



Clear Out Your Cobwebs: Procurement Excellence in the Modern Era

Government Finance Officers Association of Texas (GFOAT) Fall Conference

October 31, 2024



HARVARD Kennedy School
Government Performance Lab

Introductions



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Objectives and Agenda for Today's Session

Session Objectives:

- Participants with functions across finance and operations will learn about innovative practices to modernize procurement in their home jurisdictions.
- Participants will gain additional insights and opportunities to advance their own set of procurement reforms.

Time	Activity
10:50 – 11:00	Introductions, Icebreaker and Framing
11:00 – 11:10	Pillars of Procurement Excellence
11:10 – 11:25	Introduce Procurement Excellence Network
11:25 – 11:40	Highlight Key Takeaways from PEN Community

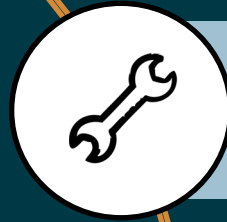
Breaking the Ice

What's the most interesting or wildest procurement your agency has made in recent years?

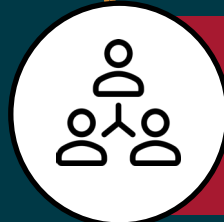


The Government Performance Lab (GPL)'s Procurement Practice

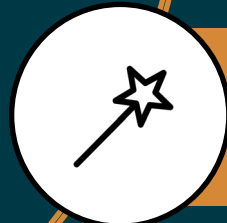
Through work with over 500 state and local governments over the last decade, the GPL develops and tests promising practices; we then spread those practices to communities nationwide.



Extreme Procurement Makeovers to transform procurement systems



Intensive coaching and executive education programs to spread solutions

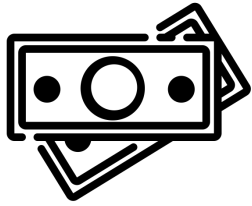


Learning community to build government capacity: Procurement Excellence Network

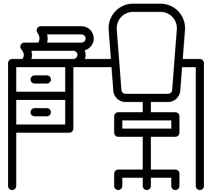
Technical assistance provided through our procurement practice

Pillars of Procurement Excellence

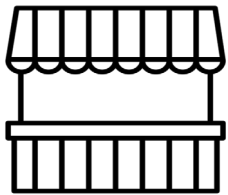
Why does procurement matter?



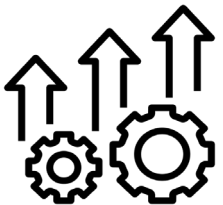
State and local governments spend **25–50% of their budgets on procured goods and services**, from road repairs to emergency medical services to HVAC installation in schools.



Yet procurement is often **considered a back-office administrative function** for compliance, **not a tool for achieving strategic goals.**






Procurement processes can be the starting point for achieving improved outcomes for historically marginalized groups, creating more environmentally-friendly outcomes, and jumpstarting more equitable economic growth.






Processes are sticky, so there is potential for sustained improvements if you can shift direction.

Centering challenges for procurement staff/user depts

Common Challenges:

-  Procurement/contracting in **reactive** rather than proactive mode (always a fire drill).
-  Staff are **siloed** within their specific roles as it relates to procurement.
-  Tensions exist **between greater standardization versus more flexibility.**

Impact of Procurement Challenges:

-  Staff **misallocate time navigating convoluted processes** rather than focusing on strategic activities.
-  Staff experience frustration risking **burnout** and **high-turnover rates.**
-  Procedures designed for good stewardship of taxpayer money can **limit ability** to advance core government objectives.

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 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
- Anticipates and plans for procurement needs well in advance

Real-world examples of procurement excellence



Efficient & Fair

Tulsa, OK

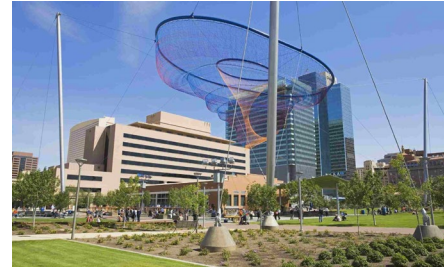
Streamlined and rearranged reviews to reduce procurement cycle times by 18% and improve internal customer satisfaction by 40%.



