



**USAID**  
FROM THE AMERICAN PEOPLE

# Partners' Day

December 1, 2015

Procurement Action  
Lead Time (PALT)

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M/OAA Senior Advisor



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## Topics for Discussion

### **PALT Trends**

- Challenges for Acquisitions
  - Washington
  - Overseas
- Challenges for Assistance
  - Washington
  - Overseas
- Solutions & Best Practices

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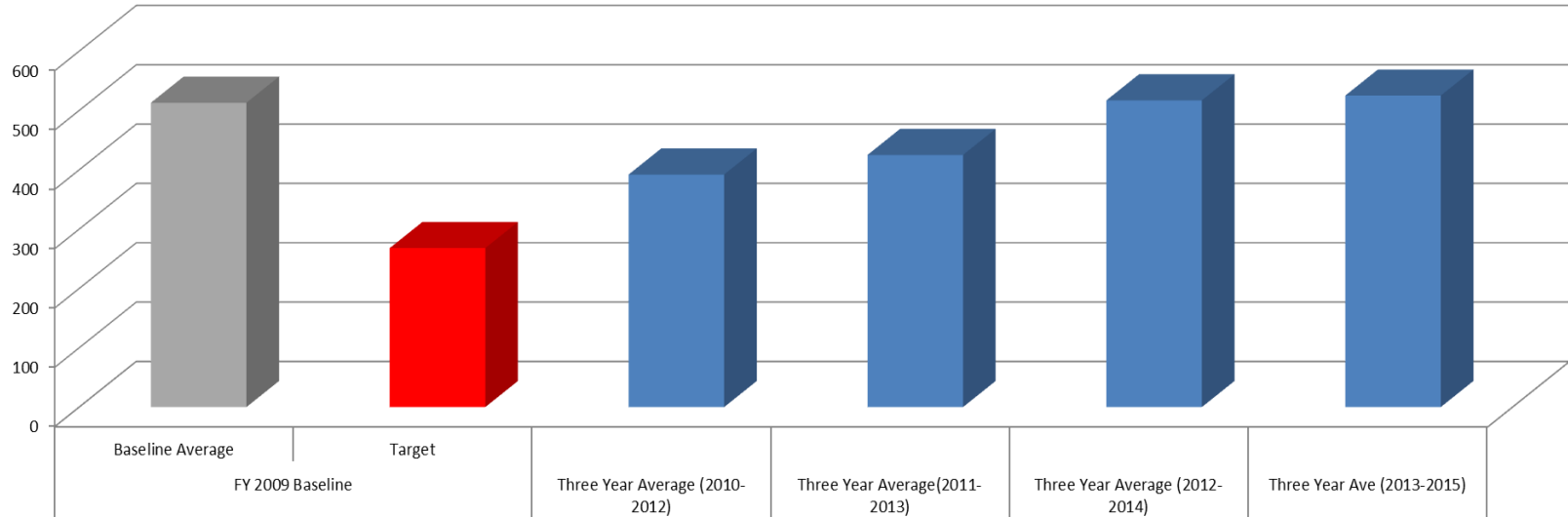
## Background

