

## **Ask the Procurement Executive Conference Call**

**August 5, 2015**

**8:30am to 9:30am EST**

**Dial-in Number: (641) 715-3580**

**Meeting ID: 488-092-565**

### **About the Call:**

This is the first call in a new quarterly series called “Ask the Procurement Executive.” The purpose of this call is to provide a forum for partners to ask questions and have a discussion on pressing matters with USAID's acquisition and assistance leadership. In advance of the call, USAID contacted five associations and asked them to submit three questions. The associations were: InsideNGO, InterAction, Small Business Association of International Companies, Society for International Development -- Washington, and Council of International Development Companies.

In the interest of fairness and keeping this session to 1 hour, we answered three questions from each association, even in instances where the association asked more than three questions. We endeavored to answer as many questions as possible from associations who submitted questions late.

### **USAID Participants**

1. Mr. Aman Djahanbani, Director of the Office of Acquisition and Assistance, Chief Acquisitions Officer, and Senior Procurement Executive
2. Mr. Mauricio Vera, Director of Office of Small and Disadvantaged Business Utilization
3. Ms. Diane Perone, Acting Acquisition and Assistance Ombudsman
4. Mr. Bruce McFarland, Chief of Operational Innovations for the Global Development Lab
5. Mr. Matthew Johnson, Communications Director for Management Bureau's Office of Acquisition and Assistance

### **Agenda**

- Mr. Johnson kicks off call, introduces individuals in the room, and provides instructions for the call
- Mr. Djahanbani provides introductory remarks.
- Mr. Johnson begins asking USAID participants questions submitted for the call.
- Conclusion of the call

## **Detailed Agenda**

- Mr. Johnson kicks off call, introduces individuals in the room, and provides instructions for the call.

Call set-up: \*9 Start & End Call Recording, \*5 twice to completely mute guests

Instructions for the call:

- We will be recording call
- Please do not put us on hold
- We will be muting all of the participants

### **Mr. Johnson's remarks:**

Thank you for joining us today for the first Ask the Procurement Executive teleconference. We're excited to have several hundred people on the line today.

The purpose of this call is to go beyond the Business Forecast, and answer in-depth, substantive questions that are at the top of our partners' minds.

For this first call, we polled five associations -- InterAction, InsideNGO, Council of International Development Companies, Small Business Association of International Development Companies, and Society for International Development -- and asked them to submit three questions.

During this call we will be going over the questions that were submitted to us. Following the call, we will be posting the Q&A on the Ombudsman page of USAID.gov. We will also send a link to each of the associations and send an e-mail through our distribution list.

We have a few folks in the room with us this morning who will be answering your questions. I'd like to introduce them: Aman Djahanbani, USAID's Senior Procurement Executive; Mauricio Vera, Director of USAID's Office of Small and Disadvantaged Business Utilization, Diane Perone, USAID Acquisition and Assistance Ombudsman, and Bruce McFarland, USAID Global Development Lab, Chief of Operational Innovations

I'd now like to now turn it over to Aman to give a few remarks before we begin

- Mr. Djahanbani provides introductory remarks.

**Mr. Djahanbani's Remarks:**

Thank you so much for joining us this morning and thank you for sending us your questions. In the Acquisition and Assistance world, there are so many moving parts. There are new policies and procedures that we are all working to implement on a regular basis. In addition, at USAID we've been focusing on improving how we do business.

I realize that in the result of the changes and new policies and procedures, many questions arise. Some of your questions are very easy to answer, but many of them are not. They require a lot of thought and discussion.

As partners, we do not have many forums or opportunities to discuss questions and issues we're all facing. As we indicated on the invite for this call, we are planning on making this call a quarterly event. I hope that during our call today and in subsequent calls we answer the many questions and concerns you have.

Once again, thank you for joining us.

- Mr. Johnson begins asking Mr. Djahanbani and participants questions submitted for the call.

**Question 1:**

**Many partners have expressed concern over the seemingly blurred lines between how USAID uses acquisition and how USAID uses assistance. What factors influence the decision to use certain mechanisms over others? Can you share with us what steps are USAID taking to clear up confusion around the use of acquisition versus assistance?**

**Answer:**

- I understand that is a very important issue for all of you, as I understand many associations submitted a question related to this topic.
- I want you to know that this is a very important issue to me as well.
- Typically, USAID's assistance instruments account for 65 to 70% of all awards, and acquisition instrument account for 30 to 35% of our awards.
- It is important to note that USAID has no preference for one mechanism over the other.
- ADS 304 states this long standing Agency policy.
- Contracting Officers and/or Agreement Officers (CO/AOs) must determine the appropriate instrument for each award in accordance with the principle purpose of the award.

