

## **FY2019 Business Forecast Quarter 3 Review Conference Call**

**July, 12, 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
3. Craig Oliver, Senior Management Advisor in USAID's Office of Acquisition and Assistance
4. Teneshia Alston, Small Business Goaling Manager, USAID's Office of Small and Disadvantaged Business Utilization
5. Matt Johnson, M/OAA Communications Director

### **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 Office of Acquisition and Assistance 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.

On today's call we have:

- Mark Walther, Acting Director of USAID's Office of Acquisition and Assistance
- Randy Tift, Senior Advisor in USAID's Office of Acquisition and Assistance
- Craig Oliver, Senior Management Advisor in USAID's Office of Acquisition and Assistance
- Teneshia Alston, Small Business Goaling Manager, the Office of Small and Disadvantaged Business Utilization

I'd like thank you to everyone who submitted questions. We appreciate all of the questions that we receive, and all of the interest that we have on the Business Forecast. I was just telling Mark this morning that I feel we've received more questions this quarter than I ever remember in all the years that we've been doing this. There were well over 330 individual activities that people asked questions about. But for each individual activity there are multiple questions, so I'd say we received well over 500 questions this quarter alone. And I'm happy to say that we've got almost every single question answered, even though we had the July 4 holiday. We will be posting all the questions on our website later today. If there are a few outstanding questions that haven't been answered, we'll still post the document later today and update it early next week, once we have those final questions answered.

As we've done on all of our business forecast calls, if you're new to joining us, 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 and with our small business programs. We will be answering some of the general questions we received. We'll be posting 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'd like to turn the call over to Mark Walther, M/OAA's Acting Director, to provide a few introductory remarks.

### **Mr. Walther's Remarks**

Thanks Matt. I want to echo Matt's appreciation to all of you and, once again, thank all of our implementing partners for joining us today. At our recent Worldwide Effective Partnering and Procurement Reform Summit and Conference, which I'll talk more about in just a moment, we heard from many of you just how valuable these calls and the Q&A document that we produce are to our partners in terms of their planning and preparing for new opportunities. We appreciate the fact that you feel that these calls are important, and we will continue to provide the most up-to-date information we can in order to make the Business Forecast as useful and powerful tool as possible for our implementing partners. USAID's approach to the Business Forecast is rare within government contracting, and we hope that the interactive, real-time Business Forecast tool, along with these calls, and the Q&A remain valuable resources to all of our current and potential new partners. So we definitely appreciate your continued interest.

As I mentioned, earlier this year, the Office of Acquisition and Assistance held a worldwide conference on Effective Partnering and Procurement Reform here in Washington. It was the first time in five years that we had all contracting and agreement officers from all USAID Missions and Washington come together. We were also joined by our controllers. The goal of the week-long conference was to discuss key concepts relating to EPPR and the Acquisition and Assistance Strategy that was released at the beginning of FY19. During the conference we also had the opportunity to hear from the partner community on these subjects, and work with many of you on case study scenarios. There was a lot of useful feedback that came as a result of this and the Agency is already acting on much of this learning. Among other things, we're looking at how the co-creation process can be more inclusive of different types of partners, and how it can be applied in more varied types of award instruments. So again, we appreciate your participation in the conference and in those scenarios, which has been very useful to us.

We want to take this opportunity to update you on our efforts to create Amplifying Guidance to assist our colleagues of USAID on choosing between acquisition and assistance instruments. We will be sharing with you a unified version of the amplifying guidance later today.

We want to thank you for the comments and suggestions the partner community has shared with us during various iterations of the Amplifying Guidance for Automated Directives System (ADS) Chapter 304 and the Amplifying Guidance for programs in the areas of democracy, human rights and governance (DRG). The consultative process has been very helpful to us. Second, we want to highlight that we are in the process of including these guidance pieces as a single point of reference in ADS Chapter 304 as a help document.