**What is PALT and how is it measured?**

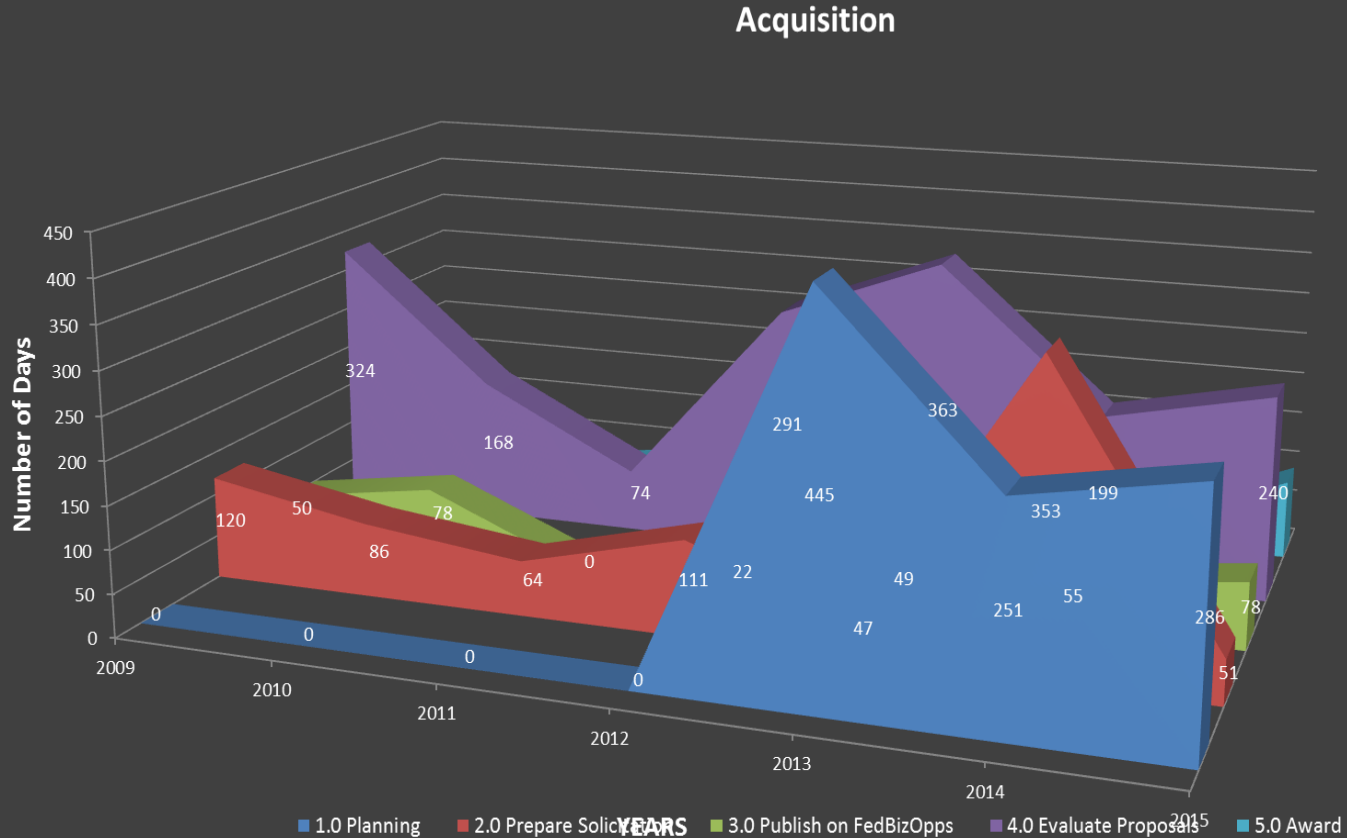
**Why is PALT important?**

# Washington Acquisitions: Baseline & Target Versus Three Year Averages

Washington Acquisition