- ADS 304 also identifies the factors set forth in the Federal Grants and Cooperative Agreements Act for determining choice of instrument.
- As you are likely aware, there have been recent case law developments concerning the U.S. Government's choice of instrument.
- The recent cases reinforce that the principal purpose of the relationship between USAID and the recipient organization is paramount in determining the appropriate choice of instrument.
- If the principal purpose is the acquisition of property or services for the direct benefit of USAID, then we must use a contract.
- If the principal purpose of the relationship is to benefit an eligible recipient by transferring something of value to the recipient, then we must use assistance.
- As decisions on these cases have been handed down, I have used them as an opportunity to remind staff about the importance of selecting the appropriate type of mechanism.
- In addition, I have reminded COs that concerns about Procurement Action Lead Time (PALT), bid protest remedies, type of implementing organization, effect on USAID resources, and desired operational control or programmatic involvement are not criteria for determining the choice of instrument.
- Later this year, we will be updating our choice of instrument guidance for USAID staff.
- If you would like to provide input or insight into choice of instrument matters or on this guidance once it is published, please feel free to e-mail us at [ombudsman@usaid.gov](mailto:ombudsman@usaid.gov) to share your thoughts.
- Finally, let me just share that as a result of the case law developments, we have seen increased interest in the business community regarding USAID's choice of instrument generally, and also in the context of specific actions.
- In instances where the Agency's choice of instrument has been questioned by the business community or instances where the Mission has requested assistance and input on choice of instrument, the Ombudsman's office has been taking the lead in reviewing questions, comments, and concerns.
- This type of review is certainly a heavy lift.
- We spend a considerable amount of time reaching out to Missions to discuss choice of instrument.
- We review choice of instrument determination memoranda, and draft or posted solicitations in the instances where the activity has progressed to the point where these documents exist.
- Our interest is in getting choice of instrument right, not in recommending that a Mission uses one type of instrument over another.

- I would also like to mention that based upon our experience thus far, we can be the most helpful to the partners and to the field when there is an active solicitation or a draft solicitation that is available for review because then we are looking at something that is tangible.
- There have been a number of instances in recent months when we were asked to review a change in instrument type identified on the Business Forecast.
- While we welcome the early notice, please understand that we are limited in how we can assist the partner and the Mission when the Mission is in the process of reassessing their program, and preparing or revising their solicitation.
- We are likewise limited in the options and advice we can raise with the Mission when a partner raises a Choice of Instrument concern shortly before the solicitation is about to close.
- The most productive dialogues have occurred when a partner raises specific concerns about a specific draft solicitation or live solicitation.

**Question 2:**

**Many partners have expressed concerns that USAID Agreement Officers and Agreement Officer Representatives, after an award has been made, treat recipients of cooperative agreements like contractors. Can you share what USAID is doing to ensure that staff under understand the difference between a cooperative agreement and a contract?**

**Answer:**

- ADS 303 provides guidance on the elements of substantial involvement in four areas:
  - (1) approval of a recipient's implementation plan,
  - (2) approval of specified key personnel,
  - (3) agency collaboration and involvement on specified elements of the PD, and
  - (4) the authority to immediately halt construction activity.
- As a preliminary matter, if a Notice of Funding Opportunity or NFO envisions more extensive substantial involvement, bring it to the attention of the AO and/or the Ombudsman.
- NFOs should not be providing substantial involvement beyond the elements in ADS 303.
- Moreover, additional requirements could be an indication that the wrong choice of instrument was selected.
- Both our M/OAA staff and our AORs have received formal training on the elements of substantial involvement.
- If requirements are being specified after award and is inconsistent with the award, I urge you to explain your concerns to the person making a request that you believe is inappropriate.

