USAID
Management Bureau
Office of Acquisition and Assistance
Progress Report

Fiscal Year 2015

USAID
FROM THE AMERICAN PEOPLE

OUR MISSION

We partner to end extreme poverty
and promote resilient, democratic societies
while advancing our security and prosperity.

Message from the Acting Senior Procurement Executive

In 2014, USAID launched its new mission statement: "We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity". The goals of ending extreme poverty and promoting resilient, democratic societies are lofty, but important. Included in the mission statement is how the Agency can, and will achieve these goals – through partnership.

For those in the acquisition and assistance (A&A) world, partnership is a well-known concept. Every day in more than 80 countries around the world, USAID's more than 600 A&A professionals are helping to design, execute, and manage the partnerships that support the Agency in achieving its mission.

Each action completed on a contract, grant, or cooperative agreement takes USAID one step closer to reaching its ambitious mission as an Agency. In FY 2015, there were over 23,000 actions, totaling $16.1 billion in obligations in acquisition and assistance. Every one of these actions represents partnership between USAID and another organization, and all of these actions tells a story, whether it is helping to stop the spread of Ebola, providing support to Syrian refugees, letting girls around the world learn, teaching improved techniques to farmers and providing them with access to markets, or helping children reach their fifth birthday.

This progress report highlights some of the great work done by USAID's A&A staff around the world. While there is still work to be done, USAID is proud of the progress made thus far. With your support, the Agency can continue to improve the way it does business.

Mark Walther
Acting Director
Management Bureau
Office of Acquisition and Assistance

FY 2015 USAID Acquisition and Assistance at a Glance

FY 2015 was one of USAID's biggest years in total funding obligations with $16.1 billion through 23,808 actions.

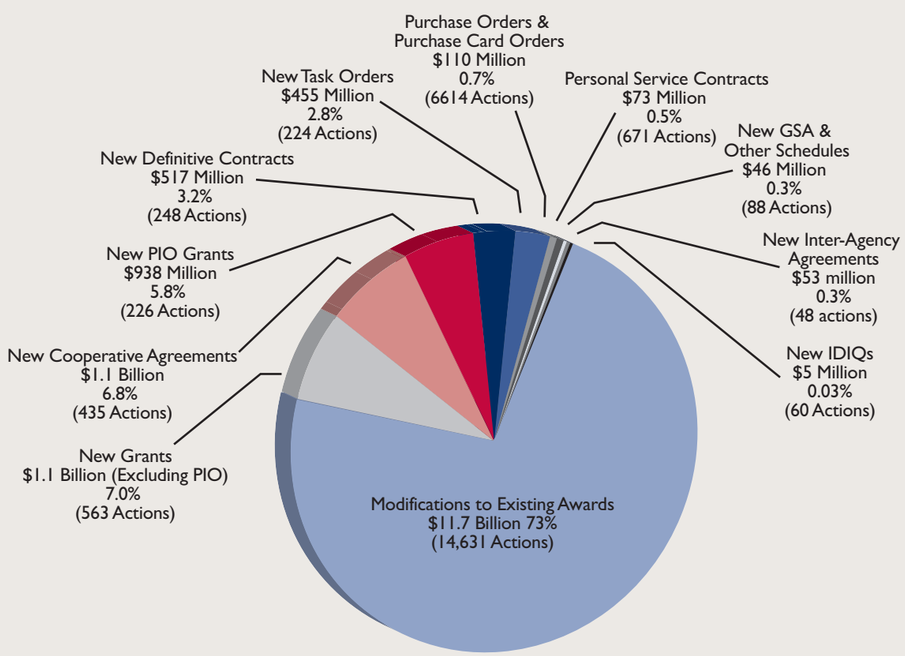
Of the funds obligated, 59 percent took place in Washington and 41 percent in missions. Consistent with previous years, acquisition awards accounted for 30.8 percent or $5 billion of total dollars obligated, and assistance awards accounted for 67.6 percent or $10.9 billion of total dollars obligated.

