Questions Regarding RFA No. SOL-523-13-000011
Workforce Development for Youth in Mexico: Strengthening Education-to-Employment Systems
Submitted by 26 March 2013

General

1. **Does USAID have a Spanish version of the above referenced RFA?**

   No.

Application Deadline

2. **Would USAID consider extending the RFA deadline due to the Holy Week holidays and Mexican school/university spring break vacation ending April 8th?**

   No.

3. **Will USAID consider extending the submission deadline?**

   Please see the answer to Question #2.

Program Design

4. **On Page 14, what is meant by incentives to reduce market rigidity? Short of public policy measures can USAID be more specific on what is feasible under its rules?**

   In this case, "incentives to reduce market rigidity" refers specifically to labor market rigidity with regard to job skills, types of job skills and job skills portability within the Mexican labor market. Because the overall goal of this activity is to support Mexican initiatives at a systemic level to increase labor market skills acquisition among youth, increasing the portability of youth skills across the education, training and labor market systems is one way to increase competition among employers for competent, skilled employees. There is evidence of growth in the Mexican labor market in certain sectors; however, employers report that they cannot find sufficient numbers of workers with demand-driven technical skills, work experience or credentialed skills. This is one side of job market rigidity; the other side is that of employees who cannot move within the labor market because the skills they have for one position with one employer cannot be moved to another employer.

   While it is true that public policy measures can address these issues, the private, education and civil society sectors can contribute to reducing labor market rigidity—and increasing job skills portability—by developing systems such as support for paid or unpaid internships, part-time employment, summer employment programs or industry-based and –designed certification programs. Incentives could be developed among employers or within labor sectors to publicly recognize and promote these practices in line with existing labor laws. These programs may train participants in industry-specific and relevant skills, not only increasing the employers' pool of qualified candidates, but also providing job seekers with desirable skills for a wider range of employers, rather than one specific employer. Other measures could include developing models for linking job seekers with employers, adapting upper- and post-secondary education and training programs to labor market needs and designing education/employer cooperation to increase job skills and skills portability along the northern border.

5. **As the activity is focused on the northern border areas of México, how will USAID ensure input from stakeholders in the target areas in the selection and initiation of the activity?**

   The activity was designed based on input from stakeholders in the target geographic areas. As noted in the RFA, a successful activity design will include bilateral cooperation and the engagement of state and local actors. It is up to the Applicant to determine how to ensure input from these stakeholders in the final design, initiation and implementation of the activity.

6. **From experience, the cost of a system-level activity such as the WFD for Youth in Mexico may well exceed the available resources. Does USAID intend for this activity to be a pilot model for scale-up in the northern border areas of Mexico?**

   At a minimum, the activity is expected to focus on a systemic approach workforce development in the Mexican states of Baja California, Chihuahua and Nuevo Leon, with a preference for an approach that reaches or has an impact in all six Mexican states which border the United States. The activity is expected to leverage changes at the national level, especially in later stages. The development of strategic partnerships and leveraging other human and financial resources beyond those provided by USAID is expected to contribute to an increase in the activity's impact.

7. **Recognizing the diversity in northern México's economic sectors from highly formal (Cemex, Femsa,Hylsa, etc.) to informal (small family-run businesses), the project's ultimate effect is stated to be *systemic* change. Therefore, is the focus of the system change to work with private sector reaching out for government support (endorsement), or work with local and state level government entities reaching out for private sector collaboration?**

   Either approach may be considered. A successful approach will include all key stakeholders, including education / training providers, employers, youth and government policy makers.

8. **The RFA seems to focus mostly on opportunities for youth to improve transition from secondary to either Vocational Technical schools, university education institutions and/or private sector employers. Does the RFA also consider alternative employment for youth such as entrepreneurship or self-employment?**

   The emphasis of the RFA is on the adequacy and relevance of the education supply compared to employers' demands and linking job-seekers to employment opportunities.   While related, the promotion of entrepreneurship or self-employment is not a specific focus of this RFA.

