Session Title: Innovations in Acquisition & Assistance

Date: December 1, 2015

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

Presenters:
- Ethan Takahashi, Operational Innovations, U.S. Global Development Lab, USAID
- Stephanie Fugate, Branch Chief of Special Initiatives and Development Partners, M/OAA, USAID
- Gita Maitra, Supply Chain Solutions, Chemonics International

Purpose of the Session: The goal of this session is to provide a snapshot of internal USAID discussions, highlight some of the tools being tried, and provide partner thoughts on the tools and ways for partners to contribute.

Discussion Topics (and Questions)

Topic 1*:* **A&A Tools USAID teams are pondering – Internal Discussion in the Agency: (Ethan Takahashi)**
- Why is there all this talk about innovation in Acquisition and Assistance? I think there is an acknowledgement that we have habits when it comes to Acquisition and Assistance and there are ways to improve our operations to better work towards the Mission of ending extreme poverty.
- Collaboration example: How can a push towards more robust communication lead to a better requirement/product?
- PALT reductions example: How can oral presentations help reduce PALT time and provide valuable source selection information?
- Incentive: Are there ways to structure our mechanisms to maximize outcomes and improve performance?
- Sustainability and Scale – How do we sustain adoption of a tool with USAID staff turnover? How do we scale effective tools to Missions and Operating Units?
- Collaboration, PALT reductions, Incentives mirror the Development Lab's strategy of better, faster, cheaper.
- There are/have been many examples of Mission and Operating Unit procurement teams trying these tools such as Pre-Proposal Conferences, Annual Program Statements with Co-Creation, Statements of Objectives, Oral Presentations and BAAs.

Topic 2: Broad Agency Announcement (BAA) (Stephanie Fugate)
- BAAs are to be used only for Research &Development (FAR 35)
- BAAs are a competitive process and are considered an "Other Competitive Procedure" under FAR 6.102.
- Collaboration method to co-create/co-design development solution based on an initial idea.
- Currently USAID has 8-10 BAAs in process already.
- BAAs have typically taken between 4 to 6-months on average from posting to award (both acquisition & assistance). The MERL in Sample demonstrates a BAA in practice that took up to 6 months
- The number of expressions of interests received varied from as little as 13 to 2000, but award time was remained at approximately 6 months

Topic 3 Partners perspective on A&A tools used (Gita Maitra)

- Partners value creativity and innovation but not at expense of clarity, efficiency, and effectiveness; COs should not overly complicate a solicitation at the expense of innovation
- BAAs must be used properly; they won't work if Technical Office already has good idea of what they want.
- Example: Ebola response, resiliency APS. Three concerns: instructions to prepare responses overly restrictive, limited to private sector partners, lot of contradiction between GDA and APS. These concerns made preparation of responses challenging.
- SOO Example from Bosnia: It allowed creativity, no minimum key personnel requirements so partners proposed who they thought would best fit the program, the BAA was released prior to SOO which allowed time to prepare best and highest quality of response.
- RFP Uganda Community Connector (2010): bidders conference, oral presentation to establish comp. range, Mission issued P.O for $10K to cover cost of pre-sol conference. However, Section M called for reverse auction, useful for office supplies in GSA but not appropriate for complex tech. assistance. RFP changed to best value after pre-sol conference
- Jordan BEST – incentive fees was good but RFP instructions confusing/unclear, which required several rounds of proposals to get the competitive range done.

Topic: 4 Q&A Section

- **Question**: BAAs take a lot of time & resources in the upfront stage; will USAID help with cost recovery for small businesses?
  - **Response**: Keep in mind this is a transparent, collaborative process with experts from USAID & other industry partners. Understand the value you are receiving while you go through this process. While time is a resource also see the value in submitting an expression of interest/concept paper versus a full proposal. The cost is much less using this process.
- **Question:** Can you talk more about new instruments' focus of not prescribing what Partners should do, and the true innovation which allows partners to focus on what they know what to do.
  - **Response**: This is a culture change as we have to become comfortable with the idea that we cannot monumentally plan 5 yr ahead of time and assume there won't be changes. ADS 200 is under revision, pilots for adaptive management are underway.
- **Question:** If an assessment shows program is not going as expected, how does USAID adapt to that kind of change?
  - **Response:** Agency is having conversations on how to be more agile and move forward. These adaptive approaches must be considered well in advance of events happening and be incorporated into awards. Be aware that things will change down the road.
  - Acq. Planning is critical at this early stage. This is where we can talk to the acquisition team about different types of mechanisms/instruments. For example, adaptive & agile awards are pre-PALT actions to take into consideration at this early stage and bringing the CO early on in the process.
- **Question:** Adaptation to changing needs is our world today, but how are the tools and policy changing to meet this challenge?
  - **Response:** Templates, community of practice on collaboration to collect lessons learned from BAAs,
- **Question**: IDIQs for Africa took 2-3 yrs to award and aren't being used. How are you disseminating, using, weighing efficiency of tools? For a small business it's a big investment.
  - **Response:** I don't think we have a solid action plan for weighing efficiency of tools, we're still at stage of trying things.