- If this does not work, your next steps will depend upon who has issued a request that is inconsistent with the award.
- If the request is coming from the AOR, you may want to raise it with the AO.
- If the request is coming from the AOR with AO concurrence, you may want to raise the situation with the Ombudsman.
- The Acting Ombudsman informs me that if the requirement appears in the NFO, she can generally address the partner's concern anonymously.
- If the request appears after award and is a matter of award administration, however, she advises that it is almost always necessary for her to ask the partner to waive confidentiality so she can communicate with the AO and understand both sides of the issue.
- This is the type of situation that we can best address when there is an actual situation we can examine, rather than a hypothetical question.
- I urge you **not** to stay silent.

**Question 3:**

**What are some of the potential bottlenecks that can hamper a rapid and timely decision making process on an award? And what can be done to streamline that process and overcome those barriers?**

**Answer:**

- For those of you that have heard me speak -- you know that reducing the amount of time it takes to make an award is my number one priority.
- We call this PALT or Procurement Action Lead Time.
- For a world that is rapidly changing, we must be able to make awards more quickly and efficiently.
- I know that there are financial implications for your organizations as you wait for award to be made.
- In 2009, for contracts over \$25 million, it took USAID an average of 513 days to make an award. And this is simply unacceptable.
- This year, we've begun instituting a number of changes and best practices to better manage PALT -- this includes creating and using more acquisition and assistance templates, sequestering technical evaluation panels, and reducing the complexity and number of evaluation criteria.
- We also have monthly milestone report requirements for all of our major awards.
- As we have begun to implement these changes, I'm pleased to say that we are seeing a major reduction in PALT. Through the 3rd quarter of this fiscal year, we have seen a 20% reduction in PALT times for Washington.

- We have a goal of 40% reduction in PALT by 2017 and I believe we're on our way to reaching that goal.
- In acquisition, we are streamlining the process by developing standard templates for each stage of the procurement process. The templates have streamlined the process, reduced disparate practices among COs, and have improved the quality of our source selections.
- On the assistance side -- in our efforts to reduce PALT, we stood-up an Assistance Streamlining working group.
- Through the group, and with the release of the new 2 CFR 200, we have made several changes on how we execute assistance instruments. This includes:
  - Creating more standard templates;
  - Limiting evaluation criteria from 3 to 1. We now only review for technical merit.
  - Eliminating competitive ranges;
  - Performing cost reviews of only apparently successful applicant(s);
  - Using standard preliminary 10% negotiated indirect cost rate agreement or NICRA for new partners;
  - and finally, eliminating caps on Fixed Amount Awards (formerly called FOGs).
  - We have also made a few changes Post-Award:
    - We have removed the requirement for prior written approval of foreign travel;
    - And have also stated that there is no approval necessary for budget changes if the change is less than 10% of the total budget (approvals are necessary for construction activities).
- Not all events that can potentially impact a procurement can be streamlined away.
  - Bid Protests. If there is a pre-award protest and a CICA Stay, we cannot make the award until the protest is resolved.
  - Corrective Actions. It is always within the CO's discretion to take action to correct an error in the evaluation process.
  - Rotation of Contracting Officers and others to new posts.
  - Statutorily mandated home leave for foreign service officers.

**Question 4:**

**One of the associations expressed concern that USAID staff cite ADS provisions as if they were binding contract or grant requirements. Is this appropriate? Do the ADS provisions have effective dates? Does USAID plan to include an ADS archive on its internet website?**

**Answer:**

- This is a very difficult question to answer in the abstract. Let me explain why.

- The ADS contains the organization and functions of USAID, along with the policies and procedures that guide the Agency's programs and operations.
- Agency employees must adhere to ADS policy directives and procedures.
- You are technically correct that ADS applies to Agency employees and not to contractors and grantees; however, ADS incorporates requirements that are applicable to contractors and grantees because the requirement is mandated elsewhere.
- An example of this would be branding and marking. A CO or AO may cite to the ADS rather than the CFR or to the contract or grant itself simply because the ADS is the citation he or she is most familiar with.
- In the event that the CO/AO cites to the ADS, an approach might be to ask him or her where the requirement is incorporated into the award.
- If you believe the CO/AO is imposing requirements that are inconsistent with the terms of your award, you can also reach out to the Ombudsman.
- Also note that each section of the ADS shows the effective date.
- The information in ADS is continuously updated to align USAID's policies with the latest statutes, regulations, Administrator policy statements, and other guidance.
- I am not aware of any initiative underway to keep archived versions of ADS on the website.
- The Ombudsman has posed the question to the ADS team and if there is an update, we will let you know.

