

FY2019 Business Forecast Quarter 2 Review Conference Call
Thursday, March 21, 2019
8:30-9:00 AM EST

Background

USAID's 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

1. Mark Walther, Acting Director of USAID's Office of Acquisition and Assistance
2. Randy Tift, Senior Advisor in USAID's Office of Acquisition and Assistance and Senior Leader Champion for Effective Partnering and Procurement Reform
3. Deb Broderick, Deputy Director of M/OAA
4. Harry Parker, Senior Procurement Specialist Small and Disadvantaged Business Utilization
5. Jeff Concors, M/OAA Communications Specialist

Agenda

- Welcome and introductions.
- Mr. Walther introduces the A&A Strategy.
- Mr. Tift provides update explanation of the A&A Strategy.
- Ms. Broderick provides update on category management Agency Priority Goal
- Mr. Parker provides update on small business goals and objectives
- Question and Answer session moderated by Mr. Concors.
- Conclusion of the call.

Conference Call Transcript

Mr. Concors Welcome

Good morning from drizzly Washington, D.C. My name is Jeff Concors, I'm a communications specialist with the Office of Acquisitions and Assistance here at USAID. Thank you for joining us for the Fiscal 2019 2nd quarter Business Forecast Call.

We received more than 300 questions ahead of the call today and we will be posting the answers on the business forecast website at usaid.gov/business-forecast. Don't forget that you search for potential USAID solicitations on the Business Forecast site and follow us on Twitter at @USAIDBizOpps as well for information on doing business with USAID.

As we start the call today I should remind you that we highlighting just a few of the questions that were submitted and we will be hearing from several leaders within M/OAA who will be providing brief updates on various procurement topics. More than 600 people have registered for the call today, so your phones will be muted for the duration of the call and we will be posting a recording and transcript afterward.

On today's we have:

- Mark Walther, Acting Director of USAID's Office of Acquisition and Assistance
- Senior Advisor Randy Tift, who is Senior Leader Champion for Effective Partnering and Procurement Reform
- Deb Broderick, Deputy Director of M/OAA
- Harry Parker, Senior Procurement Specialist in the Office of Small and Disadvantaged Business Utilization

And with those introductions, I'd like to turn it over to Mark.

Mr. Walther's Remarks

Thanks Jeff, and thanks everyone for joining us this morning. We really appreciate the opportunity to engage with our implementing partners in this way and talk just a little bit about different aspects of the procurement process at USAID and some of the relevant transformations that we are undertaking here at the Agency. As some of you know, one of the major milestones in the transformation is the new Acquisition and Assistance Strategy. The A&A Strategy was released at the end of last year, and it will clearly have a great influence on how USAID does business moving forward. As I think you're likely aware as well it was developed around the external and internal listening tours last year, as well as Agency priorities. To tell you a little more about the strategy and the updates in that regard, I'm going to turn it over to Randy. And as many of you know, he's the Senior Champion Leader on Effective Partnering and Procurement Reform, and appreciate the updates on the A&A Strategy and the implementation.

Mr. Tift's Remarks

Thank you Mark.

Welcome everybody and if you have not had a chance to read our new A&A Strategy, I encourage you to take a look at it. You can find it on our website under "How to Work with USAID." It was announced by the Administrator in early December and a couple of times since.

The new A&A Strategy outlines five guiding principles of partnering at USAID. These guiding principles were developed through our engagements with Agency staff as well as you, our partner community.

The first principle is the need for USAID to diversify its partner base. Since 2011, we've seen an annual decrease in new partners working with the Agency. And over the last two fiscal years, just 25 partners receive more than 60 percent of the Agency's funding. So we want to diversify who we partner with. Our strategy talks about engaging with new and underutilized partners -- such as community and faith-based organizations, small businesses, local and locally established partners, universities, and others. To support our efforts to bring in more new partners, the Agency will be launching a New Partnerships Initiative in the coming weeks. And a note on the first iteration led by the DCHA (Democracy Conflict and Humanitarian Affairs) Bureau is already posted on the Business Forecast.

