



## Improving Outcomes of the City's Highest-Priority Contracts in Glendale, Arizona

---

*As part of Bloomberg Philanthropies' What Works Cities initiative, the Government Performance Lab (GPL) provided pro-bono technical assistance to help the city of Glendale develop a new strategic procurement system to deliver improved outcomes from its most important contracts.*

**The Challenge:** Many critical local government functions rely on procuring goods and services from external providers, including sheltering the homeless, building and maintaining roads, or keeping city spaces clean. Poor procurement processes can greatly affect residents, for example if selected vendors provide low quality services or if there are roll-out delays for key government programs. Despite procurement's critical role, in Glendale (as in many cities across the country) procurement was not used as a core part of the city's strategy for delivering better outcomes. The city of Glendale wanted to leverage its contracted services to provide an improved experience for residents, i.e. cleaner buildings and libraries, smoother roads, and better-landscaped public spaces.

With each major new procurement, Glendale was missing opportunities to deliver better results for the community. In particular, procurement staff gave similar attention to all upcoming procurements rather than devoting extra time to improve higher-priority services. As a result, Glendale's most important and high-value contracts, which are closely connected to the city's strategic priorities and contribute to the overall resident experience, often faced two key challenges:

- ***The city had a decentralized procurement process and as a result, city departments procured separately for the same services, wasting resources and yielding varying degrees of service quality:*** City departments would operate in silos, separately procuring for similar services without coordination or alignment on contract performance goals. As a result, the city held many separate contracts for similar services, for example issuing over a dozen different city contracts for landscaping services. The city did not have a system for consolidating similar procurements, nor mechanisms to share best practices across departments. Best practices (implemented by some city departments but not others) might include using online tools to track vendor performance, proactively troubleshooting issues and building collaborative vendor relationships, and frequently communicating on work status. Departments used inconsistent management approaches, confusing vendors who worked with more than one city department. For example, a landscaping provider with contracts for both the Water and Transportation departments may have different inspection processes and performance expectations, and not know which department's work to prioritize.
- ***An overreliance on linking agreements, instead of issuing city-specific procurements, sometimes led to poor vendor performance:*** For some major contracts, including pavement and custodial services contracts, the city used linking agreements written by another jurisdiction to avoid having to issue RFP's for a needed service. While linking agreements can save valuable time and may result in better prices, these contracts were sometimes inflexible and did not allow the city to use customized

selection criteria to hire highly qualified contractors that had the exact capabilities needed to solve the city's unique challenges. For example, the city continued to use custodial contractors who routinely did not complete their assigned work each shift. In this way, reliance on linking agreements sometimes led to subpar performance from vendors, and correcting performance issues during the course of the contract drained city staff time. In addition, for vendors who wished to contribute their deep subject-matter expertise to problem-solving discussions, there were no mechanisms built in to the contracts to encourage working in partnership to develop performance solutions. For example, pavement contractors often knew what specific pavement treatment type or common rehabilitation method would be most appropriate, but their input was never a formalized step in a work order for a new project. As a result, vendor subject-matter expertise was not always used effectively.

**The Project:** With help from the GPL, the city of Glendale developed a new strategic procurement system to elevate and improve high-priority procurements each year, improve departmental collaboration, and take a more results-focused lens across all of the city's contracting efforts. In particular, project partners:

**1. Developed a new Strategic Procurement System that enables the city to collaboratively and systematically identify and improve upcoming high-priority procurements**

The GPL worked with Glendale staff to design and implement a new Strategic Procurement System focused on identifying the most important upcoming procurements across city departments and then working collaboratively to improve them. As part of this new system, the Strategic Procurement Team (made up of Glendale's procurement office and representatives from nearly all city departments that issue procurements) gathered at the beginning of the new fiscal year to review the upcoming procurements and rank those that were highest priority. Departments pitched their selected high-priority procurements, using Ted-X style presentations, to the entire group at the Strategic Procurement Team meeting. Then, city staff voted using sticky notes on the top procurements that would benefit from ongoing collaboration and troubleshooting.

Once the city's highest-priority procurements were identified, team members worked in groups to devote weekly attention to addressing contract challenges and building in mechanisms to improve contract performance. These weekly sessions were dedicated to improving procurements before they were released, including creating standardized metrics to track contractor performance, identifying key outcomes to achieve from the resulting contract, and building evaluation criteria to effectively evaluate responses. This new process will occur annually, allowing the city to continuously work together across all departments to support high-priority procurements.

