Stimulus Learning Series: Using Procurement to Advance Innovation

*Crafting successful, results-driven RFPs*

August 10, 2021
Introductions

Responding to open answer questions

*Type into the chat:* Tell us your name, your location, your organization, and one thing you are interested in learning today.
Agenda

1. Procurement: a critical government function

1. RFP writing deep dive
   a. Information Gathering to Inform your RFP
   b. Problem Statements and Goals
   c. Metrics and Contract Management

1. Hearing from you: How are you thinking about procurement at this moment?
Practicing with our interactive tools

Responding to poll questions

**Pick many poll:** Have you attended any of our prior calls in the stimulus learning series? (select all that apply)

**Pick one poll:** Which role within the procurement process best describes you? (select one)
Sound familiar?

How you explained it.

How the contractor built it.

What you really needed.
We help drive procurement improvements across four areas

Results-driven contracting (RDC) is a set of strategies designed to help entities use procurement and contracting to achieve better outcomes for residents.

- Transforms the procurement process to be efficient, inviting, and transparent
- Improves the outcomes of contracted programs, products, and services
- Elevates and resources procurement as a strategic function
- Invests in equity to improve economic mobility and achieve better outcomes for historically marginalized populations
Governments face a variety of challenges when drafting RFPs

<table>
<thead>
<tr>
<th>Common Challenges</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP lacks a description of the jurisdiction’s overarching goals or desired end outcome.</td>
<td>Vendors’ responses don’t align with what the jurisdiction actually needs.</td>
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<tr>
<td>Team rushes through writing the RFP to get it out the door fast.</td>
<td>RFP release is delayed or RFP must be reissued because of errors or missing info.</td>
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<td>Limited information gathering or market research occurs, or RFP is simply recycled from the last time it was issued.</td>
<td>The RFP lacks emerging best practices, vendors’ or clients’ perspectives.</td>
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<td>The Scope of Work is overly prescriptive and includes onerous requirements.</td>
<td>Few quality proposals are received, or vendors feel limited in their ability to be innovative.</td>
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**Common Challenges**
- RFP lacks a description of the jurisdiction's overarching goals or desired end outcome.
- Team rushes through writing the RFP to get it out the door fast.
- Limited information gathering or market research occurs, or RFP is simply recycled from the last time it was issued.
- The Scope of Work is overly prescriptive and includes onerous requirements.

**Impact**
- Vendors' responses don't align with what the jurisdiction actually needs.
- RFP release is delayed or RFP must be reissued because of errors or missing info.
- The RFP is lacking emerging best practices, vendors' or clients' perspectives.
- Few quality proposals are received, or vendors feel limited in their ability to be innovative.

**Poll:** From where you sit, which of these common challenges occurs most frequently in your jurisdiction? (select one)

**Type into the chat:** Are there other challenges your jurisdiction commonly faces when procuring for services?
To write a results-driven RFP, you need to know....

<table>
<thead>
<tr>
<th><strong>Problem Statement</strong></th>
<th><strong>Why</strong> do you need this service? What problem will the contract solve?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>To help solve this problem, <strong>what outcome</strong> should the contract achieve?</td>
</tr>
<tr>
<td><strong>Scope of Work &amp; Incentives</strong></td>
<td>To achieve the contract goal, <strong>what does the vendor need to do?</strong> How will you create space for vendors to <strong>propose innovative solutions</strong>?</td>
</tr>
<tr>
<td><strong>Metrics &amp; Contract Management</strong></td>
<td>To make sure the vendor stays on track to achieve your goal, <strong>how will you manage the contract?</strong> How will you measure success, and how will you work with the vendor?</td>
</tr>
<tr>
<td><strong>Evaluation &amp; Selection Criteria</strong></td>
<td>Given your need, goal, and requirements, <strong>how will you select the best proposal?</strong> What <strong>information do proposers need to provide</strong> for you to evaluate their proposals?</td>
</tr>
</tbody>
</table>
Our RFP Guidebook provides a step-by-step approach to improving your highest-priority procurements and producing better results for your residents. It includes tactical advice, worksheets, templates, and examples across eight modules covering different sections of the RFP.
Today’s focus

