![USAID — FROM THE AMERICAN PEOPLE]

2018 PROGRESS REPORT

Management Bureau
Office of Acquisition and Assistance

OUR MISSION

On behalf of the American people, we promote and demonstrate democratic values abroad, and advance a free, peaceful, and prosperous world. In support of America's foreign policy, the U.S. Agency for International Development leads the U.S. Government's international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.

MESSAGE FROM THE ACTING DIRECTOR

I am pleased to welcome you to the Management Bureau's Office of Acquisition and Assistance (M/OAA) fiscal year (FY) 2018 Progress Report. Over the past year we saw a variety of new and exciting reforms that will influence many different aspects of how USAID does business moving forward.

When Administrator Mark Green laid out his vision of the Journey to Self-Reliance, it began an Agency-wide Transformation to reshape how USAID will achieve development objectives, while becoming more transparent and strategic in how we go about meeting those goals.

Embracing collaborative approaches earlier in the design phase, maximizing the potential of public-private partnerships, and exploring co-financing models are all part of the bigger, overall initiative known as Effective Partnering and Procurement Reform (EPPR), which embraces entrepreneurial and creative approaches, while improving synergy between design and solicitation processes. This includes deeper engagement with partners, such as faith-based groups, public international organizations (PIOs), local organizations, and U.S. small businesses.

In FY 2018, M/OAA, actualized several of those transformative efforts. During the past fiscal year, USAID obligated $17 billion through 23,309 acquisition and assistance (A&A) actions. Many of these actions incorporated innovative ways of engaging with our implementing partners, and better leveraging new and existing partnerships to develop solutions that complement traditional approaches to awards. One example of this is the Small Business Applied Research (SBAR) pilot Broad Agency Announcement (BAA), successfully launched in FY 2018. SBAR expands USAID's access to emerging technology, products, services, and scientific applications developed by U.S. small businesses. This enables us to leverage innovative solutions to development challenges more quickly.

Another transformation in FY 2018 was the Agency's revision of ADS 300 relating to senior leadership reviews of A&A actions. The previous AARAD process is now the Senior Obligation Alignment Review, (SOAR). The SOAR process incorporates many of ideas that are part of the Administrator's vision, including expanding opportunities for competition, enhancing collaboration in the designs, and helping our partner countries on their development journeys from recipient to donor.

USAID also focused on the increased utilization of the government-wide procurement initiative known as Category Management (CM). In FY 2018 USAID exceeded its CM goals set by the Office of Management and Budget (OMB) for both Best-in-Class (BIC) and Spend Under Management (SUM).

In addition, USAID focused efforts on increasing the use of collaborative approaches, which is an Agency Priority Goal. In FY 2018, USAID established an 18-percent baseline for the use of co-creation.

Finally, beyond procurement reform, in FY 2018, the Administrator reaffirmed the Agency's zero tolerance for sexual misconduct, abuse, and fraud and established the Action Alliance for Preventing Sexual Misconduct (AAPSM) to, among other things, strengthen protections for beneficiaries and help partners institute a culture of accountability. In addition, mandatory standard provisions for both acquisition and assistance awards were revised.

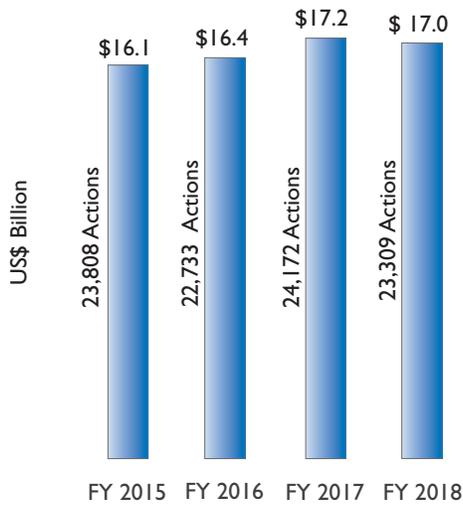**Mark Walther**

Acting Director

Office of Acquisition and Assistance
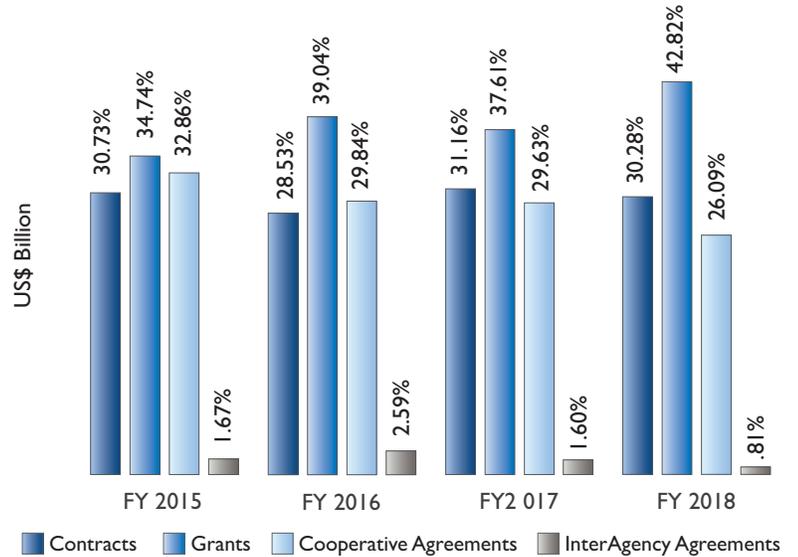
USAID ACQUISITION AND ASSISTANCE GLANCE

Activity Summary

In FY 2018 USAID obligated nearly $17 billion through 23,309 actions through acquisition and assistance mechanisms. Acquisition awards accounted for over 30 percent of total dollars obligated, while cooperative agreements accounted for 26 percent, and grants accounted for 42 percent. Continuing the trend over the last several years, more dollars were obligated in Washington, however more actions took place in the field.

