



Stimulus Learning Session: Using Procurement to Achieve Better Outcomes for Residents

This Learning Series Recap summarizes lessons from the GPL's [Stimulus Learning Series](#) session on [Using Procurement to Advance Innovation](#), a deep-dive on how funds from the American Rescue Plan Act (ARPA) can be used to procure for services that improve outcomes for residents.

Using ARPA funds to procure for innovative, results-driven services

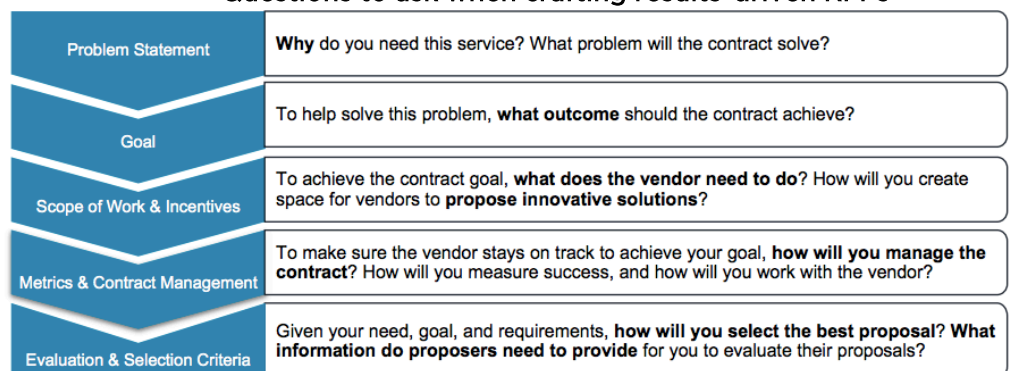
The American Rescue Plan Act (ARPA) provides a unique opportunity to address the systemic inequities laid bare by the pandemic and reshape the public systems that support vulnerable families. Successful execution of this transformation work will require the combined efforts of government employees with goods and services acquired from the private sector. This is true of sheltering the homeless, providing job training to the unemployed, and building and maintaining new technology solutions. Agency leaders can, therefore, leverage procurement to amplify ARPA system transformation efforts -- making procurement processes more efficient, inviting, and transparent; using procurements to advance departmental and jurisdiction-wide goals; and laying the foundation for measuring progress and driving continual improvement. Yet too often, procurement and contract management is treated as a back-office function rather than a strategic activity, causing governments to encounter common procurement challenges:

- Requests for proposals (RFPs) lack a description of the jurisdiction's overarching goals, leading to vendor responses that don't align with what the jurisdiction actually needs.
- Teams rush through writing an RFP to get it out the door quickly, causing delayed releases or re-issued RFPs because of errors or misinformation.
- Limited information gathering or market research occurs or the RFP is simply recycled from the last time it was issued, resulting in RFPs that lack emerging best practices and/or vendor and client perspectives.
- RFPs' scopes of work are overly prescriptive or include onerous requirements, yielding few quality proposals or causing responding vendors to feel limited in their ability to offer innovative solutions.

Leaders from state and local government agencies across the country are planning to tackle these challenges using [results-driven contracting](#) strategies designed to help entities use procurement and contracting to achieve better outcomes for residents.

When crafting a results-driven RFP, there are several key questions to address, including why the service is needed, which outcomes the contract should achieve, and how to measure success.

Questions to ask when crafting results-driven RFPs



The section below highlights three critical components of crafting a results-driven RFP. (For more information, see the GPL's [Results-Driven RFP Guidebook](#), which covers eight key components of crafting effective RFPs).

Three critical components of drafting a results-driven RFP

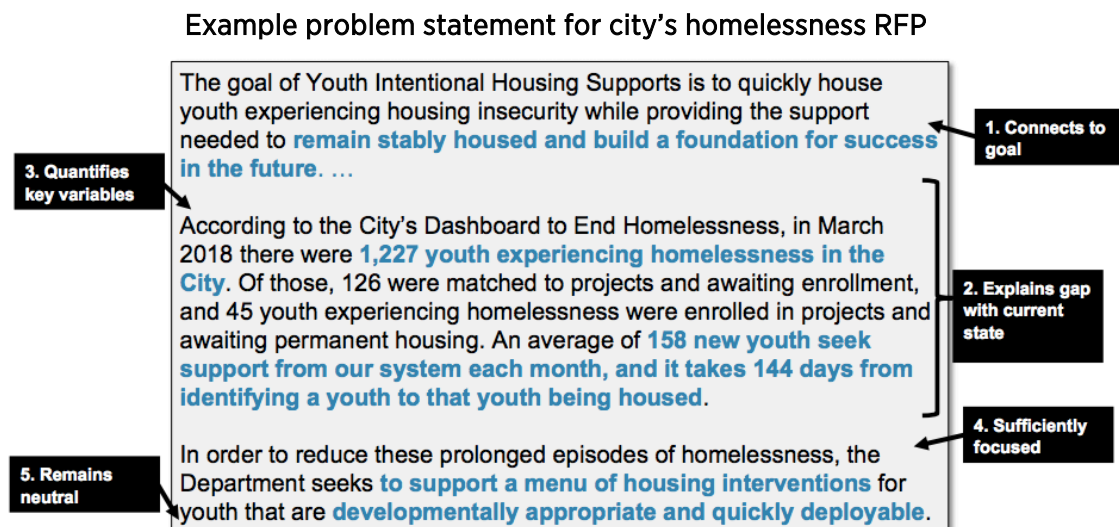
1. Information gathering to inform your RFP

Gathering information prior to drafting the RFP can help agencies inform a governments' solicitation and vendor outreach approach by, for example, elevating client voice in the design process. Three strategies agencies can use to gather insights during RFP development include:

- **Understanding users to better direct and deliver services:** Surveys, interviews, and co-design sessions with potential service users and existing vendors can help ensure procured services reflect client need and close service gaps rather than duplicate existing services.
- **Reviewing past performance to improve effectiveness:** In many cases, the same or similar services have been delivered in a jurisdiction, providing an opportunity to learn from the past. Agencies can review past vendor performance, interview current vendors, and collect suggestions on how the service delivery process can be improved.
- **Understanding what vendors can offer:** It is important to confirm the planned contracts are the right size for what vendors can offer. Understanding vendor capacity, through internet research, speaking with peer cities, putting out a request for information, or conducting interviews and focus groups, can help inform how many and which kinds of vendors an agency may need in order to provide a service.

