

Utilizing ARPA Funding to Increase Equitability in Procurement

An NLC CIE Special Presentation for Cities,
Towns, and Villages

Welcome

August 11th
1:00 pm ET

NLC NATIONAL
LEAGUE
OF CITIES
CITIES STRONG TOGETHER

National League of Cities City Innovation Ecosystems

- Moderator Alexa Ross
NLC Intern
- Reminder: Kauffman
Commitments Program Kickoff
- Q&A at the end
- Questions in chat box





WHO WE ARE

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people across the country.

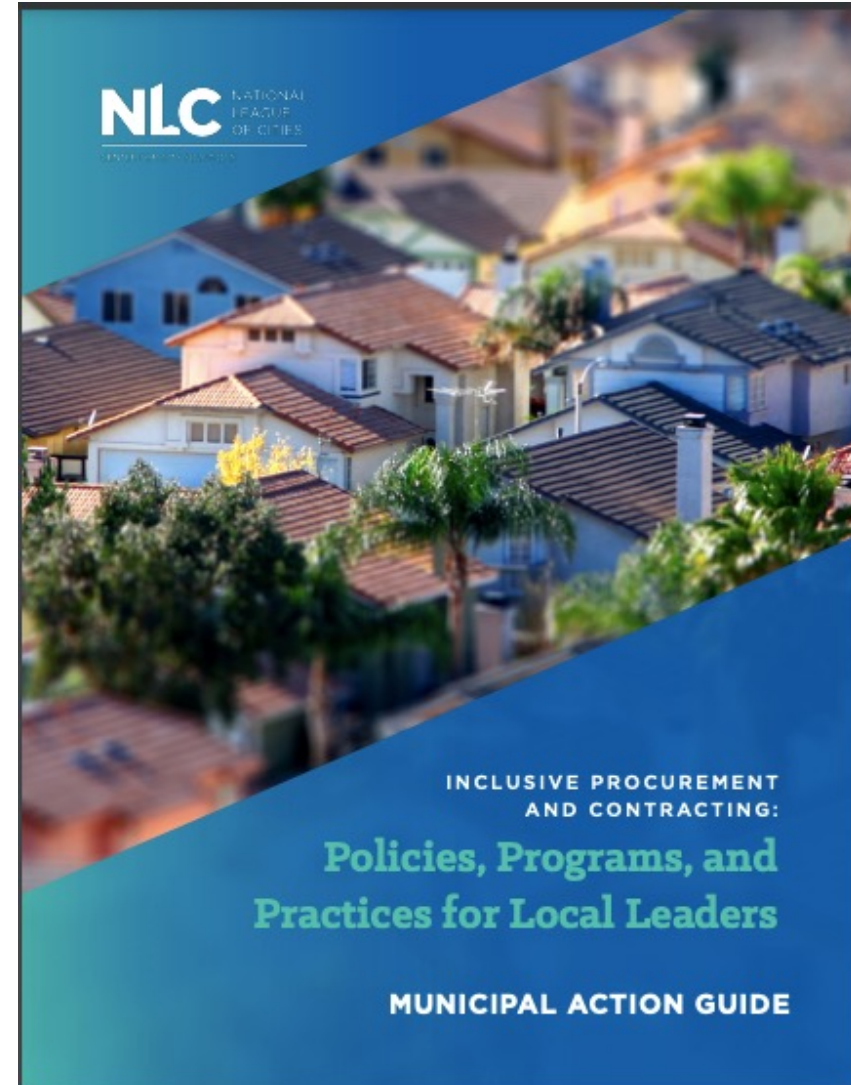
Speakers

- **Phil Berkaw – NLC CIE**
- **Lauren Anstey – Goldman Sachs**
- **Charles Kargman - City of Tulsa**



National League of Cities City Innovation Ecosystems

- Phil Berkaw
- Program Manager, CIE
- Municipal Action Guide: Inclusive Procurement and Contracting



National League of Cities

City Innovation Ecosystems

- Lauren Anstey
- Head of Policy, Goldman Sachs
10,000 Small Business Voices





V O I C E S

Supporting Small Business and Strengthening the Economy Through Procurement Reform

August 2021



Overview



Goldman Sachs *10,000 Small Businesses Voices*, the Bipartisan Policy Center, and Center Forward partnered to host a series of roundtables and publish a report on small business [procurement reform](#). [The report – Supporting Small Business and Strengthening the Economy Through Procurement Reform – highlights key themes, data points, and proposed solutions.](#)

- Small businesses play a crucial role in the economy and in the government procurement system, providing vital goods and services to the government each year
- Supporting small businesses' involvement in government contracting promotes job creation, diversity, competition, and innovation
- Small business contractors also support local communities and help ensure that the country's national security industrial base is vibrant and robust
- Taking action to improve the ability of small businesses to participate in government procurement would strengthen small businesses, local communities, and the broader economy

