Questions Received for RFA Number M/OAA/GH/POP-09-0709, Strengthening Health Outcomes through the Private Sector (SHOPS)

1) We assume that, as per USAID's cover letter, for profit organizations may apply for this award, and that the mention on page 8 limiting any potential award to U.S. based, non-profit, or private voluntary organizations or Institutions of Higher Education is not correct. Please confirm that our understanding of this is correct.

For profit organizations may apply for this award. Please refer to amendment #1.

2) With reference to paragraph #4 in the cover letter dated 9 July, 2009, subject: Request for Applications (RFA) Number - M/OAA/GH/POP-09-0709 Strengthening Health Outcomes through the Private Sector (SHOPS), we would like to clarify fee for subcontractors under Cooperative Agreements. This issue is of paramount importance, as we may not enter into teaming arrangements with a number of key for profit and commercial partners until clarification is provided. This project is, by definition, a private sector initiative. As such, and as was the case under PSP-*One*, the type of work and supporting partnerships required to implement the SOW often calls for commercial or for profit entities.

Profit or fees are precluded on USAID Grants and Cooperative Agreements, not on Contracts. Per 22 CFR 226.81, USAID policy prohibits the payment of fee/profit to the prime recipient under Grants and Cooperative Agreements as well as to any subgrantees and subawardees. However nothing precludes a for-profit concern or a nonprofit organization from receiving a profit or fee on a subcontract under a Grant or Cooperative Agreement.

3) Would USAID consider a more modest cost share target consistent with other large programs such as HS2020 and NetMark, both in the 5-8% range? USAID would still obtain valuable cost share inputs without discouraging many bidders from pursuing this work.

The cost share of 20% was determined to be reasonable and achievable within the 5-year timeframe for this project. This determination was made when examining the ability of recipients of other Cooperative Agreements, with similar cost-share requirements, to meet those targets.

The project is expected to leverage significant resources (including cash and third party in-kind) from the private sector. These may contribute to the cost share if they meet the criteria set forth in 22 CFR 226.23.

4) Cost-share vs. Leveraging: We understand that in a program like SHOPS that USAID would expect to see significant leveraging of its resources in partnerships with the private sector. Related to this, we have attended Global Development Alliance and PEPFAR briefings on public-private partnerships (PPPs) and have understood there was a recommended movement away from cost share requirements while encouraging

leveraging in PPP programs. The RFA notes, for example, that the Banking on Health project leveraged $191 million in loans from local financial institutions. Our questions:

a. Would USAID consider a reduction or elimination of the cost share requirement while stating a leveraging expectation or objective?

USAID will not consider a reduction or elimination of the cost share requirement (please refer to the response to question # 3).

Leveraging and cost sharing are not mutually exclusive. Per ADS 303.3.10.2, leveraging represents all of the non-USAID resources that are expected to be applied to a program. It may include cost sharing, but may also include resources that third-parties may bring to the program without necessarily providing them to the recipient. It should be noted, however, that cost sharing must be verifiable from the recipient's records, subject to the requirements of 22 CFR 226.23, and must be auditable.

b. If not, would USAID count loans to private health sector concerns, leveraged through SHOPS or another project (e.g., a multilateral institution), as cost share?

Loans to private health sector concerns, leveraged through SHOPS or another project, may not count as cost share because the funds are not provided to the recipient organization.

5) Fees: We understand the prime grantee (the Leader recipient) cannot charge a fee for a Cooperative Agreement. We do note however that the RFA encourages the inclusion of at least one for-profit commercial partner. Our question:

a. Would for-profit partners taking a role in implementation or providing technical support be able to charge a fee?

Please refer to the response to question #2.

6) Can USAID clarify the transition of this project from a task order under the PSP IQC (contract) to its present form as a Leader with Associates (Cooperative Agreement) award? The Program Description of the current RFA describes goals and results that are essentially the same as those described under the predecessor project. Can USAID explain the rationale for the change between acquisition and assistance in terms of ADS 304.3?

ADS 304.3.4 states that, with acquisition, USAID states what goods/services it wants to buy, then monitors and evaluates the Contractor's performance in providing these goods/services. USAID decides the requirements and standards, and typically provides significant technical direction/guidance during Contract implementation.

As a global, core – funded project, a key function of SHOPS will be innovation (testing innovative models, approaches and tools) in the private health sector. USAID decided that the flexible and non-prescriptive nature of a Cooperative Agreement would be best-suited to maximizing innovation in program design and implementation.

Historically USAID has programmed private sector activities *via* both Cooperative Agreements and Contracts.

