

**We aFY2018 Business Forecast Quarter 3 Review Conference Call**  
**Thursday, June 28, 2018**  
**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, M/OAA
2. Deb Broderick, Deputy Director, M/OAA
3. Randy Tift, Senior Advisor, M/OAA and Senior Leader Champion of Effective Partnering and Procurement Reform
4. Kimberly Ball, Deputy Director, USAID's Office of Small and Disadvantaged Business Utilization (OSDBU)
5. Jorge Dulanto-Hassenstein, M/OAA Foreign Operations
6. Jeff Concors, M/OAA Communications Specialist

**Agenda**

- Welcome and introductions.
- Mr. Tift provides update on Effective Partnering and Procurement Reform efforts.
- Mr. Walther provides update on ADS and other policy revisions.
- Ms. Ball 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**

Hello from Washington, D.C. everyone. 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 this morning. I want to thank you also for all of the questions you submitted. We received more than 200 questions on the third-quarter Business Forecast, all of which we'll be answering and posting soon.

I want to now go ahead and introduce everyone here in the room. 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 and Senior Leader Champion for Effective Partnering and Procurement Reform
- Kimberly Ball, Deputy Director of the Office of Small and Disadvantaged Business Utilization Jorge Dulanto-Hassenstein M/OAA Foreign Operations
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So we'll go ahead and get started with the update. I'm going to turn it over to Randy who is going to give us an update on Effective Partnering and Procurement Reform.

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

Thank you Jeff. Greetings everybody. Thank you for joining.

The Administrator and other Agency principles continue to emphasize to Congress and other key stakeholders the importance of USAID Transformation efforts, including Effective Partnering and Procurement Reform, or EPPR, in building the USAID of tomorrow.

I want to thank Mark Walther and the rest of M/OAA for their support and contributions to EPPR, along with USAID colleagues beyond our contract and agreement officers -- representing policy, program, legal and other USAID functions. More than a hundred field- and DC-based colleagues are supporting these efforts actively, right now.

EPPR milestones are scheduled to be achieved throughout the summer and fall of 2018, culminating in changes that will be announced later this year.

EPPR has engaged and continues to engage in internal and external outreach including partner meetings, meetings with associations, internal Agency stakeholder meetings, and meetings directly with employees -- for example at this week's Democracy, Rights, and Governance (DRG) Forum. We also had senior leaders doing workshops in Frankfurt, Bangkok, and elsewhere in the field, to learn what works and what needs to change from our CO/AO colleagues and others.

Interestingly, feedback from employees in the field mirror many major themes of feedback that we've received from partners; from some of you: It all centers on design and procurement timelines; some burdensome, bureaucratic processes; the need to engage new partners; and a need for more adaptive programming.

To sum up, EPPR is progressing well and we'll have more specific information and outcomes to discuss later this year, but I hope I was able to give you just a little more insight into the EPPR process and where it stands today.

Now I have the pleasure of turning it over to Mark Walther.

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

Thanks Randy. I greatly appreciate you taking the opportunity to highlight the updates. We know this is of great interest, both internally and externally with the Agency, and we really appreciate the opportunities where we can update our partners.

I'd just like to thank all of the individuals on the call today, and everyone who helps in the preparation. They questions that we get, and working through the responses, it really is something that the Agency greatly appreciates, and we'll continue to foster as we go ahead. We know how important the Business Forecast calls are, as well as giving us an opportunity to update on a variety of recent topics and issues. We appreciate having that ability.

I wanted to take an opportunity, before we get into the questions and answers, just to highlight a number of recent changes; either the ADS 300, 303, the AIDAR, and some other brief updates.

First, as some of you might have seen—it's been posted both internally and externally—that we have revised ADS 300. That's the Agency's acquisition and assistance planning guidance; it incorporates and includes our Agency senior leadership reviews of A&A. These reviews are now

being referred to as Senior Obligation Alignment Reviews, or SOAR. So please get used to that reference and name. Obviously it's been previously known as AARAD reviews. I just want to take a moment to highlight some key areas.

First and foremost, the main reason for the revision really is to ensure that operating units are addressing reform approaches; the administrator's goals and visions, such as helping countries become self-reliant, advancing collaboration and co-creation, and broadening opportunities to enhance competition to name a few. All of you are familiar with the external listening tour and the partner engagement that these themes have continued to resonate here with the agency and with our partners. We want to make sure that they're getting embraced in our largest acquisition and assistance efforts here at the Agency.

Another key area that you'll note is that there are adjustments to the review levels. The Administrator will be reviewing A&A-related activities pre-solicitation at \$40 million and above. Assistant administrators will be reviewing at \$20 million to under \$40 million. And separately we added a new aspect to the review process in regard to public international organizations (PIOs). They're being reviewed at \$5 million and above by the Administrator, and below \$5 million with the assistant administrators. Again, we really do appreciate this opportunity to update this chapter and begin more effectively in our continued efforts to embrace the reform efforts and the Administrator's vision, and we look at this as another milestone in working to achieve those efforts.

