Vendor Lock-in:
How to Spot It & Mitigate It

Meet your *Moderators*

Maya Wilson

Associate

Emily Royall

Assistant Director

📢 In the chat, please share **your name and government!**

How can you engage in this session?

Please use the **"Raise Hand"** function on Zoom

Look out for **discussions and resources** in the Zoom chat

Join in the **conversation via chat** and connect with a peer!

Agenda

Join us for a post-event roundtable with the *City of Boston Staff!*

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1 **What is Vendor Lock-in?**
Defining the Challenge

2 **How to Spot It:**
Diagnosing Vendor Lock-in

3 **How to Mitigate It:**
Navigating Complex Vendor Lock-in Situations

4 **Lessons from the Field:**
*Case Study with the City of Boston*

Procurement... is for the public good.

As soon as we step out on the street, the impact of public procurement is everywhere

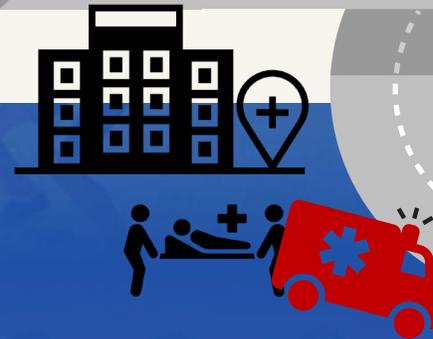**Procurement is the engine that powers communities** daily, building the infrastructure...

...and depends on **dedicated public service servants** who believe in its transformative power!

...and **delivering critical services and supports** that help communities thrive...
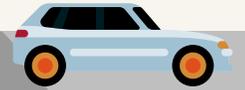
EVERY PUBLIC DOLLAR *tells a* **STORY**

The Big Idea: Procurement teams must proactively identify and remove barriers to contract success, including strategically avoiding vendor dependencies that can constrain innovation, inflate costs, and limit public impact.

What is Vendor Lock-in?
Defining the Challenge

Defining Vendor Lock-in

Occurs when **supplier scarcity and long-term dependence on an incumbent vendor drive purchasing decisions or contract renewals —** rather than ***vendor performance, innovation, or best value***—making it costly, disruptive, and technically challenging to switch to new suppliers.

Everyday Examples of Vendor Lock-in

Single-Serve,
Single Choice

Low Battery
Wrong Charger

Assembly Required
"Their Way"

In theory, we should be able to have it our way.

In practice, vendor lock-in sometimes decides for us.

PEN Pulse Poll

Are you curious, suspicious, or certain you're experiencing vendor lock-in?
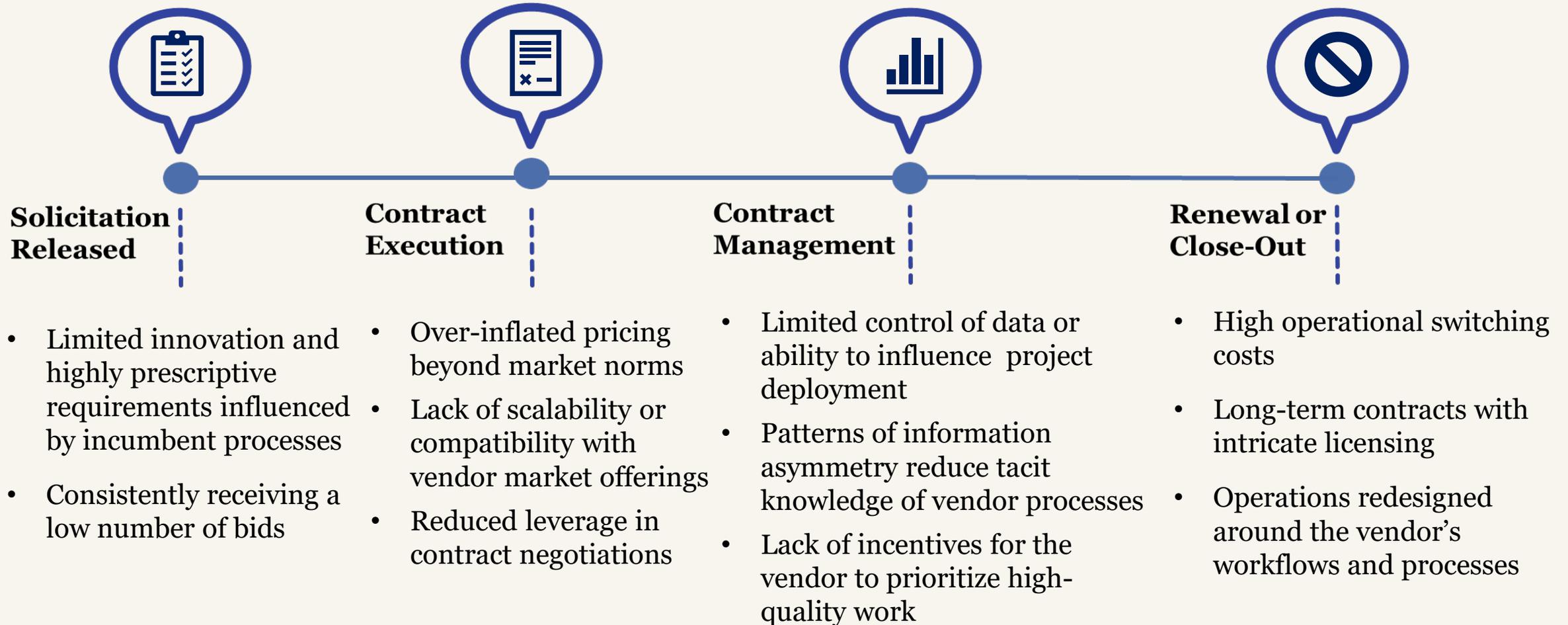
Curious