- o Good acquisition planning, M&E between COR and CO, and marketing the IDIQs to missions even more. Collaboration between the IDIQ holders and the COR/CO on, let's say, a monthly or quarterly basis allows for discussion throughout the entire IDIQ holder organizations, transparency and forecasting of potential task orders. This way the IDIQ could be used more often and organizations can plan accordingly.
- **Question:** Regarding, bid on large IDIQ type, pre-qualified orgs. Initially. This was helpful to save money, hope more efficient to evaluate less proposals. Has USAID done something like this, would you consider it?
  - o **Response:** FAR 15 includes down-selecting, not aware it's being used.
  - o 8(a)-sole source type actions such as corporate capabilities presentations, oral presentations.
- **Question:** Lot of confusion on where $ would come from (MERLIN), it resulted in long negotiation with their partners. Will USAID clarify future?
  - o **Response:** We're not trying to design to budget at that stage, we try to keep funds away from the process. It's good idea to consider if we should include the information, make it more clear for potential partners. Budget not a constraint for ideas.
  - o BAA process is being treated as another process, no different from a part 15 process that procurement teams can use if they decide it is useful.
- **Question**: 10 BAAs, 16 APS, what criteria used to go either way?
  - o **Response**: Statutory reg. for BAA is FAR 35 (R&D), some procurement teams looking at it as narrow or broad. Each team making its own decision. How is the team apply the R&D definition to their facts?
  - o BAA is just a tool and we provide guidance on the process behind it. Before anyone even considers using the BAA, we have a questionnaire on how the process will fit within Research & Development criteria. This is also reviewed by our General Counsel/Regional Legal Officers as well.
- **Question**: Agency wedded to FAR 15 which adds time, too long, unnecessary process. You could consider different IDIQ Approach, as real competition happens at TO level.
  - o **Response:** This is part of the discussion we're having, thank you for raising it.
  - o Again, planning is key. An IDIQ is not always appropriate in every case.
- **Question**: The ADS and other guidance allow for discretion between Missions and Bureaus which creates discrepancies. Will USAID create policy changes in ADS for uniformity?
  - o **Response:** Guidance allows for flexibility.
  - o CULTURE CHANGE, standards we must follow. BAAs & other mechanisms in the FAR are also very flexible. We must use them all to reach to USAID's Mission and Goals.

Next Steps/Action Items:

1. Gita: start up, may be time for good evaluation before we scale up. Convene partners to get feedback of BAAs done so far. SF: Collaboration is ongoing not just through solicitation
2. Gita's recommendations:
   - Regular/often engagement with partners, keep an open dialog
   - Draft SOWs great tools
   - Well run bidders conferences are very useful
   - Oral presentation time for informal Q&A
   - Partners really value meaningful and timely debriefings
   - Some CO's are being creative and "freelancing" which is ok, but they should have the right tools and guidance
   - Ensuring sections C, L, M are consistent with each other; ambiguous evaluation criteria is not good

- PALT – is worth reducing but USAID should take time to create and adopt best practices to improve them.

3. Organizations must keep in mind that a BAA is not necessarily resulting in an award, read BAA closely to determine if it makes sense to respond.

4. Many IDIQ solicitations require submission of TO samples, which sometimes is excessive. Tech evaluation should be streamlined to more useful criteria such as Key personnel

5. It might be useful for USAID to have conversations with some other donors as well as partners to trade experiences on streamlined processes. Our processes are much more complicated than donors such as DFID.