# Effective Partnering and Procurement Reform (EPPR) Recommendations

Over the past year and a half, the Transformation Task Team (T3) has led an effort to improve USAID's Acquisition and Assistance process through building better partnerships and reforming our design, procurement, and implementation practices. The process began by consulting with hundreds of USAID employees and external stakeholders, culminating in an External Listening Tour report. Through a consultative workstream process, the team developed over 170+ recommendations aligned to the five guiding principles found in the Agency's first Acquisition and Assistance (A&A) Strategy, which was released in December 2018.

Using feedback from Agency leadership, employees, and stakeholders, the team has developed a categorized list of recommendations that set the course for operationalizing the A&A Strategy. The recommendations have been consolidated, improved, and reformed through the feedback process. During this process, we have prioritized all of the recommendations and agreed to prioritize and **Fast Track** a handful of recommendations that can be implemented quickly. While some remain similar to their original text and intent, we have significantly consolidated and edited others to match the feedback we received.

EPPR Timeline and Accountability
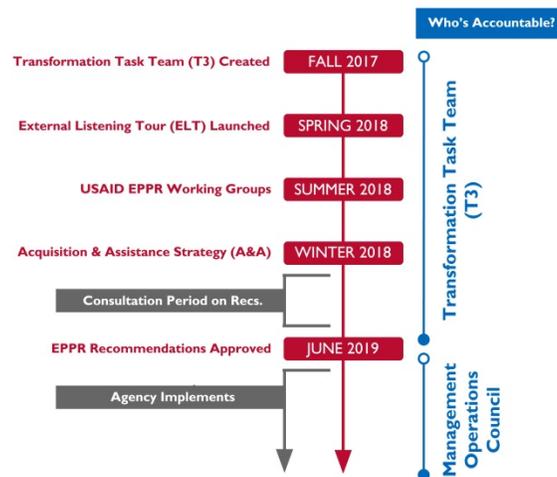
The **Announced** and **Already in Progress** recommendations have been announced by the Administrator or are already being implemented by the responsible Bureaus and Offices. The **Supported by MOC Action and Implementation** recommendations will be implemented through an intra-agency process supported by the Management Operations Council.

This document articulates the key reforms from the EPPR project to be undertaken by the Agency over the next year and into the future. With this, the T3 and EPPR team would like to thank the hundreds of employees and stakeholders who helped to shape the actions, and most critically, have already started implementing many of them.

I. Announced at EPPR Summit and Contracting and Financial Management Officer Conference

- Require Missions and Pillar and Regional bureaus (for Washington-based programming) to develop plans and set context appropriate goals for engaging new and underutilized partners under a New Partnerships Initiative (NPI), including a potential shift of funding. *Fast Track Priority*

- Finalize a plan to co-locate some Washington-based A&A staff with their relevant programmatic and technical colleagues. *Complete*, *Fast Track Priority*

- Develop a standard definition of underutilized partner, locally established partner, and leverage. *Fast Track Priority*

- Increase Washington-based M/OAA staff hiring and prioritize Contracting Officers for Foreign Service hiring. *Complete*

- Pilot and Implement Procurement-wide use of electronic signatures.

- Establish the proposed Bureau for Policy, Resources and Performance (PRP) as the coordination of the COR/AOR function within the Agency. *Complete*

- Strengthen M/OAA workforce planning- ensure access to critical coaching, training, and career development opportunities. *Fast Track Priority*

- Revise the Delegations of Authority for warrant levels to better balance professional development, OU warrant needs, and risk management. *Fast Track Priority*

- Review and revise the Branch Chief Warrant Level in M/OAA Washington.

- Advance gender equality by updating requirements related to the USAID usage of the biodata form and releasing guidance to Contracting Officers (and potentially partners) in providing salary approvals. *Fast Track Priority*

- Establish an Agency award(s) for Advancing Innovation and Adaptability in Procurement and Program Management that recognizes leadership and success in innovative and/or adaptive procurement/implementation approaches in a given year. *Fast Track Priority*

II. Already in Progress

The following recommendations are already partially or fully completed and have been assigned to the responsible party for action. Many of these actions were initiated, in part, as solutions to concurrent or related efforts.