VALUE OF OBLIGATIONS AND NUMBER OF ACTIONS OVER TIME

US$ Billion

FY	Value	Actions
FY 2015	$16.1	23,808 Actions
FY 2016	$16.4	22,733 Actions
FY 2017	$17.2	24,172 Actions
FY 2018	$ 17.0	23,309 Actions

OBLIGATIONS BY INSTRUMENT TYPE

US$ Billion

	Contracts	Grants	Cooperative Agreements	InterAgency Agreements
FY 2015	30.73%	34.74%	32.86%	1.67%
FY 2016	28.53%	39.04%	29.84%	2.59%
FY2 017	31.16%	37.61%	29.63%	1.60%
FY 2018	30.28%	42.82%	26.09%	.81%

VALUE OF OBLIGATIONS AND NUMBER OF ACTIONS OVER TIME
WASHINGTON VS. MISSIONS

US$ Billion

Washington

FY	Value	Actions
FY 2015	$9.4	9,670 Actions
FY 2016	$10.1	9,506 Actions
FY 2017	$10.5	10,231 Actions
FY 2018	$10.4	10,223 Actions

Missions

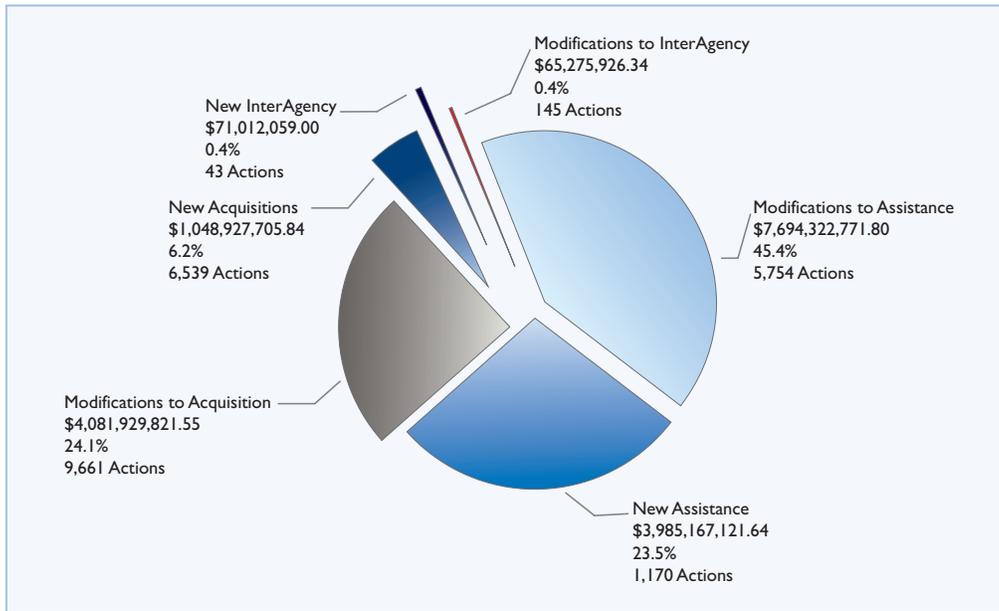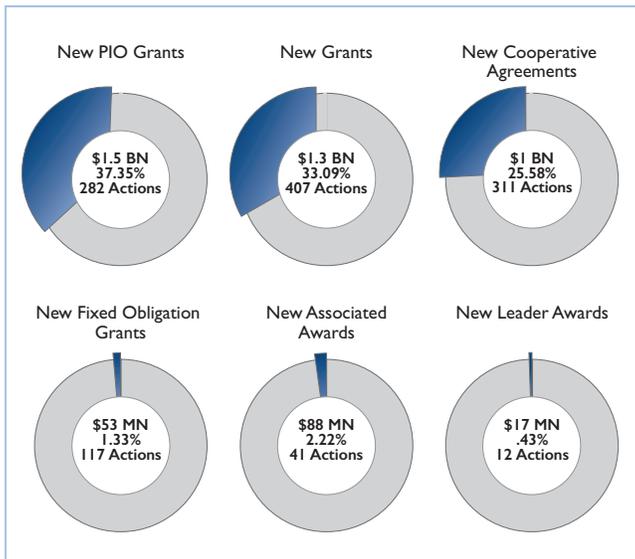| FY	Value	Actions
FY 2015	$6.7	14,138 Actions
FY 2016	$6.3	13,227 Actions
FY 2017	$6.7	13,941 Actions
FY 2018	$6.6	13,086 Actions

USAID ACQUISITION AND ASSISTANCE AT A GLANCE

2018 FISCAL YEAR ACTIONS AND OBLIGATIONS

	ACQUISITION		ASSISTANCE		INTERAGENCY AGREEMENT		TOTAL # ACTIONS	TOTAL OBLIGATIONS $BN
	ACTIONS	OBLIGATIONS $BN	ACTIONS	OBLIGATIONS $BN	ACTIONS	OBLIGATIONS $BN		
WASHINGTON	6,321	$2.51	3,798	$7.82	104	$.066	10,223	$10.39
MISSIONS	9,874	$2.62	3,127	$3.91	85	$.070	13,086	$6.60
TOTAL	16,195	$5.13	6,925	$11.73	189	$0.136	23,309	$16.99

2018 FISCAL YEAR SUMMARY BY MECHANISM

Modifications to InterAgency
$65,275,926.34
0.4%
145 Actions

New InterAgency
$71,012,059.00
0.4%
43 Actions

New Acquisitions
$1,048,927,705.84
6.2%
6,539 Actions

Modifications to Assistance
$7,694,322,771.80
45.4%
5,754 Actions

Modifications to Acquisition
$4,081,929,821.55
24.1%
9,661 Actions

New Assistance
$3,985,167,121.64
23.5%
1,170 Actions

ASSISTANCE
MISSION AND WASHINGTON

New PIO Grants
$1.5 BN
37.35%
282 Actions

New Grants
$1.3 BN
33.09%
407 Actions

New Cooperative Agreements
$1 BN
25.58%
311 Actions

New Fixed Obligation Grants
$53 MN
1.33%
117 Actions

New Associated Awards
$88 MN
2.22%
41 Actions

New Leader Awards
$17 MN
.43%
12 Actions

ACQUISITION
MISSION AND WASHINGTON

New Contracts
$546 MN
52.04%
214 Actions

New Delivery/ Task Order
$211 MN
20.13%
147 Actions

New Purchase Order (PO)
$43 MN
4.10%
2553 Actions

New Hybrid
$0.00 MN
0%
0 Actions

New Personal Services Contracts
$61 MN
5.78%
488 Actions

New Blanket Purchase Agreement Call (BPAC)
$42 MN
4%
154 Actions

New GSA Schedule Order (DO)
$94 MN
8.99%
76 Actions

New Indefinite Quantity Contract (IQC)
$22 MN
2.13%
50 Actions

(Source: GLAAS as of November 19, 2018)

USAID ACQUISITION AND ASSISTANCE AT A GLANCE

Fiscal Year (FY) 2018 Report on Non-Competitive Awards

USAID has the authority to limit competition in certain circumstances. Provided below are the exceptions to competition and the total number of actions and obligations that limited competition was used in FY 2018.