The second principle looks at How We Partner. The Agency has a variety of approaches to partnering, but we use a few of them. We want to diversify our partnering approaches, using more types of solicitation approaches and awards, and to shift from merely transactional relationships to achieving a real shared sense of success and accountability. Included in this principle is the Agency's goal of increasing its use of collaborative approaches to partnering.

The third principle looks how we can connect our design, procurement, and implementation approaches. We know that it often takes the agency too long to design and make awards. We want to streamline how we work, become less prescriptive and focus on more adaptive approaches to awards and project management.

The fourth principle is what we call Focus on Value. This section of our strategy looks at how we standardize practices, strengthen the role of our Contracting and Agreement Officer Representatives (the COR/AOR role), and elevate the use of Past Performance. We're also looking of course at Category Management that we'll hear more about in a few minutes.

The final principle looks at the Agency's A&A workforce -- enabling and equipping them to more effectively do their jobs. And this is one of the critical areas that we're looking to address in the coming few years.

Supporting our A&A Strategy is a series of recommendations that help us begin to implement our guiding principles. Many of you on this call provided feedback on these recommendations.

We're currently in the process of reviewing your feedback. And from your feedback, as well as Agency feedback, we will be prioritizing these recommendations into an implementation plan in the coming days.

We look forward to continuing to work with you in our efforts to improve how we do business.

And now I'll turn it back over to Mark.

Mr. Walther

Thanks Randy. Really appreciate the update. We really are closely aligned. All the synergies around the Agency in regard to the A&A Strategy and the forthcoming implementation plan. Whether it's the co-creation processes, the use of different collaborative approaches, or expanding the partner base and engaging the public and private sectors. There's a lot of activity that has been going on in these areas and we will continue to expand and build upon them.

There are a couple of other things I want to touch upon before we move on to updates on category management and small business engagement and utilization. As you're most likely aware, there was a lapse in government appropriations, the 35-day shutdown. During that time much of the A&A activities in Washington and the field slowed significantly, except for critical priority-related actions. We realize that there were impacts to our partners. We were especially aware of the institutional support-type contract mechanisms, being the most visible for the offices here in Washington. I'd like to note that we will be reaching out to the contracting community on any suggestions or lessons learned that they had on the partner side in regard to the lapse in appropriation and the shutdown. So stay tuned for that. I'll be sending something out to get any input you'd like to share with us.

Separately, there was also a natural impact on the Business Forecast as a number of actions were stalled or not updated during that period of time. I'd also like to note that the Business Forecast itself has been shifting to a new platform, which is geared to make it easier for our A&A colleagues to update it in the future. Naturally the hope being that the more functionality we can introduce to the Forecast, the more ultimately powerful and useful the tool will be to you as well in our partner community. So please stay tuned for further enhancements on that front.

I also wanted to mention that, with the release of the A&A Strategy and the EPPR recommendations, we will be hosting a worldwide EPPR summit and workshop this May 6-10 here in Washington metropolitan area. Nearly every contracting and agreement officer in the Agency, from both the Missions and Washington, will be gathering for that week. It will be intensive training and hands-on experience around these concepts and reform initiatives. Our Chief Financial Office and overseas Controllers will be joining as well. It will be the first time in five years that we've all come together as a group, so we're very excited about that and look forward to some meaningful and positive learning that will come and that we'll take back into the field and robust implementation throughout the Agency. One of the conference highlights will be a partner engagement session that's geared to happen on the second day of the conference.

We'll be coordinating invitations through the main partner associations, such as PSC/CIDC, InterAction, SID-Washington, Humantum and SBAIC. We look forward to that opportunity and we're very excited that we can have a partner engagement component as well.

As you might imagine, there's a whole suite of topics we're going to be discussing during that week. One will be Category Management that Deb Broderick has been leading through the last year. And as you might recall Category Management is an Agency Priority Goal, as well as the collaborative approaches and practices we take, and the EPPR effort. So I'm going to turn it over to Deb now, and I really appreciate all of her past and continued efforts on this front.

