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Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Acquisition & Assistance Issued: March 24, 2011

AAPD 11-02

Increase in Mission Director Contracting Authority – AIDAR 701.601

Subject Category: Acquisition Management
Type: Policy

AAPDs provide information of significance to all agency personnel and partners involved in the Acquisition and Assistance process. Information includes (but is not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information. Also, AAPDs may be used to implement new requirements on short-notice, pending formal amendment of acquisition or assistance regulations.

AAPDs are EFFECTIVE AS OF THE ISSUED DATE unless otherwise noted in the guidance below; the directives remain in effect until this office issues a notice of cancellation.

This AAPD: Is New Replaces/ Amends

Applicable to:

- Existing awards; Modification required
 - No later than
 - As noted in guidance below
- RFPs/RFAs issued on or after the effective date of this AAPD; all other Pending Awards, i.e., 8(a), sole source, IQC
- Other or N/A

Precedes change to:

- AIDAR Part 701.6
- USAID Automated Directives System (ADS) Chapter
- Code of Federal Regulations
- Other
- No change to regulations

[signature on file]

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PURPOSE: The purpose of this AAPD is to notify Agency contracting staff that the Director, M/OAA has approved a class deviation to AIDAR section 701.601(c)(3) to increase the contracting authority of Mission Directors, as described below. A General Policy Notice will announce these revisions to the Agency.

BACKGROUND: Federal Acquisition Circular 2005-45 was issued on August 30, 2010, and increased various monetary thresholds throughout the Federal Acquisition Regulation (FAR). The FAR Councils made these changes to comply with a statutory requirement to assess the need to adjust these acquisition-related thresholds for inflation every five years. FACNotes 2005-45 (e-mailed to the CONet on 9/10/2010 and available on the OAA intranet at <http://inside.usaid.gov/M/OAA/policy/overview.html>) announced that the simplified acquisition threshold (SAT) in FAR 2.101 is increased from \$100,000 to \$150,000. In addition to the FACNotes, OAA issued a General Policy Notice (Notice 12118) on December 22, 2010, to notify the Agency's Executive Officers (EXOs) of the increase in the SAT and that the commercial items test program ceiling (FAR 13.500) was raised from \$5,500,000 to \$6,500,000. See the FACNotes and the General Notice for other changes.

M/OAA/E has revised the warrants of EXOs to reflect the increase to the SAT, but at the same time, OAA/E recognized the need to increase the contracting authority for Mission Directors, too, since their authority has also been tied to the SAT. Mission Directors are the overseas heads of contracting authorities (see the definition in AIDAR 702.170-10) and have authority to sign contracts as stated in AIDAR 701.601(c)(3)). Increasing the authority of Mission Directors requires formally revising the AIDAR, which will take several months since it must be published in the Federal Register. In order to revise the Mission Director's authority to be effective immediately, the Director, M/OAA has approved a class deviation to this section to read as shown in the attachment to this AAPD. The new language approved in the class deviation is in bold, and the removed language is struck through. Note that although the AIDAR previously included a numerical amount, the new language references the FAR definition of the SAT, so future changes will not require an AIDAR revision.

The class deviation also formally revised this section of the AIDAR to include the redelegation of authority to Mission Directors to sign personal services contracts in an amount not to exceed \$1,000,000. This authority was increased through a General Policy Notice in 2005, but the change has not yet been included in the AIDAR.

The class deviation is effective for two years or until the AIDAR is formally revised to include the language in the attachment. This AAPD will be linked to the the appropriate section of the on-line AIDAR as soon as possible.

GUIDANCE: Not applicable.

POINT OF CONTACT: Questions may be directed to M/OAA/E, Moncel Petitto, at (202) 567-4704.

Attachment: Revised AIDAR section 701.603(c) (3)

Attachment to AAPD 11-02 Class Deviation OAA-DEV-11-01c approved the following changes to AIDAR 701.601(c)(3), to read as follows. The new text is in bold and the removed text is struck through. The three asterisks represent existing text that is unaffected by the class deviation.

“SUBPART 701.6 -- CAREER DEVELOPMENT, CONTRACTING AUTHORITY AND RESPONSIBILITIES

701.601 General.

* * *

(c) The authority of heads of contracting activities to execute contracts is limited as follows:

* * *

(3) Overseas heads of contracting activities. Authority to sign contracts where the cumulative amount of the contract, as amended, does not exceed **\$1,000,000** ~~\$250,000~~ (or local currency equivalent) for personal services contracts or **the simplified acquisition threshold as defined in FAR 2.101 (48 CFR 2.101)** ~~\$100,000~~ (or local currency equivalent) for all other contracts. May issue warrants for simplified acquisitions up to \$50,000 to qualified individuals on his or her staff.”