Ask the Procurement Executive Conference Call
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Background

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 questions. The associations were: Humentum, InterAction, Small Business Association for International Companies (SBAIC), Society for International Development -- Washington (SID-Washington), and the Professional Services Council (PSC) Council of International Development Companies (CIDC).

USAID Participants

1. Mark Walther, Senior Procurement Executive, USAID
2. Deb Broderick, Deputy Director of the Management Bureau's Office of Acquisition and Assistance (M/OAA), USAID
3. Teneshia Alston, Small Business Goals Manager, Office of Small and Disadvantaged Business Utilization, USAID
4. Randy Tift, Senior Advisor, M/OAA
5. Matthew Johnson, M/OAA Communications Director

Detailed Transcript

Mr. Johnson Introduction:

Thank you for joining us on today's Ask the Procurement Executive call. My name is Matt Johnson and I am the Communications Director for USAID's Office of Acquisition and Assistance and the Agency's Industry Liaison.

The purpose of our Ask the Procurement Executive call is to help address topics and questions that are important to improving how we do business with our partners. We understand that working with USAID and the Federal Government is sometimes complex.

I'd like to start off by thanking each of the associations -- Humentum, InterAction, Small Business Association for International Companies (SBAIC), Society for International Development -- Washington (SID-Washington), and the Professional Services Council (PSC) Council of International Development Companies (CIDC) for engaging with their members and sending us questions for the call.

During today's call we will not be covering all of the questions submitted to us, but we will be posting the full list of questions and responses on USAID.gov this afternoon. In addition, we are recording this call and will include it online.

Once the materials have been posted, we will share an announcement through our Acquisition and Assistance email distribution list and share it on our twitter handle @USAIDBizOpps.

On today's call you will hear a number of voices. I'd like to briefly introduce everyone before we get started. Mark Walther who is USAID's Senior Procurement Executive and the Director of the Office of Acquisition and Assistance. Teneshia Alston, who is the Small Business Goaling Manager for USAID's Office of Small and Disadvantaged Business Utilization, Deb Broderick who is a Deputy Director in the Office of Acquisition and Assistance, and Randy Tift who is a Senior Advisor in the Office of Acquisition and Assistance.

Before we dive into the Q&A, I'd like to ask Mark and Teneshia to provide a few introductory remarks.

Mr. Walther Remarks:

I would like to thank everyone for joining us on the call today. Thank you to all of the associations that Matt highlighted. We appreciate your support in helping to identify questions and topics that are important to our partners. We are committed to continuing to improve how we do business. These calls are an important part of our efforts to understand the pain points and questions that many organizations are facing when working with USAID.

To kick off the call, I would like to highlight to you a number of items that we are continuing to work on as we implement the Acquisition and Assistance Strategy.

Our Acquisition and Assistance Labs are in the process of developing a number of toolkits that will help support our staff in the implementation of the A&A Plan. These toolkits include guidance around co-creation, adaptive partnering, performance based approaches, and broad agency announcements.

On the policy front, we've updated ADS 303 to include a number items such as the introduction of renewal grants, revised guidance around substantial involvement, and streamlined the eligibility process and reforms around the extensions/follow-on process. We are now working on changes to ADS 302.

In addition, we are working with our Bureau for Policy Planning and Learning to help strengthen the role of the Contracting and Agreement Officer Representatives in the Agency. We are also actively recruiting Contracting and Agreement Officers -- including a current job announcement on USAJobs.gov for Foreign Service Contracting Officers.

We are continuing to promote the New Partnerships Initiative (or NPI) in the Agency. As many of you likely know, we are working with a handful of overseas offices to pilot Mission NPI plans. As a part of these plans, Missions will be identifying new and existing opportunities to engage with organizations that are new or underutilized, advance co-creation, and strengthen local capacity.

We have been in the process of updating our Business Forecast for the 2nd quarter. You should see a note seeking your questions on the Business Forecast in the next few days. We will plan to host a similar call to this in mid-March around our Business Forecast.

In a few weeks, a number of us will be traveling to Frankfurt to participate in the second overseas U.S. small business conference, which Teneshia will highlight in greater detail. We are looking forward to meeting many of you there.

Finally, we are also planning to release our FY 2019 Progress Report, which highlights all of the activities that we achieved in the acquisition and assistance space.

There is a lot happening at USAID and we understand all of these activities have an impact on you. We are committed to keeping the lines of communications open. If you have any questions you can also feel free to raise them to Matt Johnson our Industry Liaison.