Suspicious

Certain

How vendor lock-in impacts the contract lifecycle

Solicitation Released

- Limited innovation and highly prescriptive requirements influenced by incumbent processes
- Consistently receiving a low number of bids

Contract Execution

- Over-inflated pricing beyond market norms
- Lack of scalability or compatibility with vendor market offerings
- Reduced leverage in contract negotiations

Contract Management

- Limited control of data or ability to influence project deployment
- Patterns of information asymmetry reduce tacit knowledge of vendor processes
- Lack of incentives for the vendor to prioritize high-quality work

Renewal or Close-Out

- High operational switching costs
- Long-term contracts with intricate licensing
- Operations redesigned around the vendor's workflows and processes

👍 **What other signs indicate the effects of vendor lock-in?**
Share your thoughts in the chat!

What makes disrupting vendor lock-ins so complex in the public sector?

"Scope Creep

Over time, as contracts expand beyond the original scope, processes become intertwined, increasing reliance on a single vendor.

Policy Constraints

Contract terms restrict flexibility, limit data access or interoperability, making it difficult to understand or easily navigate processes.

Fear & Risk Aversion

As the scope of vendor influence grows, internal stakeholders may be hesitant to accept the risks or trade-offs of change.

Residents Needs

Transitioning to a new vendor could disrupt vital services for residents, with severe consequences.

Capacity Gaps

Constrained resources and limited internal technical know-how can make switching vendors feel unmanageable.

Market Limitations

Reduced competition or low response rates for complex solicitations keep governments in a cycle, feeling trapped.

Open Discussion

Has your government experienced a vendor lock-in situation?

Come off mute to share your story!

How to Mitigate It:
Navigating Complex Vendor Lock-in Situations

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How to mitigate vendor lock-in: **Current Contract**

Advance innovative market research

- **Use** RFIs to build confidence that a market exists with vendors capable of meeting your jurisdiction's needs

- **Host** vendor pitch competitions or industry days to learn about new products & services