**Question 5:**

**There have been several instances within the last few months where Missions have provided responses to questions posed by offerors or applicants with only a few days remaining before the solicitation deadline. What can be done to encourage Missions to respond to questions sooner?**

**Answer:**

- It's interesting that this is being raised today.
- I send a weekly note out to our acquisition and assistance staff around the world -- around 800 people total.
- In my last two weekly notes, I discussed the subject of Exchanges with Industry before Receipt of Proposals.
- Two weeks ago, I encouraged the use of pre-solicitation and pre-proposal conferences (often called "Industry Days" at USAID) as a best practice that is allowable under FAR 15.201 -- of which we don't always take advantage.
- Last week, I focused on the use of written Q&A exchanges that we conduct frequently before solicitations close.

- In my note, I encouraged COs to respond to questions as quickly as possible before the closing date for receipt of proposals.
- In instances where the CO knows that the Q&A will not be posted sufficiently ahead of the proposal submission date, I encouraged them to consider extending the deadline sooner.
- I think this practice will allow our partners to maximize use of resources and submit higher quality proposals.
- Finally, I've spoken with my team here in Washington -- building off of the OMB *Myth Busters Memo* and guidance that I've seen other Federal Agencies disseminate, my office will be putting together a best practices guide for COs and AOs on how to engage with industry.
- We will certainly include information about responding back to inquiries in a timely fashion.

**Question 6:**

**Partners have commented that they see big discrepancies between COs in the field, and how they conduct business. What does USAID do to ensure consistency among Missions and their procurement process? How can the partner community best raise issues to USAID without protesting a specific procurement?**

**Answer:**

- I'd like to share a couple of thoughts on this question.
- First, one of the great strengths of USAID is its decentralization.
- By being a decentralized Agency, we allow for development decisions and program design to take place in the field where there is an understanding of what is happening on the ground.
- I believe that our Contracting and Agreement Officers, as development professionals, need to have the ability and authority to make decisions based on what they are seeing in the field.
- Obviously as a result, as a partner, you may notice that a CO or AO in Zambia operates differently than a CO or AO in Nepal.
- But just because there are discrepancies in how they operate, does not necessarily mean what they are doing is wrong.
- Secondly, along with giving people the ability to make decisions on the ground, we need to ensure that all of our staff have a solid acquisition and assistance foundation. This comes through training.

- At USAID, we have 244 Contracting and Agreement Officers, our A&A community worldwide is around 600 people, including FSNs, and we have 3,322 Contracting and Agreement Officer Representatives.
- Since 2011, we offered more than 120 training classes of which more than 2,200 people have participated in.
- We required that all Contracting and Agreement Officers receive 80 hours of continual learning every two years.
- Our Contracting and Agreement Officer Representatives are required to receive 40 hours of continual learning every two years.
- A few years ago, we stood-up within M/OAA, a Professional Development and Training Division.
- The purpose of this division office is to help ensure consistency and standardization in the procurement process.
- We offer a significant number of instructor-led acquisition and assistance courses and workshops.
- The training is based on the Agency policy and procedures in the ADS as well as mandatory topical templates and guides.
- The training curricula for these courses augment the Office of Management and Budget, Office Federal Procurement Policy (OMB/OFPP) mandated Federal Acquisition Regulatory requirements for acquisition and OMB Uniform Guidance for Assistance.
- We also offer a number of brown-bag training sessions based on current needs.
- For example, with the end of the fiscal year approaching, last week we offered a refresher training on harmonizing statements of work, instructions, and evaluation criteria -- we had more than 100 individuals from around the world participate.
- We are scheduling two additional trainings for staff by the end of this month, to help ensure our acquisition and assistance workforce are equipped for the end of year push.
- Finally, I'd like to mention the work of our Evaluation Division.
- Through our Evaluation Division, we do periodic reviews of every operating unit in the Agency that has a contracting function.
- In these reviews, we look to ensure that awards are made properly, they're administered properly, and they are closed out properly.
- The Evaluation Division helps to ensure that not only do we have compliance with the Agency requirements within each unit, but that there is a standard of quality being met.
- If standards of quality are not being met, then we put in place an action plan to make necessary corrections.
- Finally, if partners would like to raise an issue they are seeing in the field, please contact our Ombudsman.

