**Fiscal Year 2020-Quarter 2**

 **Business Forecast Review Conference Call**

**March 13, 2020**

**9:00 - 9:30 AM ET**

**As Prepared**

**Background**

The U.S. Agency for International Development (USAID) 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**

* Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
* Randy Tift, Chief Acquisition and Assistance Policy Officer, Bureau for Management, Office of Acquisition and Assistance
* Mauricio Vera, Director of USAID’s Office of Small and Disadvantaged Business Utilization
* Brittney Irby, Bureau for Management, Office of Acquisition and Assistance Communications Specialist

**Agenda**

* Welcome and introductions.
* Question and Answer session moderated by Ms. Irby.
* Conclusion of the call.

**Conference Call Transcript**

**Ms. Irby Welcome**

Good morning everyone, thank you for joining us today. My name is Brittney Irby. I am a communications specialist in the Bureau for Management, Office of Acquisition and Assistance (M/OAA) at USAID. 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. You’ll hear from a number of folks on the call today, they are:

* Mark Walther, Director, M/OAA
* Randy Tift, Chief Acquisition and Assistance Policy Officer, M/OAA
* Mauricio Vera, Director of USAID’s Office of Small and Disadvantaged Business Utilization

If you’re new to joining us for a Business Forecast call, 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. We will be answering some of the general questions we received. We appreciate everyone’s continued interest in our Business Forecast. We are tracking a few questions that remain unanswered. Our contracting officials stationed around the world are responding to a few remaining questions. Our plan is to post 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 would like to turn the call over to Mark Walther, USAID’s Director of the Office of Acquisition and Assistance.

**Mr. Walther Remarks**

Thank you, Brittney. And thanks to everyone currently on the line or listening to the recording afterwards for your continued engagement with USAID. We truly value the opportunity to collaborate with each and every one of you, and it is only through the high standard of quality results that you consistently achieve that we are able to uphold our integrity as an Agency.

First, I’d like to begin with remarks concerning COVID-19 (Coronavirus). We have very much appreciated the inquiries which we have received from Implementing Partners and the major Partner Associations. We have also appreciated the knowledge sharing from the Associations and other federal agencies such as OMB and the Civilian Agency Acquisition Council (CAAC) as different agencies have issued guidance or shared examples. We want you to be aware that your health and safety are of utmost priority to us. It has clearly been a difficult operating environment given the fluid nature of events over the last few weeks.

Yesterday afternoon I welcomed the ability to share guidance to the Agency's staff and our partners. I’d like to briefly highlight a few points from the guidance:

Implementing partners must continue to consult with their Contracting Officer Representatives/Agreement Officer Representatives (COR(s)/AOR(s)) and Contracting Officers/Agreement Officers (CO(s)/AO(s)) on any new work or revisions to work plans to ensure written authorization to do so. The USAID Administrator is considering an Expedited Procedures Package (EPP) for infectious- disease outbreaks to respond to the emergency and other related ones. If there is a need to redirect implementing partners to respond to the epidemic, the cognizant USAID CO(s)/AO(s) will contact them.

If partners anticipate, or are experiencing, disruptions to the implementation of a USAID-funded program, whether because of health/safety issues, quarantine actions, travel restrictions, or logistical concerns (such as supply-chain interruptions), they should inform their COR(s)/AOR(s), who will then consult with the cognizant CO(s)/AO(s) and provide guidance. In the event any USAID implementing partner (whether under a contract, cooperative agreement, or grant) needs to modify or suspend the implementation of a previously agreed-to work plan, it must first notify its COR/AOR, who, in turn, will coordinate with the cognizant CO/AO for approval.

USAID understands that, as a result of the outbreak, some of our implementing partners might find themselves incurring additional implementation costs not originally envisioned, principally related to safety measures and the protection of staff. USAID will consider any additional proposed costs on a case-by-case basis, provided that such costs are “allowable, allocable, and reasonable.” Before incurring any additional costs relating to COVID-19, partners must consult their AOR(s)/COR(s) and AO(s)/CO(s) for approval, when required. Please note that these costs are subject to audit. All costs, including incurred costs, must not exceed the obligated amount of the award. At this time, reasonable costs in relation to safety measures are generally allowable.