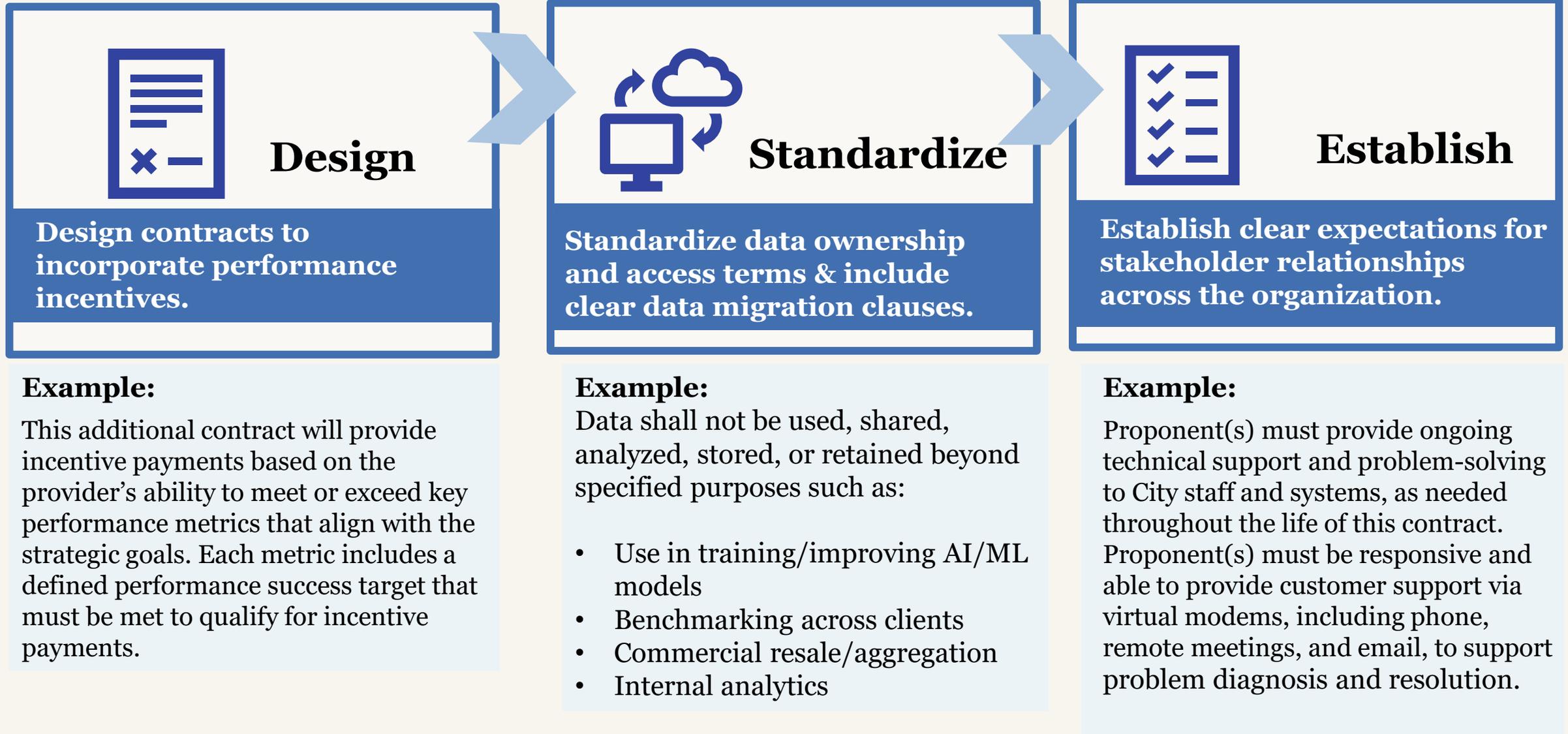- **Attract** new vendors by forecasting upcoming RFP opportunities

Document to avoid knowledge atrophy

- **Engage** internal and external stakeholders to identify information gaps & create efficient feedback loops

- **Maintain** updated workflows and process maps

- **Build internal** staff capacity through cross-training

Stay on track with proactive contract management

- **Map** out contract goals & outcomes to inform the vendor's performance at the end of a contract life cycle

- **Schedule** regular performance meetings with the vendor

- **Discuss** contract pain points and collaborate on solutions

How to prevent vendor lock-in: **Future Contracts**

Design

Design contracts to incorporate performance incentives.

Example:

This additional contract will provide incentive payments based on the provider's ability to meet or exceed key performance metrics that align with the strategic goals. Each metric includes a defined performance success target that must be met to qualify for incentive payments.

Standardize

Standardize data ownership and access terms & include clear data migration clauses.

Example:

Data shall not be used, shared, analyzed, stored, or retained beyond specified purposes such as:

- Use in training/improving AI/ML models
- Benchmarking across clients
- Commercial resale/aggregation
- Internal analytics

Establish

Establish clear expectations for stakeholder relationships across the organization.

Example:

Proponent(s) must provide ongoing technical support and problem-solving to City staff and systems, as needed throughout the life of this contract. Proponent(s) must be responsive and able to provide customer support via virtual modems, including phone, remote meetings, and email, to support problem diagnosis and resolution.

Lessons from the Field:
Case Study with the City of Boston

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Meet Amelia Capone

Director of Parking & Curbside Management

City of Boston, MA

Former Government Innovation Fellow

Harvard Kennedy School Government Performance Lab

City of Boston, MA: Addressing The Elephant In The Room

Challenge

Over four decades, Boston's curbside management system & contract became deeply tied to one vendor—creating a classic vendor lock-in scenario.

❖ **Scope Creep**: Contract expanded beyond software to include hardware (*license plate readers, printers, preprinted ticket rolls*), services (*secondary collections, check processing, letter sending*), and backend technology functions (*Wi-Fi bill, cabling, credit card devices, computers, servers*).
  • *Outcome*: **Product-heavy RFPs & no competitive bids in over 35 years**

❖ **Political Urgency:** Parking enforcement is a major revenue source, creating stakeholder concern about software disruption and unpredictable outcomes with new vendors.
  • *Outcome:* **Technology is proprietary & processes are structured around the software**

❖ **Contract Management:** Large stakeholder meetings were held, but lacked accountability measures for contract and vendor performance.
  • *Outcome:* **Renewing underperforming vendors & deficit of technical knowledge**

Taking Action: Boston's Core Strategies To Mitigate Vendor Lock-in

Step 1 — **Market Research:** Engage vendors and peer governments early to understand the vendor landscape and learn about innovations in the industry.