COR/AOR
- Review current USAID model for hiring and developing COR/AORs to emphasize the hiring of individuals with project management experience and adaptive management skills. Position Descriptions of technical staff should be updated to clearly state COR/AOR responsibilities.

- Develop new standards and best practices for project management that reflect Agency priorities of co-creation, adaptive approaches, and risk management.

- Create a Community of Practice platform for COR/AORs.

- Assess and update requirements for COR/AOR Certification and the courses eligible for Continuous Learning Points (CLPs) for maintaining COR/AOR certification to ensure COR/AORs develop and possess the fundamental skills necessary to manage awards, such as CLA, MEL, A&A, technical subject matter expertise, and partner engagement.

- Periodically assess and ensure implementation of CLA and MEL policy and practice by Program and Project Managers.

- Supplement existing COR/AOR training to build soft skills needed for new roles and relationships with local partners, for example advising, collaborating, and facilitating engagement.

- Review existing Federal Acquisition Institute (FAI) training in its Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) and incorporate the coursework that COR/AORs and Program Officers take as part of required coursework.

- Create functional risk approach statements for a new risk posture around design, procurement, implementation, and partnering for M/OAA and new COR/AOR management functions.

Framework agreements
- Establish a Global Development Alliance-like mechanism that allows philanthropic and non-governmental entities to collaborate with USAID in the development of innovative and high-impact programs that might otherwise not be developed through standard Agency design, programming, and procurement processes.

Private Sector Engagement
- Support appropriate use of Development Impact Bonds by creating a mandatory checklist to help project design teams identify key questions early.

- Develop guidance for implementing partners regarding effective ways to engage the private sector, develop market-based approaches, and identify how to advance enterprise-driven solutions.

- Develop guidance for designing, implementing and procuring multi-stakeholder partnerships.

Partner Coordination
- Clarify guidance for USAID and better define what is 'procurement sensitive' to allow for more transparent discussions between USAID and partners on how to plan and adapt

Knowledge Management
- Create an A&A knowledge management platform for the A&A workforce. *Complete*, *Fast Track Priority*

Past Performance
- Develop training modules and an Agency Notice on increasing the quality of Contractor Performance Assessment Reports (CPARs).

III. Supported by MOC Action and Implementation

Bureaus and Offices should begin exploration of and planning for the implementation of the following recommendations. The MOC will support implementation, provide guidance, and raise the visibility of reform efforts across the Agency. The MOC will be charged with coordinating individual and thematic reforms through to formal implementation and eventual completion of these and other actions.

Lowering Barriers

- Develop USAID capacity to track and report on the amount of USAID funding to organizations that partner through sub-awards.

- Establish standard operating procedures for ensuring prime partners propose sub-award plans that include goals for partnering with new and underutilized partners and are accountable to commitments to sub-awards goals during the life of an award. *Fast Track Priority*

- Procure independent expertise to review and update existing resources, support USAID partner engagement, and develop updated guidance on how to partner with USAID. *Fast Track Priority*

- Review the way pre-award surveys are conducted and the results utilized by USAID to ensure surveys both respect the taxpayer's dollar and advance the partner organization's business capacity.

- Develop guidance on ways to lower barriers to entry in acquisition and assistance solicitations through the use of less than full proposals, phased competition, pilot phase approaches, and down-select approaches.

- Issue guidance emphasizing the expanded use of Grants Under Contract (GUC) and assistance sub-awards to local organizations and new or underutilized partners.

- Remove or increase the $100,000 threshold limitation for grants under contract (GUCs) to U.S. non-governmental organizations. *Fast Track Priority*

- Remove or increase the $300,000 threshold limitation on partner government entities.

- Mandate a working group to determine what USAID Mandatory Standard Provisions and reporting requirements are being applied to new potential partners and local partners that hinder their ability to perform and/or willingness to partner under an assistance award.

- Develop a new indicator that includes a metric for use of locally established, new, and underutilized partners to increase the use of contracts where the prime contractor facilitates partnering through sub-awards with non-traditional U.S. organizations, including locally established U.S. organizations.