Today, we’ll cover four of the most important and high-impact sections of writing a results-driven RFP:

- Information Gathering to Inform your RFP
- Problem Statements & Goals
- Metrics & Contract Management
- Activities Following RFP Release
Hearing from you

*Type into the chat:* What are the highest priority RFPs that your jurisdiction has coming up this year?
In focus: “Information Gathering to Inform your RFP”
Planning for your RFP

Planning includes:

A. Establishing a well-rounded **project team**

B. Making a **project plan** with key milestones, timelines, responsibilities

C. **Gathering information** to inform your solicitation and vendor outreach approach
How can we broadly gather insights during RFP development?

Understand your users to better direct and deliver services:
- Surveys
- Interviews
- Co-design

Review past performance to improve effectiveness:
- Review past processes
- Review program performance data
- Interview vendors

Understand what vendors can offer:
- Internet research
- Speak with associations/peer cities
- Vendor interviews/focus groups/Requests for Information
In focus: “Problem Statements & Goals”
First, set the scene and explain your need

Why do you need the product or service? What problem will the contract solve?

Pro Tips!

- Clearly explain the gap between current state and desired future state
- Identify key variables and quantify where relevant
- Keep scope sufficiently focused to be actionable
- Be neutral about possible solutions
- Provide the right amount of context. Proposers should understand your context without being overwhelmed.

Example Problem Statements

**HVAC Unit:** The HVAC unit currently used in City Hall is outdated and doesn’t protect well against dust and allergens.

**Homeless Services:** 2,000 people in the County experience homelessness, placing them at increased risk due to COVID-19.
The goal of Youth Intentional Housing Supports is to quickly house youth experiencing housing insecurity while providing the support needed to remain stably housed and build a foundation for success in the future. …

According to the City’s Dashboard to End Homelessness, in March 2018 there were 1,227 youth experiencing homelessness in the City. Of those, 126 were matched to projects and awaiting enrollment, and 45 youth experiencing homelessness were enrolled in projects and awaiting permanent housing. An average of 158 new youth seek support from our system each month, and it takes 144 days from identifying a youth to that youth being housed.

In order to reduce these prolonged episodes of homelessness, the Department seeks to support a menu of housing interventions for youth that are developmentally appropriate and quickly deployable.
Building off your problem statement, draft your goals

What outcome should the contract achieve?

Pro Tips!
Your goal IS NOT to finalize contract or get the cheapest product. Your goal IS the outcome you hope to achieve from the contracted product/service. It should:

• Articulate a clear vision of success
• Center on the “what” instead of “how” (i.e., outcomes over process)
• Be actionable and realistic
• Be quantifiable

Example Goal Statements

**HVAC Unit:** Improve air quality in City Hall for employees and residents.

**Homeless Services:** Decrease the number of people experiencing homelessness who fall within a COVID-19 high risk category by 25%.
Taking an outcomes-oriented approach invites innovation

CONVENTIONAL
Taking an outcomes-oriented approach invites innovation

CONVENTIONAL

BETTER:
WHAT ELSE MIGHT BE OUT THERE
## Example goal statement makeovers

<table>
<thead>
<tr>
<th>Not-so-good goal statement</th>
<th>Better goal statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide after-school and summer programs to youth</td>
<td>Improve student academic outcomes by increasing enrollment in after-school and summer programs targeted to youth in grades K-8.</td>
</tr>
<tr>
<td>Ensure landscaping and vegetation is watered at least once per week</td>
<td>Reduce overall water use while maintaining plant health.</td>
</tr>
<tr>
<td>Provide supportive services run by certified nursing assistants for elderly individuals three times per week.</td>
<td>Enable elderly individuals to safely live at home by providing services that can decrease placements into long-term nursing care by 30%</td>
</tr>
</tbody>
</table>
Example: city IT procurement goal statement