Results-Driven

Boulder, CO

Focused on outcomes in a broadband internet RFP to reduce disparities in access and save \$8M, while contracting with new minority-owned businesses.



Equitable

Phoenix, AZ

Identified opportunity to unbundle landscaping contracts across 400 sites. Increased diverse vendor participation through outreach and capacity building.



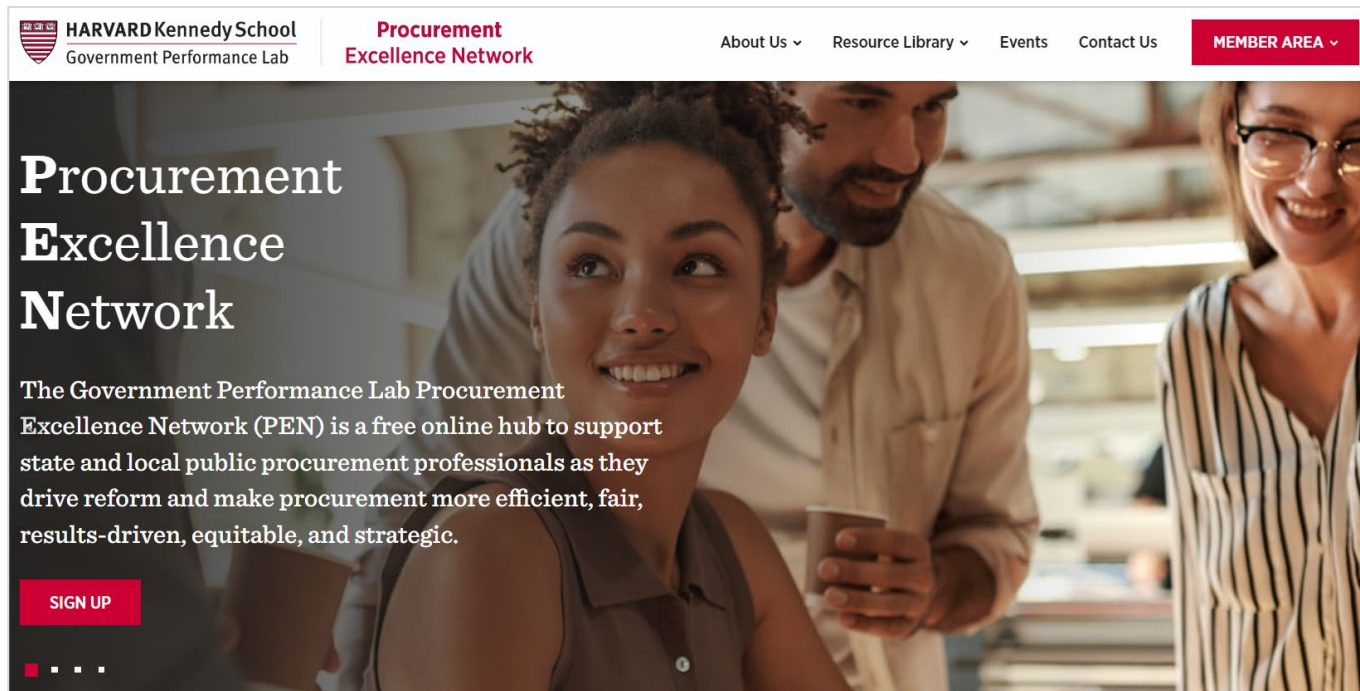
Strategic

Mount Vernon, NY

Established a procurement task force to create cross-departmental buy-in for key improvement initiatives.

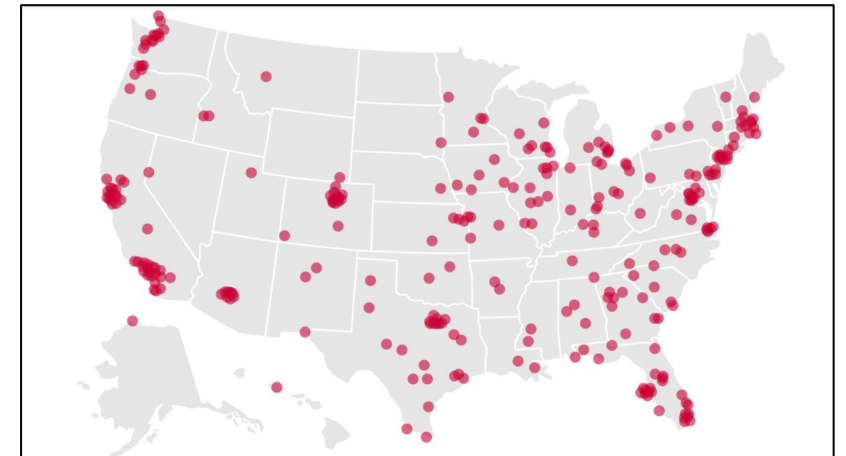
About the Procurement Excellence Network

What is the Procurement Excellence Network?



