

## SPOTLIGHT

### Leveling the Playing Field Through Best Value

**E**merging economies offer significant export opportunities for American companies, and government entities in these markets often represent the single largest purchaser of infrastructure-related goods and services. While American companies offer these markets high-quality world-leading infrastructure solutions, they are at a disadvantage when international tenders are awarded based on lowest cost. At the same time, many of USTDA's partner countries have grown dissatisfied with this procurement approach because they want the best value for their money — especially when investing in infrastructure.

These realities led USTDA to launch the *Global Procurement Initiative: Understanding Best Value (GPI)*. The GPI provides training for procurement officials on achieving the best value for money and on life cycle cost analysis, led by professors from the George Washington University's Government Procurement Law Program. Already, these trainings have led partner countries to make changes to their procurement policies, moving away from least cost procurement practices.

One example of how the GPI enhances transparency and high-quality procurement can be seen through the experience of Panama's Ministry of Public Works. In 2016, the Ministry released a tender for prefabricated modular bridges, which was of particular interest to Acrow Bridge, a small U.S. manufacturer that employs under 200 workers in Pennsylvania and New Jersey. The company, however, was concerned that the tender did not meet international standards and might create an unlevel playing field for American companies to compete. So, the company reached out to the U.S. Embassy in Panama to see what the U.S. government could do to help. Fortunately, USTDA's GPI program would bring the solution.

When Panama became an official GPI partner later that year, USTDA provided in-country procurement training that contributed to the Ministry's reconsideration — and withdrawal — of its tender in January 2017. Soon thereafter, 15 Panamanian government officials, including representatives from the Ministry, participated in a GPI procurement study tour and training session in the United States to learn best practices on value-based procurement.



Over the following months, the U.S. Embassy worked with the Panamanian government and continued messaging the U.S. government's support for high-quality tender specifications and a fair-and-level playing field for international competitive bids.

As a result of the groundwork laid by the GPI and with the U.S. Embassy's engagement, the Panamanian government developed a high-quality tender that allowed companies to take a value-based approach in their bids. Acrow Bridge submitted a proposal and was competitively selected to supply 61 bridges. This news was well received in Milton, Pennsylvania, where Acrow Bridge manufactures prefabricated modular bridges using steel sourced from surrounding states and galvanized in Delaware and New Jersey.

The GPI aims to achieve results like these with all its partner countries. By providing procurement officials with training on best value procurement practices, the GPI is achieving win-win results by enabling partner countries to achieve better outcomes from their investments, saving funds in the long term, while also leveling the playing field for American companies to compete for international tenders.