

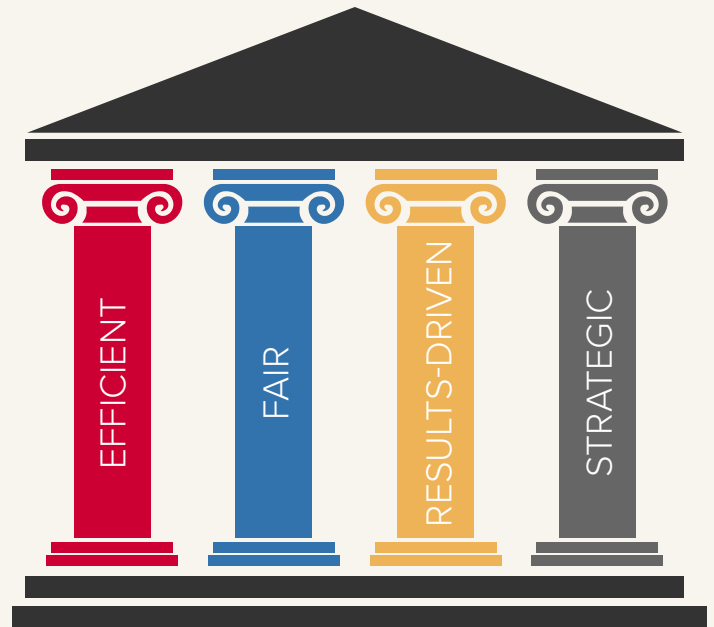


PROCUREMENT EXCELLENCE NETWORK

Partners for **Public Good**

→ HOW-TO GUIDE

What is Procurement Excellence?



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IN THIS HOW-TO GUIDE YOU WILL:

- Gain an understanding of the four pillars of procurement excellence
- Learn about innovative strategies to achieve procurement excellence in your jurisdiction

Background

Many of the most important functions of state and local government – from building roads to sheltering the unhoused to providing job training – involve contracting for goods and services supplied by the private sector. Increasing the effectiveness of procurement is therefore a crucial component of improving governments' overall performance, especially when it comes to fostering better results for residents.

Through our work, we've repeatedly seen governments successfully leverage their procurement function to make major progress on their strategic priorities. These results have informed our procurement excellence framework, which we hope will enable governments to assess the current state of their procurement practices and chart a course to turn procurement from a back-office administrative function into a real force for transformational change.

This document is a tool for action. As we walk you through each pillar in the framework, you will see highlighted strategies your government can implement, and view examples of how state and local governments have used these strategies to produce transformative results.

Pillars of Procurement Excellence

We believe that excellent procurement systems are efficient, fair, results-driven, and strategic.



Efficient

The procurement process is inviting and efficient, running smoothly and cost-effectively.



Fair

All firms and organizations have a fair chance at winning contracts.



Results-Driven

Contracted programs, products, and services deliver desired outcomes.



Strategic

Procurement is elevated and resourced as a strategic function.

I. Efficient: The procurement process is inviting and efficient, running smoothly and cost-effectively.

What Excellence Looks Like

An excellent procurement process is easy to navigate and accessible for all those involved—government staff, new and incumbent vendors, and community stakeholders. Vendors are eager to do business with government and know how to participate in the contracting process. Government staff don't dread the moment when they must begin to write a new RFP or submit a requisition for a small dollar purchase. And ultimately, an inviting and efficient process means that a government gets the goods and services it needs quickly. Contract delays are rare, and residents are never left waiting months or years for a new program to launch because of purchasing-related hiccups. Efficient procurement practices are the necessary foundation for a government to leverage contracting to achieve its strategic goals and intended outcomes for residents.

The Challenge

State and local governments are frequently stymied by slow, complex, and impenetrable procurement processes. Long cycle times and confusing procedures frustrate staff and result in more time spent on administrative tasks than on strategy. These inefficiencies also create hardships for vendors. Confusing or intimidating process steps—including notarizing forms and wading through RFPs that are hundreds of pages long—can deter firms from bidding.

Streamlining the procurement process is essential to freeing up staff time to focus on working to improve the performance of programs and services and in turn, results for residents. Without a streamlined and consistent procurement process, it is near impossible for governments to take a strategic approach to purchasing or attract a more diverse set of vendors. Efficiency is the foundational step ahead of a focused effort to be results-driven, equitable, and strategic.