The screenshot shows the top navigation bar of the Procurement Excellence Network website. On the left is the Harvard Kennedy School Government Performance Lab logo. The main navigation includes 'About Us', 'Resource Library', 'Events', 'Contact Us', and a red 'MEMBER AREA' button. The hero section features a background image of three diverse professionals in an office setting. The text reads: 'Procurement Excellence Network' followed by a description: 'The Government Performance Lab Procurement Excellence Network (PEN) is a free online hub to support state and local public procurement professionals as they drive reform and make procurement more efficient, fair, results-driven, equitable, and strategic.' A red 'SIGN UP' button is located at the bottom left of the hero section.

PEN U.S. Members



[GPLPEN.HKS.HARVARD.EDU](https://gplpen.hks.harvard.edu)

The GPL's **Procurement Excellence Network (PEN)** is a **FREE** community built by and for government professionals. With more than **1,900 members**, PEN offers resources to help your government take its procurement practice to the next level.

PEN Offerings & Benefits

Virtual Trainings, Roundtables, and Bootcamps on procurement topics

How to Design and Deliver Effective Procurement Trainings



Growing library of **best practice publications and templates**

Are Procurement Thresholds Slowing You Down?



Contract Management Template

Coaching opportunities with GPL experts to workshop procurement challenges



Member Directory and Discussion Board to facilitate connections with peers



Building Connections via PEN

Member Directory

Features

- **Exclusive** to PEN Members
- **Search for connections:**
 - *Name*
 - *Government*
 - *Procurement Expertise*
- **Review biographies** to learn about interests and experience

PEN can also facilitate introduction emails or calls!

The screenshot shows the Harvard Kennedy School Procurement Excellence Network Member Directory. At the top left is the Harvard Kennedy School Government Performance Lab logo. To the right is the Procurement Excellence Network logo. Further right are navigation links: About Us, Resource Library, Events, and Contact Us. Below the navigation is a search bar with three sections: 'Search Members By Name' with a search icon, 'Search By Jurisdiction' with a search icon, and 'Filter By Expertise' with a dropdown arrow. The main content area displays three member profiles, each with a photo, name, title, organization, and location.

Name	Title	Organization	Location
Kim Rayray	Contracts & Procurement Manager	City of Seattle	Seattle, Washington
Cheryl Womble	Purchasing Agent	City of Lancaster	Lancaster, Texas
Shawn Postera	Sustainable Procurement Manager	Multnomah County	Portland, Oregon

Resource Library – Publications & Templates



APRIL 2022

USING GOVERNMENT PROCUREMENT TO ADVANCE RACIAL EQUITY

An illustration showing a hand holding a document labeled "CONTRACT". The scene includes a laptop, a coffee cup, and other office-related items. A "How-To Guide" icon is in the top left corner.

How-To Guide

Orienting Towards Outcomes: Results-Driven Approaches to Contract Management

Authors: Elena Hoffnagle and Hope Patterson
Contributors: Kailey Burger Ayogu, Aaron Hirsh, Kate Mertz, and Anh Ton

In this how-to guide you will:

- Understand strategies for shifting your contract management approach from a compliance orientation to one centered on performance improvement.
- Build your toolbox of management strategies to achieve contract objectives, while mitigating risks.
- Learn new ways to work collaboratively with your vendors, from early kickoff meetings to contract closeout.

HOW-TO GUIDE

Procurement Excellence Network

Optimizing Pre-Qualification Approaches for Fairness, Speed, and Results

Authors: Colin Erhardt and Maja Gray
Contributors: Rebecca Graffy, Elena Hoffnagle, and Hope Patterson

In this How-To Guide you will:

- Learn about pre-qualification approaches and what distinguishes them from other procurement types.
- Learn when to create a pool of vendors, how to best prequalify your vendor pool, and how to manage and allocate work.

