

**Fiscal Year 2020-Quarter I
Business Forecast Review Conference Call
December 5, 2019
8:30-9:00 AM ET**

Background

The U.S. Agency for International Development (USAID) Business Forecast is an informational resource on potential funding and partnership opportunities at USAID. It is an advanced look at grants, contracts, and cooperative agreements that USAID is in the process of developing and plans to issue in the coming year.

USAID Participants

- Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
- Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance
- Randy Tift, Senior Advisor, Bureau for Management, Office of Acquisition and Assistance
- Marisa Paul, Senior Advisor, Bureau for Management, Office of Acquisition and Assistance
- Mauricio Vera, Director of USAID's Office of Small and Disadvantaged Business Utilization
- Matt Johnson, Bureau for Management, Office of Acquisition and Assistance
Communications Director and Industry Liaison

Agenda

- Welcome and introductions.
- Question and Answer session moderated by Mr. Johnson.
- Conclusion of the call.

Conference Call Transcript

Mr. Johnson Welcome

Good morning everyone, thank you for joining us today. My name is Matt Johnson. I am the communications director for the Bureau for Management, Office of Acquisition and Assistance (M/OAA) at USAID. Just want to let you know that we will be recording the call today and posting it on our Business Forecast website by the end of today, as well as a transcript of this call, and a list of all of the questions we've received as part of our quarterly Business Forecast outreach. You'll hear from a number of folks on the call today, they are:

- Mark Walther, Director, M/OAA
- Deb Broderick, Deputy Director, M/OAA
- Randy Tift, Senior Advisor, M/OAA
- Marisa Paul, Senior Advisor, M/OAA
- Mauricio Vera, Director of USAID's Office of Small and Disadvantaged Business Utilization

If you're new to joining us for a Business Forecast call, rather than going through all the individual activities and questions that we've received, we like to just provide some general updates on what's happening at USAID. We will be answering some of the general questions we received, then highlight some of the major topics at USAID in the small business, contracts and grants world. This year we received more questions than I ever recall. We received well over 450 questions, the most to date. We appreciate everyone's continued interest in our Business Forecast. We are tracking a few questions that remain unanswered. Our contracting officials stationed around the world are responding to a few remaining questions. Our plan is to post all the answers later today. We'll be sending out an email through our email distribution list and we will be notifying folks through Twitter at our Twitter handle, which is @USAIDBizOpps.

I would like to turn the call over to Mark Walther. Many of you probably know Mark, as he has been a staple at USAID in the Office of Acquisition and Assistance. As you are likely aware, Mark was recently named the Director of the Office of Acquisition and Assistance by the Administrator. We are very excited to have Mark formally move into this role and are thankful for his leadership.

Mr. Walther Remarks

Thank you, Matt, very much appreciated. I want to start off by thanking all of you on the call for your continued support and interest in USAID. We are appreciative of the collaborative

relationship we have with our partners and our ability to meaningfully engage with one another on a continued basis.

I would like to note and thank the Professional Services Council for highlighting USAID's Business Forecast in their recent scorecard of all federal agencies as one of the best in the government. We take great pride in our Forecast and our continued efforts to improve it. We're doing our utmost to make it reliable and up to date. As all of you know it has been a very challenging year end, and we welcome this first engagement of the first quarter of fiscal year (FY) 2020.

I also want to thank all of you and my colleagues around the world for all the support, inspiration and contributions you have shared with me over my many years here. I am thankful to the Administrator and Agency senior leadership for their support and faith in me to lead our Office in the years ahead. I commit to you that I will serve you and the Agency with my utmost abilities as I have throughout my career. I very much look forward to our continued journey together as we all seek to advance our Agency initiatives and impactful development goals across the world. I truly appreciate the incredible leadership and professionalism that each of you demonstrate every day, both here within the Agency and within our partner community.

Fiscal Year 2019 was another record breaking year for acquisition and assistance (A&A) obligations here at USAID, we totaled about \$17.314 billion this year. We've been at \$17 billion for the last three years. This exceeds obligations that have gone through A&A mechanisms in recent history. Included in the record breaking year was the total amount of dollars that went to U.S. small businesses which Mauricio will highlight further during our call.