We are also mindful that the issuance of Amplifying Guidance is just one part of a continuous process to enhance the understanding of the selection of instruments. In looking ahead to next steps, we will focus on training and the practical application of the Guidance. We also

believe the more collaborative approaches being harnessed in the Agency's Effective Partnering and Procurement Reform agenda will benefit decision-making around the selection of instruments. The steps we are taking to increase engagements through Requests for Information and Industry Days, and the greater use of concept papers and Statements of Objectives will also foster improvements. We look forward to continued collaboration and engagement on the selection of instrument, knowing that questions and concerns still arise and specific ones are always highlighted to our M/OAA Ombudsman to engage with particular Missions and operating units. We appreciate your participation over these last several years on working on the Amplifying Guidance, as well as the specific issues you raise on a one-on-one basis with us.

Finally, just to give you a snapshot of where we are in the fiscal year, USAID has obligated \$9.91 billion through 13,632 A&A actions worldwide. This includes 9,731 acquisition actions totalling \$3.3 billion, and 3,804 assistance actions, accounting for \$6.4 billion. There have also been 88 interagency agreements totalling \$113.6 million. These levels are similar to where the Agency stood at the same time in FY 2018. Just in comparison, we've had roughly 1,000 fewer actions compared to the same period last year, the Agency has obligated \$64.6 million more.

And now I'm going to turn it over to Randy.

#### **Mr. Tift's Remarks**

Thank you Mark.

As Mark said, we hosted in May the Global Summit on Effective Partnering and Procurement Reform (EPPR) to discuss implementing the Agency's first-ever Acquisition and Assistance Strategy (A&A Strategy) and comprehensive reform recommendations. Following that event, the Administrator sent an Executive Notice to all staff approving action on a majority of those recommendations. This included updates such as the launch of the New Partnerships Initiative (NPI), a 28 percent increase in acquisition and assistance personnel globally, and new plans to co-locate contracting officers with their programmatic and technical counterparts in Washington to better connect design to procurement and streamline decision-making. In the fall, USAID's Management Operations Council (MOC) will assume responsibility to implement the remainder of the EPPR actions to ensure cross-Agency engagement. Here are some highlights:

- In response to the Administrator's commitment to the Journey to Self-Reliance, the EPPR team has been highly focused on the launch of the New Partnerships Initiative:

- The New Partnerships Initiative (NPI) effort includes current and forthcoming solicitations to engage new and underutilized, local and locally established, partners, and envisions important roles for our traditional partners in building capacity and mentoring those new and local partners.
- Under the NPI pilot through the DCHA Bureau, an addendum to the APS was published for Iraq. Subsequently, a partners day was held in Erbil and we are now co-creating and in final negotiations with several different Iraqi entities.
- A Bangladesh addendum was later issued under the DCHA APS, followed by an Indonesia addendum that remains open. Other country and regional addendums for Africa and other regional bureaus and missions will follow. These addendums use a now broader local partners definition, inviting applications from both local entities and US or international groups that meet basic standards for operating locally.
- We anticipate a Global Health Bureau APS soon and are currently working with other technical bureaus to identify potential NPI initiatives.
- Finally, under EPPR, we are moving by this fall to strengthen the Acquisition & Assistance workforce, not only through new recruitment but also a staff development and retention action plan that represents action on multiple EPPR recommendations and will be shaped by a range of A&A staff globally in the coming weeks.
- We are shifting toward being more adaptive awards and adopting more performance based approaches under assistance and acquisition, with pending revisions to policy.
- Revised delegations of authorities for warrant levels to empower the field are also forthcoming.

Later this summer, we will share with you the full list of identified reforms that the Agency is pursuing to move us toward the USAID of the future.

Thank you all for your support over this period of the Transformation.

And now over to Mr. Craig Oliver

**Mr. Oliver's Remarks:**

Thank you Randy. I'll be speaking about category management. By applying principles from Category-Management (CM) and the associated BIC solutions, USAID can purchase goods and services more like a single enterprise. Application of BIC solutions enables the Federal Government to eliminate redundancies by avoiding multiple contracts, increase efficiency by

streamlining administration costs, and deliver more value and savings from the U.S. Government's acquisition programs.