9. **Does USAID expect the offeror to identify in the proposal specific upper secondary or post secondary institutions with which they intend to work?**

   The Applicant should ensure that all areas listed as part of the program description within the technical application are fully addressed. Specifically, the Applicant should discuss how relevant stakeholders will be integrated and the importance of each partner's participation to a successful intervention.

10. **Does USAID have a preference that the offeror collaborate more extensively with either higher education institutions or technical/vocational institutions?**

    No. The specific type of collaboration proposed and with which types of institutions is up to the Applicant.

Beneficiaries

11. **Is there a minimum number of youth beneficiaries that the project should reach, given the focus is on systems change?**

    No. This is up to the Applicant. As noted in the answer to Question #6, the applicant must ensure a minimum area of geographic coverage.

12. **What is the main target beneficiary group? Is the target youth in school whether upper or post secondary or is there interest in youth who dropped out of upper secondary also? Is there any particular balance USAID encourages between upper and post secondary?**

    Please clarify whether the project needs to focus exclusively on upper secondary and post secondary (tertiary) institutions? Is so should it focus evenly on both in terms of level of effort and resources? In other words do they have equal priority for USAID? As far as vocational institutions (p 16) catering to post-secondary youth, which specifically are most important to USAID?

    The target beneficiary group are youth ages 16-24 located along the Mexican northern border. Youth may either be currently enrolled in school or not in school. There is no particular preferred balance between upper and post secondary school. The Applicant should propose the best approach to meeting the needs of this age group in accordance with the RFA's objectives in the selected geographic areas.

Evaluation Criteria

13. **On Page 35, the RFA does not currently include weights to each technical component's evaluation. Are certain sections evaluated more heavily than others? Could USAID provide a specific breakdown of points associated with each section?**

    The technical criteria on page 35 are listed in order of importance. USAID will not provide a breakdown of points associated with each section.

Technical Application

14. Do the technical annexes need to have consecutive page numbers?

Each technical annex should be numbered individually, with consecutive page numbers.

15. On Page 26, is the illustrative activity timeline an annex or should it be included in the text and counted as part of the 20 page limit?

The illustrative activity timeline is included within the 20 page limit.

16. Do all annexes, including letters of support, have to be submitted in English, or is Spanish acceptable?

Spanish is acceptable for letters of support.

Past Performance

17. Are sub-contractors/grantees required to submit Past Performance references?

It is not a requirement; however page 29 states the following. NOTE: USAID relies on the prime organization's review of partner/subcontractor institutions. However, if deemed necessary to ensure prudent use of USG funds, USAID may conduct its own past performance review of proposed partners/subcontractor institutions.

18. How many projects would USAID like the applicant to include in the Past Performance Reference chart over the past 3 years?

On all projects over the past 3 years.

19. On page 28 USAID outlines guidance for past performance. Can USAID confirm the maximum number of programs applicants can include for past performance?

See answer to Question # 17.

Cost Application

20. Would USAID prefer that the applicant submit the Evidence of Financial Responsibility document with the application or wait for it to be requested?

Submit with the Application.

21. Can the applicant submit a list of procurement info post award or does it have to be submitted as part of this application?

Submit as part of the Application.

22. **Page 31 of the RFA, section 5, Cost Application Format, II-Budget Narrative. #8 (3) stipulates limitations on salary increases. Specifically the RFA states, "Annual Salary Increases - Annual salary increase and/or promotional increase may be granted in accordance with the Applicant's established policies up to a maximum of 5%. Salary increases may be granted after the employee's completion of each twelve months of satisfactory services." [*OMB circular A-122, #8 Compensation for Personal Services, (b]*) does not contain any language limiting salary increases. Rather, it requires only that total compensation is reasonable for the services rendered and conforms to the established policy of the organization consistently applied and that charges are reasonable. Please provide the regulatory justification for limits on salary increases.**

    These are not limits. Per the fiscal situation of the current government, we would expect that these would be put into consideration.

23. **Page 30 of the RFA, section 5, Cost Application Format, II-Budget Narrative, #8 (1) states the following: "No individual salary or wage may exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years without the approval of the Agreement Officer." The applicant's standard procedure for the recruitment of new staff is to offer up to 10% increase over their current salary. Increases are justified and in accordance with the applicant's compensation plan and guidelines. Denying salary increases for newly recruited staff will result in an inability to competitively recruit new staff needed for the project. We can find no regulation limiting salaries as the RFA requires. Please provide the regulatory guidance supporting the limit on salary increases for newly recruited staff.**

    These are not limits. Per the fiscal situation of the current government, we would expect that these would be put into consideration.

