUNDING OPPORTUNITY DESCRIPTION, D. DETAILED PROGRAM DESCRIPTION, Stage 1: Support to Lead NGOs with Consortia, page 10, delete:

“USAID expects applicants to contribute office rental costs as part of their cost-share.”

Replace with:

“Office rent is not required to be part of the cost share contribution though it is preferred.”

Answers to Questions Received on BALADI RFA:

1. What are the vetting requirements?

Response: Vetting is one of the Special Provisions 'Vetting Requirements of Subawardees'. Please refer to page 32 of the RFA.

2. Should vetting be documented?

Response: Documentation of vetting is part of the post-award procedures.

3. Clarify role of PACE and the capacity building from other US funding?

Response: The role of PACE is to undertake the pre-award survey for the shortlisted applicants.

4. What does Lebanese origin mean for NGOs?

Response: Lebanese origin in reference to NGOs refers to a Lebanese NGO that was developed in Lebanon, originating in Lebanon, and first instituted/established in Lebanon. It also has to meet the eligibility criteria set forth in Section III of the RFA as amended.

5. Non-Lebanese women can have an organization registered here in Lebanon as a Lebanese organization. Would you consider this as a Lebanese NGO or not?

Response: When you are a Lebanese NGO, you have certain local criteria such as quota of Lebanese members, the president has to be Lebanese, and other certain rules; and if all these rules apply that means that it's a Lebanese NGO. This is in addition to the criteria regarding originating/first established in Lebanon and the criteria set forth in Section III of the RFA as amended. That is why we ask you as part of the application to submit supporting information that the NGO meets the eligibility criteria.

6. Is there a criteria for re-assignment of areas?

Response: No. There are no criteria for re-assignment of areas, USAID has reserved the possibility of re-assignment of areas in order to ensure that all of the governorates in Lebanon are included under BALADI, and also to eliminate any overlap that maybe present in what USAID obtains in applications and shortlisted applicants.

7. When you say subject to availability of funds, can you clarify what this means?
Could there be none or a significant cut in funds from now till award date?

Response: This is a standard language that USAID includes in all its awards. Assume the budget is for six million dollars, USAID does not obligate the full the amount up front. USAID obligates what is enough to cover the first year of the project, and the next year it obligates what is needed for the second year and so on. This is standard

language that allows USAID to change its incremental funding based on yearly funds availability and protects USAID in case there is no funds availability.

8. NGO Consortium: Is there an expected number of NGOs that should be part of a consortium upon submission of application? Would the lead NGO be enough?

Response: No. There is no expected number. The number depends on what the applicant lead is proposing based on the proposed technical approach and geographic area. USAID is hoping that a lead local NGO would work with other local NGOs through consortia. There might be geographic possibilities that one NGO might implement the whole project, but this might not be very likely; and that is why USAID was envisioning a consortium. Ideally, we want a broad-based response to each region to demonstrate diversity and social capital. The preference is to work through a consortium.

9. In the case that we haven't been able to finalize certain parts of the application in time for submission, can we justify and submit at a later specified date? Example: finding key personnel that meet the job description. Submitting their CVs.

Response: The applicant must try to be responsive to the RFA requirements and address the evaluation criteria. Also, applications must be submitted by the deadline date and time stated for submission. The applicant can submit the application with missing parts, but the applicant will lose the points for those missing parts when compared to the evaluation criteria requirements. The applicant cannot submit it after the deadline.

10. Time Frame for stages 1& 2

In specific

- a- When (approximately) will we get an answer after submission of an application (on April 25th)?

Response: USAID plans to award by September 30th. Applicants who are not short-listed will be notified with the reasons. This will probably be by around July - August 2012. Shortlisted awardees will be notified by that time also for the pre-award survey.

- b- Does stage 1 include the preparation for stage 2 (such as training of the local community)?

Response: Stage one is when we as USAID award cooperative agreements to local lead NGOs. This will be by the end of September 2012. Then preparations for stage two start automatically by implementing Local NGOs and per RFA requirements. **The lead NGO has up to 75 days to issue the solicitation for the municipal competitive projects.**

Training of local community can be provided for the successful stage 2 municipal projects. BALADI will not provide training for municipalities. Other USAID or non-USAID projects may be already providing training to municipalities and local communities on other subjects.

c- Is the 30 day for mobilization part of the 75 days to go into stage 2?