Ms. Alston Remarks:

As you may already know, fiscal year (FY) 2019 was another exceptional year for USAID in partnering with U.S.-based small businesses. The acquisition data indicates we awarded approximately $784 million to small businesses out of a total portfolio of $5.4 billion in prime contracts. This translates to approximately 14.60 percent of direct awards to small businesses, which exceeds our FY 2019 Small Business Goal of 12.50 percent. The Agency's dollars to small businesses increased by more than $100 million from FY 2018.

In addition, we exceeded our Small Disadvantaged Business (SDB) goal for the tenth consecutive fiscal year. We awarded $387.6 million, or 7.17 percent to SDBs. For the first time since FY 2014, we exceeded our Women-Owned Small Business goal of 5 percent by awarding approximately $297.7 million, or 5.50 percent. There were notable increases in the remaining socio-economic program areas.

Maintaining our level of excellence in partnering with U.S. small businesses continues to be an ongoing commitment both in Washington and in the field. For this reason we have extended our Small Business Goaling Program to all Missions that averaged $5 million in acquisition dollars over the past three fiscal years. We will post a list of participating Missions when we complete the process. We have posted the small business accomplishments of the Missions that participated in the Small Business Goaling Program during FY 2018 and FY 2019.

Lastly, we're less than 20 days away from our second overseas Small Business Conference in Frankfurt, Germany. As of today, more than 250 U.S. based small businesses are registered to attend. The Director of the OSDBU, Mauricio Vera has been working with the leadership of the Middle East Regional Platform in Frankfurt, Germany, our Mission in Ukraine, and the Bureau for Management, Office of Acquisition and Assistance in Washington to plan this event. I wish to send a special thanks to Matthew Johnson, the Agency's Industry Liaison who has been instrumental during the planning process. The event represents another internal collaborative effort to focus on the programming priorities and procurement needs for the Missions of Europe and Eurasia, the Middle East and Africa.

Ask the Procurement Executive Q&A Session:

1. Can USAID please provide clear and consistent instructions when a Performance Work Statement is used for the technical approach of proposals, specifically requirements for language that does not identify the applicant or their partner organizations? In the absence of clear instructions, it is very difficult to demonstrate experience and partnerships that are foundational to the design of approaches and interventions.

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. 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 resources to get started with. 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.

2. How is OAA dealing with increases in grants within assistance programming--especially when dealing with the Administrator's push to use more small and medium-sized grants for more private sector engagement within host countries where managing so many smaller and multiple grants require more procurement oversight?

Response: The Administrator approved hiring additional Civil Service staff and Foreign Service Officers. We need to increase our Acquisition and Assistance workforce to responsibly manage our development and humanitarian programming. In the short- to medium- term, we are asking Foreign Service Contracting Officers to actively support each other to balance workload globally, across traditional boundaries (e.g., Mission; region).

While some centralization of support services is inevitable in the current staffing posture, supporting each other across country and regional boundaries will help ensure that we preserve bilateral support as the proven model that delivers the best development results and the most development impact. Additionally, we provide TDY support to the field and have FSNs come to Washington so we are proactive in trying to manage workload and to have more strategic posturing overall.

3. In 2019, USAID revised ADS 303 to include a new requirement for AORs to prepare a Performance Review (PR) form for each assistance award within 45 days of its "completion date". Does USAID plan to issue further guidance on these or other aspects of the PR process soon? Our members would very much appreciate your doing so and would welcome an opportunity to provide feedback on such guidance in draft and/or on additional issues in this area that would merit consideration by the Agency.

Response: Some background information: One of the key pillars in EPPR is performance management and how we can do that more effectively. Concurrently with those efforts, the Office of the Inspector General also undertook an award management audit that found that there were a variety of different inconsistencies as far as individual performances under awards and how individual firms were then rated. There seemed to be no correlation between the actual performance of targets, meeting indicators or not meeting them, with the ultimate performance score that they received. As part of that award management audit, we did also connect with OMB as many of you know, there's no federal wide system, and OMB did not

want us to undertake cost in the development of a new system for assistance instruments - grants and cooperative agreements. On the flip side, there is an existing system - CPARs and PEPERs for contracts that was equally noted to us that that is strictly an acquisition system; it cannot be used for grants and cooperative agreements. This is what led to the initiation to assistance of reviews to risk and performance. This is our first foray into this area. We welcome additional thoughts as we proceed. We've introduced this on an end of the agreement basis, it's not an annual event.