During the roll-out of this new system, the GPL delivered extensive procurement training to ensure a broader focus on improving outcomes across all of the city's procurements, including those that were not identified as highest-priority. Training sessions with approximately 25 members of city staff across 10 departments focused on drafting comprehensive problem statements, developing appropriate performance metrics and outcome goals, setting out expectations for active contract management, and developing criteria to evaluate RFP responses. As a result, Glendale has developed internal capacity to implement results-driven contracting and ensure that procurements beyond those selected for intensive support are focused on improving outcomes. In addition, by having visibility into all upcoming procurements, the city was able to identify contracts for similar services

that could potentially be consolidated for more consistent high-quality (and better priced) services.

## **2. Developed three outcomes-focused procurements to improve the overall resident experience in Glendale**

After voting on and selecting priority procurements as part of the new Strategic Procurement System, the Strategic Procurement Team provided support on developing three high-priority procurements: 1) landscape maintenance, 2) custodial services, and 3) the city's pavement management program. Each of these procurements was closely aligned with the city's major strategic goals and had prior contract challenges city staff wanted to devote extra attention to resolving. For the custodial services and pavement management contracts, city departments previously had relied on linking agreements rather than issuing their own specific procurement that could be tailored to better meet city needs. The three selected contracts all heavily impact the overall resident experience in Glendale: residents drive daily on city roads, expect clean and inviting spaces when they visit city facilities, and cannot walk on sidewalks or drive safely if debris, dirt and plants haven't been properly cleared.

For each of the selected procurements, a cross-departmental team worked diligently over several months to craft an RFP or RFQ that would yield improved services. For example, for the landscaping maintenance procurement, the Strategic Procurement Team consolidated multiple contracts across departments into a single RFP and decided on one consistent, data-driven contract management structure. For the custodial services procurement, team members reworked the RFP's evaluation criteria to incorporate an improved way of assessing potential vendors, asking questions on how the vendor would respond to different scenarios and how they planned to train and protect the health of their employees. Finally, for the pavement maintenance procurement, team members used the RFQ to lay out expectations for the vendor's communication with residents and city staff regarding when work would be completed. The team also incorporated mechanisms in to the RFQ to allow city staff to draw on the vendor's expertise regarding how to select the most appropriate (i.e. cost-effective, long lasting) pavement treatment for a specific road improvement project.

**The Results:** The city has seen promising results from the first year of the new procurement system, which has contributed to their decision to continue using the model for future procurements. In particular:

### **1. Glendale residents are set up to experience consistently better outcomes from the city's contracts, including higher-quality roads and cleaner facilities**

The impact of a poorly designed procurement or a weakly managed contract is heavily external. Residents acutely feel the burden of poor performing contractors – from city open spaces littered with trash, to unclean library bathrooms, to roads with gaping potholes. Project partners anticipate that the new procurements will result in higher-performing, well-qualified contractors and improved management practices by city staff. In the long term, city staff hope that Glendale residents will consistently experience better outcomes from the contracts designated as high priority, including higher-quality roads, more welcoming and cleaner community facilities, and more aesthetically pleasing landscaping.

**2. The role of procurement has been elevated across the city, as department staff are enthusiastically using procurement as a tool to achieve strategic goals**

City staff across Glendale have embraced the strategic importance of procurement in achieving key outcome goals. As a result, there has been an increase in the number of procurements that clearly define intended goals or outcomes and include results-driven contracting strategies. These include the three high-priority procurements selected by the Strategic Procurement Team, but also other procurements managed by city staff who developed expertise through the project's training and capacity building efforts. Across city departments, project partners have made major progress in addressing contract challenges that had been previously ignored or pushed to the side year after year.



*City staff gather after a procurement training, wearing new T-shirts which read "Glendale Strategic Procurement Team"*

Beyond the scope of the project, Glendale city staff have continued to pursue the model set out by the new strategic procurement system. The city has launched a second year of the Strategic Procurement Team with a different group of staff, in order to expand training and capacity building on results-driven procurement strategies. This team will develop and support three new RFPs, chosen collaboratively, through regular meetings focused on improving procurement outcomes.

*It helps to get you thinking about developing a more robust scope of work instead of just repeating boilerplate ideas from a previous RFP. "*

*– Glendale Contract Analyst*

The project has also forged deep progress in improving collaboration across city departments and building strong relationships among staff doing similar work, who had largely been operating in silos. With the creation of the Strategic Procurement Team, cross-departmental collaboration has improved

as staff are working together to use data to track contract performance, reduce challenges associated with major contracts, and improve alignment of staff time and dollars spent on contracts most clearly connected with city priorities and goals.

*The Government Performance Lab is grateful for support from Bloomberg Philanthropies, Casey Family Programs, the Corporation for National and Community Service Social Innovation Fund, the Dunham Fund, the Laura and John Arnold Foundation, the Pritzker Children's Initiative, and the Rockefeller Foundation. © Copyright 2020 Harvard Kennedy School Government Performance Lab.*