

Equity in Procurement and Grantmaking

Andrea Barnes, Elena Hoffnagle

October 27, 2022



HARVARD Kennedy School
Government Performance Lab

Presenters



Andrea Barnes

Government Innovation Fellow
HKS Government Performance Lab



Elena Hoffnagle

Assistant Director
HKS Government Performance Lab

Agenda

1. Introduction to the GPL and RFAWF supports (*15 minutes*)
 2. Why address equity? (*15 minutes*)
 3. Strategies for increasing equity for vendors and providers and for delivering services equitably (*30 minutes*)
 4. Interactive exercise: workshopping an RFP (*30 minutes*)
 5. Q&A and next steps (*15 minutes*)
-



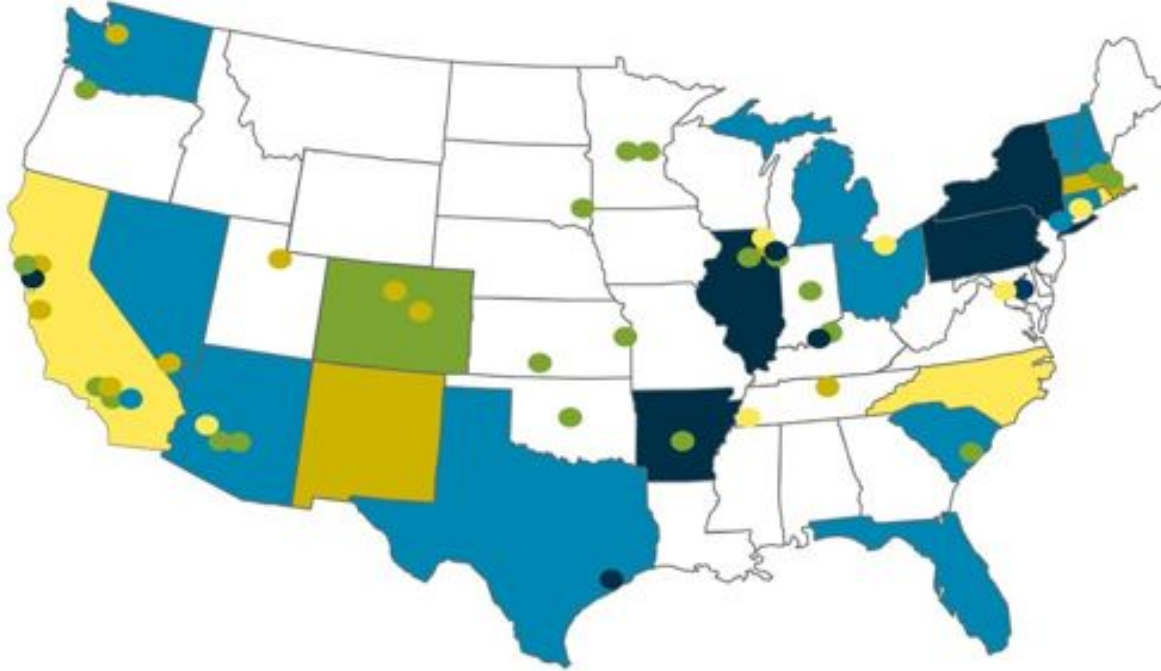
Session objectives

By the end of today's session, we hope you will be able to:

1. Understand the significance of centering equity in procurement.
2. Uncover common barriers for small and minority-led businesses and organizations.
3. Identify strategies to increase accessibility, fund a more diverse pool of vendors, and improve service outcomes for residents.

