

EVALUATION RESOURCE

Guidance Note: Developing an Independent Government Cost Estimate (IGCE) for a Performance Evaluation

PURPOSE

This Guidance Note provides assistance to USAID staff responsible for developing an Independent Government Cost Estimate (IGCE) for an external performance evaluation. This Guidance Note enables USAID staff (e.g., Evaluation CORs/Managers) to develop realistic estimates for an evaluation that will be procured through a competitive process.

INTRODUCTION

Before preparing an Evaluation Statement of Work (SOW) and the IGCE, it is important to know the approximate amount of funding available for the evaluations that are being planned.¹ The OU's M&E-focused Program Officers (POs) are good sources of information as they coordinate the development of the Evaluation Plan within the OU's Mission Performance Management Plan (PMP) and also submit information about planned, ongoing, and recently completed evaluations in the annual Performance Plan and Report (PPR).

Developing an Evaluation SOW and preparing the IGCE should occur concurrently to help ensure that the cost estimate is realistic and feasible given the requirements of the evaluation and the OU's funds allocated for evaluation.

This Guidance Note builds on existing USAID policies and related guidance:

- [Independence Government Cost Estimate Guide \(IGCE\) and Template](#), published by the USAID Office of Acquisition and Assistance (OAA), provides guidance in developing a realistic estimate of the costs.
- [USAID ADS \(Automated Directives System\) Chapter 200](#) identifies requirements for evaluations.
- [How-to Note on Evaluation Statements of Work](#), prepared by PPL/LER, provides guidance on how to develop and what to include in an evaluation SOW including its purpose, evaluation questions, methodological approach, expected deliverables, expertise required, time frame and budget, team composition, and how the results will be used.
- [Evaluation Toolkit](#), prepared by PPL/LER, curates key resources relating to planning, commissioning, managing and using evaluations. The Toolkit includes the [Template for an Evaluation SOW](#).

This Guidance Note assumes that the preparation of the IGCE is based upon a well-defined Evaluation SOW for a performance evaluation, and that the method used for estimating the cost of the evaluation uses the 'bottom-up' approach described in OAA's IGCE Guide and Template.

KEY DIFFERENCES BETWEEN PERFORMANCE AND IMPACT EVALUATIONS

The ADS describes accountability and learning to as the two main purposes for conducting an evaluation. There are two main types of evaluations: performance and impact.

¹ According to ADS 201, operating units (OU) should allocate at least three percent (3%) of its program budget to external evaluation. This does not mean that every project or activity must be evaluated, nor does it mean that 3% of an activity or project's budget be spent on evaluation. It does mean, however, that each OU is likely to have funds allocated for evaluations.

- **Performance evaluations** focus on strategy, project or activity achievements, implementation, design, management, etc. They may be thematic or cross-cutting (considering more than a single project or one activity). ***They are limited in the period of performance, are normally conducted at a point in time, and utilize a range of methods but typically do not involve multi-year, quantitative data collection.*** They may, however, use existing data sources and/or the results from baselines, midline, and endline surveys and studies and performance monitoring to inform the evaluation.
- **Impact evaluations** measure the change in a development outcome that is attributable to the defined intervention. ***They require a longer period of performance and extensive quantitative data collection and analysis.*** They require careful planning to ensure that the most optimal design can be used and the appropriate comparison group(s) selected.

This Guidance Note focuses on developing an IGCE for a performance evaluation. A Guidance Note for IGCEs for Impact Evaluations will be released separately.

COMMON METHODS USED TO ESTIMATE COSTS

In the IGCE Guide and Template, OAA describes several methods of estimating costs including *Lump Sum*, *Top Down*, and *Bottom Up*. In many instances, a combination of methods may be used to estimate costs.

The *Bottom-Up* approach provides a detailed estimate and presumes that the total effort can be separated into tasks/activities, and pricing can be applied to each element such as labor, overhead, travel, other direct costs, and General and Administrative (G&A). To prepare a *Bottom-Up* estimate for an evaluation:

- Define the required tasks and deliverables (in the SOW)
- Estimate the costs for all tasks and deliverables (including labor, travel, supplies, other direct costs, etc.)
- Roll up the costs to an aggregate number.