The review and evaluation of a recipient's performance and the requirement to review the risk posed by applicants are not new requirements. As part of the review the Federal awarding agency may consider "The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards." (2 CFR 200.205(c)(3)). The Agency has mandated the use of a template (Performance Review Template (PRT)) to assist Agreement Officers and Agreement Officer's Representatives in collating information to assess risk. The PRT serves as part of a risk-based approach in evaluating risks posed by applicants. The PRT allows Agreement Officers (AOs) and AORs to assess recipient performance information in a timely manner. AOs and AORs can access and use PRTs to inform future risk assessments for a recipient or applicant. Additionally, the PRT may serve as a step toward government-wide goals in consistency and shared performance data.

As always, the Agency will consider issuing guidance when necessary to assist AOs and AORs with their duties and responsibilities.

The Performance Review template is available here: https://www.usaid.gov/work-usaid/resources-for-partners/performance-review-template-assistance-awards

4. Submission of single audit reports through the Federal Audit Clearinghouse for non-US recipients. Does this requirement apply only to instances where the Non-US recipient is a direct recipient of USAID funds? Are primes able to submit the reports of any Non-US subrecipients to USAID for review?

Response: This requirement to submit audit reports through the Federal Audit Clearinghouse only applies to U.S. based recipients who have prime awards with USAID. This requirement does not apply to Non-US recipients at all.

No, primes are not able to submit the reports of any Non-US subrecipients to USAID for review because this is the prime recipients responsibility to review the sub awardees reports and resolve any audit findings.

5. Our members would appreciate greater clarity on the factors scrutinized by USAID when NGOs employ non-competitive procurement options**.** Would USAID consider issuing more guidelines on their interpretation of the four noncompetitive procurement options and what their expectation is of NGOs for adequately documenting their use of these options? For instance, if an NGO determines a needed service is only available from one consultant, what is the level of scrutiny USAID would apply and what factors do they look to?

Response: The Agency follows 2 CFR 200.320 and does not have additional guidance on this topic. If this there are specific issues that are being encountered, we would encourage organizations to engage with their CO/AO. And if this question relates to large inconsistencies please let us know and we can look at it more broadly.

Specifically to the question on non-competitive options -- a compelling justification is what is required to meet these requirements of 2 CFR 200.320(f). It has to be something in which there was no other option - it is persuasive. When we do justification to limit competition, I'm looking at is it compelling and persuasive? For example, to say that no market research that has been performed would not be a compelling answer for noncompetitive status because market research has to have been performed to come to the conclusion that there is no market competition. Each case is specific.

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from limited sources and may be used only when one or more of the following circumstances apply:
> (1) The item is available only from a single source;
> (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
> (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
> (4) After solicitation of a number of sources, competition is determined inadequate.

6. In recent RFPs/RFTOPs, we witnessed a shift by USAID from the scoring/assigning point values methodology for evaluating technical proposals to a qualitative methodology that does not use a points system, and in some cases relies on a "level of confidence" judgement. Please clarify the process by which Missions and Operating Units (OUs) determine the evaluation methodology for a particular Technical Proposal. How does the Agency ensure a fair evaluation

of offerors' proposals using qualitative methodologies when these can be seen as more subjective than qualitative methods?

Response: USAID does not have the statistics on the various evaluation methodologies being utilized by the various Missions and USAID/Washington office; however, it is possible that particular COs or technical areas are utilizing specific methodologies more consistently. There is no mandatory policy or stated preference on the methodology to be used, as one method is not considered inherently better than the other. As long as the requirements of FAR 15 are met. The Agency ensures that the requirements of FAR 15 are met, and utilizes the best value continuum as described in FAR 15 to design competitive acquisition strategies suitable for the specific circumstances of the acquisition.

Agency also has templates and guidance on the use of adjectives. Similar to other agencies, USAID provides guidance to COs and Technical Personnel on adjectival definitions as well as best practices and use. These are outlined in the Source Selection Plan (SSP) see Source Selection Plan Guidance and Template (Contains Standardized Adjective Rating Table for Evaluation). While the Agency provides guidance and tools for their contracting staff we allow COs the latitude to revise definitions as needed to suit their procurement needs.