Introduction to the GPL and RFAWF supports

100



GPL Fellows

Provide hands-on
technical assistance

Technical Experts

Offer **expert guidance**
on complex challenges

National Network

Convene state and city innovators

Publications

Spread ideas through
**policy briefs and
tools**



Over 200 projects across 35 states

- Criminal justice
- Child welfare
- Homelessness & behavioral health
- Workforce development
- Procurement systems

The GPL's Framework for Procurement Excellence



Efficient & Fair

Transforms the procurement process to be efficient, inviting, and transparent

Excellence looks like:

- Procurement runs quickly, smoothly, and cost-effectively
- Solicitations are accessible and inviting



Results-Driven

Improves the outcomes of contracted programs, products, and services

Excellence looks like:

- Services are high quality and meet residents' needs
- Vendors propose innovative solutions



Equitable

Invests in equity to improve economic mobility and achieve better outcomes for historically marginalized populations

Excellence looks like:

- Small and MWBE-owned businesses get their fair share of contracts
- Services are delivered equitably



Strategic

Elevates and resources procurement as a strategic function

Excellence looks like:

- Staff are well-trained and supported
- The city anticipates and plans for procurement needs well in advance

How does equity show up in procurement and contract management?

We think about equity in procurement and grantmaking as having two components:

Increasing Vendor/ Provider Diversity

A process of investing more in firms/providers led or owned by people of color, women, veterans, and local community members, by allocating more contracts/grants and more contracted dollars to these organizations.

and

Delivering Services Equitably

A process of designing and managing contracts and grants to improve inequitable social service outcomes and better address the needs of underrepresented communities.

GPL support and resources are available to you



UPCOMING WEBINARS

- Dec 14, 4pm ET: Market research and RFP writing for results
- Feb 15, 4pm ET: Evaluating proposals and project kickoff
- Apr 19, 4pm ET: Implementing active grant management



OFFICE HOURS

- Topics: workshopping RFPs, managing change
- Reach out to Jack Monahan to express interest



PUBLICATIONS

- GPL-authored policy briefs, project features, and how-to guides on various topics, including surveys and focus groups.
- Available to download for free at govlab.hks.harvard.edu



Using Government Procurement to Advance Equity

Guidebook: Crafting a Results-Driven Request for Proposals (RFP)

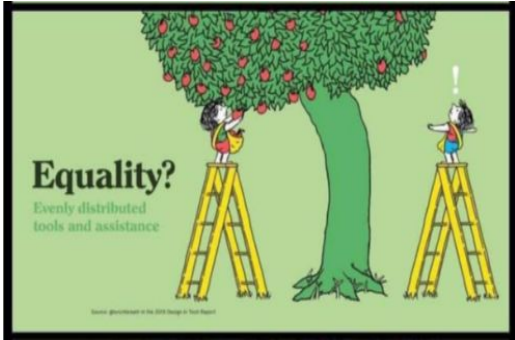
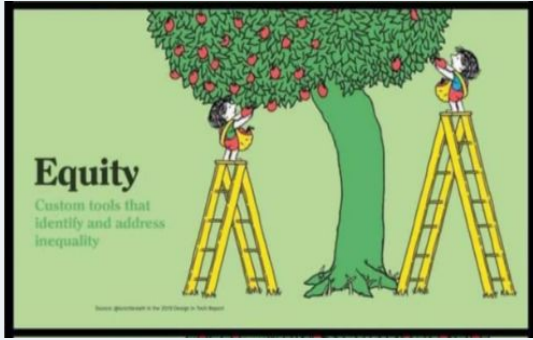
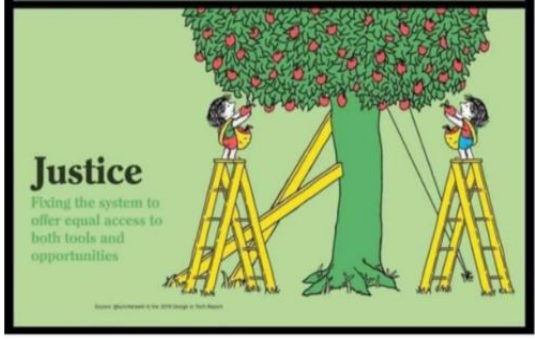
HARVARD Kennedy School
Government Performance Lab

Guidebook: Crafting a Results-Driven Request for Proposals (RFP)

Why address equity?