Introduction

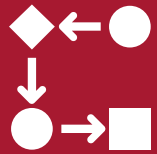
Government procurement processes are designed to be fair, transparent, and open to all. Those values are the reason why governments make purchases through competitive vehicles such as Requests for Proposals (RFPs) or Invitations to Bid (ITBs): formal solicitation processes that allow all potential vendors to participate, while providing a mechanism for the government to spend public funds with firms who will best meet residents' needs at the most reasonable price.

multiple vendors are pre-qualified for work can also be advantageous. This type of procurement can help governments more quickly hire vendors for as-needed work, while reducing the administrative burden for both staff and vendors that would result from issuing formal individual solicitations for numerous projects, duplicating the vetting of initial qualifications, expertise, and rates.

While RFPs and ITBs might be some of the most familiar formal procurement methods, they are not the only competitive procurement approaches that governments can employ; solicitations where

Key Takeaways from PEN Community

Key Insight #1 – Procurement processes are still a huge driver of inefficiency



PEN members tell us that inefficient procurement processes continue to be the top challenge they're facing. Unfortunately, even new technology and more staff are only addressing part of this challenge, and still more work is needed to create processes that are truly clear, inviting, and efficient.

Available PEN Support

- PEN Resource Library: Several publications related to process efficiency, [including process mapping support](#) and [guidance on procurement thresholds](#).
- PEN Events: Recently hosted a [virtual event on process efficiency challenges](#).
- Earlier this year, facilitated a bootcamp on vendor surveys with ten governments and plans to host more in the future.



Key Insight #2 – Workforce challenges make it hard to implement projects and harder to innovate



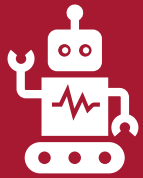
Across the country we're seeing that an uptick in staff departures and increased workloads are creating major challenges in procurement; prompting governments to consider creative staffing models, hiring for new skillsets, and empowering user departments to take on more.

Available PEN Support

- PEN Community Conversations and LinkedIn: Spaces to post job opportunities.
- PEN Events: Recently hosted an [event on facilitating effective procurement trainings](#).
- PEN Resource Library: Contains templates to help support user departments to grow their skills (ex: RFP Getting Started Worksheet, Sample Intake Form, Results-Driven RFP Template, RFP Response Workbook and Question Bank) and [guidance on hiring](#).



Key Insight #3 – Artificial Intelligence (AI) has the potential to significantly disrupt public procurement



The current use of Artificial Intelligence (AI) in public procurement is limited, but growing rapidly with a lot of buzz and commentary. As the use of AI grows, some governments are planning ahead by putting governance structures in place now to manage its use.

Available PEN Support

- PEN Events: Recently hosted an event with a select group of procurement leaders on the range of current AI in procurement operation use cases. We will share key takeaways in the coming weeks for the entire network.



Key Insight #4 – Governments are responding to the shifting landscape around equity in public contracting



State and local governments have implemented strategies to continue advancing equitable procurement amidst uncertainty raised by the potential impact of recent and anticipated court decisions, and a fast-evolving legal landscape.

Available PEN Support

- PEN Resource Library: Several publications related to [vendor diversity](#), including [specific strategies related to contract unbundling](#) and [equity in service delivery](#).
- PEN Office Hours: PEN staff available to share non-legal advice on generalized insights, recommendations, and examples.



Key Insight #5 – Reformers are activating procurement champions by strategically engaging political leaders



Members note that they are often subject to scrutiny or the approval of elected officials/bodies, which can present delays and hurdles if those entities are not well-versed in procurement. Yet, by engaging these leaders it can be an opportunity to elevate the status of procurement.

Available PEN Support

- PEN Events: Earlier this year, hosted an event on elevating the status of procurement that touched on strategically communicating with political leaders within your government.
- PEN Resource Library: PEN publications are available with strategies for procurement staff to [more effectively engage with key stakeholders.](#)



Key Insight #6 – Procurement should be used to address pressing challenges: climate and infrastructure



As historic federal investments flow into states and cities, governments are getting ready for cross collaboration between program departments, procurement, and private sector efforts. Procurement officers will need to have shared language and goals on impact in their communities.

