

Improving Procurement for Technology Projects in Portland, OR

As part of Bloomberg Philanthropies' What Works Cities initiative, the Government Performance Lab (GPL) provided pro-bono technical assistance to help improve results of Portland's high-priority technology contracts.

The Challenge: For state and local governments across the country, procuring for large technology projects is a complex, often arduous, process. And when multi-year, multi-million-dollar IT projects go wrong, they can be even more expensive and time-consuming to fix. Yet, cities increasingly rely on technology-driven platforms to improve the lives of their residents – everything from new apps to increase public transit accessibility to websites that make paying taxes easier. The City of Portland recognized that poor procurement and contracting processes for technology projects like these could negatively impact residents. Without appropriate planning and alignment on business needs for a technology project in the procurement stage, the City could end up with technology systems that don't meet resident needs, are difficult to use, or don't meet robust data security and privacy standards. The City aimed to improve outcomes from its large technology contracts to provide residents with more accessible and modern technology-driven services.

The success of major technology projects in Portland relies on collaboration during the procurement process between three key stakeholders:

1. the centralized Procurement Services office: procurement specialists, who lead on issuing requests for proposals (RFPs) and oversee contract negotiations,
2. the Bureau of Technology Services (BTS): technology subject matter experts, who can ensure that procured technology will integrate with current systems and meet the City's standards, and
3. the relevant city bureau: the city department that is buying the technology, and will go on to use it once it is procured.

However, these three stakeholders faced coordination challenges when working on technology procurements. City bureaus sometimes spent up to a year working on a procurement without BTS input, drafting RFPs with loosely defined technical requirements or with specifications that did not meet the City's technology standards. Furthermore, without early input from Procurement Services, bureaus sometimes did not use the right procurement vehicle or spend enough time upfront understanding what the market could offer and ended up with low-quality responses from proposers. This lack of coordination, paired with confusion about procurement roles and responsibilities across the three stakeholders, sometimes led to procurements unable to integrate with the City's existing IT infrastructure or meet the expectations of residents. Fortunately, a robust review process for technology RFPs and contracts meant that many major problems were identified and avoided before contracts were signed, but this review process often sent city bureaus back to the drawing board, causing major delays.

The Project: While Portland had well-developed institutional knowledge and expertise in both procurement and IT, the City struggled to consistently apply this knowledge to the procurement process for technology projects. City bureaus, BTS, and Procurement Services held their relevant expertise separately, with limited collaboration on some technology procurements. With help from the GPL, the City clarified and improved the procurement process for large technology projects and supported two technology RFPs to create new services for residents. In particular, project partners:

1. Established processes for Procurement Services and BTS to regularly collaborate on upcoming technology procurements and share best practices

To better support city bureaus, Procurement Services and BTS began meeting monthly to work together to identify upcoming procurements and improve the technology procurement process. BTS staff didn't have a clear understanding of procurement best practices, and Procurement Services wasn't fully aware of the expertise that BTS offered, so more communication between the two agencies was needed. Meetings focused on communication and workflow management, sharing best practices, reviewing respective datasets on upcoming technology projects, and standardizing roles and responsibilities. One major process challenge addressed by the two agencies during these meetings was the inconsistent sharing of information related to upcoming procurements. While BTS had line of sight into upcoming procurements through their technology business consultants that worked with each city bureau, Procurement Services had more limited knowledge about which bureaus had technology procurements coming up. To address this, BTS and Procurement Services explored the creation of a "Procurement Forecasting Chart" to understand whether a dataset such as this could help visualize, forecast, and prioritize technology procurements coming through the pipeline.

The two agencies also began to identify and share best practices related to procuring for technology services. These included: bringing stakeholders together early to better understand the problem that the technology solution will address, holding demos with short-listed respondents to see their solution or product in person and understand whether it meets the City's needs, and holding a project kickoff meeting with the contractor as well as regular meetings to assess contract performance. Specialists from Procurement Services were able to help BTS staff better understand relevant procurement issues, including which solicitation type was most appropriate for different projects. Similarly, BTS experts helped procurement staff understand key issues specific to technology services, including what technology and data security best practices BTS staff look for in their review of RFPs.