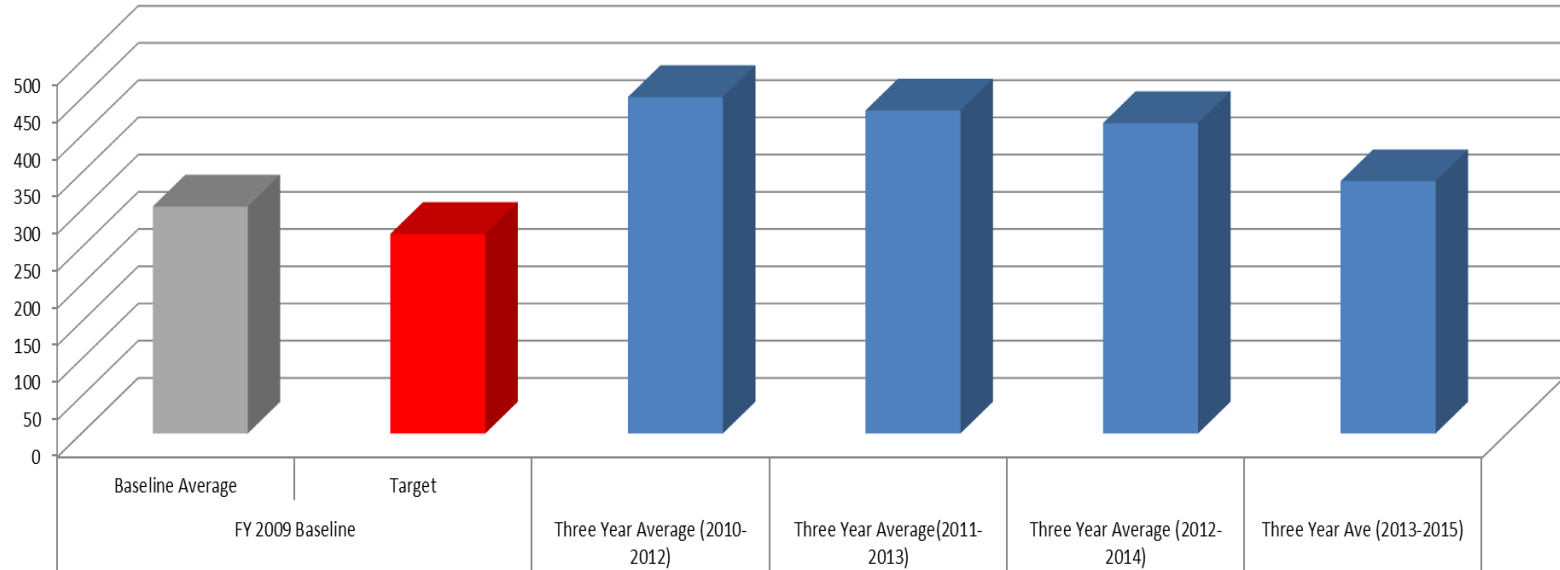


# Challenge in Washington Acquisitions PALT: Phase Comparison

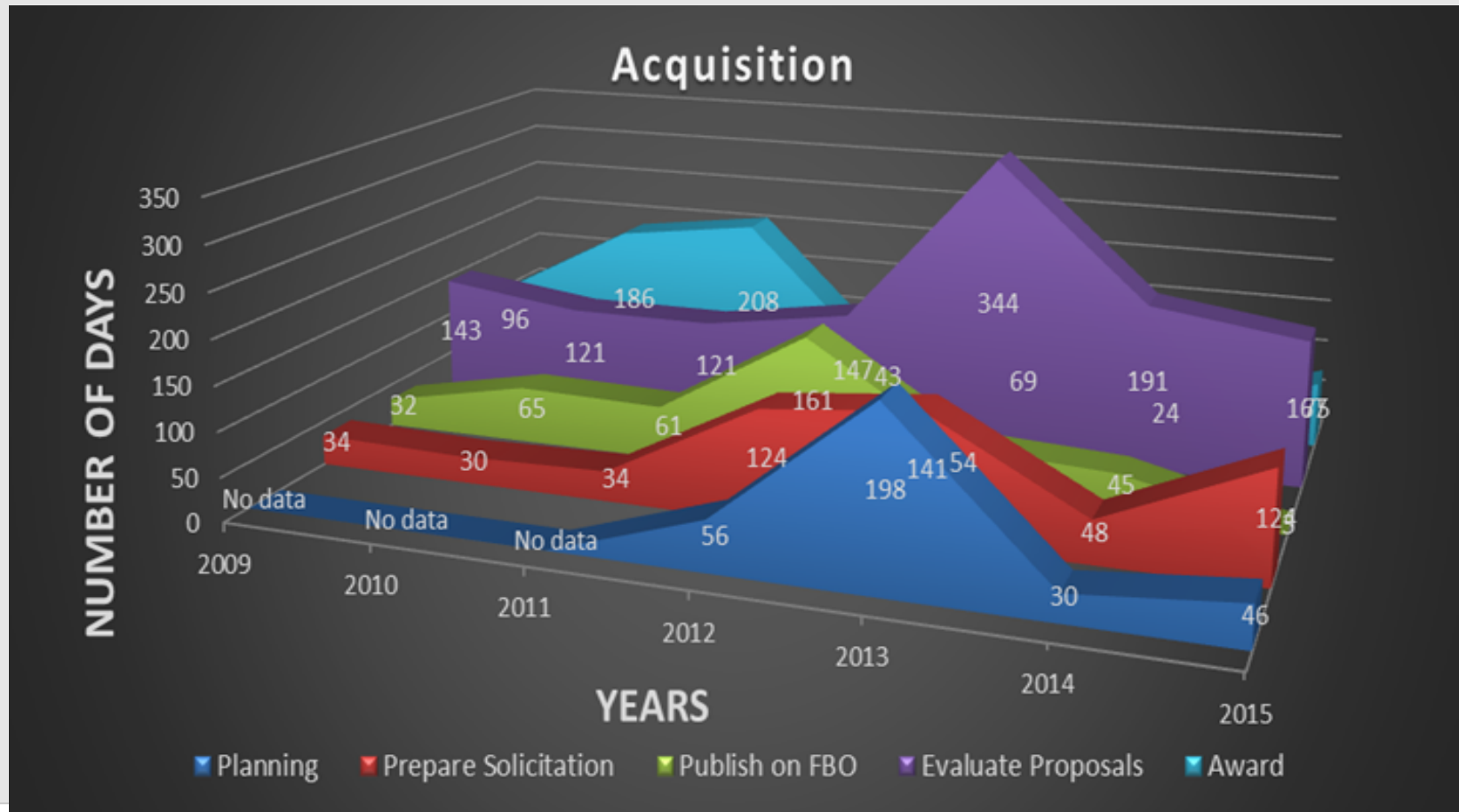