Capacity building

- Develop an Agency-wide Policy on capacity development.

- Pilot a global indicator for effective local capacity building.

- Develop a suite of local capacity partnership indicators to supplement the Agency-wide indicator. Include sub-awards to local organizations in calculation of the percentage of obligations to local partners indicator.

- Develop for Agency-review a proposed APG to promote and track increased use of contracts where the prime contractor facilitates partnering through sub-awards with non-traditional U.S. organizations, including locally established U.S. organizations.

- Develop best practice guidance on using umbrella approaches to building local capacity.

How We Partner

- Revise contractor health requirements, as captured in AIDAR Appendices D&J, to better reflect on-the-ground requirements and fiscal realities.

- Develop private sector engagement training for USAID design and procurement staff. *Fast Track Priority*

- Offer training on the advanced topics of negotiating and crafting awards that appropriately incentivize Pay-for-Results outcomes, notably in multi-stakeholder environments.

- Remove the Conference Memo approval process for co-creation workshops.

- Update the SOAR guidance documents to consider utilization of both acquisition and assistance mechanisms for large global activities. *Complete, Fast Track Priority*

- Finalize guidance and develop standard operating procedures, including best practices, for the use of Broad Agency Announcements (BAAs). *Fast Track Priority*

- This working group would accomplish the following:
  - Outline appropriate use of BAAs, including potential challenges
  - Outline BAA evaluation processes and procedures
  - Clearly state expected available funds (fund range) and process/timeline for this competition
  - Best practices for managing costs associated with the BAA process
  - Policy update to state that BAA and associated workshops do not have to be in large group settings
  - Clear statement on USAID being able to own/or utilize IP it has paid for
  - Clear statement that Partner IP is protected until purchased or shared formally

Focusing on Value
- Establish a Planning and Procurement Streamlining Panel to manage multiple recommended actions related to streamlining in this section and in other areas. *Fast Track Priority*

- Actively pursue technological interventions to reduce routine and repetitive low-value tasks of staff that may have a positive return on investment. *Fast Track Priority*

- Develop new flexibilities in ADS 303 that allow for revising and expanding the Program Description and increasing or decreasing the Total Estimated Amount of existing awards based on Agency need and the recipient's performance. *Track Priority*

- Update USAID Changes Clause as represented in ADS 302 to be in-line with more flexible government-wide usage and case law to provide the Agency the necessary practice to adapt awards to on-the-ground requirements. *Fast Track Priority*

- Pursue a deviation from 2 CFR 200.332 and ultimately implement regulatory reform to eliminate limitation on Fixed- Amount Sub-awards in assistance awards. *Fast Track Priority*

Co-Creation (BAA)
- Issue joint planning and procurement guidance that defines co-creation, how staff lead and participate in co-creation, and potential Agency outputs of co-creation.

- Develop training around co-creation tools and approaches and require all planning and procurement staff to attend training or receive coaching to learn about the full spectrum of opportunities for co-creation. *Fast Track Priority*

- Track co-creation usage at USAID under the APG and update goals along with the planning and procurement approaches the Agency should incentivize.

- Track, protect, and utilize intellectual property that is developed as a result of co-creation, with USAID funds, or

any other formal or informal collaboration between USAID and its partners.
Fast Track Priority

- Clarify the definition and application of "research and development" for USAID as it relates to use of the research and development language highlighted in FAR Part 35.

Host Country Capacity
- Mandate a working group to reduce barriers to providing Government to Government (G2G) assistance, such as reviewing and reducing the extent of USAID/W and State Department clearance requirements and revising ADS 220 to align with the Agency's new Risk Appetite Statement.

- Increase partner country capacities for the journey to self-reliance through advancement of host country Public Procurement goals.

Private Sector Engagement
- Revise the ADS to ensure it supports effective private sector engagement.

- Revise Agency policy (2 CFR 700.13) to allow the use of "program income".
Fast Track Priority

- Issue the Enterprise Driven Development Solutions Annual Program Statement (APS).