Ms. Broderick's Remarks:

Thanks Mark.

So with regards to Category Management we are tracking our progress towards our spend under management (SUM) and best-in-class (BIC) goals and we are doing well so far in 2019. OASIS (both large and small businesses) is getting a lot of attention because it offers more flexibility, most notably, it streamlines FAR PART 16.5 ordering procedures and permits cost reimbursement contracts. Our staff has found that the GSA staff that is responsible for OASIS is very responsive and helpful in assisting us to use these vehicles. Once again, my recommendation for both large and small implementing partners is to do all you can to join the OASIS IDIQ contracts. It's certainly picking up a lot of momentum across the government and in USAID as well.

Now I'll turn it over to Kimberly Ball, deputy director of the office of small and disadvantaged business utilization for an update. Oh. Sorry. Not Kimberly Ball

Mr. Parker's Remarks

Hi everyone. I'm Harry Parker and I'm representing Kimberly on this call, and representing OSDBU overall. And I offer thanks to Deb, Randy and Mark for their positive inter-departmental collaboration with OSDBU. OSDBU is very excited about the agency's commitment to expanding the partner base. We know that there are a number of U.S. small businesses who support the agency's work and would like greater opportunity to do so. We are also hosting a conference in May. The agency's 12th Annual Small Business Conference will be held on May 14 at the J.W. Marriott in D.C. Please save the date! Registration will open in early April. We believe we have put together a great program for you and it's a great opportunity to engage USAID staff and potential business partners.

Before the 12th ASBC, we have a number of events in the first week of April. On April 2, we are hosting a Vendor Outreach Session focused on EPPR. Thanks again to Randy, Deb and Mark for your support and participation. On April 4 and 5, we are supporting pre-solicitation conferences for the Building Resilient and Inclusive Communities in Conflict (BRICC) and Economic Reform Activity solicitations. Each of these activities is being awarded out of USAID/Jordan. Details about these events have been posted on FBO.

Finally, I'd like to announce USAID's small business goals for FY 2019. The Agency's FY 2019 prime small business goal is 12.5 percent and the subcontracting goal is 15.5 percent. The socio-economic programs' prime and subcontracting goals are: small disadvantaged business, 5 percent; woman-owned, 5 percent; service-disabled-veteran-owned, 3 percent; and Historically Underutilized Business Zone, 3 percent.

We look forward to supporting small business and supporting the Agency overall. Thank you.

Mr. Concors

Thanks Harry. We appreciate that. Thanks for stepping in. Now, with the time we have left, we are going to answer some of the general questions that came in for the Business Forecast.

Business Forecast Q&A

- 1. Business Forecast:** Can USAID discuss what impact, if any, the recent government shutdown may have had or will have on USAID/Washington's and USAID Missions' FY2019 procurement goals and schedule for release of new opportunities?

USAID Response (MARK): Naturally, there is some impact in regard to catching up on timelines and schedules especially trying to prioritize the most immediate needs coming out of the shutdown. There is clearly robust activities going forward since that time, and we expect continual increases to workload and updating opportunities. In addition to prioritizing immediate funding needs and administrative approvals, there has been a good number of upcoming competitive actions moving through the SOAR review process -- that's the internal Agency senior leadership reviews of competitive activities. And that has been peaking over the last several weeks. We definitely have a lot going on and we know that there's a lot more to come throughout the spring and summer.

- 2. Small Business:** Can USAID share the countries that have small business targets for 2019? Could you also share the target percentages?