The Solutions

- Use process mapping and vendor surveys to diagnose and eliminate process bottlenecks and pain points. Mapping each step of the procurement process creates a shared understanding, fosters buy-in to improve the process from key stakeholders, and helps diagnose bottlenecks. Vendor surveys and focus groups can further illuminate pain points firms experience when bidding.
- Standardize and consolidate to reduce administrative burden. Solicitation documents and associated forms should be concise, use simple language, and avoid unnecessary requirements. Document consistency can reduce review time.
- Conduct a contract inventory to identify cost savings opportunities. With a comprehensive perspective on purchasing, governments can eliminate duplicative or otherwise unnecessary contracts, spot opportunities to buy in bulk, benchmark pricing against what peer jurisdictions are paying for similar services, and prioritize procurements with rapidly rising costs for further strategic attention.
- Track and share key performance indicators (KPIs) to sustain the focus on improving procurement. Regularly reviewing procurement KPIs such as cycle times, the number of bids received, and the fraction of dollars going to small and/or local businesses with leadership creates accountability and signals a commitment to excellence.

II. Fair: All firms and organizations have a fair chance at winning contracts.

What Excellence Looks Like

The hallmark of a fair procurement process is that a government has a large pool of eager vendors bidding on and winning contracts. Firms bid because they believe their proposal (including their approach, ideas, experience, and background) will be considered fairly among all others who bid, regardless of whether they have a preexisting relationship with the contract manager or are the incumbent contractor—in short, that award decisions are made based on merit according to clearly established procedures. However, governments that have a healthy, competitive vendor pool also regularly take steps to reduce the burden of contracting by rolling out important operational fixes, such as increasing transparency in the procurement process, conducting more market research, and removing unnecessary process steps, such as requiring notarized forms or collecting insurance information during the proposal process.

The Challenge

Many governments state an intention to do more business with a wider variety of firms but again and again see the same small number of firms bidding on and winning contracts. Because it is easier to get a government contract once you've already done business with the government, the historic cycle of barriers for some vendors and privileges for others, uninterrupted, often continues to favor larger, incumbent firms. Furthermore, many prospective vendors report that they choose not to bid on contracts because they perceive the process to be unfair or believe that the government already has a favorite vendor in mind and won't consider other options. In other cases, prospective vendors do not bid because of barriers the government has set up that make contracting inaccessible. Consider, for example, a small business who could not take on a citywide janitorial contract or acquire the necessary insurance ahead of bidding, even if they could be a good fit for cleaning a small set of city facilities.

Procurement practices can become a powerful tool to help your government be fairer in how it distributes its spending across a wide pool of vendors.

The Solutions

- **Design RFPs with a wide variety of businesses in mind and do outreach to encourage bidding.** Consider opportunities to recognize the specific value businesses can bring and include questions that enable vendors to describe that value. Conduct targeted outreach to identify specific small firms and firms newer to government contracting and encourage them to bid.
- **Make it easier for all businesses to do business with the government.** Solicitation documents should be concise, use accessible language, and avoid unnecessary requirements. Provide clear process guidance and forecasts of upcoming procurements. Implement prompt payment programs and reduce excessive bonding, insurance, or other onerous requirements. Consider unbundling certain contracts to create better sized opportunities for small firms.
- **Invest in coaching and business development.** Host vendor fairs and networking events for businesses and provide coaching or mentor-protégé programs. Connect businesses to upfront capital through grants and loan programs. Give feedback to unsuccessful vendors so they can improve.
- **Improve the purchasing homepage on your government's website to foster participation and competition.** A transparent, welcoming homepage can include FAQs for prospective vendors, published forecasts of upcoming contracts, and easy-to-access solicitation documents.
- **Adequately resource all these activities.** Dedicate full time staff to focus on vendor outreach and/or restructuring upcoming solicitations to make them more appropriate for smaller businesses. Equally important – combine dedicated staffing with investments in coaching and business development.

→ An example from Boulder, Colorado: Closing access gaps through contract management



In Boulder, the city's less affluent neighborhoods lacked access to reliable high-speed internet, limiting economic opportunity in the region and disproportionately affecting lower-income communities of color. The city procured a contractor to construct 65 miles of fiber optic infrastructure to close this digital divide. The Request for Bids also articulated an approach to contract management

that required regular collaboration between the contractor and the city and a plan for reporting data on timeliness of completion of key stages of work, including clean-up, so that all communities would receive a high level of service. By making explicit the project's goals and communicating with vendors about these goals, the city was able to contract with additional small businesses to do the work, in addition to reducing community disruption in all construction areas and increasing access to broadband across the city.