USAID continues to make progress into Q3 FY 2019. At the end of Q3, USAID's Best-In-Class (BIC) spend increased 25% over Q2 spend from \$58.4 million to **\$98.2 million**. USAID also recognized a 25% growth in its Q3 Spend Under Management (SUM) from its Q2 spend of \$1.2 billion to **\$2 billion**.

USAID continues to track on attaining the fiscal year goals established by OMB. For BIC adoption, the goal is 40% of its addressable spend and for SUM it is 70% of spend.

### **Mr. Johnson**

Thank you Craig, Randy, and Mark. 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. **Category Management:** Can USAID clarify which agency-wide IDIQs count towards the Agency's category management goals?

**USAID Response:** All IDIQs count towards the Agency's CM goals. The BIC goal however is more challenging to meet since only a handful of IDIQ vehicles count toward the BIC goal. USAID has made awards under the following BIC vehicles and you can expect to see more awards under these and other BIC vehicles in the future.

The BIC solutions USAID has awarded in both FY 2018 and FY2019 include:

1. 8ASTARS2
  2. ALLIAN
  3. COMSATCOM
  4. EIS/Networx
  5. IPS
  6. OASIS
  7. OASIS SB
  8. SCHEDULE 70 (IT HARDWARE AND SOFTWARE)
  9. SEWP (GSS)
  10. SEWP V
2. **Category Management Goals:** In previous Business Forecast Q&A calls, USAID has indicated that it intends to begin directing development programming through OASIS and that implementing partners should "do all they can to get on OASIS". However,

many traditional USAID implementing partners would not qualify for OASIS during the on-ramp given the size and scope of their respective contract portfolios.

At the same time, other USAID representatives have indicated that, on the contrary, USAID intends to achieve its 20% BIC goal through a combination of other GSA mechanisms such as PSS and rely on OASIS primarily for materials and service contracts such as IT, travel management, janitorial, office supply/services, etc. Could you please clarify USAID's goals and expectations with regard to the use of OASIS for development programming specifically?

**USAID Response:** USAID intends to meet our CM, socio-economic, and our J2SR goals. However, we have consistently messaged that we will not disrupt our J2SR goal to meet the CM goals. In other words, if a development programming effort had just two options, either a non-IDIQ solution to meet the J2SR goal or an IDIQ solution that would **not** meet the J2SR goal, **J2SR will prevail**. To meet our CM goals without disrupting our J2SR goals, we are encouraging our acquisition staff to consider other areas such as IT, travel, monitoring and evaluation contracts, office supplies, etc. OASIS, both large and small business, offers opportunities for the Agency to meet our BIC goal and we intend to promote the use of all BIC vehicles to the full extent possible – again without disrupting development programming toward our J2SR goal.

3. **Small Business:** USAID's Office of Small and Disadvantaged Business Utilization (OSDBU) indicated that USAID has plans to establish formal targets for small business utilization at the Mission level similar to the targets at USAID/Washington. Can USAID provide updates on the progress towards this goal and associated details (for example: will the targets be global aggregation, regional, country-specific, or some combination thereof)?

Can USAID clarify where small business goals per country can be found on the USAID website? When will targets and a full list of countries for FY20 be available? Will that list be published on the USAID website?

**USAID Response:** Currently, the following Missions are participating in USAID's Mission Small Business Goaling (MSBG) program: Ghana, Liberia, Malawi, Nigeria, Senegal, South Africa, Tanzania, Uganda, Zambia, Bangladesh, Indonesia, Nepal, Philippines, Vietnam, Bosnia and Herzegovina, Georgia, Kosovo, Ukraine, El Salvador, Guatemala, Honduras, Mexico, Peru, Egypt, Iraq, Jordan, Lebanon, Morocco, and Pakistan. This list of USAID Missions participating in the Mission Small Business Goaling (MSBG) is available via the [Office of Small and Disadvantaged Business Utilization website](#). The regional small business goals and previous fiscal year accomplishments will be posted on the agency's website within the next 30 days. Also, we'll post the regional small business goals from last fiscal year, and accomplishments will also be posted with that information.