Step 2 — **Internal Stakeholder Buy-in:** Align departments early to build shared goals, gather input, and support procurement changes.

Step 3 — **Modular RFP Design:** Break large procurements into modules to encourage competition and to mitigate reliance on a single vendor.

Step 4 — **Proactive Contract Management:** Design RFPs for success by establishing clear performance expectations early.

Strategy 1: Casting A Wider Net With A Strategic RFI

- *Goal*: Explore innovations in parking management in market.

- Used diverse strategies to promote the RFI to potential vendors.

- 33 vendors responded, including the incumbent.

- Informed the modular RFP design and reinvigorated vendor competition!

1. Introduction

1.1 Overview of City's Interest and Goals

The purpose of this Request For Information (RFI) is to solicit information, advice, and industry best practices from industry experts, including but not limited to the private vendor community, to enable the City of Boston to develop a potential future solicitation for curbside management solutions and services. Responses to this RFI should include information that will be useful to the City to draft more detailed procurement solicitation(s) related to the following services, processes and workflows:

- Parking Violation (Ticket) Issuance and Processing
- Booting, Towing and Impoundment Processes
- Revenue Collection and Reconciliation
- Curbside Permit Issuance
- Registrant Data Acquisition
- Public Inquiry Response
- Parking Ticket Dispute Resolution and Adjudication
- Collections
- Accounting and Record Keeping
- Security, Controls and Auditing
- On-Demand Reporting and Analytics
- Future System and Module Development

- Track and improve compliance with curbside regulations to support the City's Safety Surge initiative.
- Increase curb productivity through data analysis of use, violation trends, and enforcement strategies.
- Support testing for learning and evaluation of pilots and/or implementation of City curbside management strategies and regulations.
- Foster an environment of innovation across BTD and OPC to develop an efficient and best-in-class service delivery model to serve the citizens and visitors of Boston, consistent with the Imagine Boston 2030 initiative.
- Provide enforcement and customer service teams with technology solutions designed to simplify processes, improve user experience, and optimize performance.
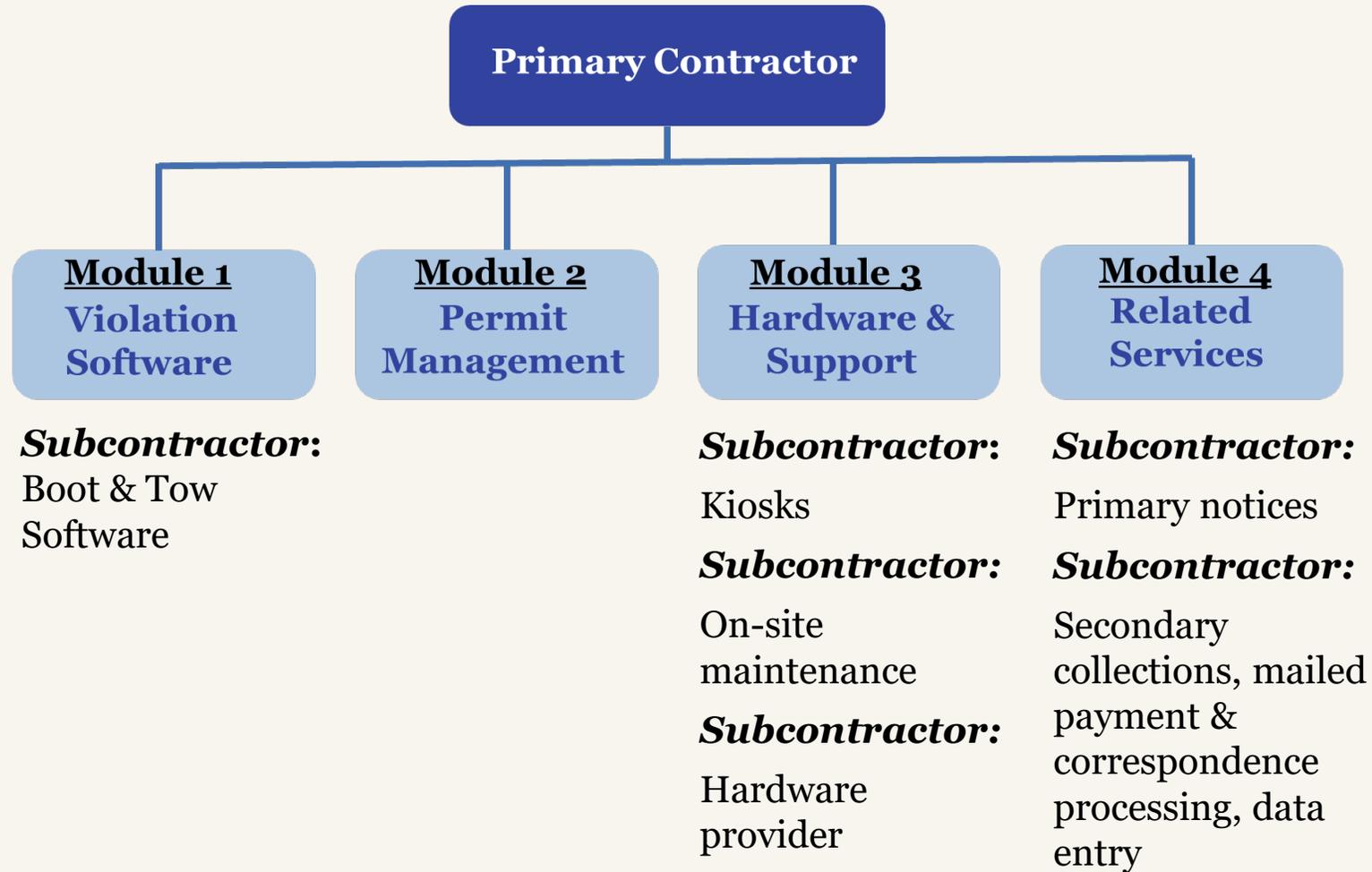
Strategy 2: Secure Cross-Department Buy-In