Beyond just the amount of obligations, it has been an unprecedented year for A&A at USAID. Wide ranging initiatives under Effective Partnering and Procurement Reform (EPPR) which Randy (Tift) and Marisa (Paul) have been significantly contributing to and leading with a number of others. The launch of the Agency's first-ever A&A Strategy, Category Management goal that Deb Broderick leads on a regular basis. The launch of the New Partnerships Initiative (NPI), the worldwide EPPR Summit and Workshop that took place last May. We could've done it without the leadership of Matt (Johnson) and the communications team, as well as the leadership of our office. The Award Management Audit that many of you are aware that was conducted by our (USAID) Office of the Inspector General that highlighted a variety of different challenges across all areas of performance management, including pre-award, award administration, relationships between contracting officers and contracting officer representatives, and across the board on processes and operations.

Looking ahead to FY 2020, I'm excited by the opportunities we see in the acquisition and assistance world. While I know that there will be challenges as we continue to reform how we

do business, I'm confident in our abilities to continue to work together to find meaningful solutions.

Finally, while we are announcing new positions, I am pleased to share that Matt Johnson has been named as USAID's Industry Liaison. The role of the Industry Liaison is to serve as an entry point to USAID's stakeholders and contractors -- helping to connect, engage, and equip organizations that want to work with the Agency. This is a federal-wide initiative to support the goals of the Industry Liaison, USAID has created a new Communications and Engagement Strategy that outlines the activities that Industry Liaison will implement in the next year, and areas the Agency will streamline its communications to various external stakeholders and partners. You can find information on the Industry Liaison and the new communications strategy under the "How to Work with USAID" section of [USAID.gov](https://www.usaid.gov).

Please note that our office (M/OAA) is ultimately be responsible for the implementation of this communications strategy. However, M/OAA will partner with the Office of Small and Disadvantaged Business Utilization (OSDBU), the Global Development Lab, the Center for Faith and Opportunity Initiatives (CFOI), the Bureau for Legislative and Public Affairs (LPA), and others to execute the activities outlined in the strategy. In addition to these other internal stakeholders, the strategy will be enhanced by our ongoing efforts within our office such as the Agency's A&A Ombudsman, the Acquisition Innovation Advocate, Acquisition and Assistance Labs around the world, and Professional Development and Training and Policy Divisions.

So again, with my sincere thanks and appreciation. Now, we'll turn it over to Marisa for our EPPR update.

Ms. Paul

In June, following the Effective Procurement & Partnering Reform (EPPR) Summit, the Administrator approved 120+ recommendations designed to strengthen award management forward to implementation under the guidance of the Management Operations Council. With the Administrator's support a cross-bureau team is actively assembling a core group charged with coordinating reform and streamlining efforts across the Agency and to act as a secretariat to the MOC subcommittee on EPPR implementation.

EPPR initially proposed 170 recommendations, some of which have been consolidated but many of which have already moved forward. These include:

- New Partnerships Initiative that advances the Administrator's vision for the Journey to Self Reliance
- Significant changes to ADS (USAID's Automated Directive Systems) 302 and 303 that enable adaptive management
- Streamlining efforts like removing JRE (Justification to Restrict Eligibility) to enable freer

- engagement with new and underutilized partners
- Revision of the biodata form to provide greater income equality

Still other recommendations have been merged into thematic efforts like accelerating deployment to Missions of pre-award survey support and changing our Acquisition & Assistance service delivery models to support the field.

All these reforms are aimed at strengthening our collective ability to manage awards more effectively. In this, USAID has found an important partner in the Office of the Inspector General (OIG). On September 30, 2019, the OIG released the report *USAID's Award Oversight is Insufficient to Hold Implementers Accountable for Achieving Results*. Upon issuance, as a result of two years of thoughtful reform, 6 of 10 of the IG's recommendations were closed and four were resolved and pending action before close-out. Many of the OIG's observations echoed the concerns that EPPR set out to address after careful validation through a lengthy discovery process that included cross-Agency working groups, field surveys, and external listening groups.

