



## NOTES -- Partners' Day: *Working with USAID*

### **Session Title: Understanding PALT**

**Date:** December 1, 2015

**Time & Location:** 10:45 a.m. – 11:45 a.m.. EST at the Ronald Reagan Building

### **Presenters:**

- Charity Benson, Senior Advisor, M/OAA, USAID
- Steve Schmida, Managing Director, SSG Advisors
- Chris Smith, Senior Vice President of Risk Management and Corporate Ethics Officer, Chemonics

### **Purpose of the Session**

Explain what PALT is, how it is measured, and why it is important. The session looks at the milestones that USAID tracks in PALT, best practices, and how PALT impacts USAID's partners.

### **Discussion Topics**

#### **Topic 1: PALT Baselines, Targets, and Challenges**

- Washington Acquisitions:
  - Three year averages stayed close to baseline and above target;
  - Since FY 2014, USAID has improved 27 percent
  - The Planning phase increased in FY 2013; the delay is partially due to the time USAID allows partners to respond.
  - The Evaluation phase increased significantly in FY 2013.
- Overseas Acquisition:
  - Shows rise in three year averages above baseline and marked improvement over latest three year average;
  - Publishing on FBO phase increased, due to time allowing partners to respond to proposals;
  - Evaluation period highest amount of time than any other phase.
- Washington Assistance:
  - Three-year average above baseline and targets. FY 2015 showed marked improvement over FY 2014 (single years);
- Evaluation phase continues to be a challenge;
- Publishing on grants.gov averaged higher than target of 30 days
- Overseas Assistance:
  - Continues to stay close to baseline data and above target. The three year trend showing improvement;
- Evaluation Phase taking much longer than any other phase.

#### **Topic 2: What USAID is Doing to Reduce PALT, and Progress Made**

- Pre-PALT, early engagement;
- Senior management closely monitoring PALT;
- Assistance streamlining;
- Training & templates;
- Giving COs more tools;
- More interaction with small businesses;
- FAR using consensus ratings;
- Only past performance and price are the minimum needed for procurement; other factors beyond these criteria should be carefully considered.
- Use small business authorities;



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- Training
- Assistance streamlining policies
- E-Modules for partners
- Implementing Partner Notices Portals

### **Topic 3: Impact of PALT on Small Businesses (Problems, Solutions, Recommendations)**

- Challenges:
  - Running out of cash is the biggest challenge for small businesses;
  - PALT can tie up large amounts of cash and is problematic. Small businesses have invested money and incur costs, but have not received payment yet.
- Solutions/Recommendations: Use of small business authorities (set-asides) can reduce PALT; include consent to subcontract, reduce number of evaluation criteria;
  - Prime implementers: include request for consent to subcontract in proposal submission; allow small business to invoice under a Letter to Incur Costs; Offer net-30 terms (helps with cash flow)
  - Small businesses: Be careful when incurring and carrying costs for proposal preparation; when a prime has won an award they are not home free.

### **Topic 4: Shared Small Business and Large Partner Perspective on USAID PALT**

- PALT keeps USAID and partners mutually accountable;
- Eliminate key personnel and illustrative task orders
- Partners interested in specific instrument because it is the vehicle to do good development and achieve lasting results;
- PALT is an opportunity cost of delaying implementation on the ground;
- Training COs/AOs on best practices helps efficiency and effectiveness;
- Accelerate past performance info (request it before solicitation closes for remainder of the proposal)
- For key personnel, prefer not including this criteria, however, if used to not narrow the qualifications.