“The procurement of a new fire record management system will help the fire department:

1. **Reduce response times to resident emergencies** through data analysis of deployment strategies, crew performance, and external impacts to meet the relevant accreditation standards

1. **Reduce incidents of emergencies** by using data to create targeted community risk reduction programs (e.g. falls per capita)

1. **Optimize deployment of resources** (human, tech, physical assets) through improved use of data collection to facilitate long-term data-driven decisions

1. **Meet all regulatory requirements**, including town, state, and national reporting”
In focus: “Metrics & Contract Management”
Extend RFP goals into a plan to manage the contract towards success

Performance Metrics (KPIs): How will you measure progress and assess whether you’re on track to achieve your goal?

Pro Tips!

- Clearly **define success**
- Keep it (relatively) **simple** (available to most vendors; can be regularly calculated)
- Balance **outcome and output measures**, including a mix of both
- Identify **data tracking responsibility**, especially when the vendor must provide data
- Leave **room to learn**
Example: city broadband performance metrics

This City released an RFP to procure a contractor to install 60 miles of fiber optics for the City. It outlined its anticipated performance metrics as an attachment to the RFP documents:

“The following metrics represent the City’s proposed approach to defining, measuring, and tracking project success of over the lifetime of the development. The final set of performance metrics will be negotiated by the successful bidder and the City prior to the finalization of an agreement between parties.”

<table>
<thead>
<tr>
<th>Components of a Performance Metrics plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric Name</td>
</tr>
<tr>
<td>Metric Definition</td>
</tr>
<tr>
<td>Reporting Responsibility</td>
</tr>
<tr>
<td>Reporting Frequency</td>
</tr>
<tr>
<td>Purpose of Reporting</td>
</tr>
<tr>
<td>RFP Goal(s) aligned with Metric</td>
</tr>
</tbody>
</table>

**Output Metrics**
- On-time start of construction
- On-time completion of fiber pulling
- On-time completion of technical documentation

**Outcome Metrics**
- On-time site restoration clean-up to City specifications
- Count of community complaints received indicating failure to adhere to contract requirements, disaggregated by neighborhood to monitor equitable impact
- Complaint resolution
The Guidebook has templates and prompts to get you started

1.4 PLANNING PROMPTS
1. Build a project team matrix, similar to the version below, to identify the internal stakeholders of the RFP project team. We have filled out row one as an example.

**INTERNAL STAKEHOLDER ROLES**

<table>
<thead>
<tr>
<th>Name and position of internal stakeholder</th>
<th>In what areas can this person offer support, critical input, or feedback?</th>
<th>What does this person's capacity look like during the next four months?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: Jane Martinez, Performance Analyst in the Mayor's Office</td>
<td>Example: Jane would provide helpful input on the performance metrics we develop to monitor the vendor's work.</td>
<td>Example: Jane thinks she can devote 5 hours per month for the next 4 months.</td>
</tr>
</tbody>
</table>

Example brainstorming question to understand the core problem the contracted service will address

**Problem Statements**

1. Imagine that a friend of yours, who lives in but does not work for your jurisdiction, asks you what problem you are trying to solve with this procurement. In your own words, how would you describe the problem to them?

Example:
- RFP drafting team
- Consultant
- Decision-maker
- Supporter

Template for identifying roles
Audience questions and additional tips
Best practices for creating a successful RFP document

- Place all project-specific information, including the Scope of Work, towards the beginning of the RFP, and terms and conditions at the end.

- Create a welcoming document: use easy-to-navigate section headers and include a table of contents.

- Use plain language, avoiding jargon and agency-specific terminology. Write for humans!

- Use proposer checklists to help proposers easily understand what their submittal package should include.
The GPL is here to support you

The GPL provides technical assistance to jurisdictions across the country and has grab-and-go resources like our RFP Guidebook.