- Engaged peer cities to understand challenges with the incumbent vendor.

- Demonstrated the ability to mitigate vendor lock-in through RFI responses.

- Involved Budget Management early to assess risks and upfront costs.

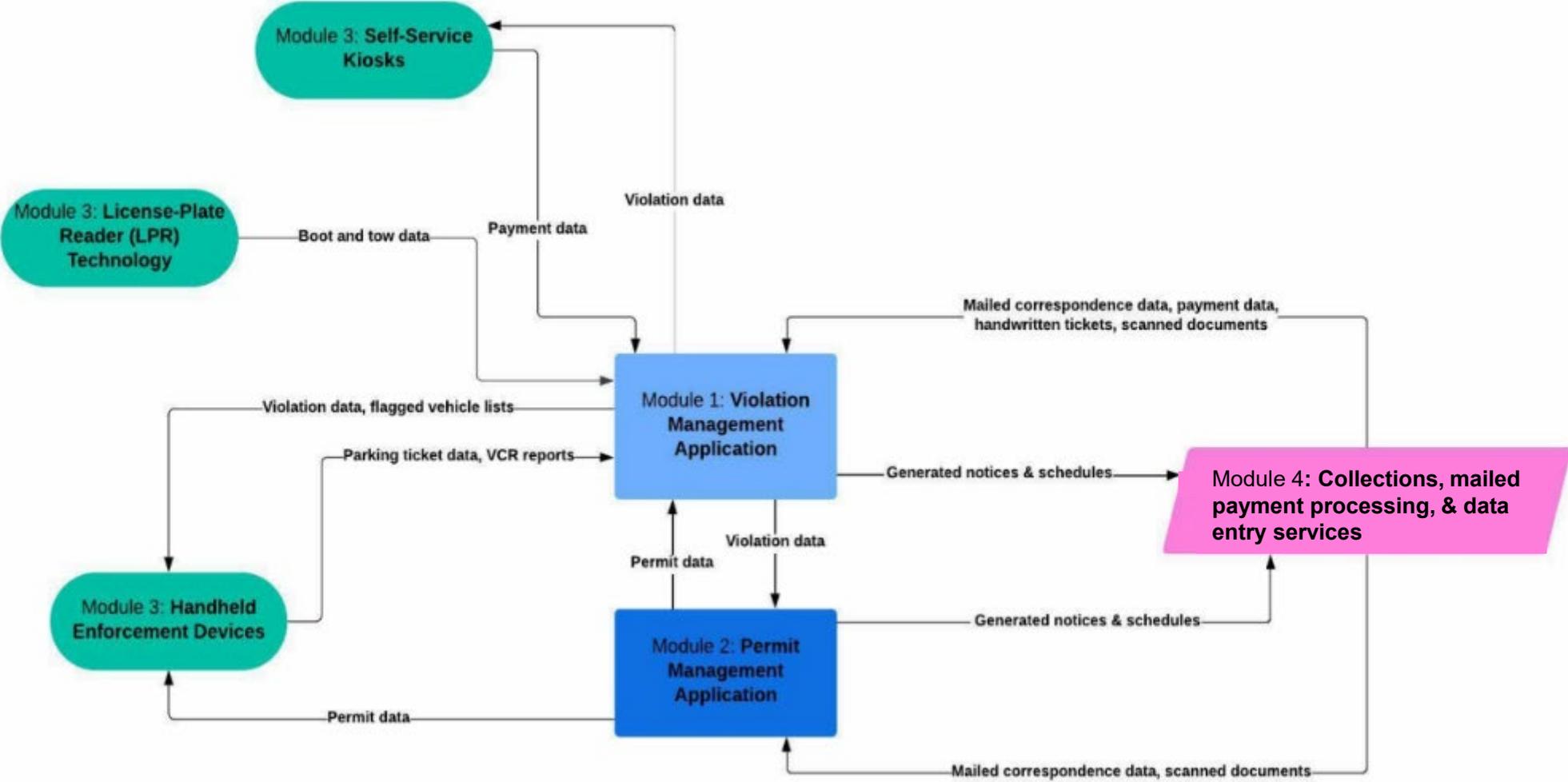- Enabled RFP co-creation with procurement & DoIT.