Defining and operationalizing “equity”

Key Idea: Investing in equity moves beyond a commitment to “sameness” or “equality across groups.” It requires dedicating tailored opportunities, resources, and services to communities and business owners that have been historically excluded or underserved to meet their respective needs.

Concept	Equality	Equity	Justice
Diagram	 <p>Equality? Evenly distributed tools and assistance</p>	 <p>Equity Custom tools that identify and address inequality</p>	 <p>Justice Fixing the system to offer equal access to both tools and opportunities</p>
Definition	Evenly distributed tools and assistance	Custom tools that identify and address inequality	Fixing the system to offer equal access to both tools and opportunities

Minority-owned businesses receive far fewer government contract dollars than expected based on their availability

*Minority-owned businesses as a group **receive only 57 cents of each dollar they would be expected to receive** based on the percentage of all “ready, willing, and able” firms that are minority-owned (Urban Institute).*

‘We’re all losing:’ Contractors of color get about 1% of millions Portland spends on goods, services

GOVERNMENT & POLITICS

County study finds firms owned by white men get 88% of contract dollars

Disparities In Government Contracting Hurt Minority-Owned Businesses

What keeps diverse firms and organizations from getting their fair share of contracted dollars?

May face barriers that **keep them from bidding** on contracting opportunities

May face barriers or biases that **keep them from winning** contracts, once they bid

May face barriers that keep them from **being brought on as subcontractors**

May face a broader set of barriers around **structural inequality, exclusion and bias**

What categories of barriers are common?

Information

Opaque processes
Lack of targeted outreach
Poor or tone-deaf communications
Informal information networks

Process

Bonding and insurance requirements
Size and scope of solicitations
Complex bidding processes and long timelines
Delays and issues in payment

Perception

Historically unfair treatment
Disingenuous offers of partnership
Lack of responsiveness
Incumbency advantage

Accessibility

Timing is unpredictable and upcoming projects are not shared. Learning about bids feels like a "need to know" basis.

Payment

*The **time it takes to be paid** for invoices is quite long -- we have had times when it has affected our liquidity.*

Process

*The **process seems too difficult**, and I sometimes am not sure what information is asked for.*

Support

*After the amount of time and effort it took to prepare and submit our bid to see the result, **we did not feel encouraged** to respond to other requests for bid.*

The impact of incorporating equity

Outcome
Inclusive Economic Development
Equity of Access
Distributive Justice
Improved Service Outcomes

What motivates you to consider equity as you plan for procuring and delivering services?

Strategies for increasing provider diversity and delivering services equitably

Six strategies you might consider pursuing

1. **Strategies to break down barriers that diverse firms and organizations face #1, #2, #3**
2. **Strategies to foster equitable delivery of services and outcomes from services delivered #4, #5**
3. **Strategies to build government's capacity to track and sustain efforts #6**

Strategy 1: Gathering information to identify and address barriers

Addressing barriers internally
Process-mapping and stakeholder interviews
led Tulsa to simplify the bid process.

Engaging the vendor community
Long Beach surveyed nearly 500 business
owners and identified new methods of
outreach.

City of Tulsa
Invitation For Bid IFB 20-830
4 Wheel Drive Backhoe
Water & Sewer
Issued: April 23, 2020
Page 1 of 7

NOTICE is hereby given that the CITY OF TULSA, OKLAHOMA will receive sealed Bids for the following:
BID # IFB 20-830
DESCRIPTION: 4 Wheel Drive Backhoe (Commodity Code 27100000)

You are invited to submit a Bid to supply the Goods and/or Services specified above. Invitations for Bids are posted on the City's website at www.cityoftulsaoklahomago.org or a hardcopy may be obtained at:
City of Tulsa-Purchasing Division
175 East 2nd Street, 15th Floor
Tulsa Oklahoma 74103

Bids must be received no later than 5:00 PM (CST) on Wednesday, May 27, 2020, and delivered to:
City Clerk's Office
175 East 2nd Street, Suite 260
Tulsa Oklahoma 74103

Bids must be sealed and either mailed or delivered. No faxed or emailed Bids will be considered. Bids received after the stated date and time will not be accepted and will be returned to the Bidder unopened.