ACQUISITION

1	USAID ACQUISITION REGULATION (AIDAR) 706.302-70, IMPAIRMENT OF FOREIGN AID PROGRAMS;
2	FEDERAL ACQUISITION REGULATION (FAR), PART 6, AUTHORIZED BY STATUTE;
3	FAR 6.202, ESTABLISH OR MAINTAIN ALTERNATIVE SOURCES;
4	FAR 6.203, SET-ASIDES FOR SMALL BUSINESS CONCERNS;
5	FAR 6.204 SECTION 8(A) COMPETITION
6	FAR 6.3, NOT AVAILABLE FOR COMPETITION;
7	FAR 6.302-1, ONLY ONE RESPONSIBLE SOURCE;
8	FAR 6.302-4, INTERNATIONAL AGREEMENT;
9	FAR 16.505(B)(2)(I)(E), ORDER EXCEEDING SIMPLIFIED ACQUISITION THRESHOLD;
10	FAR 6.302-7, PUBLIC INTEREST;
11	FAR 8.405-6(A), ONLY ONE SOURCE CAN PROVIDE SUPPLY/SERVICE;
12	FAR 16, FOLLOW-ON CONTRACT FOR A DEFINITIVE CONTRACT;
13	FAR 6.302-7, NATIONAL SECURITY;
14	FAR 6.302-7, PUBLIC INTEREST;
15	SECTION 7077 OF PUBLIC LAW 122-74, LOCAL COMPETITION AUTHORITY;
16	FAR 15.6, UNSOLICITED RESEARCH PROPOSAL; AND
17	FAR 6.302-3, URGENCY.

ASSISTANCE

1	USAID AUTOMATED DIRECTIVES SYSTEM (ADS) 303.3.6.4, WHEN ELIGIBILITY CAN BE RESTRICTED;
2	ADS 303.3.6.5.A.(2)(A), EXCLUSIVE OR PREDOMINANT CAPABILITY;
3	ADS 303.3.6.5.A.(2)(B), SMALL GRANTS;
4	ADS 303.3.6.5.A.(2)(C), RESTRICTED ELIGIBILITY FOR EFFICIENCY;
5	ADS 303.3.6.5.A.(2)(D), NEW ENTRANTS;
6	ADS 303.3.6.5.A.(2)(E), CONGRESSIONALLY MANDATED PROGRAMS;
7	ADS 303.3.6.5.A.(2)(F), CRITICAL OBJECTIVES OF THE FOREIGN ASSISTANCE PROGRAM;
8	ADS 303.3.6.5.A.(2)(G), UNSOLICITED APPLICATIONS;
9	ADS 303.3.6.5.A.(2)(H), FOLLOW-ON AWARDS AND EXTENSIONS;
10	ADS 303.3.6.5.A.(2)(I), SCIENCE AND TECHNOLOGY & INNOVATION;
11	ADS 303.3.6.5.B.(1) EMERGENCY & DISASTER ASSISTANCE
12	ADS 303.3.6.5.B.(2) RESTRICTED ELIGIBILITY TO LOCAL OR REGIONAL ENTITIES
13	ADS 303.3.6.5.B.(3) TRANSITION AWARDS

Non-Competitive Acquisitions: Contract Actions

The table below provides the number of recorded actions and the corresponding total amount obligated, and includes the type of non-competitive category for the acquisition awards.

TYPE OF NEW AWARD ACQUISITION ACTION DESCRIPTION	NUMBER OF ACTIONS	AMOUNT OBLIGATED
NEW NON-COMPETED ACQUISITION AWARDS		
FAR 6.203, Set-Asides for Small Business Concerns	1	$900,000.00
FAR 6.302-1 Only one responsible source	10	$14,885,917.80
FAR 6.302-2 Unusual and Compelling Urgency	1	$550,000.00
NEW NON-COMPETED ACQUISITION AWARDS TOTAL	**12**	**$16,335,917.80**

Non-Competitive Assistance: Grants and Cooperative Agreements

The table below provides the number of recorded actions, the corresponding total amount obligated, and includes the type of non-competitive category identified.

| TYPE OF NEW AWARD ASSISTANCE ACTION DESCRIPTION	NUMBER OF ACTIONS	AMOUNT OBLIGATED
NEW NON-COMPETED ASSISTANCE AWARDS		
ADS 303.3.6.4 When Eligibility Can Be Restricted	5	$25,478,657.00
ADS 303.3.6.5.a.(2)(a) Exclusive/Predominant Capability	51	$46,948,496.27
ADS 303.3.6.5.a.(2)(c) Restricted Eligibility for Efficiency	3	$2,975,000.00
ADS 303.3.6.5.a.(2)(d) New Entrants	2	$1,000,000.00
ADS 303.3.6.5.a.(2)(f) Critical Objectives of Foreign Assistance Program	2	$4,332,970.14
ADS 303.3.6.5.a.(2)(g) Unsolicited Applications	15	$21,636,067.00
ADS 303.3.6.5.a.(2)(i) Science & Technology & Innovation	1	$2,250,000.00
ADS 303.3.6.5.b.(1) Emergency and Disaster Assistance	301	$960,931,582.00
ADS 303.3.6.5.b.(3) Transition Awards	5	$4,300,000.00
NEW NON-COMPETED ASSISTANCE AWARDS TOTAL	**385**	**$1,074,352,772.41**

USAID ACQUISITION AND ASSISTANCE AT A GLANCE

U.S. Small Business Utilization

U.S. small businesses play an important role in helping USAID achieve its mission. In FY 2018, more than $690 million was awarded to U.S.-based small businesses. The Agency awarded 23 percent of its Washington-based contracts to small businesses across various contract types.

The preliminary data indicates the Agency exceeded its small business goal of 12 percent by awarding 14 percent of worldwide contract dollars to U.S. small businesses.