2. Problem statements and goals

Including a thoughtful problem statement at the start of the RFP document can convey the history and magnitude of the problem, while inviting vendors to offer potential innovative solutions. In crafting a strong problem statement, agencies identify why they need a product or service, and specifically what problem the contract will solve. Effective problem statements clearly explain the gap between the current state and desired future state, identify key variables and quantify where relevant, keep the scope specific enough to be actionable, are neutral about possible solutions (i.e. don't frame the problem as a lack of a solution, which could limit creative ideas), and provide enough context for vendors to understand the issues without being overwhelmed. The figure below demonstrates an effective problem statement from an RFP for homelessness services.



In addition to the problem statement, RFPs should explicitly identify the contract’s goals, i.e. the outcomes that the contract should achieve. Goal statements should be clear on the ‘what’ instead of the ‘how’ to invite vendors to propose innovative solutions, and should be actionable, realistic, and quantifiable. Asking, ‘who will be better off and how will they be better off?’ can help agencies to identify their procurement goals.

Example goal statement makeovers

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

3. Metrics and contract management

Including performance metrics in an RFP can help create accountability, and push agencies to identify how they will measure progress and assess whether they are on track to achieve the contract’s goals. Metrics should clearly define success, and be kept relatively simple so that they can be regularly calculated with accessible data. Metrics can include a mix of outcomes and outputs, while leaving room to learn. (During the RFP phase, purchasing agencies may not know what all of the relevant performance metrics are and can leave the door open for vendors to propose relevant metrics as well). For each metric, it is important to identify who is expected to track what, and at what frequency. As shown in the figure below, a metrics list from an RFP to procure a contractor to install 60 miles of fiber optics, the city wanted the broadband installment process to be equitable across neighborhoods and included metrics that would help them to measure progress toward this goal.

Components of a Performance Metrics plan
Metric Name
Metric Definition
Reporting Responsibility
Reporting Frequency
Purpose of Reporting
RFP Goal(s) aligned with Metric

Example metrics for broadband construction RFP

<p>Output Metrics</p> <ul style="list-style-type: none"> • On-time start of construction • On-time completion of fiber pulling • On-time completion of technical documentation 	<p>Outcome Metrics</p> <ul style="list-style-type: none"> • 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
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Other considerations for leveraging procurement

A few other key considerations for agency leaders aiming to leverage procurement in order to amplify ARPA system transformation efforts include:

- **Using procurement to advance equity and inclusion.** Analyzing procurement data and conducting vendor interviews can help to identify barriers that diverse vendors face to successfully bidding for government contracts. Pinpointing the problem(s) can then inform potential solutions. For example, if any agency consistently hears that diverse vendors aren't aware of contracting opportunities, they might consider employing a strategy of targeted vendor outreach. (To learn more, watch our 10th Anniversary Learning Session on [Using Procurement to Advance Equity and Inclusion](#)).
- **Making procurement more conducive to new entrants.** Purchasing staff can help make procurement processes more accessible in an effort to encourage new market entrants. When drafting RFPs, this might include: placing all project-specific information, including the Scope of Work, towards the beginning of the RFP, and terms and conditions at the end, using easy-to-navigate section headers and including a table of contents, avoiding jargon or agency-specific terminology, and using checklists to help proposers easily understand what their submittal package should include.
- **Strategically managing the huge volume of ARPA procurements.** By elevating procurement as a strategic function, purchasing staff can serve as coaches that help guide the RFP process across departments. Relevant activities might include hosting kick-off meetings at the start of RFP drafting, providing RFP training sessions, and strategically prioritizing upcoming ARPA-related RFPs for additional support.

Building sustainable systems

Government agencies using ARPA, a one-time infusion of federal dollars, to fund major systemic change face challenging questions around sustainability. In particular, agencies are trying to figure out how to use ARPA in a way that creates lasting impact. So far, we have seen state and local government leaders plan ARPA investments to enable sustainable systems change in three ways:

- 1) **Investing in physical and human capital:** Agencies are planning on creating new technology platforms and investing in data analytics to permanently replace outdated systems, building new infrastructure that can be maintained over time, and upskilling staff to build internal capacity that lasts beyond COVID-19 recovery efforts.
- 2) **Demonstrating the case for future funding:** Agencies are aiming to prove out new programming to build political will and make the case for sustained local or federal funding, including through rigorous evaluation designs that demonstrate program results.
- 3) **Filling the temporary funding gap needed to build preventative systems.** Agencies are planning to use ARPA funds to build out preventative programming with community-focused care delivery, while still being able to maintain expensive, reactive programs they currently provide (and still need). Finding dollars to fund new up-stream prevention services at the same time as keeping current programs running has historically been challenging. ARPA's cash infusion can help bridge toward the future system, where hopefully agencies can start winding down expensive down-stream services, as up-stream preventative programs begin to work.

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