2015 Fiscal Year Actions and Obligations

	ACQUISITION		ASSISTANCE		INTERAGENCY AGREEMENT		TOTAL # ACTIONS	TOTAL ACTION OBLIGATIONS $BN
	ACTIONS	OBLIGATIONS $BN	ACTIONS	OBLIGATIONS $BN	ACTIONS	OBLIGATIONS $BN		
Washington	6,715	$2.30	2,758	$6.93	197	$0.19	9,670	$9.4
Missions	10,913	$2.65	3,143	$3.95	82	$0.08	14,138	$6.7
TOTAL	17,628	$4.96	5,901	$10.89	279	$0.27	23,808	$16.1

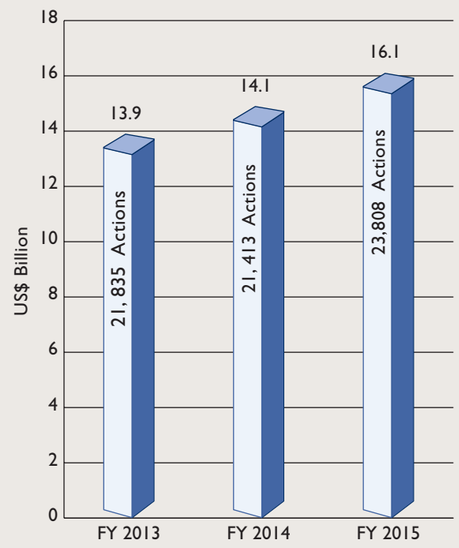
Source: GLAAS as of October 29, 2015.

