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ADS Chapter 317

Procurement under Fixed Amount Reimbursement Activities

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 ADS Chapter 317 – Procurement under Fixed Amount Reimbursement Activities
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**An asterisk and yellow highlight indicate that the adjacent material is new for this chapter or substantively revised.*

ADS Chapter 317- Procurement under Fixed Amount Reimbursement Activities

317.1 OVERVIEW

Effective Date: 08/25/1997

This chapter establishes procurement requirements applicable to fixed amount reimbursement (FAR) activities. For guidance concerning how to utilize FAR as a means of achieving development objectives, see ADS Supplemental Reference, "Use of Fixed Amount Reimbursement Method for Local Cost Financing."

*317.2 PRIMARY RESPONSIBILITIES

Effective Date: 10/06/2011

a. **Mission Director or designee** is responsible for determining whether the recipient's procurement system is adequate for the FAR activity or whether USAID should oversee procurement transactions under the FAR activity.

*b. The **Development Objective/Results Package Team** is responsible for ensuring compliance with the source, origin, and nationality requirements.

317.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

Effective Date: 08/25/1997

The following are the official Agency policies and corresponding essential procedures.

317.3.1 Evaluation of Recipient Organization's Procurement System

Effective Date: 08/25/1997

The Mission Director or designee shall assure him/herself that the recipient organization is qualified to implement the FAR activity effectively.

317.3.2 Evaluation of Recipient Organization's Procurement System - N/A.

Effective Date: 08/25/1997

317.3.3 Procurement of Goods

Effective Date: 08/25/1997

FAR funds may be used to finance the following types of goods:

a) Indigenous Goods

Goods indigenous to the host country, i.e. grown, mined, or produced within the country receiving the assistance, may be financed by USAID without limitation.

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b) Imported Items

Goods from Geographic Code 000 may be purchased without limitation. Imported items of free world (**See Mandatory Reference, [Geographic Code 935](#)**) origin which are available locally may be financed, except that the estimated procurement of such items shall not constitute more than 25% of the total cost of the commodity element of the FAR activity, unless a higher percentage is approved in the Implementation Letter.

c) Goods Imported Specifically for the Activity

Imported items from any free world country, which are imported specifically for the activity, may be financed if the cost of the transaction does not exceed \$5,000, exclusive of transport costs.

317.3.4 Procurement of Goods - N/A

Effective Date: 08/25/1997

317.3.5 Procurement of Services

Effective Date: 08/25/1997

USAID policies on nationality (**See [ADS 310](#)**) and for cooperating country contracts (**See [ADS 305](#)**) are waived for procurement of services under FAR activities.

317.3.6 Procurement of Services - N/A

Effective Date: 08/25/1997

317.4 MANDATORY REFERENCES**317.4.1 External Mandatory References**

Effective Date: 08/25/1997

a. **[Section 604\(a\) of The Foreign Assistance Act of 1961, as amended](#)****317.4.2 Internal Mandatory References**

Effective Date: 04/25/2013

a. **[ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#)**b. **[ADS 305, Host Country Contracts](#)**c. **[ADS 310, Source, Origin, and Nationality of Commodities](#)**d. **[Geographic Code 935](#)**e. **[Use of Fixed Amount Reimbursement Method for Local Cost Financing](#)**

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317.5 ADDITIONAL HELP
Effective Date: 08/25/1997

There are no Additional Help documents for this chapter.

317.6 DEFINITIONS
Effective Date: 08/25/1997

See the [ADS Glossary](#).

Fixed Amount Reimbursement

Fixed amount reimbursement is a form of assistance under which the amount of reimbursement is fixed in advance based upon cost estimates reviewed and approved by USAID. Reimbursement is made upon the physical completion of an activity, a sub-activity, or a quantifiable element within an activity. The emphasis is upon reimbursement based on outputs rather than inputs or costs. (Chapters 317, [630](#))

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