The IGCE Guide and Template presents a template for the overall cost estimate and a worksheet to estimate costs related to travel. The categories in the overall template include direct labor, materials/services, overhead, other direct costs (supplies, communication, etc.), information technology support, travel, subcontractor/consultants, other costs, G&A, total costs before profit/fee and total estimated price/cost plus fee.

Most cost estimates for performance evaluations involve estimating at minimum: labor (and fringe), travel, materials/services (e.g., subcontractors), indirect costs (overhead and G&A), other direct costs, and fee (if applicable). Estimating labor and other direct costs requires estimating the units (such as number of days for labor) and the unit cost (daily rate).

PREPARING THE IGCE

The IGCE guidance provides the basic parameters. For an evaluation, the following information should be gathered or developed:

- Evaluation Statement of Work Draft
- Requirements for the type of instrument for the Award
- Estimates for Labor Costs (level of effort and labor rates)
- Estimates for Other Direct Costs (number of trips, per diem days, workshops and their respective unit costs)
- Estimates for Other Costs (Indirects and Fee)

STEP 1: START WITH THE EVALUATION SOW

The SOW and the IGCE are inextricably linked. The SOW may include some detail on the several basic tasks that must be completed for all evaluations. Regardless of whether the SOW clearly outlines these tasks, when reviewing the SOW and preparing the IGCE it is useful to organize the tasks into standard categories. The typical standard categories of evaluation tasks are:

- Planning and evaluation design (including developing data collection instruments)
- Preparation for data collection
- Data collection
- Data analysis
- Report writing/briefings (drafts and final)

The following Evaluation SOW sections provide information and 'clues' that informs the preparation of the IGCE.

Purpose, Program Information, Background Sections, and Annexes

These sections provide information about the geographic scope of the program, project, or activity as well as an idea of specific programmatic areas where activities are being implemented. Understanding the context in which the evaluation will be conducted is key as it will influence such things as the availability of team members (some team members will choose not to work in a conflict or post conflict area), the feasibility of travel within a region or to certain sites to collect data, language requirements, etc.

Also, in these sections existing data sources (such as baseline, midterm and endline studies as well as secondary data and/or prior evaluations) and data limitations are identified.

Sections of Evaluation SOWs to update based on the IGCE

Evaluation Questions and Data Sources

After preparing the IGCE it may be necessary to reshape the questions and methods (linked to data sources) to align to available resources. Please review additional guidance on [Developing Good Evaluation Questions](#).

Team Composition

After the IGCE you may decide to reduce the number of team members or increase the use of local team members. Check the SOW to make sure adjustments are made to it. In some cases it is possible to add people to reduce the time, but for the most part there are basic time considerations that cannot be compressed.

Level of Effort

Often included in the Team Composition section, LOE will likely be refined as you prepare the IGCE. Make sure you update the SOW after you complete the IGCE. See the sample LOE table in the SOW Template.

Timeline

After completing the IGCE make sure you have not changed the schedule. For example, if you make adjustments to the Team composition and LOE it may affect the schedule.

Also, make sure that the SOW takes into account the start date when the evaluation team is authorized to work to the completion of their work (including after USAID review). This timeline or period of performance is distinct from the length of time in the field for data collection.

Ensure that any local factors that may affect schedule and/or logistics have been considered including political or security obstacles, rainy seasons, national holidays, availability of local stakeholders, etc.

Evaluation Questions, Evaluation Design and Methodology Sections

The number and type of evaluation questions, as well as the proposed design of the evaluation will influence the estimated cost of the evaluation. The evaluation questions must be carefully analyzed to determine what kind of data must be collected to fully address the questions with the precision specifications required. The evaluation questions will help indicate what respondents need to be contacted, how long the interview(s) with the respondents will take, what program areas need to be visited, if a comparison group is to be utilized, how the data must be analyzed, etc.

To answer each evaluation question, you will need a clear understanding of data sources and data collection requirements. This information helps to identify the number of evaluation team members, the level of expertise of the evaluation team members, and time required for data collection.

The [Evaluation Design Matrix](#) (see [Technical Note on Conducting Mixed-Methods Evaluations](#) and/or Evaluation Design Matrix: Templates in the [Evaluation Toolkit](#)) is a tool that can be used to plan the evaluation and help clarify data sources and data collection methods.