7. We have heard from multiple COs that they are being pressured to lower CPAR scores, particularly to Satisfactory ratings and/or stop giving out Exceptional ratings. Does the Agency have any guidance on this topic that has gone out to COs/CORs? When we have received Exceptional and Very Good in past, and then the comments are essentially the same, but the rating is now Satisfactory, it appears that we are not performing to past high quality, which is not the case. This is not only important for the management of the current project, but critical to past performance reviews in the bid process.

Response: There has been no pressure or guidance coming from M/OAA or Agency leadership to lower scores. We are emphasizing ensuring that the standards that are applicable across the federal government in the different categories, provided in the systems, and as trained to, are more appropriately understood and complied with, but there is no pressure, etc to dictate a particular score or level.

The OIG's report "USAID's Award Oversight is Insufficient to Hold Implementers Accountable for Achieving Results" concluded that USAID does not adequately adhere to CPARs rating processes. Further, OIG also called CPARs ratings that were submitted "questionable." The, OIG stated, "None of the sampled acquisition awards received a rating less than satisfactory (the average rating was 4, or 'very good')—regardless of their performance. For example, one implementer received satisfactory ratings despite the CO indicating that the services rendered did not meet USAID standards and the award had to be extended twice to improve the quality

of work." The IG went on to observe that programs that failed to achieve results generally rated higher than those that did achieve 100% of desired results and that the two worst-performing programs audited received satisfactory ratings. These findings and a desire to strengthen the Agency's partner base, prompted USAID to "do a hard reset" on how CPARs is used in evaluating performance. Enhanced and now-mandatory training on CPARs is designed to ensure that ratings are more in line with federal standards and that performance can be assessed objectively across the Agency. It is possible, then, that shifts in ratings any one partner may observe may not be the result in shifts in that partner's own performance but, rather, reflective of a broader standardization of ratings across the Agency.

Our goal is to make sure individual Contracting Officers and their representatives understand the federal standards and that apply them in a more consistent basis across the board.

8. Has guidance and/or training been provided to Mission contracts staff regarding the new biodata form and determining compensation? If so, it would be helpful if this could be shared so that we understand the parameters they are working with. [We continue to get very strange and difficult requests, such as for current salary (current salary isn't HISTORY, it's current!) and general reluctance to accept market data as anything that isn't a third-party national salary survey with the exact same title/position listed.].

Response: We held a worldwide conference call for our staff when we issued the new form. We also shared the full list of questions we received from the partner community with our staff.

Given that we removed the consistent data element - salary history, the determination of the rate is within the COs discretion after considering the market, among other factors and may include salary history. We are collecting input from our A&A staff and plan to provide a Webinar in the future to cover any remaining questions on this topic.

We will also engage the community further on this issue and are welcome to additional insights or feedback.

9. USAID has made significant progress with small business contracting goals. Are there target goals for HUBZones, Women-Owned Small Businesses, and Economically Disadvantaged Women-Owned Small Businesses at Mission and headquarter bureaus. What steps does USAID plan to increase contracting in these areas? Will any USAID contracts be set-aside for WOSB, SDVOSB, etc?

Response: Earlier I mentioned some of the accomplishments we made as an agency as it related to the various small business goals. (Fiscal Year (FY) 2019 marked the tenth

consecutive fiscal year that USAID exceeded its Small Disadvantaged Business (SDB) goal. We awarded $387.6 million, or 7.17 percent. Also, we exceeded our Women-Owned Small Business (WOSB) goal of 5 percent. We awarded approximately $297.7 million, or 5.50 percent to WOSBs.) There were notable increases in the Historically Underutilized Business Zone (HUBZone) and Service-Disabled Veteran owned small business (SDVOSB) programs. Agency leadership will continue to support activities that will facilitate activities that will help us engage small businesses during the acquisition planning process. Prior to conducting market research we cannot predict if a procurement will be set asides for a specific small business program. However, the OSDBU will continue to work closely with technical staff and contracting officials to identify procurements that may be set aside for small businesses. Although there are no statutory goals that are associated with economically disadvantaged women owned small businesses, the Agency does include that program in its effort to increase awards to women owned small businesses.

10. What efforts is USAID undertaking, beyond regular training and orientation activities, to address inherent and often unfounded perceptions and hence bias on the part of some Missions and/or Contracting Officers (COs) that U.S. small businesses are not well-suited for implementing large, complex programs? We would suggest that training is needed for contract officers and for technical project officers who sit on Technical Evaluation Committees to mitigate subjective biases against small businesses that influence their evaluations, to really drive home USAID's emphasis on small business contracting as part of the New Partnerships Initiative.