# Overseas Acquisitions: Baseline & Target Versus Three Year Averages

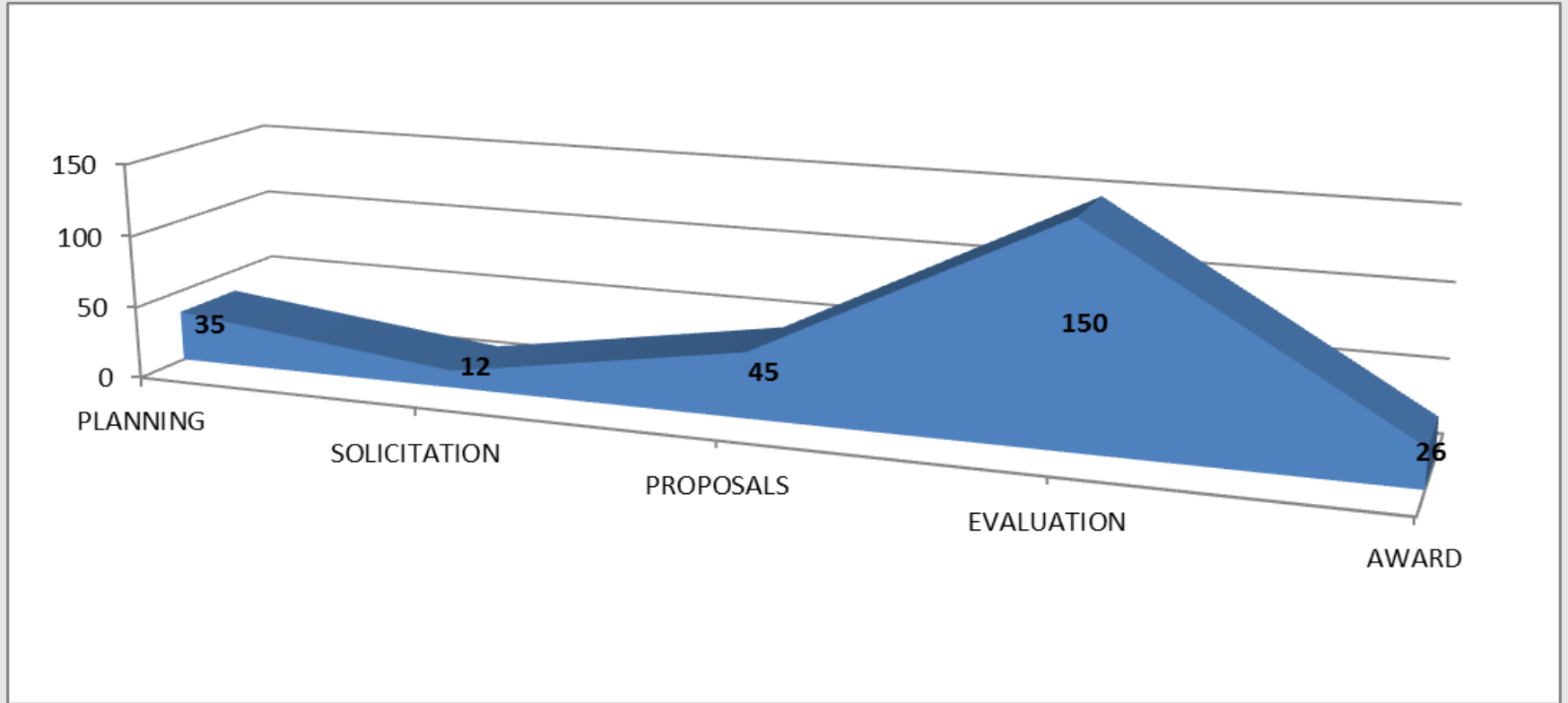
Overseas Acquisition: Without-CPCs



# Challenge in Overseas Acquisitions PALT: Phase Comparison

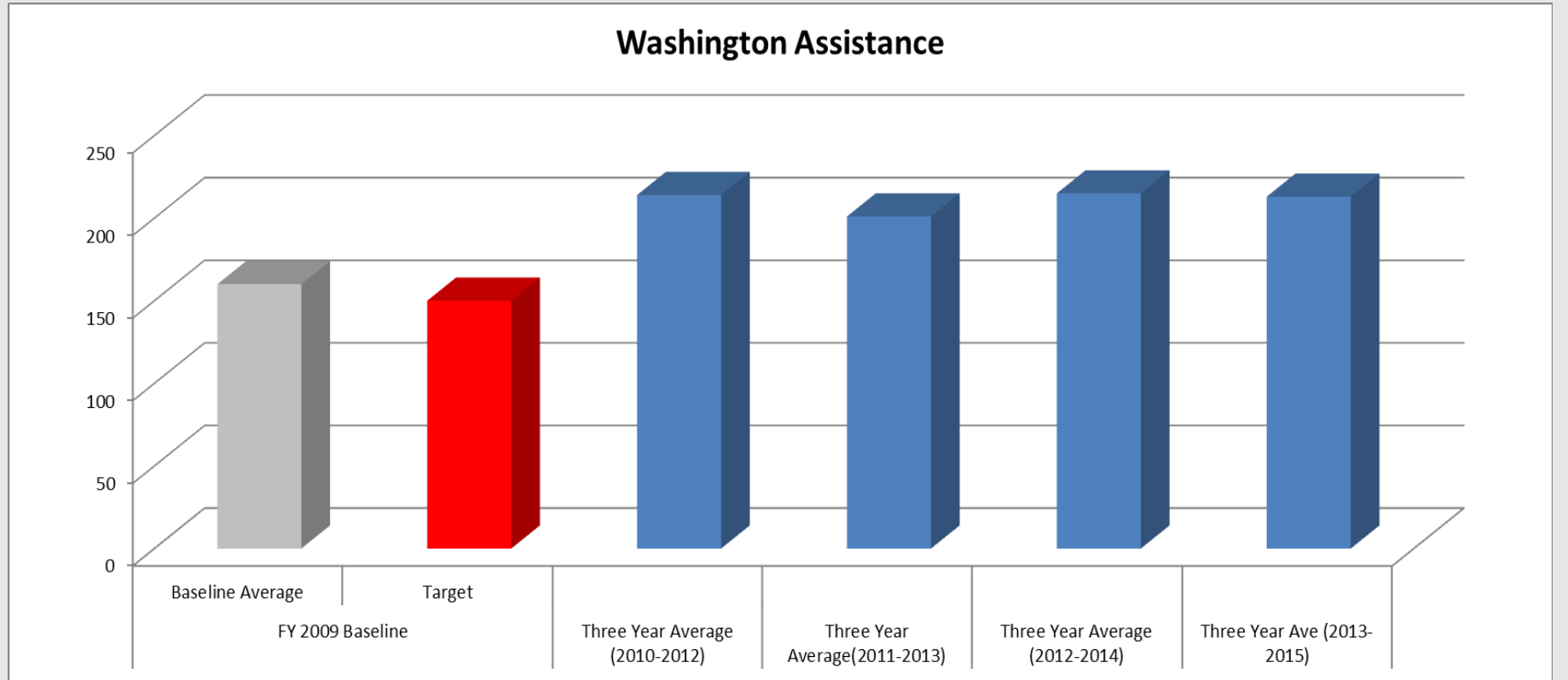


## — Challenge in Acquisitions: Phase Targets

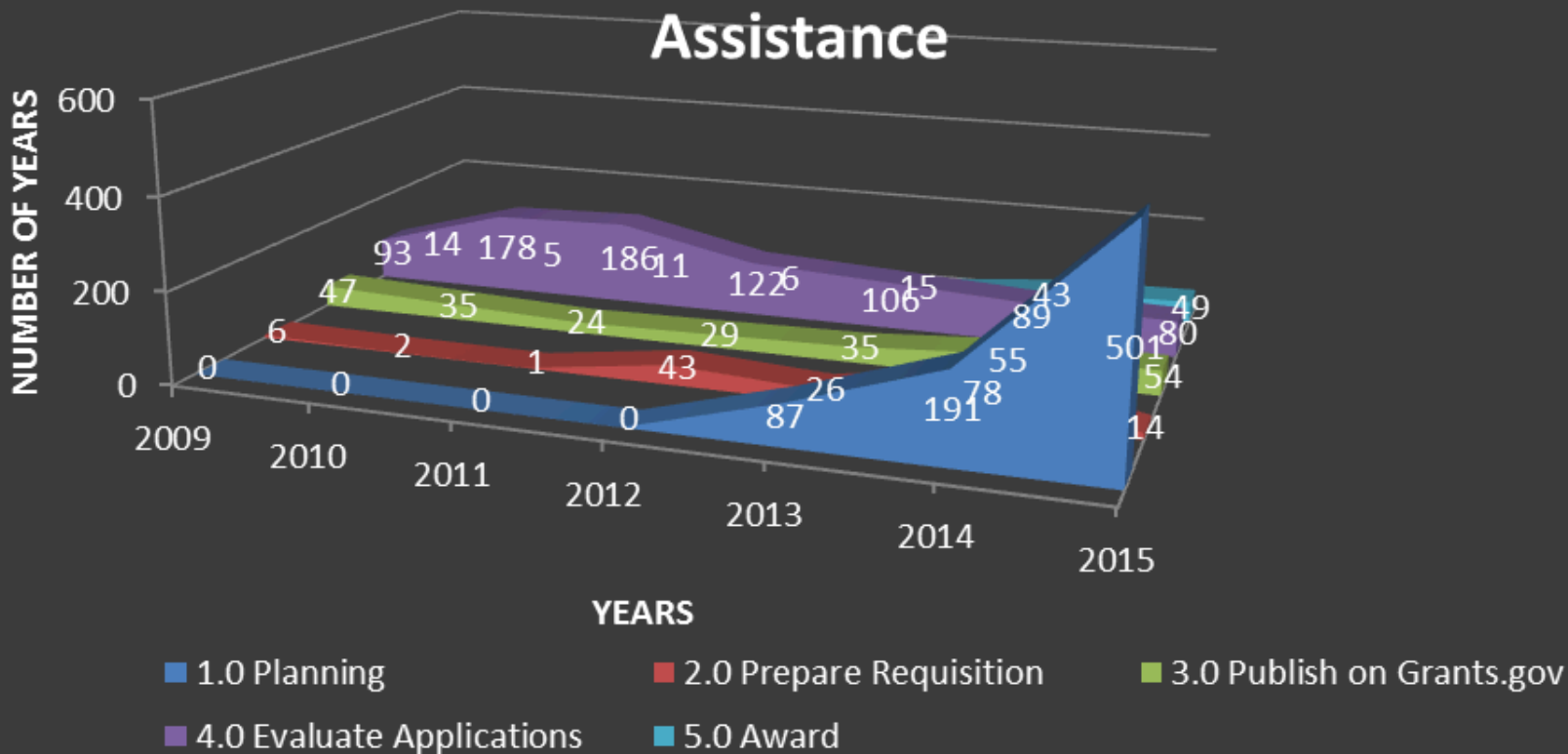




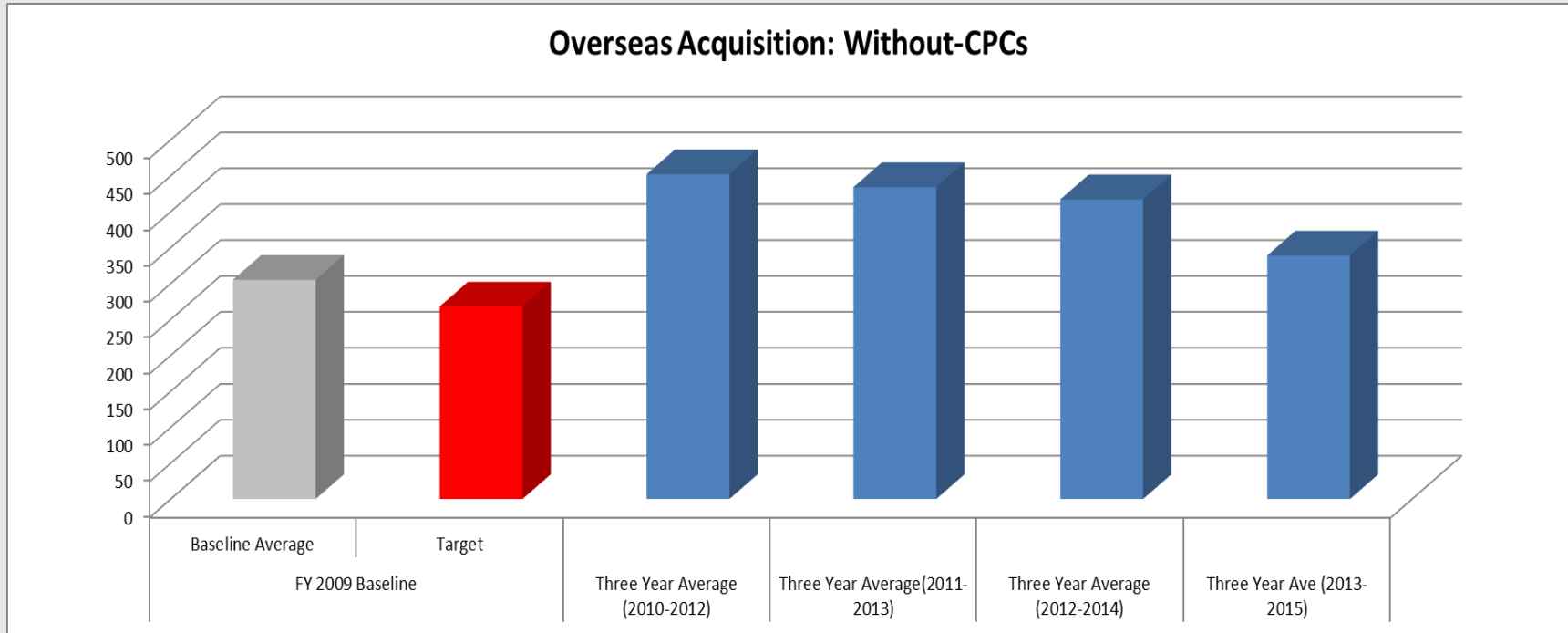