SMALL BUSINESS GOALS

Note: Percentages are based on dollars
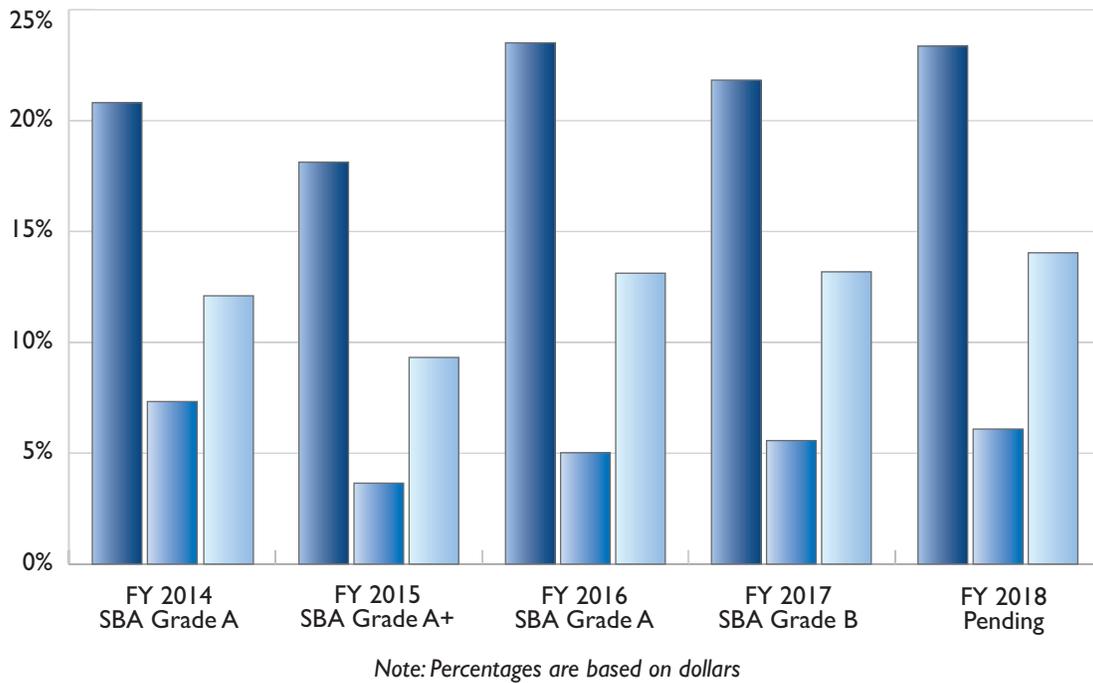
FY18 DOLLARS OBLIGATED UNDER IDIQS & TASK ORDERS

BUSINESS TYPE	TOTAL OBLIGATIONS	NEW AWARDS ONLY	NUMBER OF NEW AWARDS
SMALL BUSINESS	$170,711,841	$29,956,029	71
NON-SMALL BUSINESS	$2,248,336,808	$275,906,250	113
GRAND TOTAL	$2,419,048,649	$305,862,279	184
% TO SMALL BUSINESS	7.1%	9.8%	38.6%

FPDS Federal Contract Actions & Dollars Report as of March 2019

Effective Partnering and Procurement Reform

USAID started an ambitious effort in 2017 to transform the way it does business. Part of the Transformation effort was the idea that we need to improve how the Agency manages its core A&A business functions, and maximize the full potential of our partnerships. In an effort to take on this challenge, the EPPR initiative was established. The Goal of EPPR is to develop and implement a series of reforms to the Agency's program design and procurement processes aimed at fostering self-reliance.

To kick-start EPPR, USAID engaged in an external listening tour (ELT) with a diverse range of outside stakeholders. The goal of the ELT was to consult with our implementing partners and other experts from across the development spectrum to receive and incorporate into the reforms lessons learned and recommendations related to USAID's design and procurement processes.

In total, more than 250 individuals from USAID's partner community participated in the ELT. A copy of the ELT report is available on USAID.gov.

In addition to the ELT, the Agency stood-up four cross-Agency working groups that included more than 100 staff from the field and Washington. The working groups were responsible for developing reform recommendations. As a part of this process, the working groups reviewed the ELT report, Office of the Inspector General (OIG) reports, Agency Policies, discussion notes, and other relevant documents.

Through the efforts of the ELT and the EPPR working groups, the Agency will be developing its first-ever A&A Strategy as well as an EPPR Implementation Plan.

FEEDBACK: EXTERNAL LISTENING TOUR

TOP 5 CHALLENGES

1. Use of Broad Agency Announcements (BAAs)
2. Selection of Instrument (SOI)
3. Prescriptive Nature of USAID Program Design
4. Amount of Time from Design to Award
5. Lack of Consistent Operations.

PROMISING MODELS FROM PARTNERS

- Adaptive Approaches to Implementation, such as "Design and Perform"
- Expanded use of Co-Creation and Collaboration
- Leveraging Private Development Assistance
- Umbrella Grants for Local Capacity Development

Agency Priority Goal: Effective Partnering and Procurement Reform

To support the EPPR initiative, USAID has an Agency Priority Goal (APG) on the use of co-creation and collaboration. To advance collaboration and co-creation in USAID's approaches to partnering and procurement (i.e., designing programs from solicitation through to implementation) to move beyond a traditional business model and embrace new partners and innovative solutions to development and humanitarian challenges. By September 30, 2019, USAID will have increased the use of collaborative partnering methods and co-creation within new awards by 10 percentage points, measured by percentage of obligated dollars and procurement actions.

The Agency is tracking three indicators as a part of this APG. In FY 2018, the Agency established baselines for the three indicators:

INDICATOR	FY 2018 BASELINE
Percentage of New Awards using Co-Creation	18% of new awards used Co-Creation
Percentage of Obligations using Co-Creation	21% of new obligations used Co-Creation
Number of New Partners	226 new partners

Agency Priority Goal: Category Management

USAID has been successful in attaining its Office of Management and Budget (OMB)-directed FY 2018 Category Management goals.

Category Management (CM) provides the capability to use taxpayer dollars more efficiently and effectively in the conduct of operations and procurements. By applying principles from CM and the associated Best-In-Class (BIC) solutions, USAID can purchase goods and services more like a single enterprise. Application of BIC solutions enables the Federal Government to eliminate redundancies by avoiding multiple contracts, increase efficiency by streamlining administration costs, and deliver more value and savings from the U.S. Government's acquisition programs.