The Bid Packet consists of (1) this Notice of Invitation for Bid, (2) the Summary Sheet, (3) Form #1, (4) Form #3, (5) Form #4, (7) Form #5, (8) Form #6, (9) the Instructions, Terms and Conditions for Bidding, (10) the Bid Form, (11) Technical Specifications and (12) Exhibit A.

Use this checklist to ensure you have properly read and completed all Forms:

- ___ Notice of Invitation for Bid
- ___ Summary Sheet
- ___ Form #1: Bidder Information Sheet. Must be completed.
- ___ Form #2: Purchase Agreement. Complete legal name in first paragraph and Notice provision in 3rd paragraph. Original signature required.
- ___ Form #3: Interest Affidavit. Original signature and notarization required.

City of Tulsa Finance Department
Invitation for Bid (IFB)
Supplies or Service Requested: Click or tap here to enter text.
NIGP Commodity Code(s):
-

Solicitation Schedule

EVENT	DATE
IFB Issue Date	00/00/2021
Pre-Bid Conference or Webinar <i>Location Zoom/Teams link</i>	00/00/2021 at 9:00 AM CT
Deadline for Questions <i>Submitted to assigned buyer via email</i>	00/00/2021 10 Days prior to IFB due date
Bid Submission Date <i>Either mailed or delivered to City Clerk address. Bids are open the day after the due date.</i>	00/00/2021

If You have any questions or need additional information, contact the Assigned Buyer:

We want to hear from you!
Take the Vendor Engagement Survey!

If you have been a vendor with the City of Long Beach or are interested in doing business with the City, we want your input!



longbeach.gov/purchasing

CITY OF LONG BEACH

Focus group findings from business owners

These are findings from focus groups with business owners in a previous GPL engagement. They highlight suggestions for reducing barriers and improving accessibility for small, minority owned businesses/providers.

Ranking	Strategy
1	Reduce requirements in putting together a bid or proposal
2	Have a government staff person available to provide support in preparing bids or proposals
3	Host networking opportunities
4	Social media and email promotion
5	List of upcoming contracting opportunities
6	Expand coaching, programming, and support for small local businesses
7	Informational webinars
8	Increase opportunities to prequalify for contracts
9	Increase response time for submitting a proposal
10	Provide clearer instructions and information materials
11	Increase communication and outreach in languages other than English
12	Increase the time to respond to opportunities

Strategy 2: Increasing competition, participation, and preparedness

Unbundling large contracts

Baltimore broke six large contracts into thirty smaller contracts to increase awards to MWBEs.



Focusing on outreach

Phoenix targeted small, local, and Spanish-speaking business owners on a landscaping contract.

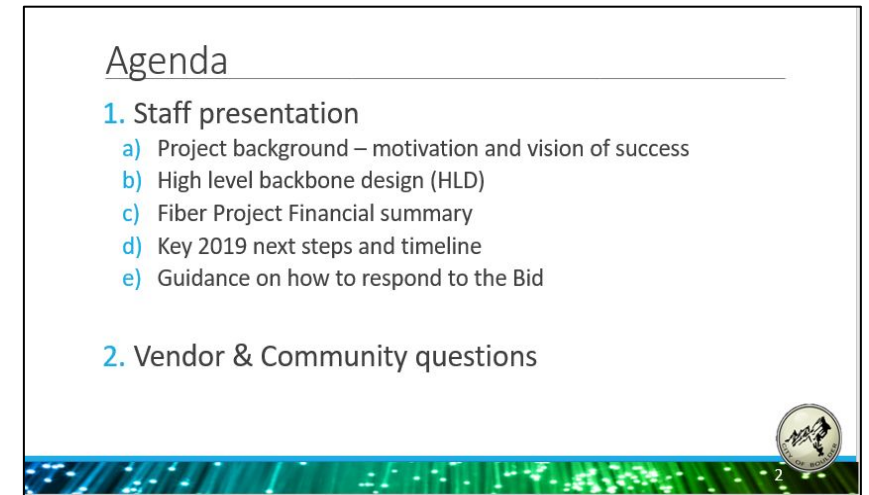


Calling all landscapers: City of Phoenix hiring small businesses for hundreds of locations that need services

Using a pre-bid meeting to increase participation in Boulder

Background: This webinar took place prior to the community broadband bid going live but served a similar purpose as a traditional pre-bid meeting.