Team Composition and Evaluation Schedule Sections

The SOW will likely identify the team composition and may provide an illustrative number of days/hours by team member. As you prepare the IGCE, it is important to validate the assumptions included in the SOW against the evaluation requirements (see Table 2).

The SOW may also state the duration of the evaluation and include a schedule. The schedule is a critical tool for estimating the number of work days/hours, often referred to as Level of Effort (LOE). Normally an evaluation team will not expend LOE every work day during the period of performance. For example, the main writer of the evaluation may require more days to synthesize and edit the final report. Others may be involved in data collection but not in data analysis, compilation, or writing. There will be times over the period of the evaluation that the team will not be active, for example, when USAID is reviewing an evaluation draft. Time that the evaluation team is expected to be working together in-country will greatly affect the final cost of the evaluation. After labor costs, per diem is a significant cost factor.

Deliverables and Reporting Sections

Deliverables require effort on the part of the evaluation team to produce. Every evaluation should produce an evaluation design, draft evaluation report, final evaluation report, and quantitative evaluation data. If additional deliverables are added, such as a briefing for USAID and stakeholders, consider the LOE implications.

Promising Practice: Before finalizing your IGCE, consider working with your USAID Contracting Officer to publically release the draft SOW to gain input on reasonableness of an approach and key parameters used for the IGCE from the potential bidders when you do not have good historical data to estimate.

After the IGCE is prepared, review the evaluation SOW to ensure consistency and completeness. This is critical because if the IGCE is too low for the work specified in the SOW there may be delays in commissioning the evaluation. In addition, contractors will prepare their budget based on the requirements outlined. If the requirements and the funds available are not aligned the quality of the evaluation may be negatively affected.

STEP 2: OBTAIN THE CORRECT TEMPLATE TO PREPARE THE COST ESTIMATE

Generally, labor costs are the largest item in a cost estimate (and eventual budget) for an evaluation. Once the level of effort (number of days) and number of team members are determined, estimating

labor costs will normally be defined by the contracting mechanism utilized to procure the evaluation and the level of expertise required.

Table 1 highlights the different types of mechanisms and suggests relevant sources for identifying the template to use. USAID has a wide variety of contracting mechanisms (full and open, Indefinite Delivery/Indefinite Quantity (IDIQ), and Government Services Administration (GSA schedules)) used to support evaluation efforts. Each mechanism contains its own price schedule or structure. Using the pricing schedule from the contracting mechanism is necessary to build up the labor budget following the estimates from the LOE chart. The four basic types of structures typically used for evaluations (see Table 1).

Table 1: Typical Contract Structures for Performance Evaluations		
Type of Contract	Sources of Information	Tools and Templates
Cost-Plus Fixed Fee (CPFF)	-Estimate the labor rates (salaries paid) to evaluation team members (see Unit Costs for Labor section on page 9). -Gather information on indirect costs (see IGCE Guide and Template for definitions).	-See the excel template included in the Guidance Notes from OAA.
IDIQ and GSA schedules with fixed labor rates, which are rates inclusive of salary/labor, fringe, overhead, administrative costs, and fee (often referred to as "loaded").	-Identify the correct categories for the expertise required. Normally the contract documents include information about the skills required for each category. -Review the Labor Category Rates Table in the corresponding contract.	-Contact OAA or the COR for the IDIQ
IDIQ with ceiling rates (for labor)	-Identify the ceilings and estimate labor. -Gather information on indirects if necessary or the fixed labor rates.	-See the excel template and contact OAA.
IDIQ with fixed-price contract options	-Gather information similar to the CPFF (usually the basis for estimating a fixed price).	-See the excel template included in the Guidance Notes from OAA. -Consult OAA for guidance on estimating fee.

If the type of contracting mechanism to be used to implement the evaluation has not yet been determined, contact the Contracting Officer for your Bureau/Operating Unit for assistance. In addition, PPL/LER regularly updates a list of mechanisms that can be used to access evaluation services on [ProgramNet](#).

STEP 3: ESTIMATE LABOR COSTS

There are two elements of labor costs: units (or level of effort / work days/hours) and the unit costs (daily/hourly rate). Unit costs can be affected by team composition (e.g., the level of expertise and if the evaluation team is comprised of mainly expatriate or local evaluators).