2015 Fiscal Year End Summary by Mechanism

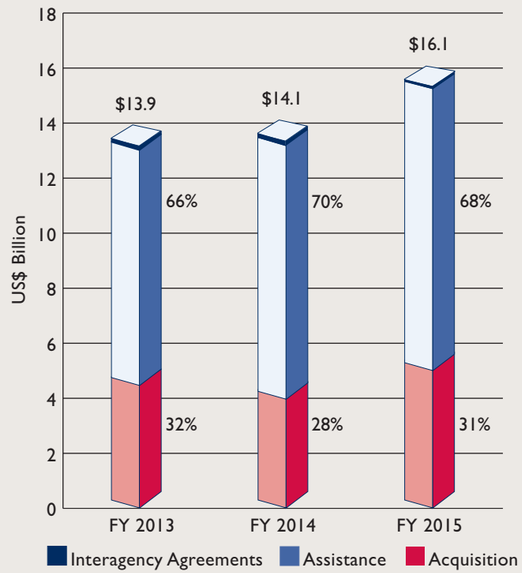


Source: GLAAS

Value of Obligations and Number of Actions Over Time

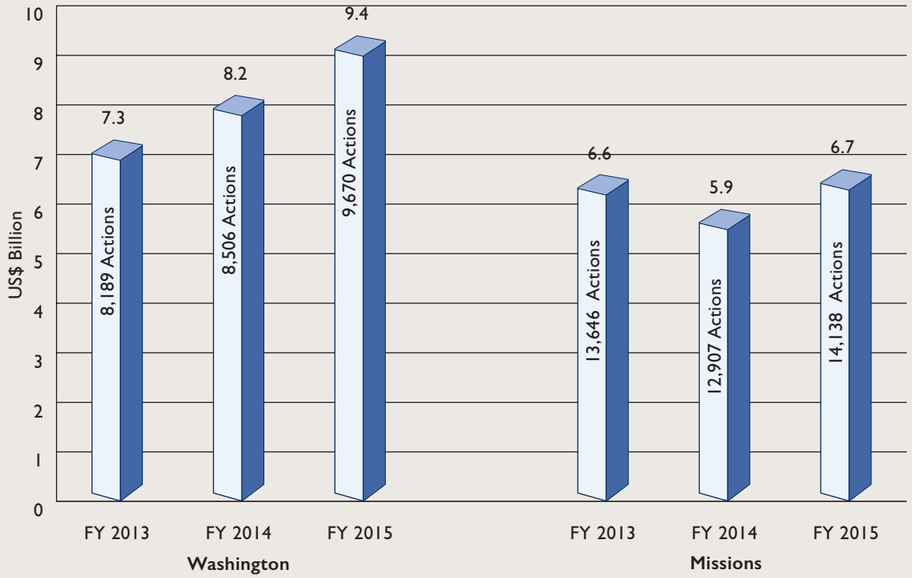


Total Obligations
Acquisition vs. Assistance



The percentage of obligations by acquisition & assistance has remained roughly the same over time, approximately 68% assistance and 30% acquisition.

Value of Obligations and Number of Actions Over Time
Washington vs. Missions



Source: GLAAS

FY 2015 Highlights

PROCUREMENT ACTION LEAD TIME

For several years, the Agency has focused efforts on reducing procurement action lead time (PALT). PALT refers to the amount of time it takes to make an award, from start to finish.

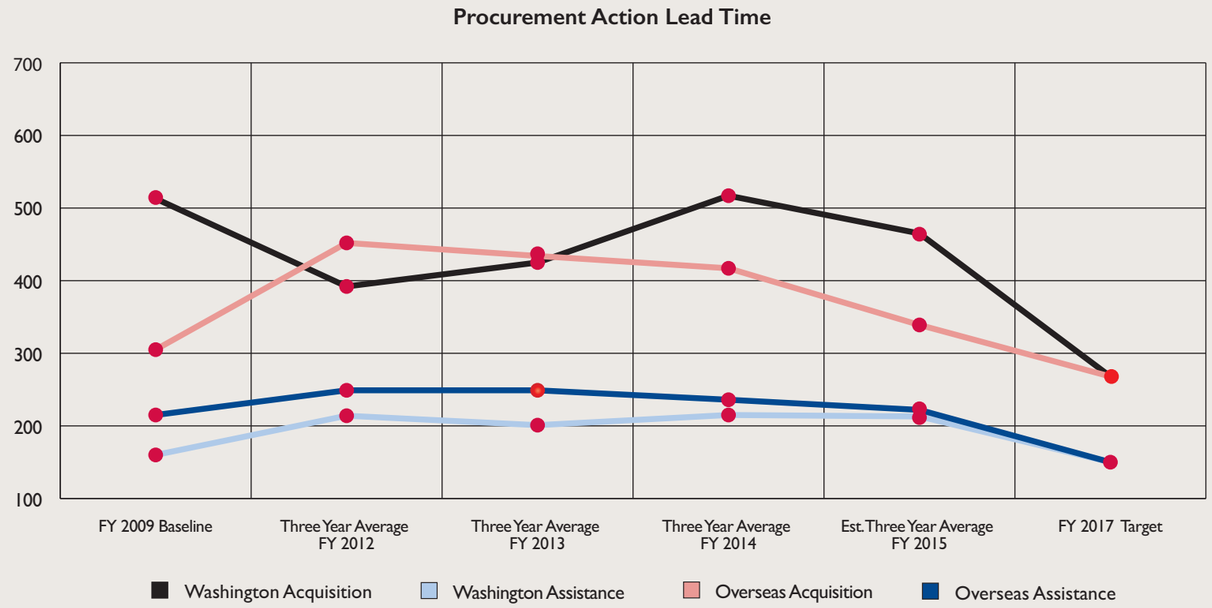
USAID tracks all full and open awards over $25 million to ensure its major actions are completed in a timely and efficient manner.

To help reduce PALT, a series of best practices, based on lessons learned, have been adopted. A few key examples include:

1. Engaging A&A staff early in the planning process – managing pre-PALT;
2. Using templates for key parts of the procurement process such as standardized adjectival ratings and Technical Evaluation Committee (TEC) memo;
3. Sequestering the TEC panel;
4. Using consensus ratings; and
5. Using technology such as the Huddle workspace for collaboration.