Response: Yes, the benchmark or the starting date is the award date.

d- In stage 2, does it start when you start soliciting municipalities for the project, when does it start? I am sure there is a time frame for equipping the municipalities and the people on the ground. This will require lots of training, are you assuming we can do this in 75 days?

Response: Stage 2 is launching the solicitation process to get applications from municipalities that will later be evaluated and selected. Stage 2 effectively starts with solicitation, which is at day 75 of the award. Municipalities should come up with detailed applications that have all the components. They should have done the feasibility study before submitting the application. The solicitation is annual, so each year you open up the chance for municipalities to submit the applications to BALADI. Municipalities should champion their own ideas and then submit them to BALADI.

e- We are assuming that municipalities know what needs to be done and they will do it in 75 days. But we know this is not the reality on the ground. Municipalities need capacity building.

Response: BALADI will not provide technical assistance to municipalities to prepare the applications. There might be other channels whereby municipalities can be taught how to prepare applications, but this is not under BALADI scope. The idea is to incentivize municipalities to champion their own applications and submit them to BALADI on an annual basis.

f- Although there is no budget for capacity building of municipalities during proposals, we can hold a session like this and explain to them what is happening right?

Response: Yes, pre-application sessions to inform municipalities on how to submit applications can be held by BALADI project.

g- What is the time limit for the selection process of projects in stage 2?

Response: This is not identified by USAID at this stage and is up to the applicant to propose the time limit.

11. What is the role of the “selection formulation committee” if each lead will set its own selection criteria?

Response: There are two committees mentioned in the RFA. The first one is the selection criteria formulation committee and the second one is the projects evaluation committee. Their role is exactly what each name implies. The first one will agree on the final set of selection criteria taking into consideration what the four successful leads have initially submitted and coming up with a final set that could be nationally disseminated when the issuance of the solicitation will take place at day 75. The other committee will be involved in evaluating on an annual basis the set of applications that are received by the municipalities. Regarding the part of the question that states “if each lead will set its selection criteria”, during the application process, applicants will elaborate on what they think are sensible and sound selection criteria, and this will be part of their technical approach that they are scored upon. The criteria selection committee will be composed of members of the four leads and USAID who will finalize the final set of standardized selection criteria.

12. Do we have the same grant manual for all consortia?

Response: This will be discussed post-award by the selection committee.

13. Will or can the lead NGO work on a national level at any stage?

Response: Up to four lead NGOs will work throughout Lebanon and each lead NGO is envisioned to handle a certain geographic area. The successful leads will coordinate, and there might be certain agreed upon factors that a lead NGO can work in another area or nationally if there is a technical need for that.

14. Are there any criteria for the regional selection per lead NGO?

Response: We do not have any set criteria now but the purpose is to provide the BALADI program for all Lebanon. So no set criteria at this stage, and there is a possibility of USAID reassigning geographic areas based on the shortlisted applications.

15. Is there any preference (% or ratio) in the distribution of the budget (project/admin/lead/subs)?

Response: No. There are no set percentages or ratios. BALADI RFA has highlighted some related aspects such as maximizing the share that goes to municipal projects. Please refer to the RFA and its amendments.

16. Would BALADI fund a project that requires an Environment Impact Assessment to be approved by the Lebanese Ministry of Environment? Or just the Environmental Compliance office at USAID?

Response: Municipal projects requiring any environmental compliance aspect from Lebanese government entities should be secured by applicant municipalities; then successful municipal projects should meet USAID environmental regulations including Regulation 22CFR216.

17. Can the sub-grantee be a foreign private sector company under stage 2?

Response: A foreign private sector company can be awarded under the Cooperative Agreement as a sub-contract. You can have a foreign sub-contractor to help you implement an activity in the project, but the Lebanese nationality requirement is for NGOs whether prime or sub.

18. Do key personnel fall under grades 10, 11, 12 salary rates?

Response: The inquirer is referring to the local compensation plan we have included in amendment no.3 to the RFA. All the key personnel we have identified fall within the high grades, which are 10, 11, or 12. But this salary scale is not a requirement to follow. It is just a guidance to inform you of what USAID applies that you can use as a guide. The NGO can have its own company policy with its grade structure and salary levels. If the NGO does not have one, the NGO can apply that of USAID.

When the applicant proposes salary rates for named personnel, the applicant should provide the salary history for the past three years and basis of estimate. For the basis of estimate the applicant can relate it to their company policy with its detailed grading system or to that of USAID salary scale and grading system. This information should be part of the budget narrative. The salary history can be in the form of a few lines or a chart.