# Washington Assistance: Baseline & Target Versus Three Year Averages



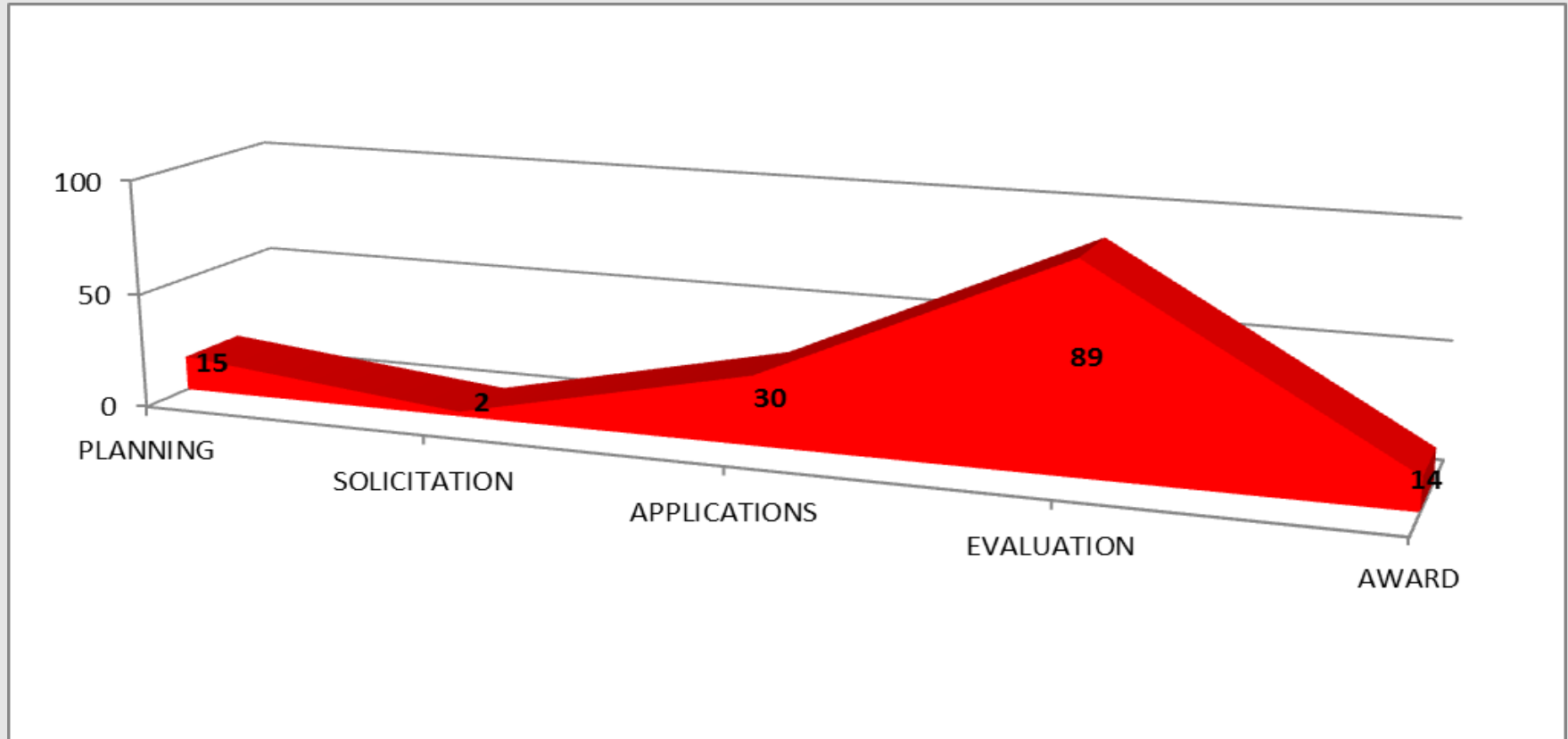
## Challenge in Assistance: Washington: Phase Comparison