### **Question 7: Small Business Utilization**

**There has been discussion on including overseas contracts as part of the baseline used to rate Agency performance against small business contracting goals. What is the timeline for this implementation at USAID? Will the small business goals and achievements at the Mission level be available to the public?**

#### **Answer:**

- The inclusion of overseas awards in USAID's base has been a topic of discussion for several years.
- In FY 2013, a Small Business Indicator (SBI) for Local Solutions Objective 3 (under the USAID Forward Initiative) was created to highlight Missions' U.S.-based small business achievements.
- USAID senior officials thought that the SBI would prepare the Agency for anticipated changes in the goaling and scorecard process; and enhance Mission staff knowledge of the federal acquisition and small business program process.
- The National Defense Authorization Act of FY 2013 was the impetus to expedite implementing the SBI target (goal) for the Agency's missions.
- USAID implemented its tracking and monitoring process for overseas prime awards to U.S.-based small businesses in FY 2014.
- At this point, its very likely, that SBA will be including the overseas awards in the Agency's baseline beginning in FY 2016.
- USAID's FY 2015 prime small business goal is 14 percent, and the subcontracting goal is 19 percent (<http://www.usaid.gov/work-usaid/partnership-opportunities-refresh/small-business/small-business-goals>).
- You may view USAID's current and past small business goals and achievements on the U.S. Small Business Administration (SBA) website (<https://www.sba.gov/content/small-business-goaling>).
- The Agency's worldwide prime U.S.-based small business goal (SBI) is 10 percent; however, it is not posted on a public site.
- Historically, the SBA announced the Federal government's small business achievement, and posted the individual agencies' achievements on its website.
- The new worldwide small business achievements may be posted and announced similarly.

### **Question 8: Small Business**

**If a small business is awarded a set-aside IDIQ contract and subsequently graduates out of the small business category during the ordering period, does it continue to be eligible to be considered for small business task orders issued under that IDIQ?**

#### **Answer:**

- Yes, a small business which has outgrown its size status may continue to bid on tasks orders which are set aside for small businesses under an IDIQ.
- The firm must continue to validate and/or update all of its representations in the System for Award Management (SAM) annually.
- However, whether the firm is still eligible depends on how the small business outgrew its size status.
- If the firm grew to be large because of revenues, it would still be eligible.
- If the firm was acquired by a large business, it would no longer be eligible for small business set aside under the IDIQ.

### **Question 9: Cancellation of Solicitations**

**There appears to be an increase in the number of awards being cancelled during the solicitation period when proposals are being prepared or after submission. Over the last three years our members have invested large amounts of funds preparing proposals for projects that USAID subsequently decided to cancel. Does USAID keep track of the number/value of programs cancelled during solicitation? Is there awareness by USAID staff of the high cost (both in terms of the direct financial investment and the opportunity cost of not working on something else) that this imposes on implementing partners? Has there been discussion in USAID of how to address this concern?**

#### **Answer:**

- This is an excellent question. We can assure you that our staff is very much aware of the impact felt by the partners when a solicitation is cancelled, and will do so only when the situation leaves us with no viable alternative.
- The reasons for cancelling a solicitation are fact-specific but generally involve two central themes: (1) programmatic needs, and (2) competition and fairness.
- There are instances when our programmatic needs change to such an extent that the best interests of the taxpayers clearly weigh in favor of cancelling a solicitation.
- In other instances, our requirements or funding levels may have changed to such an extent that the field of prospective offerors may change as a result.
- In such an instance, FAR 15.206 prescribes that the CO cancel the original solicitation and issue a new one, regardless of the stage of the acquisition.

- Because the facts and circumstances leading up to a cancellation are fact-specific, we do not keep statistics on the occurrence.
- If you believe a solicitation has been cancelled in error, you may direct your inquiry to the Ombudsman.

**Question 10: Engagement on Policy Making Process**

**How can partners be engaged in the policy making process at USAID?**

**Answer:**

- If partners have comments they would like to share on specific USAID internal policies, which are published in the ADS chapters, they could communicate with the A&A Ombudsman.
- When relevant policies are being revised, those comments will be taken into consideration.
- But I think it is important to note that most of our policies are requirements that come from outside the Agency.
- USAID can be required to issue policy, provisions and clauses based on:
  - A statute from Congress, either from a new law or as part of our annual appropriation authorization;
  - An executive order issued by the President; or
  - A requirement to implement a policy issued by the Office of Management and Budget.
- USAID has very little ability to change or exempt these requirements, which often includes specific language that must be implemented as stated in our awards.
- If partners would like to provide feedback on policies coming down the pike, I would encourage our partners to go directly to the source of where the policy is being developed.