7) Page 9 states that "USAID will consider only applications conforming to the format prescribed below." The format appears on pages 9-14 for the technical application. Must the main body of the technical application (which is limited to 35 pages) include sections on cost share, environmental compliance and marking and branding? Or may these sections be included as an annex to the technical application? Will the PMP be counted towards the 35 page limit or may it be presented as an annex to the technical application?

The Technical Application, with a 35 page limit, should include the following sections:

- **B3A1. Overall quality of proposed strategies, approaches, and interventions – entire section.**
- **B3A2. Case Studies - entire section with the exception of the Performance Monitoring Plan (PMP) required as part of Case Study #2; this may be presented as an annex to the Technical Application.**
- **B3C. Management and Institutional Capacity – entire section with the exception of information on the applicant's past performance.**

The following information should be provided in annexes to the Technical Application:

- **B3B. Staffing - entire section including the staffing plan, the matrix of relevant programmatic and technical skills and experience, the letters of commitment and resumes for all candidates for key positions, and summary biographical statements for key positions.**
- **The names of the key individuals responsible for preparing the technical application.**
- **Information on the applicant's past performance.**
- **The Environmental Capability Statement.**
- **The PMP that is required as part of Case Study#2.**

The Cost Share plan should be included in the Cost/Business Application and not the Technical Application. It therefore does not count towards the 35 page limit.

In addition, please refer to the response to question # 34 and amendment #2. Applicants are not required to submit a Branding Strategy and a Marking Plan as part of their initial application in response to this RFA.

8) Pages 17-18 of the RFA notes that the following additional documentation is required in the application package: copies of the applicants audited financial reports for the previous 3 years; organizational chart; certification that personnel, procurement and travel policies are compliant with applicable regulations; a copy of the organization's accounting manual (if the applicant has never received a US Government award before); evidence of responsibility; and certifications and representations. Will the partners to the primary applicant also need to provide each of these documents?

The additional documents are required for the prime applicant as well as each and any subrecipient listed in the application.

9) Page 2 of the RFA cites USAID policy pursuant to 22 CFR 226.81 not to award profit under assistance instruments. Does this policy only apply to recipients and subrecipients, or does it also apply to their contractors or vendors? In other words, in accordance with the RFA, may a recipient's team include service contractor(s)/vendor(s) with contract types (e.g., time-and-materials, labor hour or CPFF) that provide for payment of a reasonable fee or profit?

Please refer to the response to question # 2.

10) Could USAID please clarify if the required cost share of 20% applies only to the Leader Award, or does it apply to the Leader Award as well as any Associate Awards?

The Cost share of 20% applies only to the Leader Award. For any Associate Awards, any cost share will be determined by the requesting office or Strategic Objective Team in the Mission or other USAID Office issuing the Associate Agreement.

11) The RFA reads, "the cost-share should be discussed in the budget narratives to the extent necessary to realistically access these sources and funds and the feasibility of the cost-sharing plan." As 87% of the Leader budget will be supported by field buy-in from a variety of countries, it is difficult to assess whether country-specific cost share will apply. Must the cost share for this 87% of the budget be broken down by country?

The cost share of 20% applies to the total life of project funding for the Leader Award up to the maximum ceiling of $95 million. This includes both field support and core funds obligated into the Leader Agreement. It need not be broken down by country.

12) Can program income generated through the sale of commodities purchased or donated under this Award be used as potential cost share? Will program income be additive to the program budget?

Per 22 CFR 226.24, program income related to projects financed in whole or in part with Federal funds, may be used to finance the non-Federal share of the project or program.

Program income generated by a non-commercial organization will be added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives.

However program income generated by a commercial organization will not be additive. Per 22 CFR 226.82, the additional costs alternative described in §226.24(b)(1) [Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives] may not be applied to program income earned by a commercial organization.

13) Can applicants assume that USAID may donate contraceptive or other reproductive health commodities to the implementer of the SHOPS award through existing mechanisms?

USAID does not anticipate donating contraceptives or other reproductive health commodities to the recipient of SHOPS.

14) On page 26 and on page 53, the qualifications of the Project Director include a requirement that he or she has a Master's Degree or higher. Could applicants propose a Project Director with commensurate experience in the private or non-profit sector in lieu of this requirement? Or will such applications be considered non-responsive?

Applications that propose a Project Director who does not have a Master's Degree or higher in public health, business administration, international development, or a related advanced degree, will not be considered non-responsive, however points may be deducted from the total score possible for "C2. Staffing including Key Personnel, 2. Qualifications for the proposed Project Director" section of the evaluation criteria. Please refer to amendment #2.