The Mayor's Office

The Office of Budget Management

Department of Procurement

Office of the Parking Clerk

Department of Innovation & Technology

Boston Department of Transportation
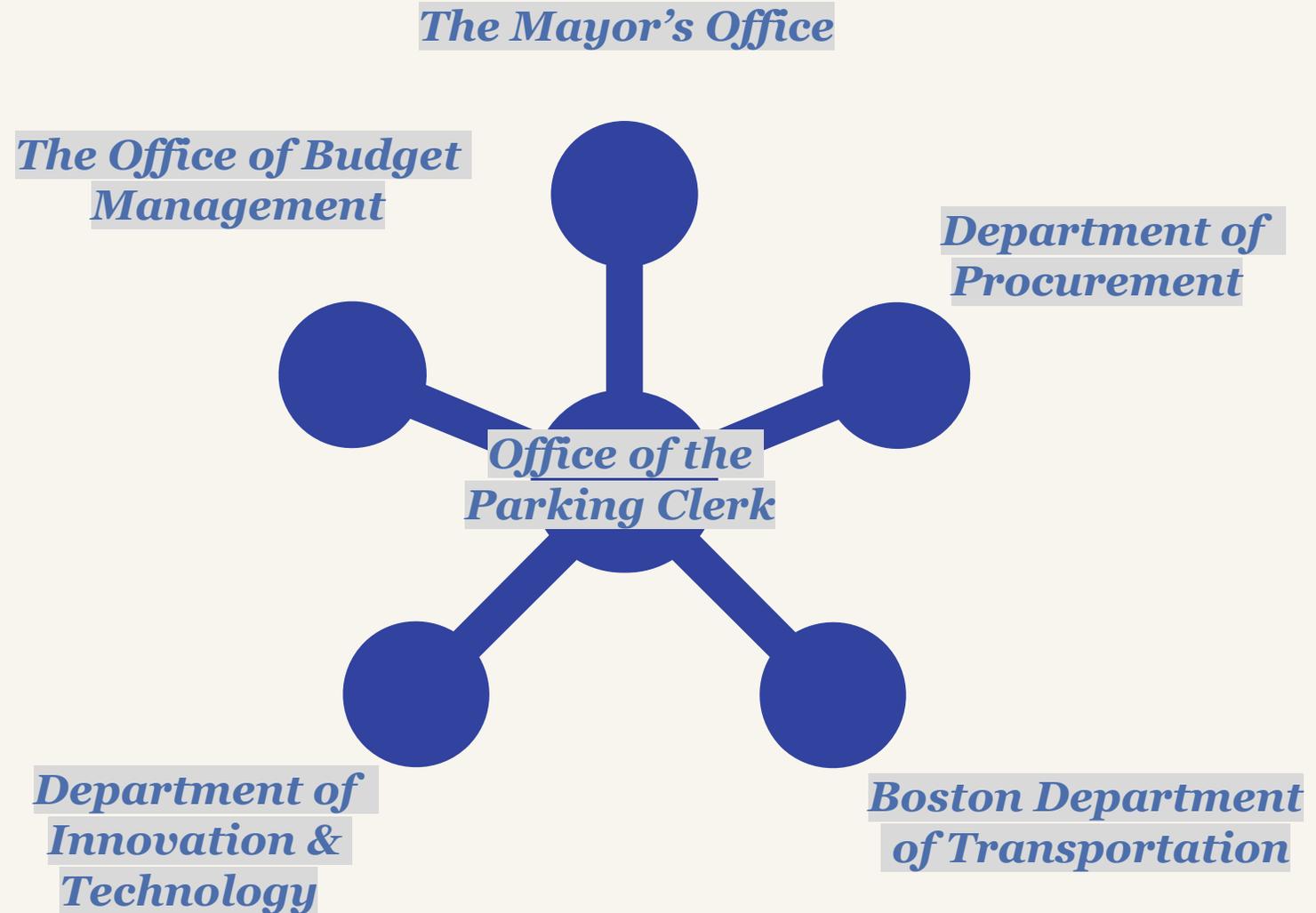
Strategy 3: Modular RFP Design To Increase Flexibility