- Boulder's CIO used the presentation as a chance to **share the overall vision** and emphasize importance of finding a partner.
- Boulder **reached out to associations** two weeks in advance, including minority contracting groups, and **used an Eventbrite link** rather than just a Zoom conference to bolster participation.
- Following conference, published contact information for everyone who attended the event. **Pitched the conference as an opportunity for partnerships** and for primes/subcontractors to connect.



Strategy 3: Building vendor capacity and preparedness

Invest in strategies that the capacity and competitiveness of diverse and community-based organizations, both pre- and during the period of contract performance.

- **Leadership Development and Management Training** Upskilling staff to aid in operational efficiency.
- **Grant or Proposal Writing Support** Review previous applications or bids for recommendations on enhancements.
- **Strategic Planning and Program Design** Idea creation and assistance building project work plan with outcome-based objectives.
- **Budget Formulation & Financial Management** Analyzing how to more effectively manage/utilize funds and diversify.
- **Evaluation & Data Collection** Develop measurable outcomes and aid in identifying how to collect quantitative / qualitative data.

Strategy 4: Incorporating client voice into RFPs and grants

Too often, governments and vendors have blind spots when it **comes to understanding the experiences that individuals and families have** when interacting with contracted services.

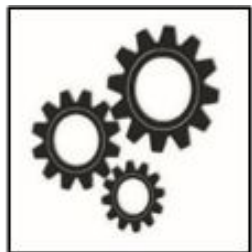
Tips:

- **Center the voices of those closest to or most affected by the issue.** Who has been historically excluded or underrepresented in service planning, design, or even program participation? Who faces unique needs and barriers to service access?
- **Consider whether a local organization might be better positioned than government to collect feedback.**

Strategy 5: Delivering services equitably to improve racially inequitable service outcomes

We call the process of meeting with your vendor, provider or grantee regularly to discuss their performance and review specific performance metrics **Active Contract Management**.

Strategies include:



Regular, collaborative meetings between service providers and departments. Opportunity to hear from provider what's working and what's not.



Regular reviews of real-time performance data. Output and outcome metrics can tell you who is being served, referred, and meeting program objectives.



Reports from the provider and periodic performance reviews. Chance to give the provider feedback.

Identifying and resolving barriers in Lansing's student savings program

- Lansing, Michigan's active contract management approach for its children's savings account program includes **high-frequency data-driven meetings** with partners to review key program data, elevate ongoing challenges, and troubleshoot new solutions.
- One performance metric is the **increase in average account balances**, broken down by school, race, grade, and gender.
- By tracking this data, project partners can identify whether certain schools have lower account balances and then use this information to **follow up with schools and test new approaches to supporting students**.

Addressing historical inequities in Boulder's community broadband project

- Large public construction projects have historically tended to **treat communities within a city inequitably** in terms of proactive communication, inconvenience during construction, and clean up.
- Boulder Colorado's 65-mile fiber backbone project was planned to **deliver broadband service to underserved parts of Boulder** at an affordable price.
- The city incorporated service equity into the fiber contract by **monitoring communications with and condition of affected communities** during and after construction - actively managing the contract through regular, structured performance meetings.

