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## DIRECT ASSISTANCE

### What is it, how can it help me, and how do I access it?

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#### **What is it?**

Most requests for proposals (RFPs) for public health activities contain the following paragraph:

Direct Assistance:  
Applicants may request direct assistance in lieu of a portion of financial assistance.

The PHS Grants Policy Statement defines direct assistance (DA) as “A financial assistance mechanism whereby goods or services are provided to recipients in lieu of cash. Direct assistance has often been associated with simply the assignment of Federal personnel or the provision for equipment or supplies such as vaccines.” This is only one use of DA funds. Equally as important is the use of DA funds for securing professional services, products, and support through existing federal contracts.

#### **How can it help me?**

If a state health department requests direct assistance, the total amount of their award is not reduced. In fact, what happens is the total amount is divided into two categories – Financial Assistance (FA) and Direct Assistance (DA). FA can be seen as the “state checking account” – a certain amount of money is placed in the state’s name for periodic draw down to pay bills (personnel, fringe, supplies, etc.). DA can be seen as the “federal checking account” – the state designates a certain amount of funds to be kept within the federal government to access personnel, services, or products for the state, through federal purchasing mechanisms.

The FA account is reduced by the same amount of funds that are placed in the DA account, but the official request must be approved by PGO (Procurements and Grants Office) before action. Examples of the types of requests states can put forward for the appropriate use of DA monies include:

1. Personnel – CDC may work with a state to assign a federal employee to the state to work on issues related to the application submitted.
  - The state request funds for salary, fringe benefits, etc. to be placed in a DA account, and the federal agency manages administrative details for the employee.
  
2. Services – States may access any of the federal contracts that CDC (or for that matter any other federal entity has in place, DoD, EPA, etc.) manages and utilize the specific services available.
  - States may access an existing federal contract, managed by the General Services Administration (GSA):  
  
<http://www.fss.gsa.gov/>  
  
Contractors have pre-approved skill sets and products listed with the GSA on a “schedule.” These services have been approved and rates and prices negotiated. States can review the various GSA schedules to identify a contractor(s) that can provide the necessary service.  
  
The federal agency that has approved the GSA schedule is responsible for quality control of the contract, not the state. The contract is between the federal government and the contractor, so there is no requirement for procurement processes at the state level.
  
3. Goods – States may use contracts managed by CDC for large purchases such as laboratory equipment, computers, etc, with the idea that volume purchasing will drop the price per item.

- States may use the buying power of the GSA schedules to purchase vaccines at a lower cost per unit price than if they went to the manufacturer on their own.

### **How do I access it?**

All requests for Direct Assistance must be initiated by the state, and approved by PGO before action is taken. The state may make the request throughout the life of the cooperative agreement, not just at the initial award phase.

It is important to note that money carried over in the DA line item are treated differently than funds carried over in the FA line item. Specifically, DA dollars are considered “obligated, ” which is very important to support future requests for funding.

If there is a particular contractor that you would like to work with, ask them if they have a “GSA Schedule with DHHS”. If the answer is yes, examine the schedule to see if the contractor has defined a scope of services that will match your needs. Talk to your staff and project officer and determine how much money you would like to place in DA to fund some or all of the contractual services, and prepare a letter for PGO approval. If approved, your next notice of grant award (NGA) will reflect a transfer of funds by a reduction in FA funds with the award amount transferred to the DA balance.

Under a GSA schedule, normally the next step is for the state to submit a short requirement that is provided to the contractor(s) of interest for a quote or response to a GSA RFP. This process can occur very rapidly and it would not be unusual to have initiated purchase of the services or products within 2-3 weeks.

### **An Example of a GSA Schedule**

Many of the potential public health contractors that have services available have GSA schedules. STC is no exception. As an example there is an Authorized Federal Supply Service Schedule for Information Technology – General Purpose Commercial Information Equipment, Software and Services. Those contractors that have negotiated professional IT services with GSA can be found in this area. Each will have a specific contract that establishes the products and services. Contractors and GSA update these areas once each year. Most contractors make their GSA contract available on their web page. The specific services can also be downloaded from GSA. As an example, STC contract number in this IT area is GS-35F-0081L.

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