- Develop guidance and share examples of solicitations and awards that incorporate private sector engagement.

- Create a mechanism that supports due diligence of potential private sector partners.

Pay-for-Results
- Develop guidance that captures available approaches that incorporate Pay-for-Results, including how to utilize co-creation and hybrid fixed-price and cost-reimbursement approaches.

- Develop additional guidance that establishes appropriate flexibility in administering Pay-for-Results approaches, enabling USAID to adapt and consider changes in unstable environments that make milestone predictions hard to stand by.

- Develop guidance and build global understanding around how to monitor, evaluate, and make payment determinations in Pay-for-Results programming.

- Explore the establishment of an Outcomes Fund with which to co-fund Mission-led innovative Pay-for-Results initiatives and finance a learning platform for monitoring and evaluation of Pay-for-Results activities and knowledge dissemination. *Fast Track Priority*

- Develop templates of Pay-for-Results solicitations and contract and grant Pay-for-Results terms and conditions.

- USAID should create a community of practice around Pay-for-Results and identify new approaches and best practices from other USG Agencies, donors, implementing partners, and key stakeholders (e.g. academia) for application within the Agency.

- Remove the three-year cap in ADS 303 on the Period of Performance for Fixed Amount Awards to match the allowable Period of Performance for other assistance awards.

Adaptive Management
- Review current Agency policy and align with 2 CFR 200 where USAID processes are more restrictive or

cumbersome.

- Create a new award term and policy that allows USAID to designate key 'pivot points' within assistance awards to review progress prior to moving to a next phase or scaling.

- Create an Expedited Procurement Procedures (EPP) package that will enable USAID to more quickly respond to significant challenges and crises on the ground.

Risk Management
- Conduct a review of assistance policy, Other Transaction Authority (OTA) frameworks, ADS 303, and Non-U.S. Organization Pre-award Survey (NUPAS), and Public Financial Management Risk Assessment Framework (PFMRAF) tools to identify needed changes and opportunities to tailor based on risk and efficiency.

- Review required approvals of all non-competitive approaches required by Agency policy (as opposed to government regulation) and remove approvals to the maximum extent practicable.

- Establish a working group to evaluate current Substantial Involvement limitations in USAID Cooperative Agreements and make recommendations for additional Substantial Involvement options that would allow for increased USAID participation or guidance during implementation in unique programming environments, e.g. crisis response or non-permissive environments.

- Increase Agency capacity to identify risks and engage with OIG.

- Allocate procurement resources to the M/OAA Foreign Operations sub-office to provide direct mission procurement services.

M/OAA Leadership Development Program/Warrant and GS/FS Staffing
- Create new senior leader positions for contracting officers in both the Civil and Foreign Service.

- M/OAA should encourage details and rotations to non-A&A functions and encourage details into M/OAA from other parts of the Agency.

- Develop joint leadership modeling training for CO/AOs and COR/AORs that focuses on the relationship and managerial responsibilities of managing teams internally and externally to successfully implement development activities.

- Conduct an evaluation of the personnel and existing competencies for 1102 series and backstop 93 to determine fit with the Agency's current and future business requirements.

- Establish a new Contract Specialist Intern Program, modeling the 2003 program, intentionally targeting junior level staff in its recruitment efforts.

- Rewrite 1102-series position description and revamp the hiring processes to prioritize the skills needed of A&A staff, de-emphasizing experience in the backstop.

- Create four Senior Foreign Service positions within the Contracting Officer backstop to engage at the Interagency and diplomatic level on high-visibility and high-complexity issues as well as staff development.

A&A Streamlining
- Develop policy and practice documents that emphasize distinguishing evaluation criteria and reduce the number of evaluation criteria to the extent possible.

- Develop policy, practice, and systems that emphasize effective and efficient cost analysis.

- Approve the use of electronic signatures for USAID and its partners for official A&A documents, including award documents.

FS Backstop Management and Warrant Changes
- Pilot new approaches to Foreign Service Assignments for Contracting Officers to increase adaptability and responsiveness of overseas staff footprint to match demand and identified risk.