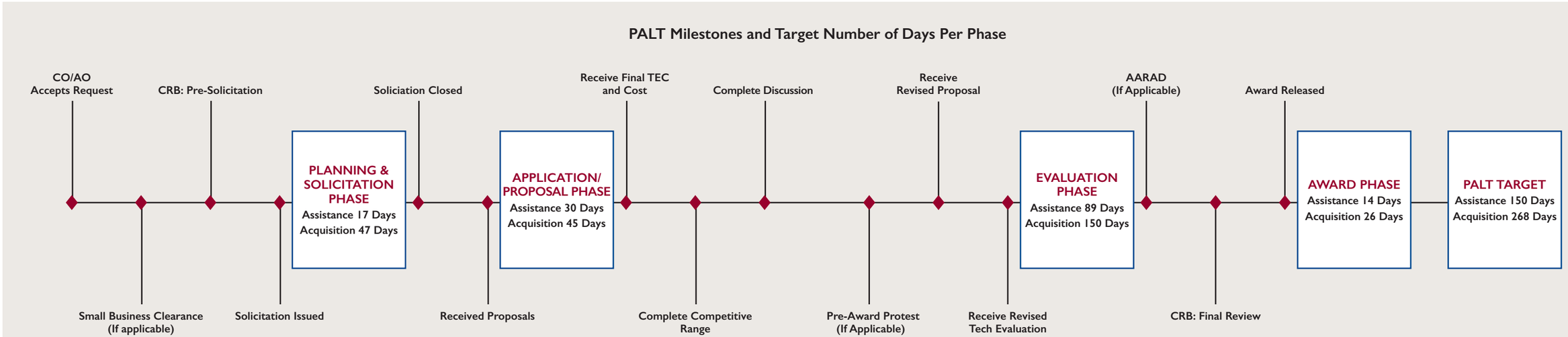
The Agency is aiming to reduce Agency PALT worldwide by 40 percent by 2017.

The numbers represented here demonstrate USAID's progress in reducing PALT since FY 2009.



Contract Review Board (CRB)

The CRB reviews all of the Agency's acquisitions over $25 million, which in FY 2015 was more than 60 contracts. In their review, the CRB analyzes all parts of the solicitation and provides written consolidated comments to the Contracting Officer (CO). The CRB helps to ensure the Agency's solicitations are clear, compliant, and unambiguous. They also help to ensure that Technical Evaluation Committees strenuously support their decisions with ample documentation and by following specific, technical requirements.



SMALL BUSINESS UTILIZATION

Small businesses play a critical role as USAID works to achieve its mission of ending extreme poverty and promoting resilient democratic societies. Last year, USAID issued updated templates for Contracting and Program Officers for Indefinite Delivery, Indefinite Quality (IDIQ) contracts. Within the template, a small business evaluation factor is included to ensure that small businesses are a part of all of USAID's IDIQs.

USAID has a process for reviewing all awards over $75 million. The Office of Small and Disadvantaged Business Utilization (OSDBU) is incorporated in senior level reviews to make sure that small businesses are being appropriately considered and utilized.

The progress USAID has made in this area has been significant. In 2010, the Agency's small business goal was 9.6 percent of acquisition dollars obligated. By 2014, USAID was able to increase the annual goal to 20 percent as a direct result of the steps taken.

Small Business Goals

	Goal	Achieved	SBA Grade
FY 2010	11.00%	9.60%	C
FY 2011	11.00%	13.74%	A
FY 2012	11.00%	11.99%	B
FY 2013	11.00%	15.10%	A
FY 2014	12.35%	20.81%	A+
FY 2015	14.00%	17.89%*	

**Percentage as of 10/4/15 from FPDS-NG*

Financial Statements
Eliminating a Barrier for New Small Businesses

On Sept. 23, 2015, a Procurement Executive Bulletin (PEB-2015-02) was issued to support small businesses by providing alternative financial statement requirements to prime small business offerors. Specifically, when a small business does not have established overhead and other indirect cost rates, the small businesses may submit "reviewed" financial statements in lieu of "audited" financial statements. This helps to reduce the financial burden on small businesses without requiring a costly audit at the proposal stage. Audited financial statements will be required once a small business receives a contract award.