Units (Level of Effort)

This section identifies the major factors that affect the number of work days the evaluation team will take to complete the various tasks for a performance evaluation. These include: 1) the factors that will influence the Team Composition (the number of team members required, the level of expertise required for each team member assigned to work on the evaluation, etc.) and 2) the work time (normally measured in days or hours) it will require to complete each task for the evaluation. Work time is often referred to as level of effort.

1) Team Composition

The SOW may already identify the number of team members. Key factors to consider are included in Table 2.

Does the evaluation team need to travel to multiple locations?	Efficiencies can be introduced by dividing up the team and collecting data from multiple locations simultaneously. Doing so requires team members to be fully trained in collecting data and ensuring adequate supervision.
Do the evaluation questions address multiple sectors or areas of subject matter expertise?	In addition to a team member who has evaluation methods expertise, a team member for each type of sector and/or subject matter specialized expertise may be required.
Do the evaluation questions require large-scale data collection, random sampling methods (e.g., a Knowledge, Attitudes, Practices survey)? Are the sampling frames available?	-If sampling expertise is required, then one team member should be a sampling specialist. Normally, this is a highly skilled position needed for a limited period of time. -If relevant sampling frame(s) are not available, then expertise will be required to construct one or suggest alternative approaches/methods to collecting relevant data to answer the evaluation question(s).
Do the methods in the SOW require heavy quantitative analysis skills?	Determine specific skill sets/expertise necessary to analyze the data collection in the evaluation SOW and ensure that the IGCE reflects the level of expertise required.
Is there evaluation methodology and subject-matter expertise in-country that is familiar with USAID, and evaluation policies in the ADS?	-You may consider contracting with a local firm to implement the evaluation. If a local firm is not available, then you may consider hiring expat team member(s) to fill the gaps not found locally. -Local evaluators should always be included on the team.

APPLIED EXAMPLE A: TEAM COMPOSITION

The following example compares the types of teams according to the number of locations.

Team Composition by Scenario

Scenario #1	-Team Leader (evaluation expertise)
-Two locations	-Relevant subject-matter evaluation expertise (local or expatriate)
-Multiple qualitative methods, standardized data collection/no sampling	-Logistics/Assistant
-One sector	-Quality assurance/management (QA), generally in the organization's home office
-One implementer	
Scenario #2	-Team Leader (evaluation/management expertise, usually expatriate)
-Five locations	-Two or three expatriate subject-matter experts
-Standardized data collection with a compressed time frame, sampling	-Two or three local expatriate subject-matter experts
-Two sectors	-Sampling specialist
-Three implementers	-Two assistants (for data compilation)

2) Time Required to Complete Evaluation Tasks (Level of Effort)

The time required for each of the evaluation tasks varies due to a number of factors and considerations. Table 3 at the end of this section offers a series of questions to ask in order to clarify the time worked for the first four phases.

Planning/Evaluation Design: During the planning and design phases of an evaluation, the evaluation team typically reads background documents, meets with USAID staff for an orientation to the assignment, participates in a kick-off meeting for the evaluation, prepares a detailed workplan for the evaluation, and drafts data collection instruments. Time for team members to become oriented to

a project or activity, understand the assignment, develop a detailed workplan, and draft collection instruments based on review and analysis of the evaluation question are important time considerations for the calculating LOE. The LOE should also allow time for quality assurance. A good parameter is 2-5 days for work planning and 1-2 days per type of collection method.

Preparations for Data Collection (Logistics/Travel): As LOE is being calculated, looking at a calendar to see how the work flows from the anticipated start date to the anticipated end date for the evaluation is recommended. Will key stakeholders be available to participate in the evaluation when the team is in-country? Are there holidays? Will the rainy season slow/prevent access to the field sites? Are there any political or security obstacles? Will the evaluation team travel over weekends? What is the contingency plan if the schedule slips? While this “time-off” from the evaluation may not impact the labor costs of local evaluators there is a cost associated for expatriates. In addition, allow adequate time for travel, taking into consideration contingencies appropriate when working in lesser developed regions. Most instruments also require time for pilot testing.

Data Collection, Documentation, and Analysis: The evaluation questions drive the types of methods and data that are required. Table 3 highlights the level of effort implications for some of the most frequently utilized data collection methods. Once the team returns from the field from collecting data, allowing adequate time (LOE) for the team to organize, compile, clean, prepare, analyze, and draft the preliminary findings for each data collection effort undertaken is imperative. Most quantitative datasets will be submitted to USAID's [Development Data Library](#) (DDL), thus time for documentation (1-2 days per data set) should be allowed. In addition, the team will need time to discuss the findings collectively as several streams of data may have been gathered to answer each evaluation question fully and adequately.