→ An example from Tulsa, Oklahoma: Engaging staff to improve the procurement process



In Tulsa, few city staff understood the procurement process well, and some vendors felt overwhelmed or confused about how to do business with the city. Tulsa created the Procurement Excellence Steering Committee (PESC), a 16-member cross-departmental body that regularly identifies pain points in procurement processes, develops solutions, and aligns practices across departments. PESC-led projects

included creating process maps to identify pain points and implementing fixes to improve the vendor experience and save time (e.g., consolidating required forms, digitizing vendor registration, and shifting when in the process review by the Legal team took place). They also looked externally and issued a vendor survey that gave firms the opportunity to share feedback on the procurement process. Now, city staff have renewed engagement and interest in making procurement a vibrant, strategic function and cycle times have recently been reduced by nearly one month due to a streamlined procurement process.

III. Results-Driven: Contracted programs, products, and services deliver desired outcomes.

What Excellence Looks Like

From initial planning meetings through contract closeout, the entire procurement process is focused on results. Before drafting high-priority RFPs, governments analyze current outcomes to identify opportunities for improvement, undertake robust market research to learn about new approaches, and engage recipients of services to understand their needs. Solicitation documents center on desired outcomes and include non-prescriptive scopes of work that invite innovation from the vendor community. When appropriate, contracts specify performance targets and include incentives, which focuses both vendors and government staff on results. Contracts are actively managed through regular meetings with vendors to review performance data.

Ultimately, all these activities result in a government's priority contracts being more likely to achieve their desired outcome goals – whether that is faster emergency response times, better maintained parks, or improved access to youth behavioral health supports.

The Challenge

Too often, a standard RFP is a prescriptive list of activities, rather than an invitation for vendors to provide their expertise and collaborate. Scopes of work may be lengthy, highly restrictive, and recycled from prior RFPs – resulting in proposals that are focused on compliance and doing exactly what was done before rather than on results and on meeting resident needs. Frequently, governments hope this prescriptiveness will guarantee results from their RFPs and contracts, but the opposite often occurs. Without an identified outcome goal and a plan to track progress towards that goal, staff then resort to a “set it and forget it” approach to contract management. Residents might then see subpar services that do not meet their needs.

To advance outcomes, governments should implement results-driven RFPs and contract management approaches.

The Solutions

- **Orient each procurement around the objectives it aims to achieve.** The planning process is a time to identify the intended outcomes that will be produced for residents from the government’s investment and to align internal stakeholders around how this procurement will advance outcomes. Identifying the intended outcomes can go a long way toward overcoming the tendency of departments or agencies to renew contracts without thinking about the potential to obtain better results from a new approach.
- **Conduct robust market research that puts residents first.** Activities that can inform RFP writing include consulting staff and content experts, reviewing past contract performance, issuing Requests for Information (RFIs), and gathering resident feedback.
- **Write scopes of work that connect to clear goals and invite vendor innovation.** Scopes should eschew excessive specificity and instead create opportunities for vendors to use their expertise creatively.
- **Actively manage contracts using real-time performance data.** For each contract, meet with the vendor regularly to align on project goals, track progress, and troubleshoot challenges in service delivery. Use real-time performance data to improve results over time.
- **Establish regular or end-of-contract vendor performance assessments.** Require staff to reflect on a contract’s outcomes and record vendor performance in a centralized database. Procurement staff can then use these evaluations to inform future contracting decisions.

→ An example from the State of Connecticut: Using a results-driven RFP to encourage greater innovation and partnerships across providers



As a relatively new agency, the Connecticut Office of Early Childhood (OEC) lacked the internal capacity and frameworks for a centralized approach to grantmaking and oversight for critical social services. Procurement was seen as a purely administrative function; contract management was limited to measuring compliance, not impact on CT children and families.

Program liaisons knew services were being delivered but lacked the data to assess how effective those services were and what best practices could be shared among providers to improve services statewide.