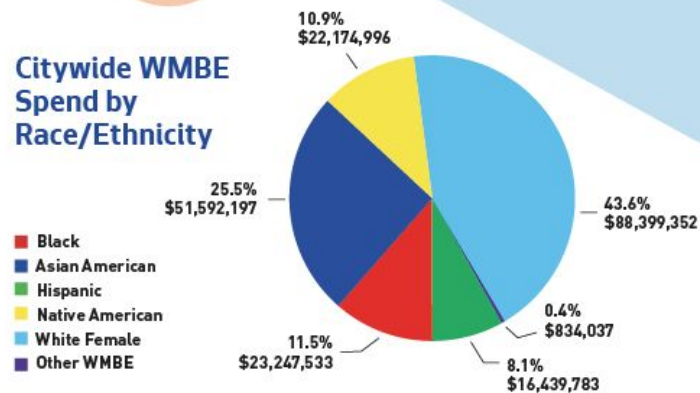
Strategy 6: Tracking contract awards and procurement spend

Set goals and diagnose disparities through an analysis of contract spend.

Using MWBE data to meet Citywide goals

The City of Seattle reports annually on spend and contract data.

Citywide WMBE Spend by Race/Ethnicity



2021 WMBE Utilization - Overall

24.8% of purchasing dollars with a goal of **20%** (\$98 million)

25% of consulting dollars with a goal of **28%** (\$49.8 million)

15.9% of construction dollars (\$54.8 million)

Total 21.6% (\$202.7 million)

Tracking spend in a race-neutral jurisdiction

The County of San Diego tracks local, small, non-profit, and DVBE spend.

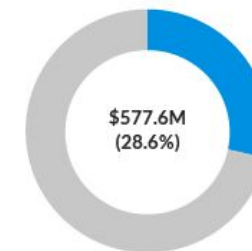
COUNTY OF SAN DIEGO PROCUREMENT SPEND

FY 2020-2021

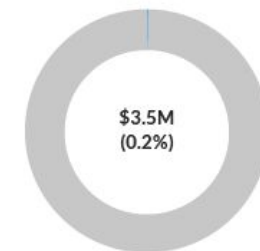
SMALL & DIVERSE SUPPLIER SPEND. FY2020-2021 procurement spend data for small businesses, disabled veteran businesses and nonprofit organizations is reported below. Percentages are based on the total procurement spend of \$2.02B. Categories may overlap as an individual supplier may belong to more than one category.



Small Business/Provider



Non-Profit



Disabled Veteran Business

LOCAL SPEND. In FY2020-2021, the County spent \$1.63 billion on goods and services from local businesses and non-profit organizations. The local spend was 80.7% of the total procurement spend.

P-CARD SPEND. The County's P-Card spend in FY2020-2021 was \$39 million. 92,000 P-Card transactions were made throughout the year.

FY2020-2021 P-CARD SPEND: \$39M

Discussion

- Which challenges or strategies most resonate?
- What opportunities within workforce procurement/grantmaking do we have to make progress on increasing vendor/provider and service diversity?
- What related initiatives are already underway in your jurisdictions? Any ideas that are transferable to others? Any major takeaways or initial findings from these efforts?

Interactive exercise: workshopping an RFP

Why intentional RFPs matter



RFPs contain information applicants need to craft good responses



Responses aligned with what residents need



Proposals most likely to improve results are identified and selected



Contracts/Grants reinforce improving results using expectations, incentives, and requirements



Government and vendors/providers work together to improve results

Characteristics of a Results-Driven RFP

RFP Section	Characteristic	Key Questions
Introduction/ Overview	A clear problem statement with defined outcome goals and a defined target/user population	<ul style="list-style-type: none">• <i>What are you trying to achieve? In what ways do you want to modify the status quo?</i>• <i>Who are the intended recipients or users of this program or service? What are their needs?</i>
Scope of Work	A scope of services description that invites innovation	<ul style="list-style-type: none">• <i>What does the vendor need to do to achieve your goals?</i>• <i>How does the RFP create space for vendors/providers to propose solutions that will help achieve the outcome goals?</i>
	Performance metrics and a plan for managing performance during the contract term	<ul style="list-style-type: none">• <i>How will you measure whether the procured program or service is making progress toward the goal?</i>
Evaluation Process & Selection Criteria	A purposeful evaluation and selection process	<ul style="list-style-type: none">• <i>How does the selection process identify the proposals most likely to achieve the stated outcome goals?</i>• <i>What information do you need from proposers?</i>
Throughout	Aligned incentives	<ul style="list-style-type: none">• <i>Where appropriate, how does the contract payment structure encourage the vendor/provider to achieve the stated outcome goals?</i>

Cardinal County is soliciting paper airplane prototypes and wants to hear from you!