- Identify select positions overseas that come with a designated warrant level to meet business needs, similar to the structures already operating for Branch and Division Chiefs in Washington.

- Through the establishment of the select overseas positions with warrant authority, M/OAA should ensure adequate warrant coverage and procurement expertise is present in each region globally by clearly establishing relationships across Missions within a region and globally.

- Require HCTM to plan for and hire Foreign Service Contracting Officers in advance of actual vacancies for Backstop-93 to limit skills and personnel gaps in critical functions and internal controls. *Fast Track Priority*

A&A Labs and Knowledge Management
- Institutionalize M/OAA's center of excellence (A&A Lab) by permanently staffing and incorporating it into the new Strategy, Engagement, and Innovation (SEI) Office.

Equipping the Workforce
- Allocate funding for EPPR-specific training and content or activities identified at the EPPR conference. *Fast Track Priority*

- Establish a Career Development Program within M/OAA for 1102s to rotate through divisions to broaden knowledge and gain experience working on a variety of portfolios and in different operational units within the Office.

- Create new senior leader positions for contracting officers in both the Civil and Foreign Service.

- Create a Strategy, Engagement, and Innovation (SEI) Office (new sub-office) within M/OAA, concurrent, with the proposed Bureau for Management reorganization, if all necessary notifications and approvals are in place. *Fast Track Priority*

- Elevate the focus on Professional Development within PDT, specifically focusing on how individual A&A staff develop skills throughout their career and the importance of these skills at different career stages.

- Develop design and procurement training modules on advanced topics.

- Review and refresh the courses that count towards CLP requirements for CO/AOs and CO/AORs to ensure course content matches the purpose of the credit certification: that CO/AOs and COR/AORs are developing skills related to their function.

- Identify and implement a plan for more courses to be co-taught with USAID staff (as opposed to contractor-led) to ensure current expertise and allow for staff leadership opportunities.

- Increase coherence between PPL, Pillar Bureaus, and M/OAA policy and training programs.

- Stand up a working group, within the Executive Council for Workforce Development, to provide a corporate focus on training related to A&A functions.

GS Career Ladder
- Explore M/OAA's career ladder to GS 7/9/11/12 and make the GS-13 grade a position that requires a full application and interview process.

DC Positions/Rotations
- Review the potential hurdles and act on opportunities to create a limited set of non-supervisory GS-14 and 15 positions in M/OAA and provide a recommendation to M Bureau and HCTM.

Linking Design and Procurement
- Update ADS Mandatory Reference for the SOAR Review Form to include language that encourages broader utilization of the CLA approaches in design and procurement.
  Complete, Fast Track Priority

- Build an approach to "evergreen" quality proposals and/or applications that USAID may be unable to fund at the time of initial application or proposal, which may be promising and made available for action by operating units seeking applicable solutions offered by those proposals at a later time. *Fast Track Priority*

- Develop a deployable innovations list to drive uptake of proven innovations. *Fast Track Priority*

- Expand the use of the Refine and Implement approach and develop guidance around how to effectively use the approach.

- Adopt a build-to-budget contracting method that provides offerors with the funding USAID has for a particular acquisition but does not necessarily set targets. This method allows for offerors to propose the development results they can provide based on USAID's anticipated available program budget.

- Better define the current Agency use of Other Transaction Authority (OTA) and expand the potential for additional uses.

Reduce USAID Process Bureaucracy and Empower Partners
- Develop standard operating procedures (SOP) for routine administrative approvals (e.g. salary, travel, reliance on biodata sheet, parameters of key personnel approvals) in consultation with Contracting Officers (COs) and implementing partners.

- Identify processes and decisions that are best situated within partner purview and emphasize management by the partner to the extent possible.

- Form a working group to identify Agency practice and culture changes around how USAID and partners can streamline engagement during implementation to focus on high-value activities and decrease reporting requirements. *Fast Track Priority*

- Give the proposed Local, Faith-Based, and Synergistic Partnerships Office within the proposed DDI Bureau a broad mandate to be the hub for engaging new and underutilized partners. *Fast Track Priority*