In response, Connecticut developed an entirely new process for procuring OEC's critical home visiting services, which included redesigning OEC's home visiting RFP to include clear program goals, outcomes, and performance measures to establish an early framework for data-driven performance management. To sustain these changes, Connecticut trained staff on performance management and helped create a new staffing structure that offered regular touchpoints between vendors and OEC staff. Unlike past compliance-focused meetings, these touchpoints were dedicated to service delivery and impact. OEC staff and providers jointly review key performance indicators (KPIs) to measure progress toward outcomes, analyze any discrepancies across regions, and troubleshoot challenges to create consistent best practices across CT. Critical data around prenatal enrollment and participation by different demographic groups, among other topics, are now not merely reported on but used to continually improve and adjust home visiting services for effectiveness. OEC plans to make this work on home visiting the standard approach for subsequent social service contracts.

IV. Strategic: Procurement is elevated and resourced as a strategic function.

What Excellence Looks Like

In a government where procurement is elevated, valued, and properly resourced, leadership views procurement as a core strategic function, rather than a transactional, compliance, or administrative office. Planning for procurement has become a strategic activity, with structures in place to continuously determine which upcoming procurements are high priority and deserve added attention, and these determinations occur early enough to allow the attention to occur. Staff development is prioritized, with the government continuously building staff capacity through training and coaching.

The Challenge

The norm is that procurement is not well understood and undervalued by government leadership, who view it as a back-office annoyance rather than a strategic tool to achieve a mayor's, county executive's, or governor's objectives. Accordingly, procurement staff themselves often view their roles as purely administrative instead of as strategic. Many procurement offices are under-resourced and face high staff turnover, further entrenching existing problems. Overworked staff may not appropriately prioritize procurements and may devote nearly as much effort on a \$10,000 change order as they do on a \$5,000,000 new IT procurement. Solicitations are not planned and resourced as a portfolio of projects, but rather as one-off, often last-minute activities.

As they aim to transform and elevate the procurement function within their governments, procurement leaders must feel empowered to collaborate across silos, gain traction in the face of competing priorities, and build the high-performing teams needed to lead change.

The Solutions

- **Elevate the status of procurement work by engaging senior leadership, communicating early reform successes, and bringing greater visibility to the procurement function.** A senior leader can play a crucial role as an advocate by guiding and elevating frontline staff who think strategically.
- **Set up a strategic procurement process to forecast, prioritize, and appropriately resource upcoming procurements.** Staff should determine which upcoming procurements are of highest priority and allocate time and resources accordingly. For example, a government might identify 5 to 10 key contracts and task a team with strategic planning and results-driven RFP writing.
- **Create a peer innovation group of staff working on procurement that meets regularly to discuss high-priority procurements and implement further process improvements.** Devoting attention to these procurements through consistent meetings will help embed strategic thinking throughout the process.
- **Train a wide range of staff in taking a more outcomes-focused approach to procurement.** Governments should provide opportunities for professional development and continuously train and coach relevant staff on procurement best practices that connect to key goals.

→ An example from Glendale, Arizona: Creating a Strategic Procurement Team to transform the city's highest-priority contracts



In Glendale, the decentralized nature of procurement contributed to multiple departments holding separate contracts for the same service with the same vendors, some of whom were lackluster performers. To address this challenge, Glendale implemented a new system for 25 program staff across city departments to come together as the “Strategic Procurement Team” and identify the

city's 3–5 highest-priority contracts each year. While wearing matching Glendale Strategic Procurement Team t-shirts, participants pitched their ideas for where the city should focus attention using Ted-X style presentations. Then, city staff voted on the top procurements that would benefit from ongoing workshopping. Once these procurements were identified, team members worked in groups over three months in weekly sessions to address contract challenges and write new RFPs. After re-procuring three key services across departments in the first year, Glendale has continued this process in future years. This system has resulted in staff across Glendale embracing the strategic importance of procurement and has improved collaboration across city departments and building strong relationships among staff doing similar work in silos.

How to get started on these strategies

Transforming procurement to be more efficient, fair, results-driven, and strategic has long been a goal of many governments. Thankfully, strategies exist to create change, and governments are already modeling progress. If you can marshal the energy and resources to change the status quo in procurement and contracting, the return on investment is clear. We encourage you to use the maturity model below to assess where you are on the path to procurement excellence and to gain ideas for your next efforts to pursue.