PAST PERFORMANCE REPORTING

In FY 2013, the Office of Management and Budget (OMB) renewed its focus on the collection and use of partner past performance information, as required by the Federal Acquisition Regulation (FAR). As part of reporting requirements, performance evaluations are submitted into the Contractor Performance Assessment Reporting System (CPARS) on an annual basis. Once validated, these evaluations are kept on record in the Past Performance Information Retrieval System (PPIRS). Government officials with access rights to PPIRS can view reports when researching specific organizations as part of their source selection duties.

Performance evaluations are important both for the U.S. Government as well as for partnering organizations. For the U.S. Government, these evaluations serve as a means of identifying high quality contractors prior to making awards and also holding contractors accountable to contract requirements once work has begun. For partners, past performance evaluations serve as an incentive to meet and even exceed expectations as excellent performance usually attracts future business opportunities. Beyond these two primary purposes of past performance evaluations, if both parties take this requirement seriously, it can lead to improved communication and business relations throughout the duration of an award.

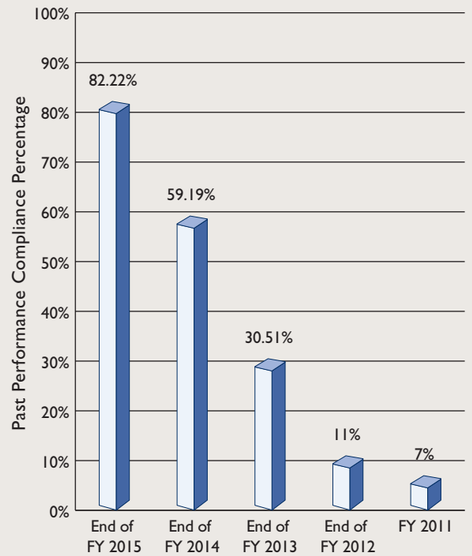
USAID has taken a number of steps to ensure that past performance is being actively reported.

This includes:

- Quarterly messages to Mission Directors and senior leaders in Washington on past performance progress;
- Elevating a contractor's past performance to 20% to 30% for new awards; and
- Publishing new best practices in its policy guidance (ADS 302mbh), which advises the contracting workforce to address past performance reporting in the post award orientation meeting, regularly document contractor performance throughout the evaluation period, and provide contractors with appropriate and timely feedback during a given period of performance.

These efforts have helped USAID dramatically improve its past performance compliance percentage.

Past Performance Progress



Source: PPIRS

POLICY HIGHLIGHTS

Policies, provisions, clauses, and requirements for partners can come from a variety of different sources. This includes statutes from Congress, either from a new law or as part of the Agency's annual appropriation authorization, an executive order issued by the President, or a requirement to implement a policy issued by the OMB.

In FY 2015, a variety of new and updated policies were published by USAID. Highlighted are a few of the policies that impact the partner community.

AIDAR Revisions

On December 16, 2014, the Federal Register published revisions to the AIDAR, USAID's supplement to the Federal Acquisition Regulations (FAR). The purpose of this revision was to maintain consistency with the FAR, conform the regulation to previously implemented policy, remove obsolete material and make clarifications and editorial amendments to better specify the regulation. In addition to the administrative updates, such as title or acronym changes, and removal of outdated and obsolete material, the rule implemented a number of substantive revisions. The Assistant Administrator for Management (AA/M) will perform the functions of the Suspending Official and Debarring Official (SDO) related to procurement and non-procurement debarment and suspension. Several clauses and provisions, previously implemented on an interim basis under Acquisition and Assistance Policy Directives (AAPDs), were also incorporated into the AIDAR, including "Patent Reporting Procedures", "Access to USAID Facilities and USAID's Information Systems" and "Standards for Accessibility for the Disabled in USAID Construction Contracts".