Response: In October 2019, the Agency's newly appointed Industry Liaison, a member of the Bureau for Management, Office of Acquisition and Assistance (M/OAA), teamed with the Office of Small and Disadvantaged Business Utilization (OSDBU) to enhance the Agency's partnership engagement material and activities. In addition, the Industry Liaison has collaborated with the OSDBU and Agency leadership to refine the New Partnerships Initiatives (NPI) approach small business approach to engaging small business. The Bureau for Management, Professional Development and Training (PDT) and the OSDBU training for acquisition staff includes the elements of NPI. It is the Agency's policy to require annual training for staff involved in Acquisition and Assistance (A&A) planning, including members of Technical Evaluation Panels.

It's important to add that at the Frankfurt Small Business Conference, we will have staff coming in from the Middle East, Europe, Eurasia, and Africa for two days to meet with partners. It will be an opportunity to learn about the work that we're doing, and the day before the conference

starts, there is a small business training for all the staff coming in, so there are a lot of things we're trying to do to enhance understanding of the capabilities of small businesses.

11. Under the New Partnership Initiative, it appears that current U.S.-based partners are receiving funding to provide assistance to local organizations. Can you provide some information on how the partnership structure for the U.S. organizations is intended to work under the NPI, and how those procurement decisions were made to those U.S.-based organizations?

Response: NPI seeks to strengthen in country capacity to support the journey to self reliance.

Many local, U.S.-based, and international development partners operate locally in partner countries and deliver impactful development programs, often with significant private or non-USG assistance, but with little to no financial support from USAID, especially in recent years. These organizations are essential to build long-term local capacity and provide services, accountability, and sustainability in the partner countries USAID prioritizes.

In addition, many of our well established USAID partners that are not local provide essential and effective support in building local capacity, managing compliance and technical oversight, while getting the job done with development outcomes. Last April, we created a new local partner category, locally established partners could capture this additional element of local partner capacity building. And we created four modalities of partnership that involve US and international organizations in various ways, either as local partners, or as established partners that can provide this capacity building support. So we priorities these different approaches in the following way:

To reach these organizations, USAID is prioritizing different approaches to partnerings:
1) Direct awards to new and underutilized organizations such as local entities, locally established partners, and U.S.- and locally based small businesses.
2) Sub-awards to new and underutilized organizations designed to support more facilitative partnerships for effective local engagement. We often call these "mentoring awards." One good recent example is, under the Global Health NPI APS, Palladium was the awardee and has an award which will commit 60% of total funding to sub-awards to strengthen those local partners to lead in their implementation and become strengthened through the prime's assistance.
3) Direct awards to partners to leverage significant private/non-U.S. Government funding to promote effective local engagement.

NPI works closely with Agency offices to define problem statements and craft APS solicitations.

12. Will in-country co-creation processes be standardized going forward?

Response: The Journey to Self Reliance requires USAID to become less prescriptive in our awards and solicitations and offer more inclusive opportunities for partners in country to craft the approach that will meet our strategic imperatives, and, as appropriate, define an activity's objectives. The Agency is committed to host-country-driven design, appreciating that achieving results and catalyzing sustainable solutions relies on tailored programs. As a result, co-creation, especially as realized through an expanding portfolio of mechanisms, cannot ever be truly standardized. In order to elevate best practices around co-creation, the A&A Lab will publish in the spring a co-creation field guide and toolkit, highlighting examples and resources for A&A practitioners. In fulfillment of multiple EPPR recommendations, M/OAA and the A&A Lab will support a community of practice and knowledge management platform for contracting and assistance officers around the globe to share knowledge and practices around co-creation. Stay tuned for the toolkit and for further policy guidance around co-creation.

13. Can USAID provide more transparency on how decisions are taken around the selection of funding mechanisms?

Response: The Agency has dedicated significant efforts to improve A&A determinations and has issued amplifying guidance, as well as revised policy to provide more clarity on how the selection of instrument decisions are made. As part of EPPR effort, we've also been advancing on the assistance side, the use of concept papers, on the acquisition side, we've been trying to advance more statement of objectives. We're also working on co-creation and collaborative process on the acquisition side. We're also working on additional guidance on phased or two step procurements. I think many of you are familiar with mandatory and voluntary down select that is possible to be utilized. We're trying to find ways to find ways for all of the partners to become more involved early on and engaged in the process earlier in the design of the solicitation process. We're hopeful that the more successful we are in this space, that the less concerns and issues will arise on selection of instruments.