Another item you may have noticed, as of last Friday USAID did a revision to ADS Chapter 303 on assistance, where it's enhancing USAID's pre-award risk assessment and subaward approval procedures, in order to more effectively prevent specially designated nationals, or SDNs, and blocked persons from receiving Agency funds. The U.S. Treasury's Office of Foreign Assets Control maintains a list, it's currently referred to as the OFAC list. The revised ADS 303 section now states that USAID agreement officers will require prime applicants to confirm they have checked the OFAC and other various public lists for the proposed subaward recipients by the name of the subaward recipient. This is a slight change from the past. USAID only required a certification on the part of the prime without specific identification in the certification of the subaward recipients. Please note we're undertaking this step. We believe it can be easily undertaken, and this truly is a benefit both to partners and the Agency in preventing these types of situations from possibly occurring, so we appreciate your cooperation in these efforts.

Another key area that was updated related to sexual misconduct and other forms of abuse. This is a direct result of the Administrator's reaffirmation of USAID's zero-tolerance policy of sexual abuse and exploitation earlier this year. A&A Policy Directive 18-03 outlines changes to AIDAR section covering contractor-mission relations. Simply stated, the contracting language

stipulates that contractors must protect beneficiaries from sexual abuse and exploitation by contractor staff, and hold themselves to the standards outlined in the UN Secretary-General's Bulletin entitled "Special measures for protection from sexual exploitation and abuse." The clause also includes steps the USAID contracting officer must take, should an incident of misconduct occur, including immediately reporting the case to the Office of the Inspector General. In similar fashion ADS 303 was also revised to include similar language on the assistance side.

We would like to take a moment to note here that if you have signed up to receive Implementing Partner Notices from the Agency, we also try to use it to assist in notification of these types of changes. If you don't currently receive these notices and would like to, I would encourage you to reach out to [ipn@usaid.gov](mailto:ipn@usaid.gov) and specify whether you would like to receive IPNs for assistance or acquisition, or both.

Another procurement-related item of note I wanted to mention is the release of Procurement Executive's Bulletin 2018-02. This PEB states that selection of instrument determinations for democracy and governance programs should be made available to the public when the RFP or notice of funding opportunity is released. This determination was made to increase transparency in the democracy and governance sector, and it only relates to that sector at this point and time but I did want to just highlight that it includes democracy programs here in Washington, as was as from our overseas missions.

Finally, I wanted to take the opportunity to thank and to highlight our Office of Small and Disadvantaged Business Utilization. Their Annual Small Business Conference that is hosted coming up here on July 11 at the JW Marriott in Washington. This is a great event that we really appreciate contributing to each year. And we really appreciate Kimberly Ball here from the OSDDBU office this morning providing more details on items related to our small business community, and turn it over to Kimberly now.

#### **Ms. Ball's Remarks**

Thank you Mark for the opportunity to speak on behalf of OSDDBU. Mauricio is attending another event this morning. He's at our subcontracting summit where we educate our large business partners on their responsibilities related to subcontracting and the associated requirements.

As you said, we'll be hosting our annual conference on July 11 this year at the JW Marriott. We expect to have a really exciting day. We're going to hear from our chief of staff, Bill Steiger, we're going to hear from some folks from the SBA. We'll hear a little bit more about EPPR that you heard Randy Tift give the update on this morning, so we'll have several of our senior folks

talking about that. In addition, we're going to have an exhibit hall, and in the afternoon we'll host a number of breakout sessions on issues that we think are relevant to those small business partners currently working with us, and those that want to work with us. So we'll be talking about things like category management, how to market to the U.S. Government; we'll talk about getting your first NICRA, and a number of other things. The agenda is available online. I would encourage you to take a look. We expect it to be a particularly exciting day, so we're really happy out that.

The other thing I wanted to talk to you about this morning is that I'm excited to announce the launch of the Small Business Market Analysis Research Tool (SB-MART). SB-MART is a database comprised of small businesses that either are working with us or want to be working with us. It's a system where you can put your information directly into the database. You'll have an opportunity to identify the NICS codes that your company works under, upload a cape statement, identify your website. We're also asking people to tell us where they're currently working, where they have worked; so we want to get a sense of your past experience both with USAID and with other organizations. And we'd like to hear about what contracts you're already on. You have an opportunity to upload this information. We're reviewing it before your confirmed, but it's a relatively simple process that we're really excited about, and it allow us to have a place where our staff—our contracting and technical folks—can look at firms that are simply interested in development, as opposed to the other government-wide databases that have a lot more information that's outside of our little niche that we have here at USAID.

We've already launched the database internally, so USAID staff know that this is a place to find capable, qualified small businesses. We do remind staff though that this database is not an exhaustive list of all potential small business partners, and there is no requirement for you to enter your information in order to be considered for USAID work. But it is a tremendous opportunity to help us to get to know you better, and we believe this tool will make it easier for you to share your capabilities with the Agency. So I encourage you to take a look at SB-MART. The address is [sbmart.usaid.gov](http://sbmart.usaid.gov).