Reporting and Briefing: Allow adequate time for report drafting, USAID review, and revisions. A good parameter is to calculate the LOE for reporting, quality control and review as being 25% of the evaluator's LOE (excluding survey LOE). Therefore, if the time calculated equals 75 days then the LOE for report writing (distributed among team members) would be 18.75 days. Also consider contracting an editor to improve the quality of the document.

Promising Practice: Allow time for the evaluation team to test and review recommendations with stakeholders. This will ground-truth the recommendations and help make them more specific and actionable. Add travel and time for this promising practice.

Table 3: Data Sources/Methods and Considerations for LOE by Evaluation Task		
Factors to Consider By Data Source/Method	Implications for LOE by Evaluation Task(s)	Ranges for Estimates
Key Informant Interviews -How many? How many different types? -What is the location of key informants? -How many can be completed per day? -How long to travel between interviews? -How will the interviews be recorded, compiled, and analyzed? Will any equipment be required?	<i>Planning/Evaluation Design:</i> Include time for tool development for each type of key informant.	1-2 days per tool
	<i>Preparations:</i> Include time to arrange meetings/schedule.	1 day per 5-15 meetings
	<i>Data Collection:</i> Take the total number of estimated key informants and divide by the number that can be completed per day (including documentation).	2-5 interviews per day (depending on proximity)
	<i>Analysis:</i> Time for key informant interviews is one to two days per 10 interviewees.	1-2 days per 10 interviews per day
Good Practice: In most regions teams can generally do no more than two or three in-depth interviews per day (if they sufficiently document).		
Focus Groups (FG) -How many? How many types? -Location of focus groups?	<i>Planning/Evaluation Design:</i> Include time for tool development for each type of focus group.	1-2 days per type of focus group

Table 3: Data Sources/Methods and Considerations for LOE by Evaluation Task		
Factors to Consider By Data Source/Method	Implications for LOE by Evaluation Task(s)	Ranges for Estimates
-How many can be completed per day? -How many people are required to conduct each focus group? <hr/> Good Practice: More than two focus groups (per team/per location) will diminish data quality. When travel is required, plan for one FG per day.	<i>Preparations:</i> Include time for arranging the focus groups.	1-2 days per location
	<i>Data Collection:</i> Assume at least two (normally three) team members per focus group.	1-2 per day per team
	<i>Analysis:</i> Time to review transcripts or notes.	.5-2 days per focus group
Observations/Field Visits -How many locations? Travel time? -How many per day? -What type of data (direct observation)? -Which type of selection (purposive, random/but not representative, representative)? <hr/> Good Practice: The better the quality of the data on the sites and locations the less time it will take the evaluation team to build a frame to use for either random or purposive selection.	<i>Planning/Evaluation Design:</i> Include time for tool development, testing (with the entire team), and refinement.	1-2 days per tool
	<i>Preparations:</i> Include time to arrange visits (including protocols, invitational letters, space requirements, etc.).	1 day per 5-10 observations
	<i>Data Collection:</i> Include time for building the frame (if necessary) and data entry/collection/compilation.	1-5 per day (<i>add time if frame is not available</i>)
	<i>Analysis:</i> Time to review output of data (synthesized) and more time to review data collection sheets.	1-2 day per 10 observations
Surveys <i>Typically a survey firm will be contracted. The evaluation team will have a role to play in</i> > <i>Design:</i> Questionnaire > <i>Sampling:</i> Number and location of respondents > <i>Training of data collectors:</i> Depending on the capabilities of the survey firms > <i>Accompanying data collection:</i> Depending on the capabilities of the survey firms > <i>Analysis:</i> Driven by evaluation questions. <hr/> Good Practice: Consult with others in missions on the standard per interviewee cost for surveys. These costs are usually based on local market rates.	<i>Planning/Evaluation Design:</i> Time to develop a questionnaire, review with stakeholders, translate and reverse translate (if necessary). <i>N.B. Include time for USAID review</i>	3-15 days for multiple team members (not necessarily full-time)
	<i>Preparations:</i> It can take several weeks (not LOE) to arrange services	2-5 days to arrange the services
	<i>-Data Collection and Verification:</i> A team member will need to work nearly full-time with the survey company.	-1 dedicated person (full-time)
	<i>-Data Documentation:</i> All quantitative datasets need to be submitted to the USAID Development Data Library. See www.usaid.gov/data	-1-5 days for data verification - 1-2 days for data documentation
	<i>Analysis:</i> Time to analyze, test, and review the data (cross-check) and document .	10-15 days
Quantitative Data Analysis <i>(normally secondary datasets or primary collected by another source)</i> -Are data sets coded/clean? -Are the datasets in proprietary software? If so, identify the software in the SOW. -How many data points are included in the analysis? Is regression analysis or other statistical analysis required? <hr/> Good practice: If using government data estimate several weeks of time for a local specialist to gain access to the data	<i>Planning/Evaluation Design:</i> Time required to determine if the data sources are available and they meet quality standards.	1-14 days (of effort)
	<i>Preparations:</i> See the design phase.	0-14 days
	<i>Data Collection:</i> Engagement strategies for collecting/acquiring these data will require time. <i>Remember documentation!</i>	1-2 days of engagement over a period of time
	<i>-Analysis:</i> Time associated with data analysis is contingent on the accessibility and quality of the data	1-10 days