15) It is unclear whether USAID would like applicants to include a separate Monitoring and Evaluation Section in addition to Case Study Number two? Or is the Case Study intended to be the M & E section itself. For example, in Case study number two, it appears that applicants are to propose an illustrative PMP for the project. The M & E section of the proposal listed on page 29 also appears to indicate that applicants should in this section also propose a PMP. Could USAID clarify its preferences as to how the proposal should be structured to be responsive on this point?

The PMP should be submitted as an annex to the Technical Application. The PMP will be evaluated using the evaluation criteria described under C4. Monitoring and Evaluation, on page 29 of the RFA. It will receive a score of up to 8 out of 100 points.

The response to the other elements of Case Study #2, namely:

- **The list of 10 key research questions**
- **The list of illustrative indicators**

- **The applicant's plan for monitoring compliance with USAID family planning legal and policy requirements; and**
- **The description of the applicant's approach to identifying promising private sector practices, approaches, models and tools**

should be limited to 5 pages and will be scored separately from the PMP, receiving a score of up to 8 out of 100 points.

16) Since the 1980's, USAID's very successful efforts in providing private sector FP/RH initiatives to the international community have consistently been implemented through the use of contracting vehicles (e.g. CMS and later PSP). Given that there was no pre-solicitation or opportunity afforded to comment on the change in procurement mechanism until now, and ADS 304 guidance has not materially changed, could USAID please clarify why this initiative is now considered more suited as an assistance instrument vs. an acquisition instrument? Is there any opportunity for further discussion or reconsidering this decision?

Please refer to the response to question #6.

17) Please confirm that the 35 page limit includes Staffing, Management and Institutional Capacity, Performance Monitoring and Evaluation, Cost Share and Environmental Compliance sections in addition to the Technical Approach.

Please refer to the response to question # 7 above.

18) Please confirm that the following items can be included as appendices.

a. The Marking / Branding and Implementation Plan
b. A Project Monitoring Plan
c. Graphs/charts, monitoring plans associated with the Case Studies

Please refer to the response to question # 7 above.

Applicants' responses to the case study questions should be no more than 8 pages for Case Study 1 and 5 pages for Case Study 2 (a total of 13 pages) as part of the 35 page limit. This excludes the PMP, which will be provided as an annex to the Technical Application. There should be no other annexes submitted in response to the case study questions.

19) Case study 2, which includes an illustrative PMP, is worth 8 points out of a total of 45 as part of the technical approach according to the evaluation criterion mentioned on p. 26. However, according to the evaluation criteria on p. 29, the PMP itself – separate from Case Study 2 - is worth 8 points. Please clarify.

Please refer to the response to question #15.

20) Per page 12, should matrix of programmatic skills be included in the body of the technical approach or as an annex.

The entire section on staffing may be presented as an annex to the Technical Application. This includes the staffing plan, the matrix of relevant programmatic and technical skills and experience, the letters of commitment and resumes for all candidates for key positions, summary biographical statements for key positions and information on the key individuals responsible for preparing the technical application.

21) Please confirm that bio-blurbs are needed for full time staff only.

Yes - summary biographical statements or resumes are not needed for part-time staff, support staff, or potential consultants.

22) Page 12 of the RFA references documentation demonstrating organizational capabilities under section B3B. Staffing. Similarly page 29 the RFA references a demonstration of institutional capacity under section C3 Management and Institutional Capacity. Please confirm that institutional capacity and past performance should be addressed in the Management section of the proposal.

a. In a related question, how many PPRs should be included in our submission?

Documentation that demonstrates organizational capabilities including past performance should be included in the Management and Institutional Capacity section of the Application in lieu of in the Staffing section.

Per ADS 303.3.6.3 (a) An applicant must provide a list of all Contracts, Grants, or Cooperative Agreements involving similar or related programs during the three years before the application. Reference information must include the location, award numbers (if available), a brief description of work performed, and a point of contact list with current telephone numbers. This information is being requested of applicants as part of their initial applications in response to this RFA.

Documentation that demonstrates organizational capabilities including past performance is required for the prime applicant as well as for each subrecipient listed in the application.

23) When USAID makes reference to a commercial organization on page 52, is it distinguishing this type of organization from a for-profit CA? If so, how?

USAID makes no distinction between a commercial and for-profit organization.

24) Page 7 of the RFA indicates that a CD ROM must be submitted, in addition to the hard copies submission. The instructions further indicate that the CD ROM should be in Microsoft Word 2003 and Excel 2003. Several documents for the Cost/Business Application are expected to be in pdf format, given that the format is the most facile for

transmission purposes (namely to/from partners). Is it acceptable to USAID to include documents in pdf format as well in the CD ROM?"