The Agency Priority Goal for CM includes increasing both BIC utilization and the overall spend under management (SUM). There are three tiers of solutions that fall under the broad umbrella of SUM: Tier 1, Tier 2, and BIC.

At the end of FY 2018 BIC spend was $134.2 million and total SUM was $3.5 billion. As a result, FY 2018 actuals stand at 36 percent and 74 percent for BIC and SUM, surpassing the targets of 35 percent and 70 percent, respectively.

In FY 2018, USAID achieved its goals through a through a multifaceted approach, including increasing CM awareness; provide education and training; manage advocacy; stakeholder-engagement; apply and develop SUM principles; measure and track results; and evaluate and adapt to improve SUM.

ACQUISITION AND ASSISTANCE LAB

THE A&A LABs

Created in 2016, The A&A Lab is an interconnected network of A&A staff advancing the Agency's mission through workforce development and the testing and scaling of innovations in acquisition and assistance.

The labs began building foundations and initiating thought leadership in 2017. In 2018, the A&A Labs emerged as an essential focal point for informing key EPPR objectives, sharing best practices, and showcasing effective approaches.

Africa Lab

- Co-Led in collaboration with the Frankfurt Lab, the SBAR pilot.
- Facilitated a worldwide community of practice call in March on assistance streamlining
- Led a discussion with EPPR task lead in January to provide field input on A&A innovations and best practices
- Continue to develop and promote the Africa A&A Lab MyUSAID page
- Transitioned Africa A&A Lab local leadership as a result of FSO transfers

ASEAN+ Lab

- Published report of the "2018 ASEAN+ and CSA A&A Lab Experience" and disseminated all presentations and audio recordings of sessions.
- Published new articles and information pieces related to achieving outcomes/impacts through the budget costs of awards.
  - Information piece on the Design and Implement Model mechanism
  - Primer on Development Impact Bonds
  - Article on Incentivizing Results through Fee Schedules
  - Primer on Results Oriented Assistance - Design through Award
- Developed and released templates for the streamlining and standardization of common acquisition approvals.
- Release first quarterly ASEAN+ in Action newsletter
- Continued bimonthly regional calls sharing resources and experiences to co-creation, managing CPARs, and procurement methodologies that incorporate pay-for-results.

Central and South Asia Lab

- Partnered with the ASEAN+ Lab to hold the "2018 ASEAN+ and CSA A&A Lab Experience". This three-day event included OAA representatives from the two regions and focused on incorporating the Agency's redesign effort of Effective Partnering and Procurement Reform (EPPR) into procurement processes.
- Launched MyUSAID CSA webpage to promote engagement between staff in the region and the sharing of ideas and perspectives on A&A issues.
- Conducted web-based seminars on OAA subjects allowing participation across the region.
- Piloting an FSN-led A&A training team model to respond to Mission OAA training needs.

Frankfurt Lab

- Launched the Small Business Applied Research Pilot in collaboration with Africa A&A Lab. SBAR is designed to expand USAID's access to a new market of U.S. small business entrepreneurs to solve development challenges. SBAR breaks down the barriers to attract new entrants by providing a single point of entry for small businesses and by requiring only a short concept paper submission. The pilot features one-to-one co-creation to provide the opportunity to streamline activity design and award. SBAR's premier solicitation attracted 200 small business representatives to the pre-proposal conference, and resulted in 74 concepts submitted in response to 8 problem statements from 3 Missions. The pilot has shown that it can attract potential new entrants. A total of 57 concepts were submitted from 39 small businesses that have never had a direct award with USAID. Awards are pending. The SBAR encore solicitation will be released late November/early December.

Latin America and the Caribbean Lab

Latin America and Caribbean

■ Acquisition and Assistance staff (A&A) in the Latin American and Caribbean (LAC) region gathered in El Salvador to formally launch the LAC A&A Lab, which brought together over 45 A&A staff from across the region to leverage the collective knowledge and field experience to advance the A&A function within USAID.

■ Created MyUSAID resource webpage with links to templates, best practices and a subject matter expert contact list and posted the results of the training and needs assessment survey of A&A professionals in the region.

■ Facilitated community of practice calls on Category Management and protests.

■ Hosted regional Statement of Work course as a part of the USAID Essentials curriculum.

■ Developed LAC A&A Lab FSN sub-committee focused on professional development, training and exchanges.

Washington Lab

Washington

■ Developed and conducted co-creation facilitation training jointly with the iDesign team to build internal capacity of staff. Alumni from this course have gone on to co-facilitate and even facilitate their own workshops and have begun tracking staff that facilitate such workshops. The A&A Lab provides support and additional learning opportunities for staff who are interested and/or continuing to do this.

■ Developed the Collaborate. Learn. Adapt (CLA) Suite of trainings.

◆ **Module 1:** Operationalizing the BAA: From Scenario Planning to Award

◆ **Module 2:** Understanding Co-Creation: A General Overview

◆ **Module 3:** Shock Responsive Programming and Adaptive Management

◆ **Module 4:** Non-Traditional Approaches: Performance Based/Pay for Results Options

◆ **Module 5:** Non-Traditional Approaches: Oral Presentations

◆ **Module 6:** Understanding FAR Part 8 and Category Management

■ Conducted monthly speaker series to enhance USAID staff's knowledge and understanding on varying topics such as: Catalyzing Private Investment, Shock Response Programming and Adaptive Mechanisms, IGCE Streamlining, Category Management, as well as Payment by Results and Innovative Financing. These series were in the form of webinars and in-person sessions.

■ Facilitated competitive and non-competitive co-creation Workshops at Missions' requests.

■ Conducted monthly BAA and mock co-creation workshops for USAID staff.

MANAGEMENT BUREAU'S OFFICE OF ACQUISITION AND ASSISTANCE UPDATES

Policy Division

The Agency is regularly updating its acquisition and assistance regulations and policies. Provided below is a summary of the new and updated regulations and policies issued during FY 2018.

USAID's Acquisition Regulation (AIDAR)

The AIDAR is USAID's Acquisition Regulation supplementing the Federal Acquisition Regulation and is published as Chapter 7 of title 48, Code of Federal Regulations (CFR).