With that I'll turn it back over to Mark

### **Mr. Walther**

Thanks Kimberly. We're now going to start going through a few of the Business Forecast Questions. And as Jeff noted at the beginning, we're actively working to get them posted and we'll continue our final efforts on the few remaining questions. So I'll let Jeff start with the few particular questions to highlight.

### **Business Forecast Q&A**

- 1. Broad Agency Announcements:** With USAID's stated commitment to utilize co-creation and co-design in procurement, and the appearance of co-creation as a distinct process in Broad Agency Announcements (BAA), would USAID consider sharing a list of BAA awards, awardees, award type (e.g., contract, cooperative agreement, grant), and award amounts to help implementing partners learn about what works, as well as better gauge return on investment?

**USAID Response:** As of FY17, when we had begin tracking BAA use within our procurement system. Both assistance and acquisition instruments have been awarded. The BAA is one of many valuable tools for procurement and postings can be found via Grants.gov and FBO.gov. While the BAA uses a co-creation approach as a part of its process, co-creation can and has been used in more methods than just the BAA. USAID has already begun using co-creation in other procurement and non-procurement ways such as Annual Program Statements, in the pre-solicitation/design phase, or implementation.

- 2. Small Business Targets:** In the recent report of USAID performance against small business targets, it appears that the number of small businesses working with USAID has decreased. However, looking at the USAID forecast, it is clear that the volume of small business opportunities, particularly in areas that were more recently held by large businesses such as field project implementation, is rapidly increasing. Surveying the small business landscape, it appears that a large number of small businesses are graduating and there are not as many small businesses with field implementation track records prepared to take their place as prime implementers. What is USAID thinking about how to reconcile this issue?

**USAID Response:** We recognize that as our existing small business partners become more success, they lose their status. We are continually looking for new small businesses to supplement our partner base. We do that by hosting conferences, attending conferences, and as I mentioned earlier we just recently launched our SB Market and Analysis Research Tool. We are inviting small businesses to enter their information so that we know who is out there. We also continue to partner with Mark's team to ensure that Contracting Officers are given small businesses maximum practicable opportunity to compete. Having said that, if you see something on the forecast that you believe can be performed by a small business, please contact the cognizant CO and/or OSDPU.

- 3. Category Management:** We understand that USAID may have met its 35% target for the year for using Best-in-Class vehicles, like OASIS. Can USAID confirm? And can USAID provide any insight into any additional plans to use OASIS for the rest of FY18?

**USAID Response:** Yes, USAID did meet the Best-in-Class (BIC) goal in FY17, but we did not meet the spend under management (SUM) goal. We have instructed our contracting staff to use these multiple award mechanisms if they are available to meet USAID requirements. We do not have plans beyond this general guidance.

- 4. Co-Creation:** In regards to the co-creation/co-design process with which AID/W and various missions around the world are experimenting: Is the Agency going to move to a standardized way of conducting the process? Will the Agency be transparent about the funding available for the design outcome? Will the Agency evaluate, and disseminate findings, on the relative cost of co-design versus traditional modes of solicitation? What are the choice of instrument criteria being used to determine the final agreements for co-design processes?

**USAID Response:** As the definition states, co-creation is a design approach that can be tailored depending on the context of where co-creation takes place within the program cycle. While the manner of facilitation may be standard, how and what happens during a particular co-creation process may vary if it is done at the design phase, during a procurement or at implementation.

Co-creation does not always happen during a procurement. It can and has been done during the pre-solicitation stage or is just simply incorporated into the solicitation for implementation purposes. Collaboration may or may not require a funding discussion depending on the what the overall outcome is for a particular co-creation situation.

The use and understanding of co-creation is evolving so we continue to evaluate and determine if co-creation is the most appropriate approach in all situations. Staff education has been ongoing since FY16 on what co-creation is and when it is appropriate to incorporate.

Again, not all co-creation approaches are not done during a procurement so choice of instrument is not applicable. When co-creation is used during a procurement, such as the BAA, it is at the Contracting Officer's discretion to make the instrument determination through participating in the co-creation workshops and then ultimately communicating their thoughts with the apparently successful partner. This way the partner and Contracting Officer communicate and determine what the best instrument

is together. The Choice of Instrument is done as stated in ADS 300. However, if co-creation is incorporated into an APS or SOO, that is automatically known to be an assistance or acquisition instrument.

- 5. Length of Awards:** There are a number of solicitations on the forecast that have award lengths of four years (instead of the typical five years). Could USAID please provide additional clarification on the reasoning behind the shortening of award lengths for certain bids, and whether USAID intends to fund more four-year projects in the future?

**USAID Response:** Increased opportunities for competition remains a goal for USAID. Yes, shorter years is a way to achieve this goal and not necessarily a trend.

**Mr. Concors**

Thank you everyone for joining us. We're going to wrap it up now. Look for the complete answers to all the questions that were submitted for the Q3 Business Forecast to be posted on [usaid.gov/business-forecast](https://www.usaid.gov/business-forecast). So thank you once again and we look forward to talking to everyone again soon.