# Overseas Assistance: Baseline & Target Versus Three Year Averages



## — Challenge in Assistance: Phase Targets



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## What We Are Doing

- 1) Early Engagement (Pre-PALT)
- 2) Senior management is closely monitoring PALT for high dollar awards. This approach will expand to overseas awards in FY16
- 3) Assistance Streamlining
- 4) Training/Templates
- 5) Shifts in practices for pre-award surveys and small business indirect rates
- 6) Shifting from individual ratings to consensus rating approach
- 7) Using technology such as Google/Huddle workspaces (FedConnect on-boarding).
- 8) Reducing complex and number of evaluation criteria
- 9) Early TEC kick offs with TEC memo templates/realism checklists before proposals arrive and early engagement with the TEC for proposal realism
- 10) Using existing GSA schedules, IDIQs, APS, and BAA's.
- 11) Use small business authorities: Small Business Reserves and Set-Asides

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## Other Considerations

- 1) Statement of Objectives Approach
- 2) Two Step Down Select procedure
- 3) Obtaining past performance in advance
- 4) Release solicitation compliance checklist
- 5) Release of C/L/M crosswalk matrix.
- 6) Increase use of virtual pre-proposal conferences close to release of the draft solicitation that can be accessed later.

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## Progress to Date

- 1) Early engagement: Business Forecast & Partner's Day/Ask the Procurement Executive
- 2) Senior Management Early Engagement with PALT in Washington
- 3) Training (E-Modules/[Partner E-Modules](#)/Washington to Mission Outreach (MKL))
- 4) [Agency Website](#) improvements/[Twitter](#)
- 5) Assistance Streamlining Policies
- 6) Implementing Partner Notices (IPN) Portals