19. Is it \$ 250 K per project or per municipality?

Response: It is \$250 K per project.

20. If one of the NGOs is not the prime applicant, but is member of the consortium and intends to participate in different consortiums, is it allowable for them to participate in more than one application?

Response: Yes, there is no limitation.

21. Our understanding is that the approval from the Lebanese Ministry of Interior and the

Municipalities is necessary in order to implement the project, has this approval already been secured by USAID or would it be the responsibility of the implementing partner?

Response: BALADI program information was shared with the Ministry of Interior and Municipalities. For implementation of Stage 2 municipal projects, municipal submission of projects requires that municipalities themselves would have secured any needed approvals and legal aspects from the Ministry of Interior and Municipalities and other related Ministries as needed and based on the nature of the requested project. The lead NGO would be responsible to know which projects need any permits and from whom, and that successful municipal applications have all the needed documents such as approvals or permits from the government secured by the municipalities themselves.

22. Please confirm that lead NGO/Consortium can award sub-grants (with cash transfer) to local non-governmental entities?

Response: Yes they can. You can directly sub-grant to NGO, as long as it is Lebanese and meeting the eligibility criteria.

23. Please confirm/clarify if consortium may include non-NGO subs?

Response: It may include private sector entities as subcontractors. It depends on its relevance to program.

24. Is it a possibility that the four geographic areas may accommodate to some geographic overlap?

Response: USAID has reserved the negotiation to reassign geographic areas in order to eliminate geographic overlap. Geographic overlap is not anticipated among the leads, yet we already answered one question that one lead NGO might be technically positioned to provide specific technical assistance under another lead or in coordination with another lead in another geographic area on a case by case basis.

25. Do you require the bios for all key personnel as part of the financial application? Non-key personnel also?

Response: Bio data sheets are not required for Cooperative Agreements. You can use the bio data form without signing it to provide salary history information for the past three years or any other form. As previously stated you can provide this information in a few lines or in a chart. It is up to the applicant as to how he/she would like to provide this information. For any proposed salary rate for named staff, whether key or non-key personnel, a salary history and a justification for proposed salary rate are required to be included in the budget narrative.

26. Please confirm that the contributions (in-kind or in cash) from entities that do not meet nationality and origin requirements under BALADI can be considered cost-share and count against the 20% cost-share requirement subject to allowability requirements?

Response: Yes, the cost share could be in-kind or in cash, as long as it meets cost-sharing eligibility criteria stated in the standard provision for cost share. Regarding nationality and origin of this cost-share, it could be any nationality and origin, as long as it is not from any of the foreign policy restricted countries.

27. Under personnel, the prescribed key personnel positions require 12-15 years of experience in relevant fields. We are concerned that this may result in a top-heavy and cost-ineffective management structure. Will USAID consider lowering the requirements for Key personnel excluding the program director?

Response: We are not considering lowering the requirements of key personnel because key personnel are managing key responsibilities such as financial management, grants compliance, the senior technical manager, and the program director. Under BALADI, this might be the first time a local NGO might have these responsibilities, and having key personnel who have experience and meet the requirements will ensure that the NGO has adequate staff in place to handle the responsibilities.

28. In the presentations we have heard two expressions, “corrections” and “90 days” to correct. To what extent this is linked to the time left for us before April 25th?

Response: The expressions are linked to the pre-award survey and not to the date of submitting applications. The corrections and the 90 days are referring to the time required for an NGO to address any findings of the pre-award survey with respect to their financial management. If there are findings, these should be addressed by the short-listed candidate prior to any award.

29. What should NGOs do to show that they have a sound financial management system?

Response: In **ADS 303.3.9.1b(2) Contents of the Pre-award Survey** you will find what is required by USAID and what is required by the pre-award survey. This is not related to the application. This takes place only if you are short-listed and become subject to a pre-award survey.

30. We understood at the conference that a consortium, while led by an NGO, can include non-NGO subs.

Response: The lead has to be a local NGO that meets eligibility requirements set forth in amendment 1 item 5. The lead NGO can have sub-grantees with local NGOs meeting the eligibility requirements or subcontract with private firms to perform certain needed services/activities for the award.

Q: Please clarify if a private firm, featured as a member of the consortium, can apply its fee.

Response: A private firm can be a subcontractor under the Lead NGO. As to the part of fee, if the sub-award assist the Lead NGO in carrying out the program objectives, then no profit is allowed. However, if the sub-award with the private firm is to provide house-keeping type services such IT support, personnel recruitment support etc., then fee/profit is allowed.