Obstacles Facing Small Businesses

- In roundtables convened by Goldman Sachs *10,000 Small Businesses Voices*, the Bipartisan Policy Center, and Center Forward, small business owners have expressed various concerns
 - These range from burdensome process requirements to a sense that the government isn't invested in their success
 - Many small businesses are left on the sidelines given the high cost—in money, time, and resources—to navigate the procurement process, as highlighted in a June 2021 survey by the Goldman Sachs *10,000 Small Businesses Voices* program
- Taking action would help:
 - Expand the breadth of small business participation, increase diversity, and reduce barriers to entry
 - Enhance assistance for small businesses to increase competition and economic vitality
 - Improve transparency, accountability, and oversight

Potential Opportunities for Improvement

Simplifying RFP minimum qualification requirements

Enhancing competition by offering smaller contracts

Promoting diversity and teaming

Facilitating timely payment of prime contractors and subcontractors

Offering debriefs to small businesses that do not secure contracts

Our report – [Supporting Small Business and Strengthening the Economy Through Procurement Reform](#) – includes a number of proposed reforms, focusing in particular on reforms at the Federal level.

Thank You & Contact Information



Thank you for your support of small businesses and your interest in small business procurement reform.

Please feel free to reach out to the Goldman Sachs *10,000 Small Businesses Voices* team at 10KSB_Voices@gs.com.

10,000 Small Businesses Voices also recently published a [report](#) in partnership with the Bipartisan Policy Center on improving small business access to capital.

About *10,000 Small Businesses Voices*

Goldman Sachs *10,000 Small Businesses Voices* is an initiative for program participants to organize and advocate for policies that matter to them. It builds on Goldman Sachs *10,000 Small Businesses*, which over the past decade has provided access to education, capital, and support services to more than 10,000 small business owners across all 50 states, Puerto Rico, and Washington, D.C. More information about the initiative and its work can be found [here](#).

National League of Cities

City Innovation Ecosystems

- Charles Kargman
- Government Innovation Fellow,
Harvard Kennedy School
- City of Tulsa, OK
- Tulsa's CARES Act RFP



Building Procurement Excellence in Tulsa:

How the Government Performance Lab is Helping Tulsa Make Procurement Accessible for All

Charley Kargman – Fellow, Government Performance Lab (GPL)

August 11, 2021



HARVARD Kennedy School

Government Performance Lab

Our Goal: Bring Results-Driven Contracting to Tulsa

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

SUSTAINABLE



Elevates and resources procurement as a strategic function

EFFICIENT



Transforms the procurement process to be efficient, inviting, and transparent

RESULTS-DRIVEN



Improves the outcomes of contracted programs, products, and services

EQUITABLE



Invests in equity to improve economic mobility and achieve more equitable social outcomes



Since August 2020, I've been supporting Tulsa to implement these four pillars.

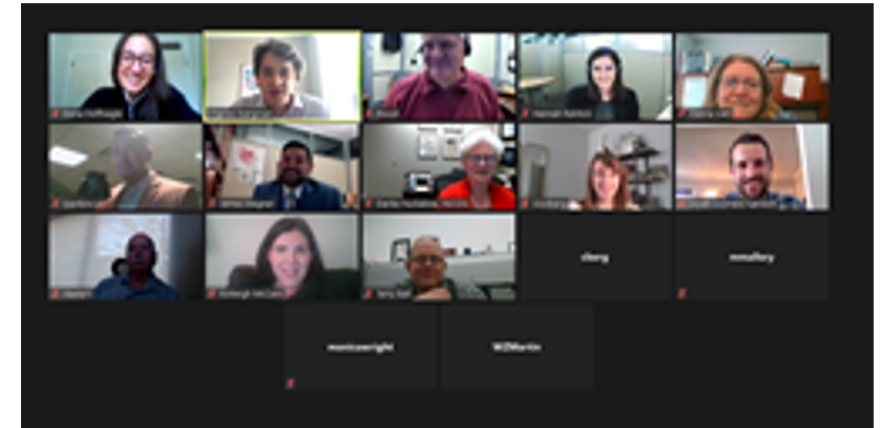
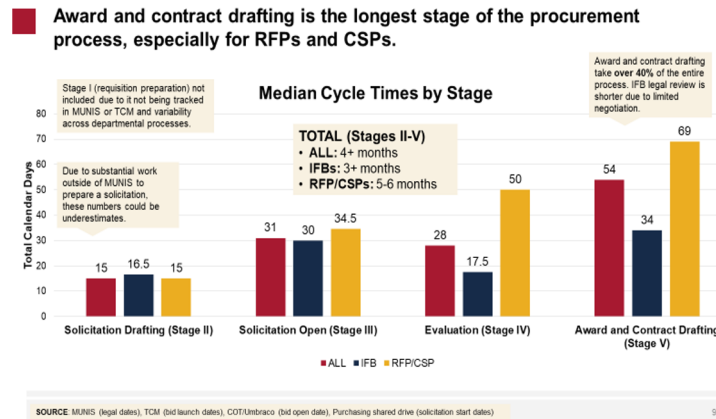
Create a space for developing procurement best practices.