**Question 11: FY 2016 Guidance**

**Many believe Congress will not pass a “regular” appropriation for USAID before the start of the Fiscal Year 2016. What plans does USAID have in place to inform its implementing partners regarding performance on projects into Fiscal Year 2016, and how can they expect to be paid? Last year, under similar circumstances, such guidance was provided a mere three days before the start of the new fiscal year. Having the information well in advance would greatly improve the Agency’s and your partner’s ability to maintain continuity of development assistance delivery.**

**Answer:**

- A potential lapse in funding is a concern of partners and the Agency alike.
- At this time, we do not know whether a lapse in funding will actually occur.
- We are still 2 months away from the beginning of the new fiscal year, and we do not have any definitive information about which way things are going to go.
- Essentially, we have no news or guidance at this time.
- It is best not speculate; instead, we are continuing with ongoing acquisition and assistance activities.

**Question 12: Sharing Information with Partners**

**There are many different acquisition and assistance documents that are essential to partners. These documents include things like: Mission A&A notices, Procurement Executive Bulletins, Standard Operating Procedures, Blanket Waivers, EPP Memoranda, and SOAGs. However, they are difficult for partners to obtain. Would M/OAA permit us to submit a list of these documents and consider including them on USAID's website? If not, does USAID anticipate adopting a methodology for publicly informing the recipient community when changes are made to the Standard Provisions and the ADS?**

**Answer:**

- I understand that it is often difficult to access information published by USAID.
- I would certainly be open to you sending us ideas on the type of information we can provide to you.
- If you have input, please send it to us at [Ombudsman@usaid.gov](mailto:Ombudsman@usaid.gov).
- Some of the documents mentioned in the question are for internal audiences only.
- We will need to look at your requests on a case by case basis to determine which specific documents can be released to the public.
- Internally, we've been discussing how we can revamp the information that is available on USAID.gov for partners and potential partners on "How to Work" with USAID.
- One of the things that is currently missing on our website is a section on the site called "Partner Resources".
- There is some information available on our website, but I think it can be difficult to find.
- If you have suggestions or thoughts on what we can add to this partner resources section, or to the work with USAID section as a whole, please let us know.
- I would also like to mention the Implementing Partner Network Portals -- or IPN Portals.
- Last year we launched two IPN Portals -- one for assistance and one for acquisition.
- The IPN Portals are used to disseminate and share information that is relevant and important to all of our partners.

- For example, a few months ago, we were receiving a number of questions about the Open Data policy. We shared an Open Data FAQ document through the Portals.
- Finally, we created an e-mail distribution list to share announcements and updates about the Business Forecast.
- Since we launched we have had more than 1,400 people sign-up for it.
- We have been discussing internally how we can better utilize this list -- for sharing additional information and resources with our partners.
- We have given a lot of thought as to how we can better communicate and share information with you.
- My hope is that through calls like this one and the tools we've put in place, that getting access to information will become much easier.

**Question 13: Broad Agency Announcements**

**We received a number of questions related to Broad Agency Announcements or BAAs and how the Global Development Lab operates. I'd like to share one of the comments that our partners sent to us and ask a few questions around that.**

**Partners commented that the Lab's approach of inviting expressions of interest to participate in targeted collaborative idea generation, and then inviting a select group of applicants to participate in a joint creation workshop is innovative and draws on practices in private industry. However, in their experience, expecting the selected applicants to form impromptu collaborations and produce ideas that may or may not be pursued imposes heavy costs on the partners. They believe that this especially hard on small and non-US partners who invest a great deal to participate and then have little real prospect of an actual award that would justify their investment of scarce resources. In a way, they believe that USAID is extracting value from the participants by mining them for ideas without covering any of their costs. Partners have also seen cases where USAID staff encourages a selected group to submit joint proposals for relatively small awards that couldn't possibly support all of the organizations that participated in the idea generation.**

**Question 13.1: Can you explain a bit more about the goal or purpose of using a Broad Agency Announcement? How would you respond to this opinion of the BAA?**

**Answer:**

- USAID uses BAAs for collaboration when the development problem is not well understood and there appears to be an opportunity for innovation.
- It is, fundamentally, a research and development technique.