APPLIED EXAMPLE B

Based on the Scenario #1 in Applied Example A, the ranges included in Table 3 can be applied to calculate level of effort (LOE). This example assumes no translation/interpretation is required and uses the middle of the range (assuming a certain level of precision and detail is required).

Preparations and Work Planning (13 days)

- Estimate 3 days per technical team member to prepare the work plan (total 6 days)
- Estimate 5 days for the logistics/assistant to prepare for travel.
- Estimate 2 days for the QA to prepare for the assignment

Data Source	Planning/Design	Preparations	Data Collection	Analysis	Total
50 Key Informant/3 Types of Informants (10 together, 40 separate, 4/day)					
Range:	1-2 d / tool	1 d / 5-10	2-5 / d	10-20 / d	
Team Leader	3	3	7.5	5	18.5
Subject Matter Expert	2	1	7.5	3	13.5
Logistics/Assistant	1	5	7.5	1	14.5
- QA	1			1	2
Five Focus Groups (1 type, 5 locations, together)					
Range	1-2 d / type	1-2 d /group	1-2 / d / team	1-2 d / group	
Team Leader	2	3	5	4	14
Subject Matter	2	1	5	4	12
Logistics/Assistant	1	5	5	4	15
QA	1			1	2
30 Observations (Field Visits): -2 Types, 2 locations with 15 observations each (3 per day)					
Range	1-2 d / tool	1 d / 5-10	1-5 / day	1-2 / 10 obs.	
Team Leader	2	2	10	6	20
Subject Matter	2	1	10	6	19
Logistics/Assistant	1	4	10	6	21
QA	1			2	3
Totals Before Report Writing					
Team Leader	7	8	22.5	15	52.5
Subject Matter	6	3	22.5	13	44.5
Logistics/Assistant	3	14	22.5	11	50.5
QA	2	0	0	5	7.0
					154.5

Add time for report writing to the LOE above:

- Report writing: 25% of 155 days = 39 days (across all of the team members).

Total Level of Effort = 207 days

Unit Costs for Labor

Sources of information for the unit costs for different types of team members and skills include:

- Contracts Officer
- Prior evaluations conducted in-country
- COR for an IDIQ mechanism
- Budget for the award to be evaluated may include the labor costs for similar categories of specialists (e.g., evaluation specialist from the expatriate home office, local evaluators, and other staff types, such as data collectors, subject-matter experts, etc.).

The level of expertise required will depend on many of the same factors as included in Table 2. The SOW will typically identify these requirements, but after preparing the IGCE it may be necessary to review these requirements to reduce costs. Generally, the years of experience and the degree of specialization will determine the unit costs. In addition, the use of a fixed labor rate (see Table 1) or building up the labor costs will affect how you calculate labor costs.

STEP 4: ESTIMATE OTHER DIRECT COSTS AND OTHER COSTS

After labor, the next set of costs to estimate are "other direct costs" and other costs (such as indirect costs and fee).