This year, we’ll be launching a community of procurement reformers in government. If you’re interested in receiving support or learning more, reach out to elena_hoffnagle@hks.harvard.edu.

https://govlab.hks.harvard.edu/guidesbook-crafting-results-driven-request-proposals-rfp
Hearing from you

*Pick many poll:* What additional topics related to procurement and contracting would you like to learn more about this year?

*Pick many poll:* What form of support would be most helpful?
Looking ahead: GPL’s stimulus learning series

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 9</td>
<td>Benefits &amp; Economic Mobility</td>
</tr>
<tr>
<td>July 15</td>
<td>Early Childhood &amp; Families</td>
</tr>
<tr>
<td>July 29</td>
<td>Implementation deep-dive: Guaranteed income programs</td>
</tr>
<tr>
<td>August 2</td>
<td>Behavioral Health &amp; Housing</td>
</tr>
<tr>
<td>August 10</td>
<td>Implementation deep-dive: Using procurement to advance innovation</td>
</tr>
<tr>
<td>August 25</td>
<td>Jobs &amp; Economic Development</td>
</tr>
</tbody>
</table>

Questions? Contact Danielle at danielle_cerny@hks.harvard.edu

Register for upcoming sessions at: https://govlab.hks.harvard.edu/stimulus-learning-series
Appendix
# Appendix: make a project plan!

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Due Date</th>
<th>Responsible</th>
<th>Other Key Stakeholders</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan</strong></td>
<td>Executive Management approval</td>
<td>Apr 30</td>
<td>Project Manager</td>
<td>Bureau Manager, Director</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Finalize project budget</td>
<td>May 25</td>
<td>Asst. Director</td>
<td>Director</td>
<td>In Progress</td>
</tr>
<tr>
<td></td>
<td>Draft project plan</td>
<td>May 31</td>
<td>Project Manager</td>
<td>Buyer</td>
<td>In Progress</td>
</tr>
<tr>
<td></td>
<td>Kick-off call with project team</td>
<td>Jun 1</td>
<td>Project Manager</td>
<td>Buyer, City Attorney, Bureau Manager</td>
<td>Not Started</td>
</tr>
<tr>
<td><strong>Draft</strong></td>
<td>RFP drafting begins</td>
<td>Jun 2</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Final draft sent for approval</td>
<td>Jul 15</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td><strong>RFP Open</strong></td>
<td>Release RFP</td>
<td>Aug 1</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Deadline for questions</td>
<td>Sep 5</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Responses due</td>
<td>Sep 15</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td><strong>Evaluation &amp; Award</strong></td>
<td>Responsiveness review</td>
<td>Sep 20</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Interviews w/ short list</td>
<td>Oct 12-15</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Decide recommendation for award</td>
<td>Oct 20</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td><strong>Approval &amp; Contracting</strong></td>
<td>Contract negotiations begin</td>
<td>Oct 25</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
<tr>
<td></td>
<td>Contract required</td>
<td>Nov 30</td>
<td>...</td>
<td>...</td>
<td>Not Started</td>
</tr>
</tbody>
</table>
Appendix: output versus outcome metrics/KPIs - use both!

Outputs: measure the operations and activities
- Important to help you track progress and diagnose whether you need to make changes to the program.
- Often available in the short term
  **Examples:** # of clients served, # of miles paved, % of staff trained, # of lights installed each month.

Outcomes: measure the ultimate result
- Important to make sure you’re achieving your goal: the reason for doing this service.
- Can be available only in the long term and may be challenging to collect data on
  **Examples:** reductions in unemployment, decreased water usage, resident satisfaction.
Appendix: metrics (or KPIs) root your vendor conversations in hard numbers

**Promising trends…**
(steps forward)

- Celebrate success
- Cement best practices
- Shape future programs and services

**Concerning trends…**
(steps backward or no steps at all)

- Address challenges
- Troubleshoot problems
- Monitor and mitigate risk

Monitoring trends in your metrics also help you determine whether this is a vendor to work with again!