- In comparison to the traditional competitive proposal process, participants spend very little to submit a five page statement of interest, and significantly less than a full proposal, especially considering the background analyses and research required.
- It should be noted that small and non-US partners have a significant investment to compete in our traditional processes: typically we receive a large number of responses to every solicitation, and typically only one receives funding.
- We understand that participants cannot linger on the process, and we feel that this pressure is healthy in keeping the process moving swiftly.
- In addition, because this is a forum for collaboration, our experience has been that partners often discover other opportunities and resources beyond just USAID funding. However, as yet, we have not received this concern from participants.
- We'd like to hear more specific details about how this process costs participants more than a traditional proposal.
- Interesting question about "mining ideas" without compensation -- We have not run into this issue in our actual collaborations once participants understand the collaborative approach.
- When we do a traditional procurement, we get a lot of ideas.
- The vast majority of those ideas are not successful for a variety of reasons and are not selected for funding.
- The participant never gets to explore with us a deeper understanding of the risks and possibilities.
- As a result, we rarely get a truly radical or innovative approach surfacing through our traditional competitions.
- This is not to say that partners do not provide substantial innovation.
- However, these innovations generally occur after the award and during performance.
- Famously, there is an Alternative Proposal clause that is used in every solicitation, yet we never, to the best of my knowledge, receive alternative proposals.
- Again, let me restate that we use BAAs for collaboration in cases where the problem and solution are not clear.
- We don't see the BAA as a substitute for traditional competitive approaches – the research areas of interest in a BAA don't lend themselves to tidy SOWs or PDs.
- It so happens that we are seeing this process address a large unmet need in the Agency where, previously, we either took no action or settled for poor performing description of our requirements.

**Question 13.2: Has there been any examination of whether this approach is truly viable for a public procurement process?**

**Answer:**

- The BAA is not a new mechanism.
- It is authorized by FAR 35.016, it has been used by other agencies for years.
- Our experience so far has been that this is a great way to engage traditional and nontraditional partners and create much richer, deeper solutions to complex development issues.
- We have particularly had success working closer with small/local organizations, especially those that are unfamiliar with USAID processes.
- We believe the co-creation process ultimately leads to better targeted programs to meet development objectives.
- While traditional solicitation or proposal approaches work well when the requirement and objectives are well understood, collaboration is a much better approach when the pathway to a solution is not clear.
- We believe the BAA process will be less frustrating for applicants and proposers in these cases.
- BAAs are also used to attract resource partners as well, so total opportunities could actually increase substantially.
- External resourcing relationships are difficult and lengthy to craft in a traditional competitive environment.
- For instance, one of the best designs for the next generation Ebola suite came from a collaboration between a university and a wedding dress maker. Who would have thought?

**Question 13.3: Has USAID examined whether this approach creates unrealistic expectations on the part of groups with less experience working with USAID?**

**Answer:**

- Actually, we have discovered that the unrealistic expectations we generally have to deal with first, are from organizations that have done business with USAID or the federal government in the past.
- However, we can get through these issues relatively quickly, and participants are free to leave the process at any time.
- We have had a few that choose to leave the process after their statement of interest was accepted.
- In each case, it is a separate conversation and a separate issue.

- The point of the BAA, though, is that we can have these conversations and discuss these issues in detail, fully and transparently.
- Participants do not need to hide their concerns or play coy for fear of losing a competition – this is a competition about the merit of a single idea formulated by the co-creation team, not a head-to-head with other participants.
- In summary, for the BAA process so far we have only received positive feedback from participants.
- Being that this is a new process for USAID, we welcome additional feedback, with concrete examples, on how we can make the process better.

**Question 14:**

**Can USAID clarify the practice of combining the Summary Information on Grants.gov with the Full Text of Funding Opportunities (vs displaying the Summary Information in advance) and USAID’s determination to limit funding opportunities to 30 calendar days?**