Federal Register 83 FR 9712 published a final rule that clarified the reporting requirements for all mobile IT equipment in AIDAR clause 752.245-70, Government Property—USAID reporting requirements. The clause was amended to clarify that all mobile Information Technology (IT) equipment is identified as accountable. This includes both mobile IT equipment that is USAID-owned and furnished to the contractor, as well as contractor acquired mobile IT equipment, title to which vests in the U.S. Government. These changes became effective on April 6, 2018.

The Automated Directives System (ADS)

USAID's ADS serves as the Agency's operational policy and procedure guide. The ADS contains over 200 chapters and is aligned with current Federal regulations, as well as policies approved by the Agency's Administration. The Agency's ADS 300 Series focuses on acquisition and assistance. In FY 2018, 10 revisions were made to policies and procedures across four ADS 300 series chapters relating to acquisition and assistance. Highlighted below are the major revisions that are relevant to the Agency's partners.

ADS 300: Agency Acquisition and Assistance (A&A) Planning

- Partially revised chapter to incorporate the Senior Obligation Alignment Review (SOAR), a revision of the previous AARAD process. The revision was issued on June 27, 2018.

ADS 302: USAID Direct Contracting

- Partially revised to add a new section 302.3.5.22, "Climate Risk Management". The revision was issued on December 5, 2018.
- Partially revised to add a new mandatory reference and special contract requirements for Organizational Conflicts of Interest (OCI). The revision was issued on September 13, 2018.
  - Partially revised with substantive changes to the chapter and mandatory references as listed below. The revision was issued on June 21, 2018.
  - Updated responsibilities and policies in accordance with the recently revised AIDAR clause 752.245-70 Government Property-USAID Reporting Requirements on Government–furnished Property (GFP). This section was revised to require Mobile IT equipment such as mobile phones, laptops, tablets, and desktops furnished to contractors to be included in the reporting and disposition of Government Property.
  - Incorporated policy and procedures regarding Agency Chief Information Officer (CIO) Approval of Information Technology for the acquisition of IT to be "used by the Agency". This revision requires COs to specify the M/CIO-approved information technology in the Schedule of the solicitation and contract; the contractor is limited to purchasing only the information technology specified in the award.
  - Mandatory Reference ADS 302mao, Contract Review Board Guidelines was revised.
  - A new section was added referencing ADS 547 requirements concerning Acquisition of Custom-Developed Software.
  - Use of the Agency Secure Image and Storage Tracking (ASIST) electronic filing system was made mandatory for Contracting Officer Representative (COR) contract administration files. The COR Designation Letter was revised to address this filing requirement.
  - Clarified the training requirements for COR designation.
    - Internal Mandatory References listed below were updated on November 15, 2017:
    - ADS 302mbk provided new procedures for processing extraordinary contractual actions in accordance with AIDAR Part 750
    - ADS 302mah revised policy on Information Security Requirements for Acquisition of Unclassified Information Technology
    - ADS 302mas revised special contract requirements
    - ADS 302mar added the Contracting Officer Representative (COR) checklist: Exit Procedures for Institutional Support Contractors and federal Employees under Interagency Agreements to the COR designation letter
    - ADS 302man revised the notification requirement for awards over $100M
    - ADS 302saw new Simplified Acquisition Guide

ADS 303: Grants and Cooperative Agreements to Non-Governmental Organizations

- Partially revised to add a new paragraph, "g. Climate Risk Management" under section 303.3.6.2, "Merit Review Criteria". The revision was issued on December 5, 2018.
- Partially revised to add a new section on Conflicts of Interest (COI). The revision includes a new COI mandatory standard provision and a new COI pre-award term. The revision was issued on August 30, 2018.
- The Notice of Funding Opportunity (NOFO) Guidance and Template was revised on July 12, 2018.
- Partially revised to enhance pre-award risk assessment and sub-award approval procedures. The revision was issued on June 22, 2018.

MANAGEMENT BUREAU'S OFFICE OF ACQUISITION AND ASSISTANCE UPDATES

- Partially revised with substantive changes to the chapter and its mandatory references as listed below. The revision was issued on June 7, 2018.

  - Use of the Agency Secure Image and Storage Tracking (ASIST) electronic filing system was made mandatory for Agreement Officer Representative (AOR) award administration files. The AOR Designation Letter, ADS 303mai, was revised to capture this filing requirement.

  - Clarification of training requirements for AOR designation. The AOR Designation Letter, ADS 303mai, was also revised to clarify that predecessor courses can be used to meet the training requirements.

  - Pre-award terms were removed from ADS 303mav, Certifications, Assurances, Representations, and Other Statements of the Recipient. They are now located in a new mandatory reference ADS 303mba, Pre-Award Terms.

  - ADS Section 303.3.6.5 was revised to clarify the approval process for a Justification to Restrict Eligibility (JRE) for follow-on awards and extensions.

  - The Standard Provision M.14 Regulation Governing Employees found in ADS 303maa was revised.

  - The Standard Provision M.11 Recipient and Employee Conduct found in ADS 303mab was revised.

ADS 309: Personal Services Contracts with Individuals

- The chapter was significantly revised to consolidated sections, clarify the order of preference, incorporate detailed TCNPSC policies, enhance the technical evaluation and pay negotiation policies, and issue a new 309mai policy on CCNPSC incremental funding actions. The revision was issued on July 17, 2018.

- The chapter was partially revised with editorial changes, new Procurement Instrument Identifier (PIID) mandatory reference policy and a new contractor performance evaluation template. The revision was issued on March 23, 2018.

Acquisition and Assistance Policy Directives (AAPDs)

USAID AAPDs are official Agency interim updates to A&A regulations and policies. In FY 2018, the Agency archived five AAPDs/CIBs and issued eight new AAPDs:

New AAPDs

- AAPD 18-05: "Designation of USPSCs and CCNPSCs as Contracting and Agreement Officers "was issued on September 17, 2018 – This AAPD streamlined and simplified requirements to designate USPSCs and CCNPSCs as contracting and agreement officers (COs/AOs).

- AAPD 16-03 Revised: "AIDAR Deviation from Appendices D and J for the continuation of Expanded Incentive Awards for Personal Services Contracts with Individuals" was issued on June 13, 2018 – This AAPD announced revisions to AIDAR Appendices D and J to continue the Expanded Incentive Awards for Personal Services Contracts with Individuals.