Among the reforms EPPR and the OIG brought forward are:

- The enhanced coordination role PPL (the Bureau for Policy, Planning and Learning) is undertaking with M/OAA's support for the COR/AOR (contracting officer representative/assistance officer representative) function
- The more focused connectivity between design and procurement as reflected in ASIST (Agency Secure Image and Storage Tracking), GLAAS (Global Acquisition and Assistance System), and the development of MEL (Monitoring, Evaluation and Learning) plans
- The better articulation of the role of M/OAA as a backstop champion and as an internal control for the function within the community of stakeholders
- And, as the Administrator announced at the EPPR Summit in May, the exemption of the CO/AO function as a Mission Critical Occupation.
 - In tangible terms, the Agency can now hire BS-93s and I 102s (contracting officials) to attrition at a ceiling 30% higher than it has been in recent years. HCTM (Human Capital and Talent Management) and M/OAA, with significant support and input from the Agency's senior leadership, are currently building a strategy to recruit, train, mentor, and develop for the future acquisition & assistance force the missions need in the face of increased demand for development assistance.
 - M/OAA Washington is currently working to hire to a headcount of 170 and M/OAA Foreign Operations seeks to recruit approximately 40 foreign service contracting officers over the next 14 months.
 - This increased workforce will provide the Agency an opportunity to better address workload management and to invest in our talented contracting and assistance officers for long and meaningful careers.

During fiscal year 2020, working across the Agency, we will be focused on implementing the remaining EPPR recommendations.

Mr. Tift

One of the first major deliverables of the A&A Strategy, was the New Partnerships Initiative, which was announced on May 1, 2019. The goal of the NPI (New Partnerships Initiative) is to increase USAID's development impact by elevating local leadership, fostering creativity and innovation, including the use of co-creation, and mobilizing resources across the Agency's programs.

Within NPI, we are prioritizing three partnering approaches:

1. Direct awards to new and underutilized organizations that enable local engagement such as local entities, locally established partners, as well as new U.S. and locally-based small businesses.
2. Sub-awards to new and underutilized local organizations designed to support more facilitative partnerships for effective local engagement. This is where we rely greatly on our experienced traditional partners in managing sub awards strategically to empower those country-level partners to lead in their own development, and to lead in implementation which support the technical oversight, compliance and capacity strengthening.
3. Direct awards to partners to leverage significant private or non-U.S. government funding to promote effective local engagement.

To date, the Agency has made 13 awards under NPI and we are already seeing it's promising model of engaging with a diverse range of partners.

To support NPI, we are in the process of standing up what we are calling the NPI Incubator. The goal of the incubator is to accelerate the momentum of the initiative, expanding USAID's capacity for partnerships and helping partner organizations work with USAID. The Incubator will assist USAID bureaus and missions to identify and engage new and local partners, provide training and capacity-building assistance, and develop tools, resources, and models to support the Agency's partnership goals. In addition, the Incubator will help develop the capacity of target partners to compete for and manage USAID awards, identify their own capacity to compete for USAID awards, improve USAID tools and resources for target partners, and deliver training to enhance partners' relationship with USAID.

We are continuing to build out the NPI. In the coming months, we will begin working with each Mission to develop two-year plans for engaging new partners and applying the A&A Strategy to partnership approaches. We are also working on building an internal team to support NPI full time.

In addition, I'm pleased to share that there are three new opportunities for NPI, within our E3 Bureau (Bureau for Economic Growth, Education and Environment), are posted on the Business Forecast.

1. Advancing the Evidence Base and Community Building an Education Activity
2. YouthPower 2: Learning through Action
3. Women's Global Development and Prosperity Initiative

We expect new funding opportunities to be coming out of NPI in the near future, so please stay tuned to the Business Forecast and our NPI website.

If you are interested in learning more about NPI, I encourage you to visit our NPI website -- [USAID.gov/NPI](https://www.usaid.gov/NPI). Included on the page is all of the latest information on NPI, including a link to the NPI webinar that we held last week.