Please note that decisions about whether to require contractors to depart a country will be made on a case-by-case basis.

An additional note for institutional support contractors, those contractors that provide support in USAID office buildings and missions. Please review your firm's telework policies as well as the requirements associated with telework training and agreements in USAID space. Please connect with your cognizant COR and CO to ensure telework abilities and understanding are in accordance with your contract and Agency policies so that we’re all on the same page in regard to the abilities and requirements should they be needed.

Finally, the most recent questions we have received from Implementing Partners concern the Fly America Act and any relaxation or flexibilities. We are engaged with our Agency’s Task Force on this question and hope to have news shortly.

If you have additional Questions related to specific awards with USAID should be directed to the relevant Contracting or Agreement Officer. If you have more general questions, they should be sent to TF2020-COVID19@usaid.gov.

Next week we will be hosting a call with partners to address additional questions related to the COVID-19 guidance. Once we get the date and time set we will notify everyone through our email distribution list and through our partner associations.

Turning now to overall Acquisition and Assistance (A&A) highlights, I would like to take a moment to provide several updates since the last Business Forecast call on December 5, 2019.

First, I am proud to announce that the 2019 Progress Report is now available on USAID.gov site under the Resources for Partners section. A link will be provided in the transcript. Highlights of this report includes $17.2 billion in acquisition and assistance awards in 2019. Acquisition awards accounted for over 30 percent of total dollars obligated, while cooperative agreements accounted for approximately 26 percent, and grants accounted for the remaining 42 percent.

From March 3-4th, 2020, the Bureau for Management’s Office of Overseas Support Operations, in collaboration with the Office of Small and Disadvantaged Business Utilization, held the second overseas Small Business Conference in Frankfurt, Germany. The conference brought together over 250 U.S. Small Businesses and provided an opportunity to network with each other as well as 60 plus USAID headquarter and Mission staff. Additional agency representatives included the Department of State, U.S. Commerce Department, U.S. Minority Business Development Agency, and the General Services Administration’s Office of Small Business Utilization. Maurico will share additional reflections on this event in just a few minutes.l

We continue to actively recruit new Contracting and Agreement Officers at USAID. We have a job announcement currently on USAJobs for new Foreign Service Contracting Officers. We are looking at hiring up to 40 new foreign service COs. We are also looking to establish 3 senior regional advisors to support the A&A function worldwide. In Washington, we have staff in the onboarding process and are seeking to fill 19 additional vacancies.

With regards to the implementation of the Acquisition and Assistance Strategy and the EPPR recommendations we have a number of updates that I am pleased to share. We are preparing a new draft toolkit for co-creation as well as new guidance for the use of Broad Agency Announcements. We are also drafting guidance for Phased (2-step) Acquisitions (also known as voluntary/mandatory down select). We are also looking at program income seeking how we can eliminate the inability to use under assistance award to for-profits through exception/deviation/rule-making. In addition, we are reviewing Grants under Contracts (or GUCs) -- to see how they can be better used for capacity building.

And now I will turn it over to Randy to further highlight the EPPR activities.

**Mr. Tift**

Thank you Mark. It is a pleasure to join you all this morning.

As many of you already know, the USAID Acquisition and Assistance Strategy (December 2018) called for a New Partnerships Initiative (NPI) to help operationalize the Journey to Self-Reliance.

NPI will multiply USAID’s development impact by elevating local leadership, fostering creativity and innovation, and mobilizing resources across the Agency’s programs.

We have now accomplished or made significant progress on all of the strategic shifts highlighted under the first two guiding principles of the A&A Strategy: 1) diversifying our partner base and 2) changing how we partner.

Let me highlight an important shift and mention progress on a few of the other strategic shifts. The highlight: We have shifted local partner engagement to focus on capacity strengthening.

As an Agency, we are now measuring strengthened local capacity, rather than “percentage of program funds obligated to local organizations,” as under Local Solutions in the past.