- AAPD 18-03: "Strengthening Prevention of Sexual Exploitation and Abuse in the Partner Community" was issued on June 1, 2018 - This AAPD revised AIDAR clause 752.7013, Contractor-Mission Relations.

- AAPD 18-04: "Increase in the Micro-Purchase Threshold, Simplified Acquisition Threshold and the Threshold for Requiring Certified Cost or Pricing Data (Class deviations from the FAR and the AIDAR)" was issued on June 1, 2018 – This AAPD announced issuance of class deviations from the FAR and AIDAR that authorizes an increase in the Micro-Purchase Threshold, (MPT) Simplified Acquisition Threshold (SAT) and the Threshold for Requiring Certified Cost or Pricing Data.

- AAPD 18-02: "Changes to the Medevac Policy for USPSCs and TCNPSCs" was issued on May 23, 2018 – This AAPD announced changes to the Medevac Policy for USPSCs and TCNPSCs serving abroad.

- AAPD 16-02 Revised: "Clauses and Special Contract Requirements for Facilities Access, Security, and Information Technology (IT)" was issued on May 1, 2018 - This AAPD completely replaced AAPD 16-02 and included new/updated IT and security related clauses.

- AAPD 18-01: "Whistleblower Protection for Contractor Employees" was issued on April 6, 2018. This AAPD required the use of the pilot Whistleblower Protection of Contractor Employees program until the FAR is revised to make the program permanent. The AAPD included a clause for COs to include in solicitations and contracts.

- AAPD 15-02 Revised: "Continuation of Deviation from the 'Leave and Holidays' clause, including Family and Medical Leave, for U.S. Personal Services Contractors" was issued November 30, 2017. The purpose of this AAPD was to extend the implementation of the USAID policy for Leave and Holidays, including family and medical leave for U.S. personal services contractors (USPSCs).

Archived AAPDs

- AAPD 17-02: Class Deviation from the FAR to Implement Adjusted Thresholds for the Trade Agreements" is archived as the revised thresholds were incorporated into the applicable sections of the FAR. – January 29, 2018

- AAPD 16-05: Designation of USPSCs as Contracting Officers and CCNPSC Warrant Program has been archived and replaced by AAPD 18-05: Designation of USPSCs as Contracting Officers and CCNPSC Warrant Program Class Deviation to AIDAR – no. M-OAA-DEV-AIDAR-16-5c – September 17, 2018

- AAPD 15-02: Authorization of Family and Medical Leave for USPSCs archived and replaced with AAPD 15-02 Revised - November 30, 2017

- AAPD 16-03: Expanded Incentive Awards for PSC with Individuals archived and replaced with AAPD 16-03 Revised - June 13, 2018

- CIB 99-17: Organizational Conflicts of Interest archived and incorporated into ADS 302 – September 17, 2018

MANAGEMENT BUREAU'S OFFICE OF ACQUISITION AND ASSISTANCE UPDATES

Procurement Executive Bulletins (PEBs)

USAID Procurement Executive Bulletins are issued by the M/OAA Director. PEBs are not considered to be formal policy but include information relating to policy reminders, general guidance, best practices, lessons learned, and Frequently Asked Questions for Agency A&A staff.

Three PEBs were issued during FY2018:

- PEB 18-02, "Democracy and Governance - Inclusion of the Selection of Instrument (SOI), Determination in Request for Proposals/Request for Quotations (RFP/RFQ) & Notice of Funding Opportunities (NOFO)" was issued on May 31, 2018.
- PEB 18-01 "Responsibilities regarding Subcontracting Plan Compliance" was issued on January 30, 2018.
- PEB 17-02 "Exemptions and Allowability of Host-Country" was issued on November 16, 2017

A&A Ombudsman

The primary purpose of the A&A Ombudsman is to ensure equitable treatment of all parties participating in USAID's acquisition and assistance process. The Ombudsman is the designated neutral Agency official responsible for resolving procurement-related issues and providing clarity to USAID's U.S.-based personal service contractors. The Ombudsman reports directly to the M/OAA Director, and is independent of all other offices within M/OAA.

The Ombudsman continued efforts to promote stakeholder engagement and eliminate roadblocks between industry and M/OAA, via collaboration with the A&A Lab, which resulted in improved efficiencies, specifically via the development of standardized kick-off slides to be used during or in place of post-award meetings and Customer Service Goals which facilitate timely engagements with our partners. The Ombudsman also addressed concerns of the small business community by way of PEB 18-01, which stressed the importance of permitting our small business subcontractors to perform as promised. The issues were wide-ranging, but the breakdown is as follows:

- General Data Calls and Outreach 40%
- Business Forecast 5%
- Doing Business with USAID 15%
- Selection of Instrument 4%
- Other 36%

Cost and Audit Support Division

The Office of Acquisition and Assistance Cost and Audit Support (CAS) Division consists of multiple branches that provide advice and services related to auditing, indirect costs, closeouts, past performance, data management, reporting, and quality control.

Audit Recommendations Closed	130
Negotiated Indirect Cost Rate Agreements Issued:	120
Awards Closed Out	1,859
Funds De-Obligated:	$88.6 million

Contract Review Board

The Contract Review Board (CRB) provides technical assistance to Agency procurement officials to assist with identifying potential problems and recommending corrective actions for Agency acquisitions $25 million and above. The CRB seeks to improve the quality of USAID's development and to strengthen the performance of the Agency's staff by providing procurement related assistance.

During FY 2018 the CRB reviewed a total of 84 procurement actions with a total estimated value of approximately $9.9 billion.

Professional Development and Training Division

The Professional Development and Training (PDT) Division develops and supports training activities for USAID's A&A workforce worldwide. The goal of the PDT Division is to strengthen the knowledge and skills of the A&A workforce to better develop and manage procurement mechanisms. The Agency requires that all Contracting and Agreement Officers receive 80 hours of continual learning every two years. Contracting and Agreement Officer Representatives are required to receive 40 hours of continual learning every two years.

In FY 2018, PDT offered Agency staff learning opportunities worldwide. With over 550 students in attendance, PDT conducted 10 different types of A&A courses, consisting of 31 instructor-led sessions. There were also 12 new or enhanced online e-learning courses that were developed for staff enrollment enrolled in during FY 2018, with over 800 enrollments and an average of 82 students per virtual course.