OMB's Uniform Guidance

Effective, December 26, 2014, USAID adopted OMB's rule, the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and published its final rule on September 17, 2015 outlining how USAID was adopting the changes. USAID updated ADS 303: Grants and Cooperative Agreements to Non-Governmental Organizations to be consistent with the new rule.

The new rule streamlines how assistance instruments are administered, provides for consistent treatment of costs, and focuses accountability on improving performance and outcomes rather than compliance. Additionally, the rule changed terminology in an effort to distinguish the difference between contracts, and grants/cooperative agreements.

Changes in Terminology as a result of 2 CFR 700

OLD	NEW
Fixed Obligation Grant (FOG)	Fixed Amount Award (FAA)
Special Award Conditions	Specific Conditions
Non-Governmental Organization	Non-Federal entity
"Competition"	"Eligibility"
Justification for Exception to Competition (JEC)	Justification for Restricting Eligibility (JRE)
Technical Evaluation	Merit Review
Technical Evaluation Committee (TEC)	Selection Committee (SC)
Responsibility Determination	Risk Assessment

Profit Under Assistance Help Document

On July 30, 2015, USAID released a "Profit under USAID Assistance Instruments" help document as a reference to ADS 303. The purpose of the document was to provide Agreement Officers (AO) and Agreement Officer Representatives (AOR) guidance on the rules governing profit under federal assistance. 2 CFR 200, Subpart E, Cost Principles, prohibits profit to recipients and sub-recipients of assistance awards. While profit is not allowed for sub-awards, the prohibition does not apply when a recipient obtains goods and services for the recipient's own use and the award creates a procurement relationship with the contractor.

EXPANDED OUTREACH AND COMMUNICATIONS

Over the last year, the Agency A&A staff has significantly expanded its communications and outreach efforts around acquisition and assistance to increase transparency and provide better and more useful information to the partner community.

Improving the Business Forecast

The Business Forecast is one of the Agency's most important outreach tools. The Forecast resource is downloaded more than 35,000 times each quarter. By utilizing feedback from the partner community, the Agency has worked to improve the accuracy and reliability of the Forecast, as well as make a number of changes to improve the usefulness of the Forecast.

Additionally, USAID has created several ways for partners to ask questions and obtain answers related to the Forecast. The Agency has begun hosting quarterly Business Forecast review calls. More than 400 partners have participated in each quarterly review call, and more than 250 questions have been answered to date. A Frequently Asked Questions page has also been added to USAID.gov for the Forecast and archives are now available online.

Creating New Channels for Communication

In response to the partner community's requests for more systematic and timely updates, the Agency created an Acquisition and Assistance email listserv for partners to receive alerts on events, opportunities, and updates related to contracts, grants, and cooperative agreements with USAID. To date, more than 2,300 organizations and individuals have signed up for the list.