24. **Does USAID intend for the offeror to divide the total amount ($3M or 4M) equally between the two components? Or does USAID suggest a different percentage division between the two components (i.e. 60%- 40%)?**

    The Applicant should determine the appropriate split of funding between the two activity components based on the proposed approach. USAID does not have a fixed guideline for this.

25. **Please confirm that USAID will allow sub-granting to local organizations under this solicitation.**

    Yes, sub-granting to local organizations is allowed in accordance with applicable procedures and regulations.

Key Personnel

26. On Page 27, section F.a. the RFA states "the Applicants shall propose no more than two key personnel", can the applicant propose less than two?

No.

27. Would an applicant's key personnel be evaluated differently if its Chief of Party or other key person is also on other bids?

No.

Leverage / Cost Share

28. Could cash/in-kind contributions from the Government of Mexico count as leverage?

These contributions may count as leverage. However, to qualify as a Global Development Alliance, leverage of at least 1:1 must come from private sector sources.

29. Throughout the RFA, the terms GDA and public private partnerships are used interchangeably except on Page 22 where GDAs are described as "a particular type of public-private partnership." The description that follows outlines a fairly standard public-private partnership. Can USAID please explain the special functions of a GDA as opposed to other public-private partnerships? Are there other types of public-private partnerships that the applicant should be engaged in besides GDAs?

To meet the definition of a GDA, a public-private partnership must include at least 1:1 leveraging from private sector sources. Partnerships that include less than 1:1 leveraging from private sector sources would not be considered as a GDA, but would be considered as public-private partnerships.

30. On Page 29, the RFA states that cost share in an application will be deemed as having a "greater value", while on Page 22, the RFA states that cost share is up to the applicant to provide. Please clarify whether it will affect the applicant's evaluation if cost share is or is not included.

While cost share is not required under the RFA, cost share and/or leveraging is strongly encouraged. As noted, applications with cost share may be deemed to offer a "greater value".

31. Will leverage in an application be deemed as offering "greater value"?

Yes, leverage in an application may be deemed as offering a "greater value".

32. **Page 30, item 7 indicates that leveraged resources must be reflected in the budget. It is our understanding that leverage is not usually reflected in the budget as cost share is since it may include resources that are not contributed directly to the applicant. If applicants include a section on leverage in the cost narrative is that sufficient in order to determine the overall value?**

    Yes.

33. **Is cost share and leverage a requirement? Based on the information on Page 37 in the "cost effectiveness" paragraph, reads as if both are required, despite other sections of the RFA stating that they are not required.**

    Please see the answer to Question #29.

34. **Does leverage have to be 100% committed by the time of the application, or can it be acquired over the life of the project?**

    Leverage does not have to be 100% committed by the time of the application. However, the Applicant should clearly described planned sources of leveraging and the status of any proposed partnership arrangements.

Indicators

35. **On Page 17 section H. (first bullet)- should the project track how many learners entered a training program and completed or should the M&E plan separate those as two different items to measure?**

    If this indicator is used, it should track both the number of learners who entered a training program and those who completed it.

36. **Page 27 states that performance monitoring and evaluation plans should include "human and financial resources necessary for activity implementation." Does the applicant need to reference cost information in the PMP chart or is it sufficient for applicants to include this information only in the budget?**

    Related cost information should only be included in the cost proposal, as noted in the RFA. The Applicant should address the human resources necessary for implementation in the Activity Monitoring and Evaluation Plan submitted as an annex to the technical application.

37. **The illustrative indicators in the Monitoring and Evaluation section of the RFA include some 'retail'-level outputs, yet the RFA is focused on system change. Will USAID accept data compiled from the prime implementer's partners (universities, NGOs, government institutions, etc.) as counting toward the indicators?**

    Yes. Data for the finally agreed upon indicators may come from any verifiable source.