Tips for getting started

Across the country, we've seen how taking a results-driven approach to procurement and contracting has helped governments serve their residents better with less time, money, and frustration. But where to start? If you're just beginning on this journey, here are a couple of suggestions:

- **Staff adequately for transformation:** With ample resources, you would allocate one full-time equivalent (FTE) — a dedicated project manager — about a year to make systemic change. Making these major reforms just a small component of a few people's jobs likely won't be a sufficient investment. Or you might dedicate one-fourth of a person's time to fostering procurement process efficiencies, so that cycle times can be reduced, and dollars can be put to work more quickly for residents.
- **Or, if resources are limited, start with one RFP:** If, like many cities, you don't have an FTE to spare, download our [Guidebook for Crafting a Results-Driven RFP](#) and bring together a small team to apply these strategies to one upcoming RFP for a quick win.

If you have questions or would like assistance implementing the strategies described in this publication, please reach out to us at PEN@PartnersforPublicGood.org.

PILLAR	FOCUS	WHERE MANY GOVERNMENTS ARE	WHAT GOVERNMENTS CAN ACHIEVE
Efficient: The procurement process is inviting and efficient, running smoothly and cost-effectively.	Process Efficiency	The procurement workflow is inconsistent, lengthy, and/or overly burdensome with limited planning to determine appropriate resource allocation.	The procurement process is streamlined, clear and predictable, resulting in reduced cycle times, more bidders and proposers, budgetary savings, and happier stakeholders.
	Transparency	Engagement with the vendor community beyond active procurements is infrequent, and there is little transparency around what contracts currently exist or will soon be rebid. Many vendors feel the process is unfair or biased.	Prospective vendors have easy access to upcoming procurement opportunities and feel that the government is transparent and fair in its decision-making. The government continually improves in efforts to increase vendor competition and to foster fairness and accountability.
Fair: All firms and organizations have a fair chance at winning contracts.	Vendor Outreach	Little attention is given to increasing the pool of vendors that work with the government. Many qualified and willing vendors never learn about contracting opportunities.	Significant focus is devoted to increasing the number of vendors that bid on government contracts, and steps are taken to remove barriers to bidding, such as right-sizing or unbundling contracts, removing barriers, increasing outreach, and investing in business coaching and development.

PILLAR	FOCUS	WHERE MANY GOVERNMENTS ARE	WHAT GOVERNMENTS CAN ACHIEVE
Results-Driven: Contracted programs, products, and services deliver desired outcomes.	Solicitation Planning	Government typically engages in limited planning, research, and/or stakeholder engagement prior to RFP drafting.	For RFPs of strategic importance, extensive preparation to inform RFP strategy and content occurs, including robust market research, past performance analysis, vendor engagement, expert consultation, and client consultation.
	Solicitation Writing & Evaluation	RFPs are largely recycled from previous years, hastily drafted, and may lack a clear articulation of outcomes the government is hoping to see from the resulting contract.	RFPs are oriented toward achieving results by including goals and desired outcomes, performance metrics, non-prescriptive scopes, and purposeful evaluation criteria with a recognition of how different populations might be impacted by a service or program.
	Contract Management & Vendor Performance	Government oversight of contracts is primarily focused on compliance instead of management towards outcomes.	Contracts are actively managed and administered, including regular meetings to review performance data, evaluate vendor performance and outcomes, shape service delivery, and inform re-procurements.
Strategic: Procurement is elevated and resourced as a strategic function.	Collaborating with Internal Stakeholders	Leadership views procurement as primarily a transactional, back-office function, and the government procures without a strategy to advance key goals. There is no process for determining high-priority procurements.	Leadership views procurement as a core strategic function, and structures are in place to continuously determine which upcoming procurements are high priority.
	Training & Capacity-Building	There is limited formal training for government staff on procurement beyond basic rules and procedures.	Government continuously trains and coaches relevant staff on procurement best practices that connect to key goals and improve service quality.

PROCUREMENT EXCELLENCE NETWORK

Partners for Public Good

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The **Procurement Excellence Network** (PEN) is a free, online community for public sector leaders seeking to transform their jurisdiction's procurement practices. It offers virtual trainings, tools, templates, and coaching, while building peer connections for leaders as they launch efforts to make procurement more strategic, fair, and innovative. PEN is an initiative of **Partners for Public Good** (PPG), a 501(c)(3) non-profit organization that helps state and local governments use key operational levers—procurement, workforce, digital infrastructure, and budgeting—to drive public impact.

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