The Cardinal County Purchasing Office has released a Request for Proposals (RFP) for airplane prototypes:

- Each of you are a prospective respondent who is eager to be awarded this contract. Although you will work individually, there are two teams (Yellow and Blue). The top response from each team will be used to determine the winner.
- Paper airplanes must be built under the parameters outlined in the RFP document. **Non-compliance will not be tolerated.**
- The RFP Release Time will be displayed.

Why was the Yellow Team so bad?

Let's see how both teams respond to these questions:

- Is the County Manager elected?
- What problem was the RFP attempting to solve?
- Does the County care about outcomes? What do they care about?
- How are RFP submissions judged?
- What are good model designs of paper airplanes based on the County's prototyping?
- Did you have sufficient time to respond?

Why care about airplanes?

- Define the problem, share background, and **connect your procurement to clearly defined department objectives.**
- Conduct strategic processes to develop **important background information, analyses, and contacts** to enhance the procurement.
- **Make it easy for the vendor community!** 1) Give adequate time to respond, 2) Don't hide the ball and make respondents search for important information; and 3) Remove unnecessary requirements or make them easier to fulfill.

RFP tips and tricks

- ❑ **Overall: Always put yourself in the “shoes of the vendor/contractor”**
- ❑ **Timing:** Plan for release as early as possible
- ❑ **Continuous Improvement:** If the contract is reoccurring, connect with relevant stakeholders associated with the service to identify opportunities for improvement from prior years
- ❑ **Early collaboration:** Create structures to get necessary inputs from internal staff (i.e., Legal, finance, program, etc.)
- ❑ **Organization:** Craft your RFP with an emphasis on clarity
 - ❑ Easy to navigate section headers and titles
 - ❑ Order sections to highlight the most important information
 - ❑ Plain language (10th grade level), avoiding jargon and agency specific terminology

Q&A and next steps

Assignment for next session

Getting Started on your RFP

Consider the following questions as you plan for and prepare to write your RFP.

Solicitation Overview	Problem Statement	What problem is the procurement intended to address? What can we share about past or current efforts to solve it?	SOW	Incentive Structure	What contract and payment structure best aligns provider incentives with cost-effective performance? Are there opportunities to link payments to results?
	Outcome Goals	What outcome goals is the department/agency trying to make progress on? What is the gap between where we are today and where we want to be?		Performance	Metrics
	Target Population	Who is the target population, or intended users, for this product or service? Are there equity or access concerns?	Contract Management		What governance structure, including reporting, meeting cadence, and data collection requirements would be appropriate to ensure sufficient oversight?
Scope of Work	Scope of Work	What elements of the scope of work are required to realize our outcome goals, comply with the law, and align with agency priorities?	Evaluation	Scoring Criteria	Which priorities are most important to integrate into scoring criteria? What specific proposal questions best capture those priorities?
	Innovation	Where could the scope allow greater flexibility and opportunities for innovation? Can we shift the focus to “what” rather than “how?”		Risks	What are the biggest risks to the success of the procurement? How can these risks be mitigated?

Coming soon: the Procurement Excellence Network

The **GPL's Procurement Excellence Network** is a free online hub to support public procurement professionals as they drive reforms to make procurement more efficient, results-driven, equitable, and innovative.



Resource Library

A growing resource library of high-quality templates, how-to guides, and cutting-edge innovations



Events & Opportunities

Virtual peer roundtables and interactive trainings to learn and workshop best practices



Member Directory

A member directory and online discussion board to connect with experienced peers



Office Hours

Office hours with GPL experts for live one-on-one and group support

Launching November 2022