Other Direct Costs: Expenses, other than labor, will be included as Other Direct Costs (ODCs) in the cost estimates. Without adequate resources for these costs, the evaluation might be compromised. Note that per diem generally follows State Department location schedules for international and local staff traveling outside of their home city. Travel and logistics for data collection in-country should also be estimated, keeping in mind that per diem rates are for all days that the team is in-country (versus only for the authorized work days). Supplies should cover all those necessary to facilitate data collection. For example, supplies will be needed in order to facilitate a focus group, create reports and/or presentations, distribute surveys, and others.

Table 4 assists in estimating the other direct costs. As you prepare the costs, consult with your OAA as they may have some of these costs on file.

Table 4: Estimating Other Direct Costs		
Type of Cost	Units	Unit Cost
International travel	-Estimate number of trips by the number of expatriate team members	-Utilize a general travel site and identify the cost for a trip one week advanced purchase.
Local transport -Are regional airfares required? -Is ground travel required? -Estimate travel to interviews?	-Estimate the number of trips for each team member. -Estimate the number of days of car/driver rental -Estimate how much taxis and local transport costs and multiply by the number of trips per day. -Determine if vehicles will need to be rented and drivers hired or if the IP(s) can arrange for transportation with existing resources.	-Consult with your EXO or utilize the budget/invoices of the award to be evaluated to determine the standard costs. If utilizing USAID contracted rates ask for the non-discounted rates.
Per Diem -How many days in country?	-Include weekends the team is traveling in-country -For travel outside of the capital city, include per diem for local evaluators.	-Use the State Department regulations by location (as the maximum)
Miscellaneous Travel and Other Expenses	-Are vaccinations required? -Visas? -Taxies To/From Airport -MEDEX -Defense Based Act (DBA)	-Consult with your EXO or utilize the budget/invoices of the award to be evaluated to determine the standard costs. -See OAA for the current contract rates for MEDEX and DBA.

Type of Cost	Units	Unit Cost
Data collection -Each type of data collection may have additional costs. -Are surveys required?	-Number of focus groups -Will space need to be rented for the focus groups to gather? -Number of days for recording, if appropriate *What equipment will be needed to record sessions? -Number of words for translation or number of days for interpretation -Number of interviewees for a survey (household, phone, point of service, etc.)	-Check the budgets/invoices for prior evaluations. -Consult with your EXO or utilize the budget/invoices of the award to be evaluated to determine the standard costs. -Each country has a range and it is best to seek examples from other surveys conducted in the country.
Communications -Are phone interviews required? Internet access expensive?	-Number of days/months for the evaluation	-Consider the standard market rates and estimate an amount per person.
Equipment & Supplies -Is proprietary software required? -Data collection tools?	-Number of users	-Conduct basic market analysis for these items (see OAA for guidance).
Report editing, translation, printing, distribution	-Number of pages for the report or estimate the number of pages/words for data collection instruments (see page guidelines in the How-To Note for Evaluation Reports). -How many copies? -Number of hours for the event and the location.	-Your contracts office or your Development Outreach and Communications (DOC) specialist will likely be able to provide you information on standardized rates. -Estimate per copy costs for editing, printing -Estimate costs for an event to share the evaluation report.
Special considerations	-Number of days / months for the evaluation -Danger pay	-Include costs for local logistics/administrative support (for arranging meetings, pick-up and transportation, coordination of schedules) -Include costs for security (as necessary)

Other Costs: According to the contract type, consult with OAA or your contracting/budgeting specialist on indirect costs and fees that may be applicable.

POTENTIAL COST SAVINGS METHODS

The best way to save costs on an evaluation is to write a clear SOW that does not over-ask (beyond what you will use), reflects the local context, and is actively managed.

There are several strategies for reducing these costs (see Table 5). Each strategy will offer pros and cons. The strategy should be contemplated and expressly integrated into the SOW.