2. Created a guide to connect city bureaus to BTS and Procurement Services' expertise, in order to improve upcoming technology procurements

City bureaus with upcoming technology projects were often unclear on how to get started with the procurement process. In interviews with city staff across bureaus, it was evident that there was misalignment on what procurement roles and responsibilities were across city bureaus, Procurement Services, and BTS. To help guide city bureaus who were undertaking technology procurements, project partners created a procurement process guidance package. This guidance helped to standardize process steps, educate staff about the technology procurement process, and improve project management and planning. In addition to helping city bureaus understand the overall process, the procurement guide provided a more granular level of detail for six steps of the procurement and contracting process, shown in the figure below. For each stage, the procurement guide addresses common questions around roles and responsibilities, best practices, and common obstacles. The procurement guide also showcased previous technology RFPs that Portland had issued as examples of best practices in action.

Six Stages of the Technology Procurement Process



3. Developed a results-driven RFP template, while supporting two results-driven technology RFPs to improve resident outcomes for transportation services and rental housing access

To ensure that technology procurements were focused on outcomes, and to help guide city bureaus through the procurement process, project partners created a results-driven RFP template. The previous RFP template was difficult for vendors to navigate and required Procurement Services staff to manually change many RFP sections every time. Project partners redrafted the RFP template to clearly emphasize the business challenge, outcomes, and intended results. The new template also clearly indicated which sections needed to be customized from project to project and which sections were standard and did not need to be changed.

To pilot a more outcomes-focused approach to technology procurement, project partners worked to plan for and support two results-driven RFPs for technology services. Both BTS and Procurement Services were involved early in the RFP planning stages and provided their relevant expertise. The first RFP released was for a Transportation Wallet program, designed to provide an enhanced and streamlined user experience for people accessing incentives to use public transportation. Project partners restructured the opening of the RFP to focus on the business challenge at hand and on the project's connection to the city bureau's strategic goals. The RFP detailed the program's outcome goals, including increasing the number of new Transportation Wallets issued, reducing the average start-to-finish time per new sign up, and the reducing the percentage in trips taken alone by vehicle among Transportation Wallet participants. Through the new system, users will be able to seamlessly pay for transportation, plan trips, and use multiple transportation services effortlessly in one integrated product.

The second RFP is for a rental registration software – an online platform for landlords to register with the City and provide information on their rental units. As part of early planning for RFP development, project partners conducted stakeholder interviews with council offices and the City's Rental Services Commission, and reviewed similar systems created in peer cities across the country – two IT procurement best practices identified by Procurement Services and BTS. In addition, partners identified the project's outcome goals for vendors, including the percentage of landlords in compliance with the rental registration ordinance, time spent processing each registration, and landlord and renter satisfaction with the new software. Once developed, the new system could help Portland residents gain improved

knowledge about rental properties and renters in the City to better access safe and healthy housing opportunities. The collected data will also help the City analyze the impacts of housing-related policy decisions and assess demand and supply of affordable housing as Portland grows.

The Results: Through their efforts to improve the results of Portland's high-priority technology contracts, project partners have:

1. Worked to modernize the City's technology infrastructure and improve how residents access city services

Many major technology projects affect the lives of Portland's residents. Services including public transportation payment systems, social service referral systems, and government websites with health updates on COVID-19 all rely on technology-driven platforms. Through improved procurement processes for technology projects, residents will be able to more easily interact with the City and see better results from technology-driven services. Technology projects also help to create new data that can be used to aid in future policy and program decisions. In the long term, the City expects that major technology projects will be delivered faster, consistently meet user and resident needs, integrate with the City's technology infrastructure, and solve business challenges the City faces.

2. Established a longer-term strategy for more effectively and collaboratively procuring for technology services

Project partners have worked to create new motivation for joint ways of working between Procurement Services, BTS, and the city bureaus requesting and managing technology projects. The City was already equipped with knowledge and expertise around procurement best practices and technology-driven services, but didn't have systems in place to share this expertise effectively during the procurement process. This engagement has facilitated a new norm of routine collaboration and helped city bureaus to consistently receive both procurement and technology-related guidance during the contracting process. By establishing mechanisms for joint problem solving, improving visibility into the status of upcoming procurements, and developing new procurement tools and resources, the City of Portland is better equipped to improve the results of its high-priority technology contracts going forward.

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