PDT supported EPPR with courses on co-creation, facilitating co-creation workshops, and conducting the "Collaborate, Learn, Adapt (CLA) in Activity Design and Co-creation in Procurement and Management," and other EPPR-related courses, training approximately 150 staff in FY 2018.

Additionally, PDT participated in conferences and events, including the USAID Evaluation Summit, educating attendees on adaptive techniques and the Innovation Peer Learning event with USAID partners.

Transportation Division

Transportation Division (M/OAA/T) is responsible for ensuring that U.S. flag vessels' participation in moving USAID-financed commodities and Title II and Title III commodities, complies with the requirements of the Cargo Preference Act and applicable Maritime Administration rules.

In turn, the Transportation Division is responsible for the oversight of ocean transportation arrangements for Title II humanitarian food aid for all of USAID's implementing partners. Information concerning USAID's implementing partners, ocean transportation solicitations and awards may be found on USAID.gov.

Also in support of the Title II Food for Peace program, OAA/T serves as the Contracting Office as well as fulfills Contracting Officer Representative (COR) functions for:
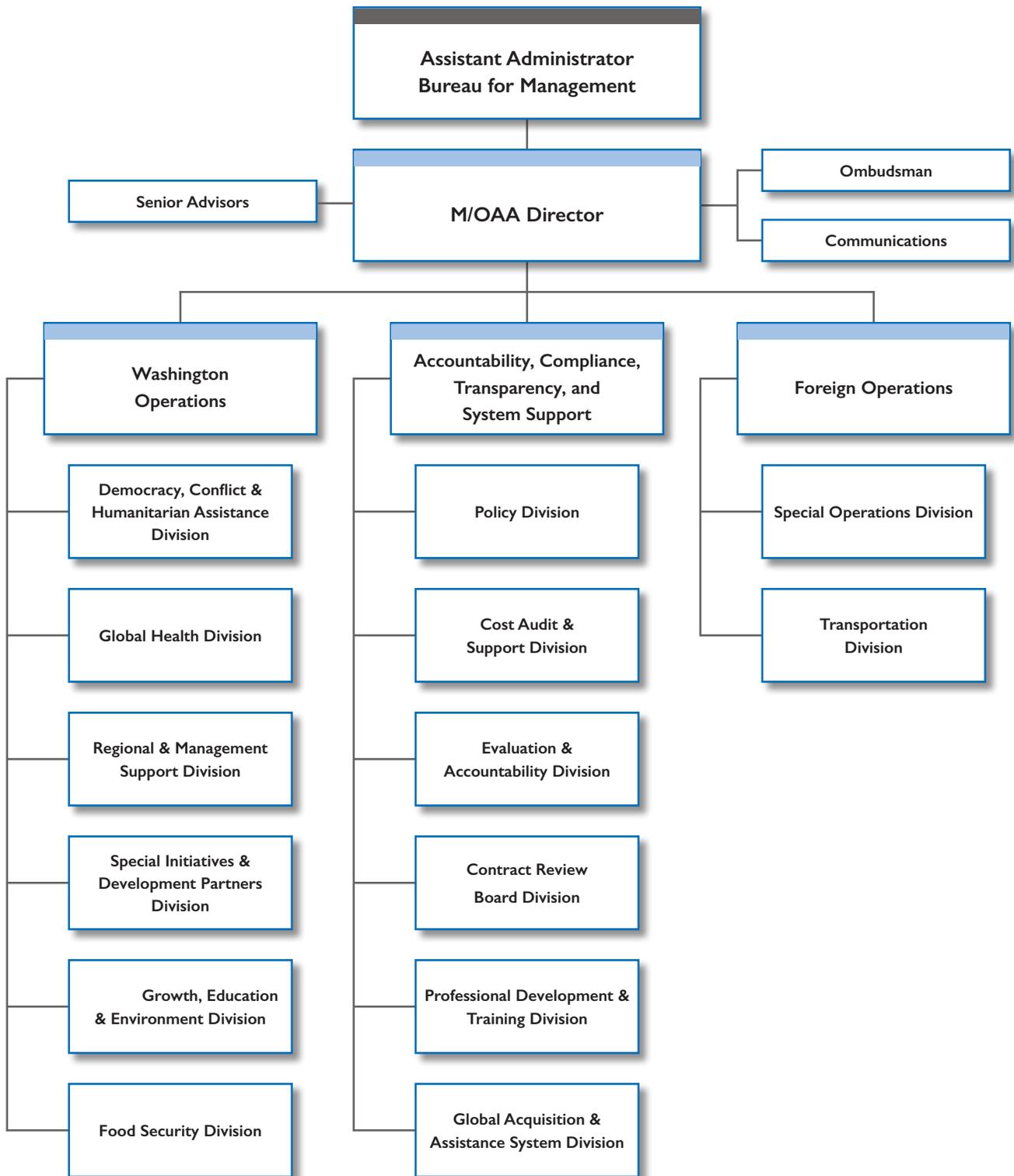
- Three overseas preposition Title II food aid warehouses located in:
  - Tanjuang Pelapas, Malaysia
  - Djibouti, Djibouti
  - Durban, South Africa

- A domestic preposition warehouse located in Houston, Texas
- The freight contracts for all shipments into these warehouses, and
- An independent warehouse inspection survey contract to ensure that all food aid is properly stored and maintained in accordance with Regulation 11, which governs Title II food aid.

The Transportation Division office also supports the procurement of goods and services on behalf of the Office of Disaster Assistance (OFDA), the Ocean Freight Reimbursement program (OFR), and the Denton program.

MANAGEMENT BUREAU, OFFICE OF ACQUISITION AND ASSISTANCE ORGANIZATIONAL STRUCTURE

Assistant Administrator Bureau for Management

M/OAA Director

- Senior Advisors
- Ombudsman
- Communications

Washington Operations

- Democracy, Conflict & Humanitarian Assistance Division
- Global Health Division
- Regional & Management Support Division
- Special Initiatives & Development Partners Division
- Growth, Education & Environment Division
- Food Security Division

Accountability, Compliance, Transparency, and System Support

- Policy Division
- Cost Audit & Support Division
- Evaluation & Accountability Division
- Contract Review Board Division
- Professional Development & Training Division
- Global Acquisition & Assistance System Division

Foreign Operations

- Special Operations Division
- Transportation Division

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