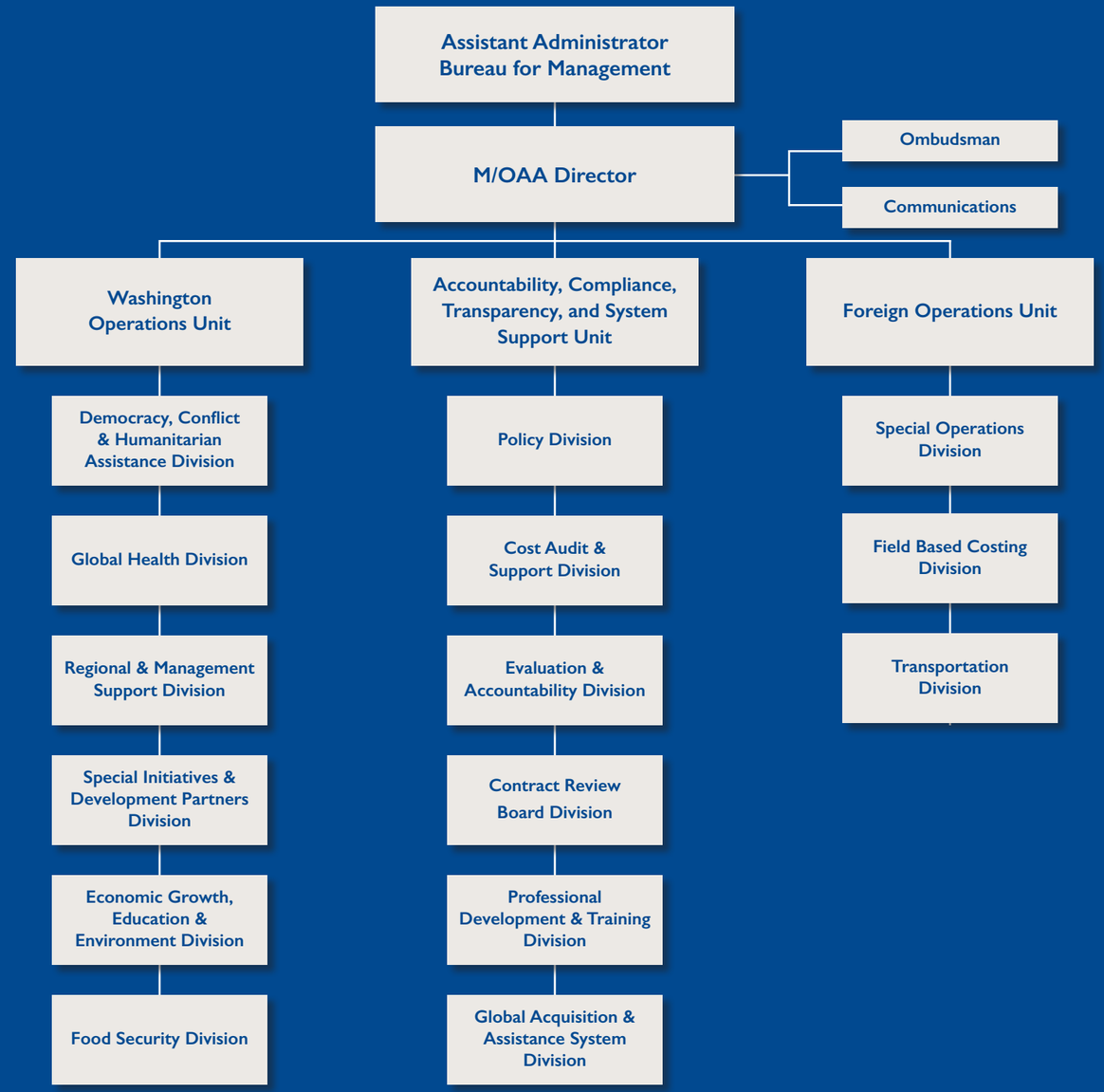
An additional development in FY 2015 is the quarterly "Ask the Procurement Executive" conference call. The purpose of these calls is to answer any questions the partner community has beyond the Business Forecast. In the first call, nearly 400 partners listened in as M/OAA answered 16 questions about the Agency's procurement process.

The Agency launched a new Twitter handle @USAIDBizOpps in FY 2015. The handle is used to answer questions, share new funding opportunities, resources for partners, best practices for working with USAID, and information about upcoming events.

Improving USAID.gov

The Agency is in the process of reorganizing and re-writing the "Work with USAID" section of USAID.gov to make information more easily accessible and understandable for all of USAID's existing and potential partners. Information is divided into three main sections: How to Work with USAID, Partnership Opportunities, and Resources for Partners.

Management Bureau, Office of Acquisition and Assistance Organizational Structure



Acquisition and Assistance Workforce

At USAID, we have more than 650 Contracting and Agreement Officers (COs/AOs) worldwide. In addition, there are more than 3,500 Contracting and Agreement Officer Representatives (CORs/AORs).

Since 2011, M/OAA has offered more than 120 training classes to the A&A workforce, in which more than 2,200 people have participated. The Agency requires that all COs and AOs receive 80 hours of continual learning every two years. CORs and AORs are required to receive 40 hours of continual learning every two years.

USAID
FROM THE AMERICAN PEOPLE