USAID Operating Units (OUs), Planners, Contracting Officers (COs), and Agreement Officers (AOs) follow Agency policy, procedures, and guidance in ADS 304, Selecting the Appropriate Acquisition and Assistance (A&A) Instrument when making decisions on selecting the appropriate mechanism. The OU designates the Planner who, in consultation with the CO/AO, is responsible for drafting and documenting the recommendation for the selection of instrument. The CO/AO reviews the Planner's recommendation and supporting documents and makes the final determination on the selection of instrument in accordance with applicable statutes, regulations, and policies. The Federal Grant and Cooperative Agreement Act (FGCAA) requires an agency to use a contract as the appropriate legal instrument reflecting a

relationship between the agency and the organization when: (1) The principal purpose of the instrument is to acquire property or services for the direct-use or the direct-benefit of the United States Government; or (2) The agency decides, in a specific instance, that the use of a procurement contract is appropriate. The FGCAA requires an agency to use a grant or cooperative agreement as the legal instrument reflecting a relationship between the agency and the prime awardee when the principal purpose of such relationship is to transfer a thing of value to the prime awardee to carry out a public purpose of support or stimulation authorized by federal statute. Final OMB FGCAA implementation guidance on the agency decision structure for selection of instrument states, "The determinations of whether a program is principally one of procurement or assistance, and whether substantial Federal involvement in performance will normally occur are basic agency policy decisions. A determination that a program is principally one of procurement or assistance does not preclude the use of any of the types of instruments when appropriate for a particular transaction. Congress intended the Act to allow agencies flexibility to select the instrument that best suits each transaction."

14. Could USAID provide some examples of what it would take to fulfill requirements for eligibility to bid on future work as a " locally established partner ", and whether we might expect any procurement with eligibility restricted to "local entities" will also include "locally established partners"?

Response: We do expect many solicitations to target both types of local partners, and that has been an expectation under the NPI pilot phase, but we also have programs that target only local entities, the indigenous local partners where the context and strategic local approach supports that.

It is appropriate to acknowledge that "local entity" is a congressionally designed definition while "locally established partner" is laid out in ADS.

A local entity is an individual or organization that:
1. Is legally organized under the laws of a country that is receiving assistance from USAID;
2. Has its principal place of business or operations in a country that is receiving assistance from USAID;
3. Is majority-owned by individuals who are citizens or lawful permanent residents of a country that is receiving assistance from USAID; and,
4. Is managed by a governing body, the majority of whom are citizens or lawful permanent residents of the country that is receiving assistance from USAID.

A locally established partner is a U.S. or international organization that works through locally-led operations and programming models. LEPs:
1. Have maintained continuous operations in-country for at least five years and materially demonstrate a long-term presence in a country through adherence or alignment to the following:

a. Local staff should comprise at least 50% of office personnel,
b. Maintenance of a dedicated local office,
c. Registration with the appropriate local authorities,
d. A local bank account, and,
e. A portfolio of locally-implemented programs.

2. Have demonstrated links to the local community, including:
a. If the organization has a governing body or board of directors, then it must include a majority of local citizens (i.e. in the host country, this is not required);
b. A letter of support from a local organization to attest to its work; and
c. Other criteria that an organization proposes to demonstrate its local roots.

We've already done some work under these definitions with the Global Health NPI APS. A good example of one of the early awardees that qualifies as a locally established partner as well as a new and underutilized partner is World Relief. Their recent award is now being implemented in four countries on maternal and child health programming.

Typically, to date, in the co-creation stage, with the submission of a concept note, a LEP would self-certify their locally established status. Should the process move forward to a call for applications, the Agency will exercise due diligence in order to verify LEP status in accordance with local regulations and practice. Round 2 of the Global Health NPI APS was specifically for locally established partners. To see how USAID provided a funding opportunity for this, please refer to "NPI GH APS Round 2 Expanding Health Partnerships" on Grants.gov: https://www.grants.gov/web/grants/view-opportunity.html?oppId=318376

In closing, we very much appreciate these opportunities where you feed us a variety of different questions that you're facing. If there is a need or concern for a deeper dive, we very much appreciate the greater granularity in details of the nature of the situation you're facing; how you're seeing it presented in different contexts in the Mission and in Washington. Thanks to all who called in and for everyone involved in the organization of this call. And thanks again for your interest and commitment to working with USAID.