- Structured RFP into 4 modules, allowing for multiple awardees.
  - ✓ Violation software
  - ✓ Permit management
  - ✓ Hardware & support
  - ✓ Related services
- Reassigned select services to internal teams.
- Included interoperability and user friendliness as evaluation criteria.
- Awarded 1 vendor to manage all 4 modules.

Primary Contractor

Module 1 Violation Software	**Module 2** Permit Management	**Module 3** Hardware & Support	**Module 4** Related Services

Module 1

Subcontractor:
Boot & Tow Software

Module 3

Subcontractor:
Kiosks

Subcontractor:
On-site maintenance

Subcontractor:
Hardware provider

Module 4

Subcontractor:
Primary notices

Subcontractor:
Secondary collections, mailed payment & correspondence processing, data entry

Designing a New Parking Services Management Ecosystem

High-level Overview of CMS Dataflows:

Strategy 4: Setting Clear Performance Expectations Early

- Co-developed an improvement roadmap with the vendor at the start of the contract.

- Schedules regular meetings with various representatives from the vendor.

- Continues to collaborate across city hall, sharing live reports & dashboards with stakeholders.

Dedicated a section in the RFP to set the tone for expected performance and service standards!

1.2.5.5. Contract and Performance Management

Key personnel must be accessible for regular meetings with City officials and/or City Contractors to discuss project progress, challenges, or updates. Weekly and monthly virtual and/or in-person reviews of ongoing CMS activities and any related projects will be necessary to ensure effective communication and continuous improvement. The Proponent(s) must be required to track, report on and review key performance metrics for the City.

Performance Expectations
All CMS Proponents must:
1. Support flexible resource commitment to handle client demands for changes.
2. Assign sufficient CMS personnel to ensure timely and effective system updates.
3. Recognize mutual benefits, as modifications may serve other clients or market needs.
4. Be responsive and collaborative with City agencies, vendors, systems and integrations

All CMS Modules must:
1. Be fully operational and highly efficient as of the contract's effective date.
2. Allow for maintenance, modification, and enhancement throughout the contract period.

Boston's Playbook: Overcoming Vendor Lock-In

Learn from peer governments

Engage with peer jurisdictions facing similar challenges to learn from their experiences to identify risks, transition strategies, and practical lessons for regaining control.

Cross-department collaboration

Coordinate closely with internal stakeholders to align strategy and resources.

Rebuild internal knowledge

Relearn systems and processes that have long been managed externally.

Future-proof contracts

When developing new contracts, build in clauses clarifying data ownership, asset ownership, storage, performance metrics, etc.

Formalize contract closeout

Establish clear SOPs to reclaim assets, extract necessary data, and document vendor performance issues.

Manage expectations

Proactively navigate the dynamics between the incumbent and incoming vendor to foster a smooth, coordinated, and effective handoff.