Team composition is often flexible and can be filled with international evaluation specialists or local specialists. *USAID Forward principles strongly encourage local members of evaluation teams.*

Table 5: Strategies for Cost Reduction and their Implications	
Strategy	Implications
<p>Assemble available key programmatic documents and performance data: --Request that the activity/project staff compile available data and conduct a self-assessment prior to the start of the evaluation. --Be sure to state the availability and limitation of performance data in the evaluation SOW.</p>	<p>If high quality performance data are available, including baseline, midline, and endline surveys and/or studies, assembling available key documents and performance data may reduce requirements (and costs) for supplemental data collection.</p> <p>Having information compiled and summarized for the evaluation team can allow more time for the team to focus and dive deeper into the most compelling questions. The team may be requested to validate the information compiled by the implementer.</p>
<p>Reduce the number of evaluation questions and/or the scale of the questions that require extensive field travel and/or time for individual interviews.</p>	<p>Reducing the questions could affect use. However, if funding is insufficient, prioritize 'need to know' vs 'nice to know' questions and make cuts on basis of priority and potential cost-savings (e.g., reduced travel, translation, number of experts, etc.).</p>
<p>Require the use local universities or evaluators to support on-the-ground data collection efforts.</p>	<p>The prime contractor will need to add effort to manage the local firms/experts. If there are multiple sources of expertise and a well-developed professional evaluation capacity in country this can reduce travel costs. Note that in-country experts with international expertise often secure similar labor rates as international experts.</p>
<p>Consider approving six-day work weeks for the entire team (as permitted).</p>	<p>Six-day work weeks may allow for a reduction in the number of per diem days paid for non-work days.</p>
<p>Encourage the use of a logistician to expedite scheduling and administrative tasks.</p>	<p>Using a logistician aligns the scheduling and administrative tasks to the level of expertise and salary.</p>
<p>Have USAID evaluation specialists participate as evaluation team members. USAID participation in data collection, analysis and report writing can significantly reduce the costs for the external contractors.</p>	<p>This cost savings is only realized if USAID staff members participate fully in the evaluation. If a staff member only participates in limited data collection, analysis or report writing, costs will not be significantly reduced.</p>
<p>Avoid overestimating the expertise and qualification required to perform the duties associated with conducting the evaluation.</p>	<p>Requirements written into the SOW for personnel will drive the associated labor costs to acquire the expertise. Use local and mid-level evaluators to balance cost with team expertise.</p>
<p>Divide up team to improve efficiency during data collection, ensuring that the minimal number of team members are collecting data in any one site at the same time.</p>	<p>If there is a fair amount of standardization across locations dividing up the team is effective as long as there are qualified sub-team leaders available. If different skill sets are required in each location this may not be feasible.</p>
<p>Consider joint evaluations following Paris Declaration principles. These evaluations may integrate team members from other donors and the host country government and reduce out of pocket costs for data collection.</p>	<p>Joint evaluation may increase the internal costs for coordination and reporting writing that is acceptable to all parties. If outside contractors are the coordinators for joint evaluations rather than USAID, the overall costs for the evaluation may actually increase.</p>
<p>Consider separating out the briefing from the data collection to reduce per diem costs.</p>	<p>It may be less expensive to have external/international teams conduct data collection and then return to their homes for analysis and writing. Analysis takes time and it is not always necessary to pay per diem while the team executes this task.</p>

Including USAID Staff on External Evaluation Teams

Consultants will generally have a lower total cost than a USAID staff member. However, if your design has gaps in time spent or is over a longer period of time including a staff member may be the best option. Regardless of cost, USAID may elect to include a staff member on the team as part of a participatory evaluation for learning purposes. For more about including USAID staff on evaluation teams please see the FAQs relating to the Evaluation Policy and ADS 200 on [ProgramNet](#).

FINAL THOUGHTS

Estimating the cost of an evaluation is a critical aspect of commissioning evaluations. Consider preparing the cost estimate early in the process to build flexibility into evaluation planning. The final evaluation budget, after award, should be flexible enough to accommodate unseen events relating to country-specific, climatic, political, or other factors.

ADDITIONAL LINKS

- [Checklist for Defining Evaluation Questions](#)
- [Evaluation Mechanisms List](#)
- Additional information on [performance](#) and [impact](#) evaluations and the differences between them can be found on [ProgramNet](#) and [Learning Lab](#), including a [Technical Note on Impact Evaluations](#) published by PPL/LER.
- If at any time you need assistance with developing your cost estimate, please visit the Evaluation Page on [ProgramNet](#) for contact information for the evaluation team in PPL/LER.

If you have any comments or suggestions for this Guidance Note, please share them via the [USAID Evaluation Toolkit](#).