

## Procurement Reform

Goal Leaders:

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# Overview

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## Goal Statement

- To advance collaboration and co-creation in USAID's partnering and procurement approaches (i.e., program design through solicitation and implementation) to move beyond a traditional business model and embrace new partners and innovative solutions to development challenges. By September 30, 2019, USAID will have increased the use of collaborative partnering methods and co-creation within new awards, measured by dollars and percentage of procurement actions ***(to be determined after baselines established in FY2018)***

## Challenge

- USAID is challenged to strike the proper balance between innovation and risk, to assess the effectiveness of innovative procurement approaches appropriately, to inject more adaptive and flexible approaches into partner agreements and to engage new partners and local participants, while ensuring the achievement of results that align to U.S. goals and objectives

## Opportunity

- Increase the use of more innovative solutions that strengthen in-country capacity;
- Expand the existing partner base, and improve effectiveness and sustainability through the increased use of co-creation and collaborative approaches; and
- Mobilize resources from the public and private sectors to increase development impact, including through co-investment.

# Goal Structure and Strategies

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Through the adoption of this Agency Priority Goal (APG), USAID will be able to achieve the Administrator's vision of increasing collaboration, co-design, and co-financing approaches that promote innovation and the diversification of our partner base. This will result in more empowered partners, results-driven solutions, and stronger host-country capacity and self-reliance, to advance the Agency's overall goal of ending the need for foreign assistance. Based on an assessment of best practices and potential innovations, USAID will develop and implement procurement strategies and methodologies that achieve greater reliance on collaborative approaches and co-creation. The Agency will design a way to measure these improved outcomes, establish collection methods, and determine a baseline for quantitative performance indicators. Further, USAID will train staff on co-creation and more-collaborative methods to engage our partners. USAID will implement the new methodology and examine the results against the baseline on a quarterly basis. Finally, as an Agency, we will implement the new methodology, and examine the results against the baseline on a quarterly basis.

Once the APG is adopted, developed, and implemented, USAID will report quarterly on progress to the U.S. public through the Office of Management and Budget's [performance.gov](https://www.performance.gov).

## Indicators:

- I. Achieve milestones to establish a quantitative baseline indicator of the use of co-creation and collaboration in acquisition and assistance;
- II. Measure the increased use of collaboration and co-creation methods in new awards by the Agency; and
- III. Measure the increased use of new partners by the Agency.

# Summary of Progress – FY18 Q2

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During the second quarter of fiscal year (FY) 2018, the U.S. Agency for International Development (USAID) conducted an external listening tour around Effective Partnering and Procurement Reform (EPPR) to consult with experts from across the development spectrum to gain an understanding of challenges, best practices and opportunities for working with the Agency. As a part of these discussions, the Agency raised the use of collaboration and co-creation as a promising model for more effective development. Partners shared their ideas on a number of collaborative practices, such as industry days, releasing draft scopes of work, and Statement of Objectives, etc. The listening tour provided an opportunity to refine the Agency's approaches to collaboration and co-creation, and validate its importance.

USAID then reviewed the tools by which it can begin to collect data on collaboration and co-creation. The Agency decided to modify existing fields to two of its systems -- the Acquisition and Assistance (A&A) Plan System and the Global Acquisition and Assistance System (GLAAS). The A&A Plan will help USAID track planned activities and collaborative approaches used prior to award. GLAAS will allow the Agency to track specific procurement approaches (such as Annual Program Statements and Broad Agency Announcements) used and total dollars obligated through collaborative approaches. By modifying these existing systems, we will be able to begin tracking the use of co-creation and collaboration, which will allow us to set a baseline for moving forward.

The A&A Plan updates the Agency's Business Forecast. Prior to requesting updates to the Forecast for the second quarter of FY 2018, the Agency added a new question on co-creation and collaboration as a mandatory field. As a result, when making updates to the A&A Plan for the Forecast, Agency staff were required to answer the question on co-creation and collaboration. In the third quarter, we will be reviewing the initial data to determine trends and to identify areas of further clarification.

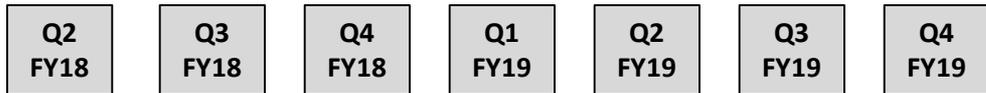
# Key Milestones

- USAID plans on taking a more-innovative approach to how staff design programs and use approaches to A&A. Through the success of this more-collaborative and flexible business model, USAID will strengthen A&A processes, empower partners, and forward innovative approaches to improve and increase stakeholder-engagement.
- Under this APG, the following Key Milestones Indicator, with associated due dates will facilitate a process for developing and refining two quantitative indicators. The Milestones Indicator is the mechanism to design our quantitative indicators and achieve a cohesive framework for implementing, monitoring, and reporting on the achievement of the APG.