Available PEN Support

- PEN Events: PEN recently hosted a bootcamp on sustainability/infrastructure.
- PEN Resource Library: Several publications to help procurement teams [coordinate with internal stakeholders](#) (like climate and sustainability leads), including a [Solicitation Getting Started Toolkit series](#) to facilitate productive collaboration.



Survey from Recent PEN Change Management Event

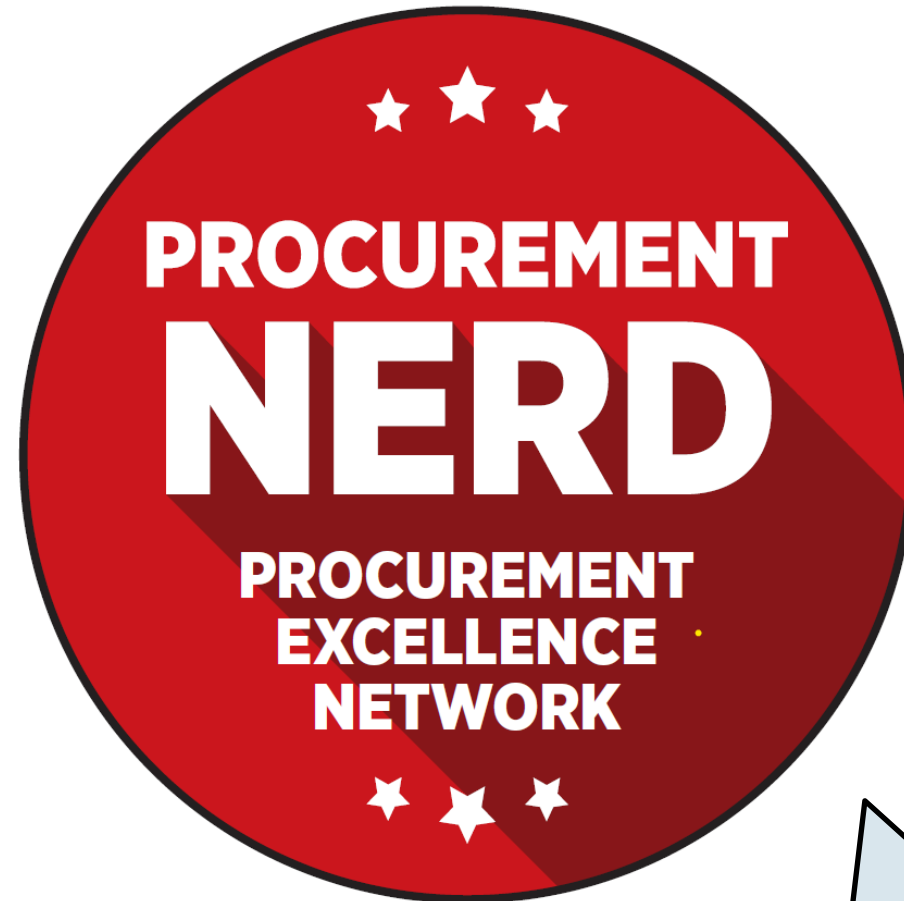
What type of procurement reform is your government currently prioritizing?	Percent of Responses
Revision of procurement policies, codes and procedures	22%
Digitizing procurement processes (e.g., e-procurement systems or ERP systems)	20%
Implementing supplier diversity equity initiatives and outreach	16%
Improving contract management processes	14%
Standardizing procurement templates (e.g., RFP templates, intake forms, etc.)	11%
I am unsure of what reform my government is considering	10%
Other	4%
Adjusting purchasing thresholds	3%

Next Steps: Sign up for PEN today!



Please take 2 minutes to join
this FREE online community!

<https://gplpen.hks.harvard.edu/sign-up/>



Find our team after this session
to grab this custom swag!

Join us for our next free PEN event!

Improving Vendor Certification Programs to Advance Procurement Equity

Thursday, November 7 | 1-2p ET



Join PEN for an interactive session that explores the **benefits and challenges of vendor certification programs**.

During this training, we'll explore tactical strategies that will help your government:

- Assess whether to launch a new certification program
- Streamline existing certification processes
- Help certified firms meaningfully participate in solicitation opportunities

We look forward to seeing you there!

Thank You!



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