USAID Response (HARRY): Just a moment ago, I mentioned the overall agency small business and subcontracting goals. In order to reach these goals, OSDBU negotiates with our bureaus, independent offices and missions with obligations in excess of \$5M. With the missions, we took a phased approach starting with 16 mission in FY 2018. We have not finalized the list of additional Missions for the Fiscal Year 2019 phase of the Mission Small Business Goaling program. We were unfortunately slowed down by the lapse in appropriations, as well as by deteriorating security situations in countries we had proposed to participate in the program. I'd like to remind you that there are still regional goals for missions where their specific goal has not yet been finalized. We're hopeful that we'll finalize negotiations soon and we remain confident that we will have all missions that meet the criteria on board by FY 2020. I hope you find this information helpful.

3. **Category Management:** Can USAID clarify its Category Management targets for 2019? And can USAID share any intended use of OASIS this year, particularly as OASIS Pool 1 Small Business is currently held up in protest?

USAID Response (DEB): Our category management targets include increasing Best-in-Class (BIC) spend to 40 percent of addressable spend, or \$84.7 million. So that's just addressable spend. So in other words, addressable is everything that match NAICS or PSC code. So that's different than our total spend, which is what we use for our spend under management. The spend under management goal is to increase it to 75 percent, or \$3.7 billion. There are no specific targets set by USAID regarding selection of a specific BIC solution. As USAID has and continues to leverage OASIS and OASIS SB it is likely they will be continued to be considered in the future. They're more than just being considered.

So the question on the protest. I put this question to GSA and I'm going to read to you the response that I got from GSA:

"As you know this protest only applies to "Small Business On-Ramp" and it doesn't affect small business awardees. The "On-Ramp" is essentially an open season, during which intended industry partners may submit proposals to be added to the program."

That's all the information I have and as more information becomes available I will share that with you. And that's pretty much the update I have on that. I hope that's helpful.

4. **Business Forecast:** As more solicitations seem geared toward local organizations only as a prime, would USAID consider a searchable field noting that a particular opportunity is restricted to local organizations (similar to the Small Business Set-Aside field)?

USAID Response (MARK): We can certainly explore that possibility. And we very much welcome these type of suggestions, so we'll definitely look into that. I would ask the community though be mindful though depending on the activity that it doesn't necessarily mean that a local may not be considering subawards to U.S. organizations. So as we move forward in this area and explore trying to separate out activities selected for local organizations like we have done for U.S. small businesses, please keep that in mind as you're considering different activities.

5. **Selection of Instrument:** We are seeing various "Collaborative Agreements" opportunities in the Forecast. Can USAID please provide further guidance on this contracting mechanism, its rationale for use, and how it differs from the other mechanisms commonly used by USAID?

USAID Response (MARK): I really appreciate the partner community raising this

question and highlighting it. To be honest, I'll have to look and review these specific instances more fully to determine the context it is being referenced. The formal term "Collaboration Agreement" was developed when the Agency initiated public-private alliances and launched the Global Development Alliance (GDA) over a decade ago. It was a new tool created at that time to reach out to non-traditional private-sector partners. It historically was not used that much over the years. However, I really do need to take a further look at the current instances to see if it is being used in the context of private sector engagement, or some other frame of reference. So, again, I appreciate the partner community highlighting that and we'll look into that further and get back to you.

Mr. Concors

So that's just about it for today. As I mentioned before, we're working on completing the responses to the more than 300 questions that we received for the Business Forecast Q&A for Q2. We'll be posting those later on today on our website. And that is [usaid.gov/business-forecast](https://www.usaid.gov/business-forecast). Mark do you have any final words or comments?

Mr. Walther

I just want to thank you all again for joining this call, and for all the incoming questions. We really do appreciate. As Jeff has indicated and as we've done similarly in prior practices, we're going to post everything that we have completed. There still may be some straggler questions that we're going to have to follow up on. We appreciate the continued engagement. Any other suggestions on improvements and highlights of enhancements we can do to the Business Forecast, consideration of the reform efforts, category management U.S. small business topics, we always welcome them. We appreciate the interest and your support. So thank you. We are continuing to work on finalizing some of the questions, but we plan to mirror similar prior practices of posting what is completed at this time, and following up shortly on any remaining ones.