Your Feedback Matters: Event Experience Survey
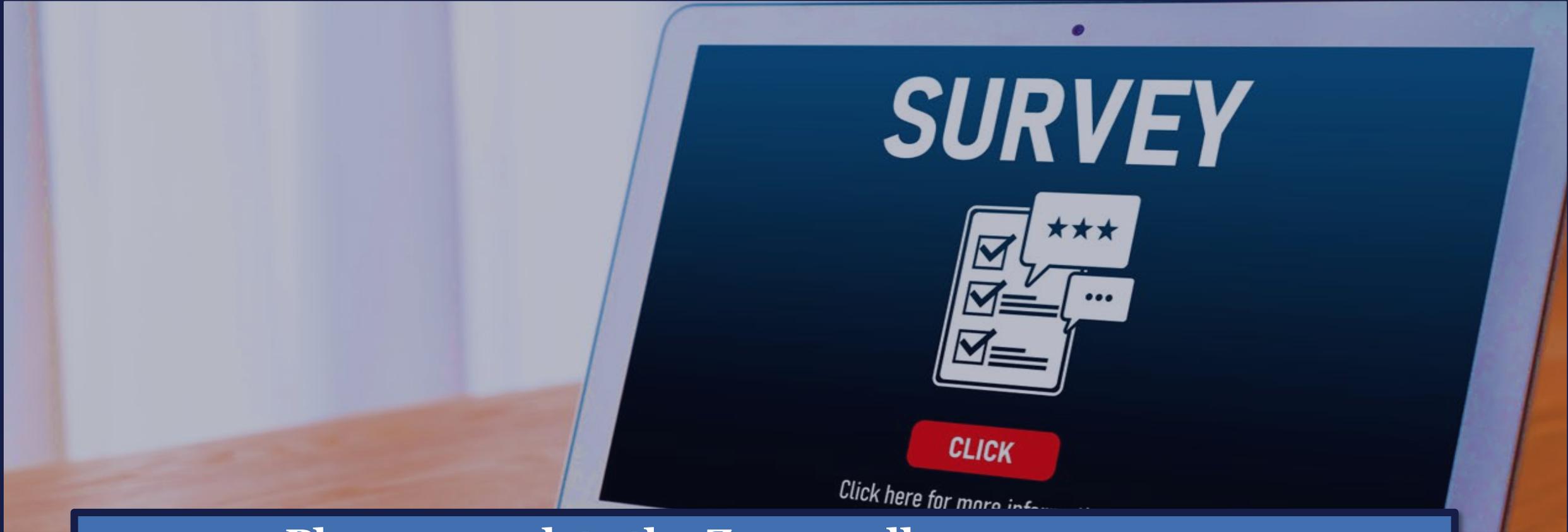
Please complete the Zoom poll on your screen.
Your feedback is anonymous!

Procurement Excellence Network: Become a Member!

The Procurement Excellence Network has connected **3,000+ government staff from 1000 unique jurisdictions** to procurement resources, best practices, and community support.

- ✓ Attend monthly **virtual webinars**
- ✓ Access over **80+ resources**
- ✓ Connect with peers in our **Member Directory!**
- ✓ **Community Conversations** Dashboard

Become a Member!

Map of U.S. PEN Members

🚨 **Join us for our next event!**

Reimagining Innovation:
Unlocking Creativity in Public Procurement

What could happen if procurement teams adopted innovation as a core department value and strategy—reimagining possibilities and unlocking creativity to solve pressing challenges?

Join PEN for an interactive session exploring the value and importance of innovation in modernizing the procurement function.

During this session, we'll share innovation case studies illustrating how governments are challenging the status quo—**turning bold ideas into real impact!**

Register Today!

Thu, April 23, 2026 | 3-4 PM ET

Applications Open: 🆓 **Vendor Survey Sprint**

APPLY TODAY to join this interactive and exclusive learning opportunity for 10 jurisdictions to develop a **vendor survey and outreach plan** that engages their supplier community!

Eligibility: *All PEN Members are eligible to apply in teams of 2-4 staff*
Deadline: *Apply by April 10, 2026*

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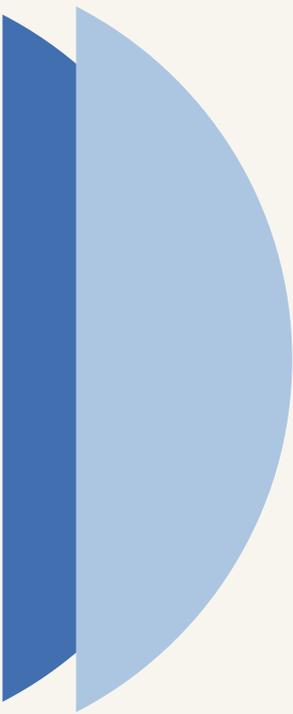
May 5 – June 16, 2026

Weekly Cohort Sessions

Join group training sessions to explore relevant concepts and best practices.

Team Coaching Calls

Weekly check-ins with PPG coaches to review progress on deliverables & workshop challenges.

Assignments & Deliverables

Complete tactical assignments to create final deliverables: the **vendor survey and outreach plan!**

VENDOR SURVEY *Sprint*
PEN COHORT-BASED LEARNING OPPORTUNITY

Roundtable Discussion: City of Boston

Amelia Capone
Director of Parking & Curbside Management
Office of the Parking Clerk

Paul Crimmins
Parking Systems Contract Manager
Office of the Parking Clerk

Ankita Raghupathy
Business Relationship Manager
Dept. of Innovation & Technology

Elliot Heroux
Senior Procurement Analyst
Dept. of Procurement