**Answer:**

- First, 2 CFR 200.203 (a) states that that Summary Information must precede the full text of the announcement.
- We interpret this to mean that the Summary Information must appear in the first part of the Notice of Funding Opportunity (NFO), and the full text must appear in a subsequent section.
- We do not interpret 203(a) as requiring that the Summary be posted at an earlier time than the Full Text of the NFO.
- Second, there has been no Agency-wide determination to limit funding opportunities to 30 days.
- ADS 303 was revised on July 22, 2015 to reflect the recommendation in 2 CFR 200.203(b) to make all RFAs available for receipt of applications for at least 60 calendar days.
- To the greatest extent practicable, and consistent with 2 CFR 200.203(b), AOs must determine an application deadline that provides sufficient time for applicants to adequately respond to the complexity of the requirements of the NFO while balancing other considerations, e.g. political, agricultural, climatic events, etc., that may affect the timing needs for receipt of applications.
- For receipt of applications less than 30 days from the release of the NFO, AOs must provide a written determination for the file.
- It was a substantial effort to make ADS 303 policy consistent with CFR.
- This is an ongoing effort, and we will continue to revise ADS to make it consistent with OMB's policy.

### **Question 15: Improvements to Business Forecast**

**While we applaud USAID's recent efforts to improve its Business Forecast, many opportunities remain out of date (including many now in the past), and with incorrect information. While we know procurement mechanisms, sizes, and release dates can change, there is some very basic information which USAID Missions, in particular, do not seem to be able to get right, perhaps due to process or lag time in publishing the Forecast. Can USAID clarify what the most important elements of the Business Forecast are to fix first, and what those immediate milestones are?**

#### **Answer:**

- In answering this question -- I think it is important that folks recognize that the Business Forecast that we publish is a quarterly snapshot in time.
- This means that when we pull the Forecast and publish it -- information will change and dates will move as the quarter progresses.
- What you see online is not updated on a "real-time" basis.
- However, we do allow for Missions to make updates to the Forecast as needed throughout the quarter.
- I think we have taken many big strides ensuring that the Business Forecast, when published, is accurate.
- Last quarter, when we realized that the Forecast that was initially published was not accurate, we notified the partner community and took actions to correct it immediately.
- As far as next steps to improve the Forecast -- as many of you know, last year we rolled out a new Acquisition and Assistance Planning tool that is used to track all upcoming actions and is used to pull snapshots of the Business Forecast document posted online.
- We are still working with several Missions to get them to fully adopt the A&A Planning tool.
- Where we have seen Missions fully adopt the system, we find very accurate and timely information published on the Forecast. We still see some challenges in producing the Forecast where Missions haven't fully adopted the system.
- So with regards to the last part of this question -- I think the next steps for us include:
  - Coordinating additional training for Mission on how to effectively use the A&A tool.
  - Secondly, getting more Senior Leadership support of the new A&A planning tool.
    - In Washington, we have provided several Assistant Administrators with access to the A&A planning tool. And as a result, we have seen a drastic improvement in the information pulled for the Business Forecast by these Bureaus.

- We need to get similar buy-in from Mission Directors. I have already begun doing outreach to them. Last month, I met with more than 25 Mission Directors and spoke with them about the A&A planning tool and the Business Forecast. Next week, I will speak with 30 additional Mission Directors.
- I think we have a great new tool and a process in place to capture information for the Business Forecast -- we just need to get everyone to utilize the A&A tool to its full potential.

**Question 16: Task Orders on Business Forecast**

**We have seen that most IDIQ Request for Task Order Proposals (RFTOPs) are not included on the Business Forecast. What is USAID's thinking in regards to putting advance notice of RFTOPs under IDIQ's on the USAID Forecast?**

**Answer:**

- This is a question that the partner community has raised time and time again.
- During our last two Business Forecast calls and in private meetings with partners, we have been asked to include Request for Task Order Proposals on the Business Forecast.
- Historically, we have not included them on the Forecast, because we want the Forecast to only include information that is fully open to competition.
- We thought that including task orders would create confusion among the partner community.
- However, I understand that often task orders come out unexpectedly leaving partners scrambling to put together proposals.
- There have also been occasions where information included on the Forecast has switched over to a task order and subsequently removed from the Forecast all together.
- I want you to know that we have heard you.
- In the interest of addressing your business concerns and maximizing transparency, we plan to pilot the reporting of RFTOPs under IDIQs on the first Business Forecast of FY 2016, expected in late October or early November.
- This will be a pilot. We are going to try it.
- If the margin for reporting error turns out to be too high, then we may need to revisit.

\*One final note on e-mails to the Ombudsman: E-mails sent to [Ombudsman@usaid.gov](mailto:Ombudsman@usaid.gov) go to the Ombudsman or Acting-Ombudsman and remain confidential. The Ombudsman can direct questions that are not confidential to agency personnel for a response.