Ms. Broderick

USAID has had great success as it engaged and trained its staff during FY 2019 on the benefits and proper application of Category Management. Throughout FY2019, USAID has worked to attain its Category Management goals through a multi-phased process that focuses systematically to address the key attributes, this has included steps to: increase awareness; provide education and training; manage advocacy; stakeholder-engagement; application and further development of spend under management principles; measure and track results; and evaluate and adapt to improve spend under management.

At the end of Fiscal Year 2019, our Best-in-Class (BIC) spend was at \$147.8 million, which represents 38.1 percent of our addressable spend and our total spend under management was \$4.35 billion, which represents 82.2 percent of our spend. While we surpassed the SUM (spend under management) target, our target was 75 percent and we achieved 82 percent, we fell short of the BIC target, our target was 40 percent and we achieved 38 percent. In Fiscal Year 2018, USAID met both targets. So this tells me that it is getting harder for the Agency to meet the Best In Class goal.

Compounding this problem is that the Best In Class goal is increasing by 10 percent in Fiscal Year 2020.

So you may be wondering how USAID will bridge the gap. In October 2019, USAID submitted a Category Management Plan to OMB (Office of Management and Budget). The Plan includes implementing policy changes and conducting more training for program and OAA staff, engaging customers and implementing partners, and projecting Category Management opportunities on the Business Forecast. In October, We also detailed a contracting officer to spearhead our Category Management efforts. Currently, we are working with Bureaus, Missions and

Independent Offices to review their portfolios and identify Category Management opportunities. What you should see on the Business Forecast is an indicator that the opportunity is targeting a Category Management solution such as OASIS or OASIS Small Business, Alliant, HCaTS, etc (U.S. General Services Administrative, Governmentwide Acquisition Contracts). As we are just getting started, you may not see many of these yet but you should see these in the not too distant future. You will also see RFIs (Requests For Information) sent directly to Category Management vehicle holders. As you know, Category Management vehicle options are selected based on NAICS codes (North American Industry Classification System Codes) and the vehicle most common to USAID is OASIS (restricted and unrestricted), however, we are also contemplating awards under HCaTS, ALLIANT and others. These contracts are typically for support, training, IT (information technology), professional services, engineering services, etc. While we are aggressively seeking to meet our Category Management goals, we are equally concerned with meeting our small business goals as well. Our COs routinely consider both small business and Category Management opportunities with the objective of meeting both requirements. Obviously there is a message here, if you are seeking a contract in these areas please consider on-boarding to one of these Category Management vehicles or partnering with a company that is already on the vehicle. We appreciate all of your efforts to work with us towards achieving these goals we will make every effort to forecast our intentions so that you have the best information available.

Mr. Vera

I am pleased to announce that Fiscal Year 2019 was another exceptional year for USAID in partnering with U.S.-based small businesses. The acquisition data indicates USAID awarded approximately \$784 million to small businesses out of a total portfolio of \$5.4 billion in prime contracts. This translates to approximately 14.6 percent of prime awards, which exceeds USAID's FY 2019 Small Business Goal of 12.5 percent. Dollars to small businesses increased by more than \$100 million from FY 2018 which represents a trend for the past ten years.

In addition, we exceeded our Small Disadvantaged Business (SDB) goal for the tenth consecutive fiscal year. The Agency awarded \$387.6 million, or 7.17 percent to SDBs. For the first time since FY 2014, we exceeded our Women-Owned Small Business goal of 5 percent by awarding approximately \$297.7 million, or 5.50 percent to women owned small businesses. There were notable increases in the remaining socio-economic program areas. The Agency increased awards and obligations to small businesses located in Historically Underutilized Business Zones, and to Service-Disabled Veteran Owned small businesses.

Maintaining our level of excellence in partnering with U.S. small businesses is an ongoing commitment both in Washington and in the field. Marisa Paul provided an update about the Agency's EPPR progress, and Randy Tift discussed the New Partnership Initiatives' three

primary approaches to partnering. My team and I also continue to incorporate aspects of procurement reform into how we engage the small business community and we work collaboratively with our OAA colleagues on a daily basis. We are very appreciative of that relationship.

