

The image features a large, light gray watermark of the USAID seal in the background. The seal is circular and contains the text "UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT" around the perimeter. In the center, there is a shield with a map of the United States, and the word "USAID" is prominently displayed in a dark gray box above the shield. Three stars are positioned at the bottom of the seal.

**USAID**

**This document has been archived. The “[Why and When](#)” list at the AAPD Archive identifies why the document has been archived and where current guidance may be found. Internal users may also access the [OAA Policy Division webpage](#) to locate current policy and regulations.**



**USAID**  
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# Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Acquisition & Assistance Issued: December 20, 2005

## AAPD 04-05, Sup 1

### DBA Rate for Direct and Host Country Contracts in FY 2006

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 CIB/AAPD No: 04-05

<p>Applicable to:</p> <p><input checked="" type="checkbox"/> Existing awards; <input type="checkbox"/> Modification required</p> <p><input type="checkbox"/> No later than</p> <p><input type="checkbox"/> As noted in guidance below</p> <p><input checked="" type="checkbox"/> RFPs/RFAs issued on or after the effective date of this AAPD; all other Pending Awards, i.e., 8(a), sole source, IQC</p> <p><input type="checkbox"/> Other or N/A</p>	<p>Precedes change to:</p> <p><input type="checkbox"/> AIDAR Part(s) Appendix</p> <p><input type="checkbox"/> USAID Automated Directives System (ADS) Chapter</p> <p><input type="checkbox"/> Code of Federal Regulations</p> <p><input type="checkbox"/> Other</p> <p><input checked="" type="checkbox"/> No change to regulations</p>
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New Provision/Clause Provided Herein: If checked, scheduled update to Prodoc:

(Original signature on file)

Michael F. Walsh

**PURPOSE:** The purpose of this directive is to update USAID guidance relative to the Defense Base Act (DBA) rate.

**BACKGROUND:** USAID's contract with Fidelity and Casualty of New York to provide Defense Base Act (DBA) coverage to USAID direct and host country contractors includes a provision for periodic adjustment of the basic rate. The fixed rate for the first two years of the contract, October 1, 2003 - September 30, 2005, was \$2.15 per \$100 of employee remuneration.

**GUIDANCE:** Based on recalculation of the initial rate (incurred losses divided by earned premium) the rate for the first option period, October 1, 2005 through September 30, 2006, is \$1.66 per \$100 of employee remuneration for new insurance policies issued by the insurance provider. Insurance policies that USAID contractors have purchased from the insurance provider prior to September 30, 2005 will remain subject to the \$2.15 rate until their expiration.

This AAPD supplement is effective as of October 1, 2005, and other than the specified rate, all terms of the original AAPD remain as originally stated.

**POINT OF CONTACT:** Gwendolyn Little, M/OAA/GRO, Phone: 202-712-5473, E-mail: glittle@usaid.gov.