Key Milestones Indicator Summary				
Key Milestone	Milestone Due Date	Milestone Status	Owner	Comments
M.1 Study and assess methods to measure and achieve improved outcomes (increased use of collaboration and co-creation approaches).	Q2 FY18	Complete	M/OAA	The Agency reviewed the A&A Planning Tool and GLAAS, and decided to add/modify existing fields to be able to measure the increased use of collaborative methods
M.2 Adapt definitions for planned quantitative indicators (on collaboration/co-creation and partner diversification) based on input from engagement with external partners.	Q2 FY18	Complete	M/OAA	The Agency recently concluded an external listening tour on EPPR. As a part of its EPPR listening tour, the Agency has refined its definitions of collaborative approaches to procurement.
M.3 Finalize data-collection methods; determine baseline and modify automated systems to collect data.	Q3 FY18		M/OAA	
M.4 Adapt definitions for planned quantitative indicators (on collaboration/co-creation and partner-diversification) based on input from USAID internal working groups and field Missions.	Q3 FY18		M/OAA	
M.5 Conduct training for Agency staff to achieve targets based on new policy direction.	Q4 FY18		M/OAA	
M.6 Examine results, and finalize definitions and baselines for indicators on utilization of collaboration / co-creation and partner-diversification for FY 2019	Q4 FY18		M/OAA	
M.7 Implement new approach; establish the definitions of indicators and baselines.	Q1 FY19		M/OAA	
M.8 Monitor and make necessary adjustments, and collect progress reports and lessons learned.	Q2 FY19		M/OAA	
M.9 Progress assessment.	Q3 FY19		M/OAA	
M.10 Finalize results; collect lessons learned and “best practices” based on progress.	Q4 FY19		M/OAA	

# Key Indicators

Three key indicators support the attainment of this APG, shown below along with a graphical timeline that depicts their alignment.



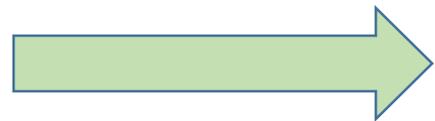
Indicator 1: Achieve milestones to establish quantitative indicators and baselines of: the use of co-creation and collaboration in assistance and acquisition; and the use of new partners in acquisition and assistance



Indicator 2: Measure the increased use of collaboration and co-creation methods in new awards by the Agency



Indicator 3: Measure the increased use of new partners by the Agency.



# Data Accuracy and Reliability

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## **Accuracy and Reliability of Data**

- Maintained through the A&A management tool, or the Global Acquisition and Assistance System Support (GLAAS) tool;
- Data are also reported to Federal system FPDS-NG; and
- Additionally, USAID is assessing the PHOENIX system to validate the addition of new partner entrants.

## **Accuracy of Data for Tracking Co-Creation and Collaboration:**

A&A Plan: The Agency uses the A&A Plan to track all funding opportunities through the planning process. Since co-creation takes place prior to making an award, USAID can use this tool to track co-creation efforts.

In FY 2017, USAID added an optional field to the A&A Plan to begin tracking broad industry-engagement efforts.

In the A&A Plan, we can create a new report or dashboard to track all awards throughout the Fiscal Year and how they are using co-creation, collaborative approaches, co-investment and new partners. Using data from the A&A plan, USAID can calculate the percentage of new awards that use co-creation / collaboration methods. M/OAA can also track the data in GLAAS to provide an overall dollar amount obligated through co-creation methods. It will develop these standards within revised policies in concert with the USAID Redesign.

# Additional Information

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## Contributing Programs

Organizations:

- The USAID Redesign is the primary catalyst for policy change needed to achieve this APG. The Primary lead for long-term implementation is M/OAA, but success is predicated upon contribution of all USAID stakeholders to inform policy, assess business needs, and align planned activities with the APG.

Program Activities:

Regulations and Policies:

Other Federal Activities:

- Coordination with designated Federal Departments and Agencies (e.g., the Office of Management and Budget (OMB))

## Stakeholder / Congressional Consultations

To the greatest extent possible, USAID will continue to work and coordinate with stakeholders and Congress to ensure that our effective partnering and procurement-reform solutions meet the mission requirements for USAID.

USAID and U.S. interagency stakeholders include a wide range of employees in Washington, DC, and the field, invited via working groups to contribute solutions and validate proposed policy changes throughout the Redesign, and during mid- and long-term implementation.