Lastly, we're very excited to announce that our office is working with colleagues in our Middle East Regional Platform in Frankfurt, Germany, our Mission in Ukraine, and of course the Office of Acquisition and Assistance in Washington to plan and host the Agency's second overseas small business conference. The event will be held on March 3-4, 2020 in Frankfurt, Germany. So, we're very excited about that. Some who may have attended the South Africa conference a few years ago know how important those events are, and we're hopeful you can join us.

The event represents another internal collaborative effort to focus on the programming priorities and procurement needs for the Missions of Europe and Eurasia, the Middle East and Africa. We hope to have significant representation from those Missions at the event. Most importantly, we plan to open registration early next week on beta.sam.gov so please be on the lookout.

Questions and Responses Segment

The following segment is facilitated by Matt Johnson. He asks seven general questions presented by stakeholders, and USAID leadership provide their response. The remaining questions and responses will be included in the final transcript posted on USAID's website

1. **Accuracy of the Forecast:** What is USAID doing to ensure that the Forecast remains a reliable tool for partners?

USAID Response: USAID is always striving to ensure that our Forecast is an accurate reflection of our planned activities and that we are providing information to partners in a timely manner. While the Forecast is live, 24-7, we value these quarterly calls and outreach because your inquiries are critical to us to maintain accuracy of the Forecast. We are continually communicating with Senior Leaders, technical staff, and our acquisition and assistance workforce the need for ensuring that the Forecast is up to date and accurate. However, it is important to remember that this is a planning tool. As potential activities move through the planning process, USAID is continually assessing our needs and the best way to achieve our development objectives.

With this being the case, we often are needing to shift directions of some of our activities, for which we try to communicate through the Forecast. We will continue to focus on the reliability of the Forecast, as well as ways to enhance it.

2. **Last Updated Date:** We have noticed in several updates to the forecast, where the "Last Modified Date" is updated, but often there are no changes to an opportunity that

can be seen. In addition, on October 11th several opportunities disappeared from the Business Forecast and all remaining opportunities appeared with a “last updated” date of 10/11/19. Can USAID please advise how partners should interpret this information? For example, if they see a “Last Update Date” as of yesterday, but they do not see any changes in the information.

USAID Response: The Business Forecast information is “pulled” from our larger Acquisition and Assistance (A&A) Plan. At the end of each fiscal year we try to carryover and update the Business Forecast and the A&A Plan. On October 11th, USAID created its FY 2020 A&A Plan in our internal Acquisition and Assistance Planning Tool. When creating doing so, we moved data from our FY 2019 plan to a new FY 2020 plan. The A&A Planning tool is used to generate the Forecast. This is why you saw some activities drop off and others updated with a date of October 11th.

The A&A Planning tool includes significantly more information than what is included on the Business Forecast as it is used by all Missions and Operating units to manage awards in a broader perspective. When you see an updated “Last Updated Date” in the Forecast, but do not see a change in the Forecast information, this means that a field in the A&A Plan, not included in the Forecast, has been updated.

3. **Forecast and Solicitation Dates:** Would USAID please consider taking the November and December holidays into account in the timing of release and due dates of solicitations? As of a recent forecast search, 45 opportunities are forecast to be released between the dates of November 25, 2019 and January 5, 2020. During these dates, critical design work will fall in the November and December holidays. This is particularly problematic in December when, in most countries, key local stakeholders and host country government offices are closed for a minimum of two weeks.

USAID Response: To the best of our ability, we will try to accommodate the holiday season with our procurements. Obviously, understanding the challenges during this period. The M/OAA Director is sending a note to all acquisition and assistance staff around the world noting the need for flexibility during the holiday season. Please be mindful that it is also challenging for us, as well as challenging for the partners in this respect. At the end of Fiscal Year 2019 the Agency had a large unobligated balance of funds pending at the end of the fourth quarter last year. We’re trying to more effectively to get appropriations, allocations and budget resources approved rapidly.

4. **Countries with Small Business Targets:** USAID please provide an update on which countries have small business targets and what those targets are?