# SSG ADVISORS

Catalyzing Development Through Partnership

# The Impact of PALT on Small Business

Presentation by Steve Schmida, Managing Director



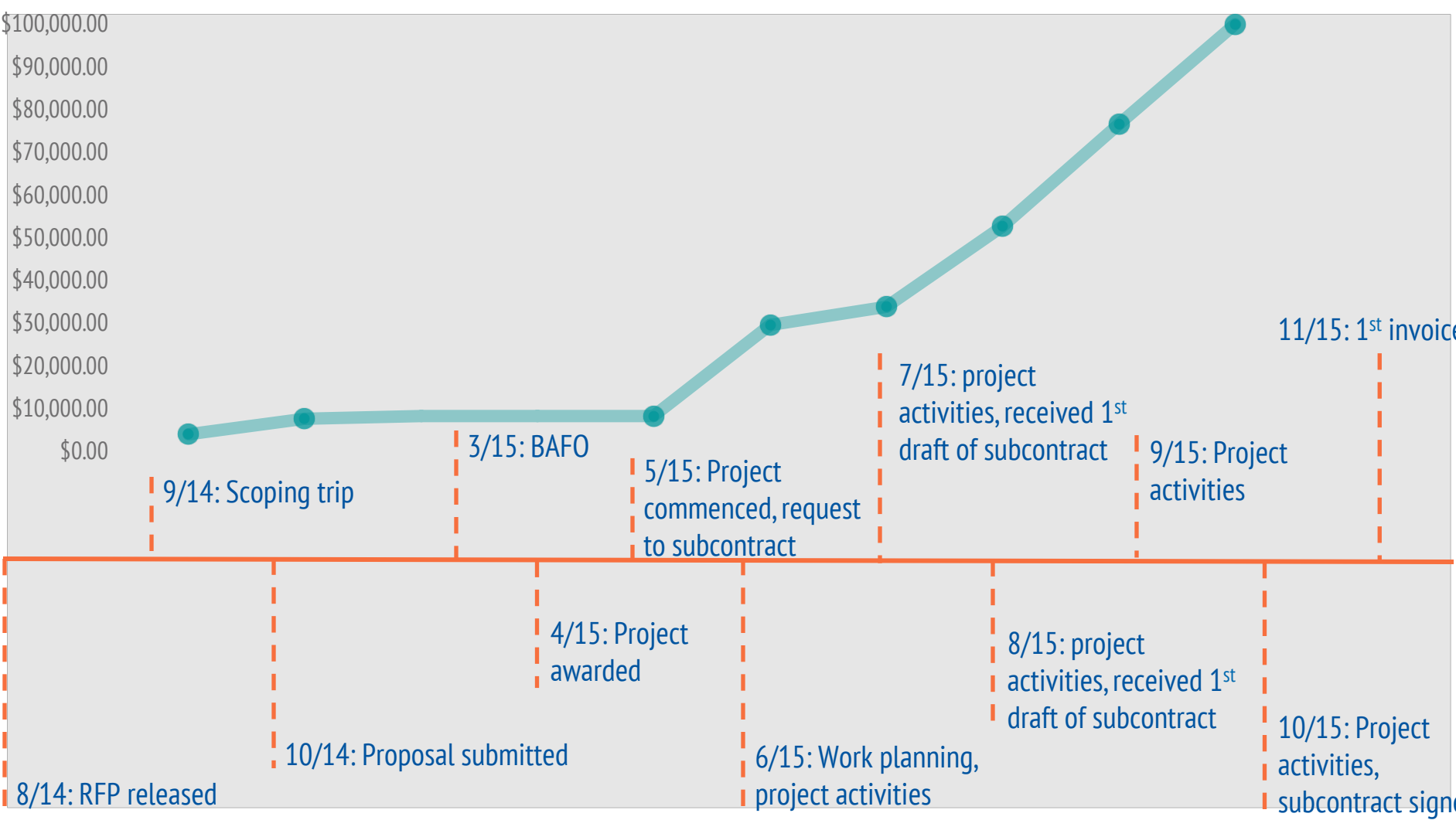
## Small Business Realities

- Running out of cash is the #1 cause of business failure for small businesses.
- Small businesses in international development have few assets (buildings, equipment, IP, etc.) that can be collateralized, meaning it is hard to get debt financing on attractive terms. This makes cash even more important.
- **Implication:** Tying up large amounts of cash for extended periods of time is highly problematic for a small business.



# 1

PALT and Small Business  
The Problem





PALT and Small Business

Solutions

# Recommendations

- USAID
  - Increase small business utilization – set asides and sole-source can reduce PALT.
  - Reduce the number of evaluation criteria.
  - Include consent to subcontract in the award
  - Limit or eliminate Key Personnel requirements in RFPs.
- Prime Implementers
  - Include request for consent to subcontract in proposal submission.
  - Commit to getting a draft subcontract in place within 30 days of award.
  - Allow SB subs to invoice under a Letter to Incur Costs.
  - Offer net-30 payment terms... and stick to it
- Small Businesses
  - Be very careful when incurring and carrying costs for proposal prep.
  - Study subcontracting and invoicing requirements extremely carefully.
  - Don't think the fact that a prime has won an award that you are home free... it is merely the next chapter.

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# Partner Perspective

Chris Smith

Senior Vice President of Risk Management  
and Corporate Ethics Officer

Chemonics

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## Shared Small Business & Large Partner Perspective on USAID PALT

- A&A instruments are a *means* to achieving development outcomes and results, more efficiency and less costs on bid and proposal means more resources for results
- When USAID schedules PALT tightly, publishes it and keeps to it, there is mutual accountability
- Pre-sols and RFIs are helpful; best in relative proximity to solicitation, saves time/resources
- USAID could share its internal compliance checklist as a proposal checklist – Right First Time
- IDIQs: Good tools. Less useful when too many awards given, duplicates costs
- Training and dissemination among COs/AOs of best practices for efficiency and effectiveness

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## Continued Partner Perspective on USAID PALT

- Higher level results-oriented scopes can unlock creative solutions from partners
- IDIQs: illustrative task orders are a burden on both sides
- Limit or Eliminate Key Personnel or remove overly prescriptive qualifications, management skills sometimes neglected
- Past Performance – can do this separately and early, saving the TEC time
- Sections L & M - Evaluation is longest period. Cut down with various strategies
- Simplify Criteria and Link to C
- Sequester the panel and use technology to help meet schedule
- Cost Review – Confusion among COs/AOs on price versus cost evaluation





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