The main submissions of the Technical Application and the Cost/Business Application must be submitted in Microsoft Word 2003 and Excel 2003. Some documents that will form the annexes to the main submissions and that will require scanning (e.g. letters of commitment that contain signatures) may be submitted in pdf form.

25) SHOPS merges and builds on much of the work that was previously conducted by PSP-*One* and Banking on Health. It also presents a substantial reduction in core compared to the combined amount that was given under these two previous contracts. What proportion of this total new reduced amount of core do you plan to split between the two groups of activities that were previously conducted under two separate contracts?

The statement that thirteen percent (13%) of the Leader will be funded through core funds, with eighty-seven percent (87%) of funding for the Leader provided through field support is an estimate. It is not possible to determine at this time the total core funding for the project over its 5-year life. How these core funds will be split among the project's Intermediate Results and different activities will be determined by many factors including the mix of activities proposed by the applicants and how these evolve over time as well as demand from the field over the life of the project.

26) Under Section B3 - Technical Application Format, Subsection B3E - Cost Share implies that the cost share plan should be included in the Technical Application. However, Section C - Cost/Business Application also implies that the cost-share plan be included in the Cost Application. We are assuming that all details relative to cost share should be included in the Cost Application and not the Technical Application. Please confirm if this assumption is correct.

The Cost Share plan should be included in the Cost/Business Application and not the Technical Application. It therefore does not count towards the 35 page limit.

27) On page 7, the RFA requests that applicants submit one (1) CD ROM of the technical and cost applications is World 2003 and Excel 2003 format. Assuming that there may be numerous pages in the technical and cost proposals that will be scanned to capture signatures, would USAID also allow proposal files to be submitted in Adobe Acrobat (PDF)?

Please refer to the response to question #24.

28) On page 32 of the RFA, footnote 2 provides a list of the 13 priority countries for family planning efforts. This list identifies Angola as a priority country and excludes Nigeria. However the table on pg 61 of the RFA identifies Nigeria, not Angola, as a

priority country for family planning. Would USAID please clarify which country has been identified as priority?

Stating Angola as a priority country for FP/RH efforts in the footnote on page 32 of the RFA is an error. The 13 PRH priority countries are: Democratic Republic of Congo, Ethiopia, Kenya, Madagascar, Malawi, Nigeria, Rwanda, Tanzania, Uganda, Zambia, India, Pakistan and Haiti. This list may change over the life of the project.

29) On page 15 applicants are instructed to provide a 5-year budget for the Leader award only. An estimated $3 million in core funds $5 million in field funds are available under the Leader for Year 1. Would USAID be able to provide a similar estimate of the division of funds by core and field support under the Leader Award for Years 2 through 5?

USAID has estimated that thirteen percent (13%) of the Leader will be funded through core funds, with eighty-seven percent (87%) of funding for the Leader provided through field support over the life of the project. USAID cannot break this down by year for Years 2 through 5. The applicant should present a 5-year budget proposal that assumes the project will be fully funded up to the project ceiling of $95 million.

30) Please clarify how the illustrative PMP required in Case Study 2 differs from the PMP required under Monitoring and Evaluation. Also, are the terms 'milestones' and 'benchmarks' interchangeable, or does USAID define these terms differently?

Please refer to the response to question # 15.

The terms 'milestones' and 'benchmarks' are interchangeable.

31) For the purposes of the proposal, does USAID expect the PMP to focus on FP indicators only? Or should other health indicators, such as HIV/AIDS, be included as well? Similarly, Case Study 2 asks for a list of 10 key research questions, but does not specify a FP focus. Please clarify whether the research questions should only pertain to FP, or whether they may also address other health areas mentioned in the RFA.

As much of the project's research will be funded with POP core funds, USAID expects that a significant number of the research questions and PMP indicators will have an FP/RH focus.

32) P. 43 requests 2-3 indicators that define and measure "health sector success". Does this mean that USAID expects SHOPS to focus on activities that will have an impact on the entire private health sector and to develop 2-3 standard indicators accordingly? Could USAID clarify what it means by 'key global entities'?

Applicants should note that the Anticipated Outcomes stated in the RFA are illustrative. Applicants are encouraged to propose additional or modified

anticipated outcomes, with corresponding proposed activities to accomplish these outcomes.

"Key global entities" include donors and multilateral agencies, host-country governments, and non-governmental and private sector organizations working in the health sector.

33) Page 17 of the RFA notes that "passports, visas, medical exams and inoculations" are to be included under Other Direct Costs. Our organization typically budgets these costs under Travel and Transportation per USAID guidance on other RFAs. Will the budget be considered non-responsive if we budget for passports, visas, medical exams and inoculations under the Travel and Transportation line item?