31. The RFA states that "USAID expects applicants to contribute office rental costs as part of their cost-share" (pg10). We believe that office rent is an allowable cost and should be billed to the client either as part of the organization's overhead pool (indirect) or under Other Direct Costs (direct). Recent price escalation in Lebanon have impacted the office rental sector and it would be unreasonable to expect the applicant to cost-share rental costs. Will USAID consider removing this expectation from the cost-share pool?

Response: Office rental is not a requirement to be part of the cost-share pool, though it is preferred. The RFA is thus amended to remove the office rental from being a requirement in cost share to being preferred if possible to include it in the cost share pool.

32. We kindly request USAID to consider extending the deadline for submission (currently April 25) by two weeks.

Response: USAID is unable to extend the deadline for two weeks due to USAID plan to launch the BALADI program in the Fall of 2012. However we have considered this request and have extended the deadline for an additional week until May 2, 2012.

33. The Application request at least 20% of cost share to demonstrate seriousness, commitment, goodwill and sustainability. Therefore, could a piece of land donated by a Municipality be integrated in the cost share in order to implement part of the project? Should be the 20% of cost share calculated per year or over the five years?

Response: If land donated by a municipality is part of that cost share and eligible according to the provision, then it can be considered as part of the cost share. Cost share can be calculated for the five years i.e. at least 20% of the total budget. Cost share information is available as part of the standard provisions.

34. The project will have a duration of five years. Is it possible to implement the project in more than one Municipality belonging to the same Caza (districts) for example in the South (for example in Jezzine, Saida- Zohrani, Sour)?

Response: BALADI is a national program that will be implemented throughout Lebanon. Municipalities across Lebanon and across districts can propose projects under Stage 2 competitive grants program. Yes it is possible to implement multiple projects in the same district covering different municipalities.

35. NGO Consortia:

- How many NGOs are required to be a part of this application?
- Are systems and procedures already to have been understood and placed in the application between the NGOs and the Lead? Or do only letters of commitment need to be included?
- Does the organization chart and working arrangements between the cooperation need to be set within the application or at a later date.

Response:

- There is no limit to the number of NGOs under a consortium.
- Yes it is required. Organizational Capacity and Experience evaluation criteria on page 21 requires that 'the roles, responsibilities, activities, and contributions of each participating member in the proposed consortium is clearly defined and explained. How and to what extent each consortium member will contribute towards program results is clearly identified'. The RFA requires on page 19 that the applicant secures letters of commitments from proposed organizational partners.
- Yes it is required. Organizational Capacity and Experience evaluation criteria on page 21 indicates 'the applicant presents an effective management structure (for the lead and the sub-awardees) in both program and financial management. This also includes an organizational chart allowing efficient, effective, and accountable management.'

36. Municipalities:

- What is the minimum number of municipalities are expected to be a part of the application?
- What does a geographical area consist of? Ex. As one municipality may cover a very large area.

- Do we have to have proposed some of the projects we expect municipalities to bid for?

Response:

- There is no minimum number of municipalities and applicants are not required at this application stage to USAID to identify stage 2 successful municipalities. The number of municipalities who are provided assistance through BALADI program will be a result of Stage 2 competitive evaluation and selection of municipal projects.
- There is no specific definition of the geographic area. This is left to the applicant recommendation and USAID negotiation and reassigning geographic areas as stated on page 10 of the RFA that states the following: 'USAID may negotiate and re-assign geographic areas to shortlisted or successful applicants to ensure that the BALADI program has the best geographic coverage in Lebanon'.
- No. You don't have to have proposed some of the projects we expect municipalities to bid for.

37. Can the COP, DCOP and CFO positions be part-timer under the program. If yes, can the holders of these positions divide their time/LOE spent between two different USAID-funded programs?

Response: No, the Program Director, Deputy Program Director/Senior Technical Manager, and Financial Manager are full time positions.

38. Does USAID have a policy on fixing Overhead Charges to local NGOs? How is overhead rate for local NGOs computed? Are local NGOs allowed to charge full Overhead on the subcontracted projects?

Response: No. USAID does not have a policy on fixing overhead charges to local NGOs. Overhead should be calculated by a CPA firm. Local NGOs are allowed to charge full overhead on the subcontracted projects as long as the rate and the base for overhead is approved by a CPA firm.