After the Administrator approved plans to change our local engagement success metric last summer, we developed options, then moved to establish the new global indicator -- Capacity Building for Local Development or CBLD-9 -- creating a common standard for all Missions in measuring local partners’ organizational performance. In looking closely at the piloting of this indicator by the Bureau for Food Security, the EPPR team realized that its benefit is to “keep it simple” by applying several criteria as a lens to measure strengthened organizational capacity, fitting any Mission’s unique approach or tools to build local capacity. In addition, we had defined local partners more broadly and strategically by expanding the definition, with the launch of NPI last spring, to include Locally Established Partners. LEPs are U.S. or international organizations that meet the definition for having locally-led operations. As long-term contributors to a J2SR, enabling partner countries to lead in their own development, LEPs are also targets for USAID programs that build local capacity.

In fulfilling this strategic shift on capacity strengthening, we hit an important milestone last week.

Almost 70 Missions met the Administrator’s deadline to set baselines and targets for this new metric. The missions have institutionalized this shift in measuring effective local engagement.

We are also developing a USAID capacity strengthening policy. In the future, USAID will expect more local capacity building, more often, in more programs, across the Agency.

Just briefly here are other progress reports on the other A&A Strategy shifts.

All missions are developing NPI action plans. The A&A Strategy encourages mission-driven and context-based approaches to A&A planning for effective partnerships. Asking Missions for NPI action plans with country level targets is a better approach than setting goals from Washington. The NPI Action Plans are operationalizing these A&A strategic shifts.

In addition to setting the capacity building targets, we have missions setting targets to increase collaboration and co-creation to change the dynamics of partnership. Collaborative approaches, as defined in the A&A strategy, will mean lower barriers to entry, more dynamic consortia and award types and, we hope, more innovative and effective programs. And as Mark said, EPPR is creating a new toolkit emphasizing the use of targeted or tailored co-creation.

Missions are setting context-driven targets for engaging new and underutilized partners. This started with Country Development Cooperation Strategies, where Missions began looking at the partnering landscape, and now gets more specific with NPI Action Plans that map out the path to engage long-term, strategic, in-country partners.

Finally, NPI Action Plans ask Missions to consider a more strategic use of sub-awards from our traditional partners to empower new and local partners, as The Administrator says, to “lead in their own development” -- NPI promotes a facilitative partnership model. We want USAID’s experienced partners to get creative with the design of new models that empower local actors and partner countries.

The pilot first round of 14 Mission plans were due at the end of February. We are in the process of reviewing them now, then we will improve and streamline new guidance for all USAID Missions to develop NPI plans by May 2020.

In sum: these shifts are about incentivizing, and strengthening accountability, to achieve new and better A&A approaches to partnership and achieving development outcomes.

**Mr. Vera**

Thank you Mark. I always appreciate the opportunity to participate in the Business Forecast calls.

As many of you know, over the past couple of years in the small business office, we’ve been primarily focused on expanding our goaling program overseas, and making sure that there are additional opportunities for small businesses interested in supporting our overseas missions. To make this happen, we recognize that we need to use a three pronged approach: outreach, training, and individual small business goals.

Many of you may have attended the second Overseas Small Business Conference last week in Frankfurt, Germany. The survey comments indicate that the two day event was a huge success, providing networking opportunities and access to useful information for all attendees. Before I go any further, I want to thank members of the Planning Committee: Sunil Xavier and his team from the Bureau for Management’s Office of Support Operations in Frankfurt who also hosted the event; Mark Walther and team from the M Bureau’s Office of Acquisition and Assistance; Maria Televantos from the Ukraine Mission, and my own team in OSDBU. This was truly a collaborative effort and we certainly owe our success to their support and participation. We also owe our success to the contracting and technical officials who participated in the Frankfurt conference. The day before the conference opened, Mark Walther joined our team in conducting small business program training for 53 contracting officers and contracting officer representatives representing more than 30 Missions from the Middle East, from Eastern Europe and Eurasia, and Africa. Those USAID officials remained to serve as presenters for conference workshops and panel discussions, and to support the vendor exhibit hall. I’m pleased to report that more than 250 U.S. small business representatives attended as well as 60 plus USAID colleagues who were very impressed with the capabilities and qualifications of the small business attendees. We had extensive discussions over the two days on the A&A Strategy, the EPPR, and the New Partnership Initiative, primarily focusing on how small businesses can participate in helping Missions help partner countries achieve the J2SR.