The OSDBU continues to provide Mission staff with small business training and guidance concerning various market research approaches (Sources Sought Notices, Industry Days,

Request for Information, etc.) and acquisition strategies. In addition, the OSDDBU is in the early stages of planning an overseas small business outreach activity to be held next calendar year.

4. **Business Forecast:** In multiple instances in last 6 months, USAID has listed procurements on the forecast as full and open and subsequently decided to release them under a different mechanism. As implementers, we take it seriously when opportunities are listed in the forecast and enlist significant financial and human resources behind preparing and designing projects that are free and open. What steps is USAID taking to ensure that the information in the forecast does not change in such a significant way? Will USAID provide an explanation for why the change was made and was not anticipated previously?

**USAID Response:** The Agency strives to have the Forecast be as accurate as possible. One of our goals for shifting to a real-time Forecast is to try to ensure that Partners are getting the most up to date information at the earliest possible time. As a part of the design process and through market research (such as RFIs, internal engagement) award types will shift. This is an inevitable part of the procurement process. We are committed to providing our partners with updated information as soon as possible.

If questions arise around why an activity shifts on the Forecast, we would like to take these quarterly call opportunities for you to raise that issue on specific activities so that we can try to address that on a more systematic basis each quarter.

5. **Co-Creation in the Forecast:** To allow organizations to prepare better for upcoming solicitations, and given the increasing number of solicitations that are using a co-creation process, would USAID consider indicating in the forecast whether a co-creation process is envisioned for listed opportunities?

**USAID Response:** Thank you for this suggestion. We will definitely consider how this information could be incorporated more formally into our Business Forecast. At a minimum, we will encourage our staff to include in the Award Description field if they intend to use co-creation be it a specific co-creation engagement or other collaborative techniques such as the release of an RFI, Statement of Objectives, Industry Days, etc. as a part of the A&A process. So we will try to highlight to staff and remind them each quarter.

**Mr. Johnson**

Those are some of the general questions we wanted to highlight this morning. Before we close, Mark do you have any final words or comments?

**Mr. Walther**

Thanks again Matt, just a couple more points.

First, as a number of you are aware, there have been numerous questions raised about the Information Technology (IT) clauses included in acquisition awards both externally and internally. We are working on an initial set of frequently asked questions (FAQs) to assist in providing some further clarity in this nuanced IT area. In addition to working on clarifications, it will also likely be very helpful to explore the most effective ways to streamline requests and reviews on IT that requires Agency approval. We need to work with partners on both of these aspects and are committed to doing that.

Secondly, we continue to track small business subcontracting clauses that have been going through FAR rule-making and SBA rulemaking. We can't predict the timing, but it could be that the Final FAR rule will come out in the end of the summer and the revised SBA rule will come out in the fall. Internally, we'll continue to work through scenarios on the best approaches given these different possible timings. We will continue to engage with partners in this area. We are also monitoring NDAAA legislation as highlighted to us by the partner community, which also has aspects of U.S. subcontracting.

In closing, I just want to thank you all again for your interest in the Business Forecast and your questions that spur answers to increase the quality of this highly valued data. We'll work on getting the written responses out to you today and the Selection of Instrument amplifying guidance. In regard to the Selection of Instrument amplifying guidance, we do intend to share it out to the partner community first. The associations have been an integral part of catalyzing the iterations we've gone through over the past several years. We greatly value and appreciate their collaboration.

Separately, I know Randy has been on a number of EPPR outreach events these past couple of weeks. Please let us know if there is any other A&A outreach desired on any of these matters. Please just let us know and we appreciate these continued opportunities to engage with you.

**Mr. Johnson**

Thank you Mark, and thank you everyone for joining us today.