USAID Response: We are currently engaged in discussions to finalize Fiscal Year 2020 internal small business goals for USAID’s Bureaus, Independent Offices and Missions. We assign internal small business goals to Bureaus and Independent Offices in Washington and Missions that have an average acquisition budget of \$5 million averaged over three consecutive fiscal years. Just a bit of historical context, small business goaling program has been successfully implemented in Washington for a number of years. We launched our Mission Small Business Goaling Program two years ago in Fiscal

Year 2018 with a pilot program with 16 Missions, increased to 29 last fiscal year, and now for FY 2020, the program will be fully implemented to the approximately 62 Missions with acquisition obligations greater than \$5 million. We are in the process of updating our website to report the goals and accomplishments for the 29 Missions that participated in the program last fiscal year. We're in the process of negotiating for this new fiscal year. As soon as those goals are set we will also post those on the Office of Small and Disadvantaged Business Utilization website ([Agency's FY 2019 Mission Small Business Goals and Accomplishments](#)).

5. **BioData Form:** Will USAID/Washington mandate the new biodata form across all new solicitations?

USAID Response: Yes, offerors who respond to new solicitations that require submission of the USAID Form 1420-17 must use the form that became effective October 9, 2019. Additionally, all requests for salary/rate approval under existing awards that are submitted after October 9, 2019 must be submitted on the new form that became effective October 9, 2019.

6. **Historically Underutilized Business Zone (HUBZone) Companies:** Why are there not specific opportunities for these companies to work with USAID listed on the Business Forecast?

USAID Response: We recognize that our agency has been challenged in meeting our HUBZone goal over the past several years. We are not unique, as many Federal departments and agencies struggle to meet the government-wide goal of three percent for HUBZones. We have made a concerted effort to identify qualified HUBZone firms that can support our requirements and have had some successes but this remains a work in progress. USAID has increased its dollar obligations to HUBZones for the past three consecutive fiscal years. In FY 2017, we obligated \$8.9 million to HUBZones and more than doubled the amount to \$21 million in FY 2018. This trend continued in Fiscal Year 2019 as we awarded \$31.5 million to HUBZones, the largest dollar obligation to date.

7. **Phased Competition in Forecast and Eligibility Criteria:** Would USAID consider adding information to the forecast that indicates when a multiple-phase process or when restricted eligibility is anticipated for an opportunity?

USAID Response: Presently, this information can be shared in the description. I will be sending a note to all acquisition and assistance staff and will encourage them to include this information in the award description when updating the Business Forecast. In addition, on the technical side we will look into adding another column for this information for future iterations of the Forecast.

Mr. Walther:

There are a number of activities that we continue to work on, other ongoing efforts that we are monitoring, and hope to have further information to share with partners during the months ahead. Some of these include:

- We're in the final stages of completing the revisions to ADS 303 related to areas such as renewal grants and substantial involvement associated with enhanced collaboration when needed programmatically;
- Guidance and techniques on phased procurements;
- Further guidance on Broad Agency Announcements (BAAs) developed as a result of the information that was obtained during the Agency's listening tours;
- Exploring how we can more effectively track subcontracts and subawards especially to local organizations within existing federal reporting. Prime partners are reminded that we rely on them to report sub-awards into the corresponding databases;
- Looking at effective ways to adapt new FAR (Federal Acquisition Regulations) line item requirements under acquisition awards;
- Assessing comments on IT clauses, and working on definitions and applicability especially related to incidental IT, reporting, and costs; and
- We continue to monitor both the FAR (Federal Acquisition Regulations) rule and further U.S. Small Business Administration proposed rule related to US small businesses and subcontracting.

Finally, I want to collectively note that we welcome your participation or inquiries, whether they are individually, as partners, or through the number of associations we work with. Activities are conducted continuously. Earlier this week myself and other USAID colleagues participated in the Professional Services Council annual conference to hear from the contracting community and other speakers. We also met with partners engaged in assistance, to address concerns surrounding the use of Letter of Credit and related challenges.

We really appreciate the questions. It's a heavy left for us, but we understand how much you value the information. Look forward to our continued efforts together.