One exciting development for this fiscal year is that we’re negotiating small business goals for the 57 Missions that have averaged more than $5M in contract obligations over the past three years. The list of participating Missions is too long for me to list but we plan to have that information, as well as the small business accomplishments of the Missions that have been participating in the goaling program since its inception in 2018, on our website by the end of next week.

Like other years, our office continues to plan additional small business outreach activities. However, because of the current CoronaVirus outbreak, we are obviously reassessing those plans so be forewarned that what I’m about to share with you may very well change. Our outreach plans for now include two key events. First, in our continuing efforts to expand our outreach outside of the Washington, DC metro area, we are scheduled to partner with the U.S. Women’s Chamber of Commerce to host a West Coast Women Owned Small Business outreach activity on April 21, 2020 in Los Angeles. The Women’s Chamber is scheduled to host a much larger women-owned business event the following day at the same location that will include other Federal agencies. You can visit the U.S. Women’s Chamber website for the details, or contact Teneshia Alston on my staff for updates on these activities.

Secondly, our 13th Annual USAID Small Business Conference is tentatively scheduled for June 10th at the JW Marriott in Washington, DC, same location as last year. For now, we are planning a similar format as in past years. In addition to informative sessions and networking opportunities, the event will include Lunch with the Leaders, an Awards Presentation to recognize the small business and large business of the year. Also, internal awards for contracting officers of the year (Washington and Mission), and CORs of the year, Mission and Washington Bureau of the Year. The event draws Washington-based leadership, acquisition and technical officials and serves as an excellent networking opportunity for the conference participants. This is always an extremely popular event so please stay engaged with us to determine how we plan to move forward given the current environment. We plan to open registration in early May, 2020. So, please look for the information on Beta.sam.gov

Thanks again to Mark and team for the opportunity to present our update and for your continuing support of our small business initiatives.

**Questions and Responses Segment**

The following segment is facilitated by Brittney Irby. She asked several general questions presented by stakeholders, and USAID leadership provided their response. The remaining questions and responses will be included in the final transcript posted on USAID’s website

1. **Engaging with the New Partnerships Initiative –** Other than continuing to monitor the USAID Business Forecast and Grants.gov for specific opportunities, does USAID have any suggestions for potential new partner organizations on how best to engage in the New Partnerships Initiative?

**USAID Response:** I would encourage prospective partners to not overlook the business forecast -- currently the E3 Bureau is planning activities in the areas of youth engagement, women’s empowerment, and higher education where NPI approaches will be used, so that should open up opportunities either for direct awards or for sub-awards for new and underutilized partners. If your organization meets the criteria for new or underutilized -- you have received less than $25 million over the past five years from USAID -- your organization may want to start planning to apply or looking for an experienced partner to work with as a sub.

1. **Last Updated Date:** The USAID Business Forecast website occasionally will indicate updates to a posting, without making any changes. Would USAID please communicate clarifications if and when updates are made to the forecast without any change to content?

**USAID Response:** The A&A Planning tool includes significantly more information than what is included on the Business Forecast as it is used by all Mission and Operating units to manage awards. When you see an updated “last updated date” in the Forecast, but do not see a change in the Forecast information, this means that a field in the A&A Plan, not included in the Forecast, has been updated. So, just to be mindful, not all the times when you see the last updated date changed will mean that there is a change in the Forecast itself, but rather a broader change in the A&A plan, which is not relevant to the Forecast.

1. **New Partnership Initiative:** Could USAID provide information on the New Partnership Initiative designation? For activities designated as New Partnerships Initiative, could established implementing partners be included as subs or leads with new partners?

**USAID Response:**  Yes, depending upon the NPI modality used, especially modality #3, an established implementing partner could certainly be the lead organization, with new and underutilized partners as subs. Under this modality, NPI requires that the prime partner sub-award at least half (between 50%-75% depending on the type of partnership that’s envisioned) of the total award amount to new and underutilized partners. We have several good examples of these kinds of partnership “delivering” both empowered new and local partners and program results.