The budget will not be considered non-responsive if passports, visas, medical exams and inoculations are budgeted for under the Travel and Transportation line item, however the budget narrative should provide a breakdown of the items included in each line item.

34) The RFA has the following language on page 14 "B3G. Marking and Branding Based on ADS 320.3.3 AND 22 CFR 226.91, the applicant shall prepare a Branding Strategy and Marking Plan for this RFA." However, the ADS Chapter 303 has the language below: 303.3.6.3 Evaluation Criteria, letter f) "Under 22 CFR 226.91, USAID requires the submission of a Branding Strategy and a Marking Plan, but only by the "apparently successful applicant," as defined in the regulation." Should applicants submit a Marking and Branding Plan?

ADS 303.3.6.3 (f) states that: Branding and Marking. It is a federal statutory and regulatory requirement (see Section 641, Foreign Assistance Act of 1961, as amended and 22 CFR 226.91) that all USAID programs, projects, activities, public communications, and commodities that USAID partially or fully funds under a USAID Grant or Cooperative Agreement or other assistance award or subaward must be marked appropriately overseas with the USAID identity. Under 22 CFR 226.91, USAID requires the submission of a Branding Strategy and a Marking Plan, but only by the "apparently successful applicant," as defined in the regulation.

As such, applicants are not required to submit a Branding Strategy and a Marking Plan as part of their initial application in response to this RFA. Please refer to amendment #2.

35) Page 32 of the RFA states that "SHOPS will apply core funds to test innovative models and approaches and incorporate lessons from field programs into core-funded activities." Does USAID expect the core budget (which is 13% of the $95 million Leader budget) to include testing of models in the field, or could these models be tested using field support funds under the Leader budget?

Testing of models in the field could be undertaken with either core or field support funds. This will depend on the specific activity being proposed and the type and amount of funding available to the project (either core or field support) over its life, which cannot be determined for certain at this time.

36) We are unclear about the RFA's expectations for relevant experience. In the proposal preparation instructions for the Staffing section, (Section I.B3B. "Staffing, including Key Personnel," page 12 of the RFA), the last bullet under B3B requests: "Documentation that demonstrates organizational capabilities including past performance." Then in the proposal preparation instructions for Management (Section I.B3C. "Management and Institutional Capacity," page 12-13 of the RFA), the last sentence of B3C states: "In an annex to the technical proposal, applicants should demonstrate that their past performance meets or exceeds the Eligibility Criteria provided in the RFA."

Questions:

- Could USAID please clarify the expectations for relevant experience?
- As indicated by B3B, should we include a discussion of our relevant capabilities under the Staffing section of our proposal?
- As indicated by B3C, should we include Past Performance Please references (PPRs) in an annex?
- If we are to include PPRs in an annex, could you please let us know how many, and whether we should include PPRs from subrecipients (and if so, how many).

Please refer to the response to question # 22.

37) In the RFA's Evaluation Criteria for Staffing (Section II.C2., page 26-28 of the RFA), the "Qualifications for the Proposed Deputy Project Director states that the Deputy: " ... must have a Master's Degree or higher ... " Is this academic degree a mandatory requirement for the Deputy, or would USAID accept a candidate without a Master's Degree but with significant equivalent project experience?

A Master's Degree or higher in public health, business administration, international development, or a related advanced degree is a required qualification for the proposed Deputy Project Director. Applications that propose a Deputy Project Director who does not have these qualifications, will not be considered non-responsive, however points may be deducted from the total score possible for "C2. Staffing including Key Personnel, 3. Qualifications for the proposed Deputy Project Director" section of the evaluation criteria. Please refer to amendment #2.

38) With regard to the Cost/Business Application, please clarify if the Leader budget is to be broken down by core and field funding. If so, is there any specific guidance USAID can provide regarding assumptions that should be used for field -funded activities (e.g. countries, activities, etc)? If illustrative country budgets are desired, what level of detail is required?

The detailed five-year budget for the Leader Award need not be broken down by core and field funding. There is no specific guidance regarding field-funded activities and the level of detail required.

39) Has the funds been made available for the RFA?

Issuance of the RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. In addition, final award of any resultant application(s) cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award.

USAID reserves the right to fund any or none of the applications. The RFA provides an estimate of the dollar amount for the Leader of $95 million over five years, however, there is not a guarantee of $95 million in funding; rather, this is the maximum possible funding over 5 years.

40) Are there any additional amendments to the RFA (I downloaded a copy 2 weeks ago)?

All amendments to the RFA can be downloaded from http://www.grants.gov.

41) Are there any contingencies that I may need to know in preparing an application?

There are none.