1. **Posting on Business Forecast:**  Does USAID provide Missions with guidance on when to place opportunities on the forecast? There have been several occasions where opportunities were updated on the forecast only days before the solicitations were posted.

**USAID Response:** Our goal is to provide information to our partners as soon as possible. It is important to note that we are always trying to balance the accuracy with the timeliness of the Forecast. The earlier we post activities on the Forecast, sometimes the more uncertain we are of specific details. We understand that when activities change on the Forecast this also creates a challenges for partners. We do not have set guidelines as to when an activity should be posted on the Forecast, but we encourage staff to post information on the Business Forecast as soon as possible and will continue to do so. Ideally, as a matter of practice, we strive to get things on the Forecast 3-6 months in advance, however the details and all the elements related to the procurement acquisition or assistance typically may not be ready at that time, and therefore will need to be updated as we go forward.

1. **Small Business Utilization:** What efforts are being undertaken this quarter to increase subcontracting goals to meet OSDBU’s targets for awards to small businesses?

**USAID Response:** Every year we negotiate our goals withThe Small Business Administration, andthe Agency’s Fiscal Year (FY) 2020 prime small business goal is 12 percent and the subcontracting goal is 16 percent. The Office of Small Disadvantaged Business Utilization (OSDBU) in coordination with contracting officials review subcontracting plan submissions with a focus on goal achievement throughout the year. We will continue to train our staff and ensure that we accept realistic plans that may lead to an increase in subcontracting obligations to small businesses.

1. **Best in Class and Spend under Management:** Will or has USAID received Best-In-Class (BIC) and Spend Under Management (SUM) goals for FY20? If so, will the agency share its percentage/ targets with implementers?

**USAID Response:** The FY 20 CM targets for USAID are: SUM $3.8B and BIC $0.2B. Category Management Dashboards & Analytics containing current information for USAID and other Agencies are available for public viewing at the following site: <https://d2d.gsa.gov/report/public-category-management-dashboards-analytics> Please note that Deb Broderick is our lead and champion in Category Management; she always welcomes opportunities to hear from the community, she was at the Small Business Conference and did a session on Category Management and welcomes any questions specifically in that area.

1. **Mission Small Business Goal Program:** Does USAID intend to expand its Small Business Goal Program to additional missions in FY 2020. If so, can USAID share the names of the additional missions?

**USAID Response:** In Fiscal Year (FY) 2018 USAID launched the Mission Small Business Goaling Program with 16 pilot Missions, and the following year an additional 15 Missions were added to the program. The Agency hasn’t wavered from its commitment to fully implement the program by FY 2020. The goals are negotiated and applied to each Mission that has an average of $5M in contract obligations as evidenced by the previous three years. As I mentioned earlier, there’s approximately 57 Missions that now have acquisition obligations over $5M, and OSDBU is conducting final discussions with several Missions. We anticipate posting the complete list on the USAID, OSDBU website by March 27, 2020.

1. **Performance Work Statements:** We are seeing an increase in the use of Performance Work Statements (PWS). Could USAID clarify what factors are considered when requesting offerors to develop a PWS over a technical approach? Could USAID provide information on how the Agency is developing a standardized use of the PWS format in procurements and evaluation guidelines for PWS-based proposals?

**USAID Response:** There are numerous sources available on PWS and the most important takeaway is that a PWS has two mandatory features which are (1) the work is stated in terms of outcomes or results, rather than methods of performance and (2) measurable performance standards and a method of assessing contractor performance against those standards. I am reaching out again to COs to update different examples in this space for further review. In the meantime, the Contracting Officer of the PWS would be able to provide clear and consistent instructions regarding the various requirements to include language. [Linked here is one resource to get started with](https://www.navsup.navy.mil/site/public/flcph/documents/contracting/cor_guides/A_CORs_Guide_to_SOW_PWS_and_SOO.pdf). If an RFP is unclear or inconsistent regarding PWS instructions, offerors are to submit questions in accordance with the RFP. Each RFP provides unique proposal instructions, and questions related to clarity and inconsistencies are to be addressed by the issuing Contracting Officer. In the meantime, please contact the particular contracting officer for the particular solicitation, but as an office, we are reaching out to try to get more information that’s based on best practices and take a review of that.