SUSTAINABLE | *Launching PESC*



CHALLENGE: There was no citywide space for collaboration to improve procurement practices or discuss new ideas for making purchasing more accessible and equitable.

SOLUTION: The Procurement Excellence Steering Committee (PESC), a 16-member cross-departmental body that identifies pain points in procurement, develops solutions, and aligns practices across departments.



“I am so excited to see new momentum to address these problems after years of frustration and headaches.” - PESC Member



IMPACT: City staff have renewed engagement and interest in making procurement a vibrant, strategic function that advances departmental goals, such as supplier diversity. They design and help implement contracting reforms.

Design tools that promulgate key procurement information.

EFFICIENT | *Purchasing 101-301 Trainings and Contract Dashboard*



CHALLENGE: Few staff understood the procurement process well. Much of the buyers' time was devoted to responding to confused department staff.

SOLUTION: A 3-part interactive training series teaching City staff how to navigate the procurement process and a live, accessible dashboard centralizing critical contract information.

Why is procurement important?

On average, cities spend **25-33%** of their annual budgets¹ on the goods and services required to deliver on commitments to residents. Tulsa spends **more than 30%**.

Procurement is the tool to purchase these goods and services. Procurement processes are designed to help us **meet our fiduciary responsibility to taxpayers**, in accordance with the City's Purchasing Ordinance ([found here!](#)).

Procurement processes are just the guardrails! It is our job to use them to obtain **the best quality goods and services, at the best possible price for the community.**

Step 3: With goals as your guide, write "Goldilocks" scopes of work: neither too vague nor too restrictive.

NETFLIX **GOAL:** Direct a family-friendly adventure movie that is ideal for a weeknight: fun, engaging, not too long.

- Seller must direct a fun, swash-buckling movie that features a catchy jingle. **Too vague...** ❌
- Seller should direct a movie that is less than 140 minutes long, involves a race for buried or hidden treasure, and can feasibly earn a G or PG rating. **Just right!** ✅
- Seller must direct a film between 105-110 minutes long that features 3 chase scenes and a talking flamingo. She also must have directed at least 10 PG-rated movies before. **Too specific...** ❌

Remember, **let your goal be your guide!** If you NEED to be restrictive for your goal, then that's OK! Just don't be so prescriptive that vendors can't deliver or overcharge to meet requirements that don't matter.

City of Tulsa Purchasing Division									
CONTRACTS TRACKING LIST									
Updated as of: 3/10/2021					Mayor's Agenda dated: 3/10/2021				
SUPPLIERS	COMMODITY / SERVICE	COM CODE	BID #	CONTR NBR	CONTR EXPIR DATE	Total Renewals	Renewals Remaining	BYE	Department
GORFAM MARKETING, INC	FIRE DEPARTMENT UNIFORMS	201-37	TAC904B	PO	03/15/20	4	0	6	TFD
GovDirect, Inc.	Body Worn Camera & Accessories	204-54	TAC1041A	33289	6/6/2021	4	1	6	TPD
GT Distributors	Police Duty Pistol Glock 17 Generation 5	680-52	TAC1127	134147	05/22/21	4	2	6	TPD
GT Distributors, Inc.	Long Range Rifle & Shotgun Ammunition	680-04	TAC1113A	135176	11/05/21	4	3	6	TPD

Contract tracker

Excerpts from Purchasing 101 and 201



IMPACT: With process confusion reduced, City staff can spend more time focused on results and supplier diversity.

Establish frameworks and key concepts in critical RFPs.

RESULTS-DRIVEN | CARES Act Grants



CHALLENGE: RFPs rarely outlined outcome goals, offered clear evaluation criteria, or allowed suppliers to propose innovative solutions.

SOLUTION:
Technical assistance and advising to Tulsa’s CARES Act RFP: +\$6.5m to 74 nonprofits and community organizations.

Exhibit A – 3 – PROJECT NARRATIVE

City of Tulsa

COVID-19 Relief Grants for Community Assistance and Recovery Initiatives

Project Title [Click or tap here to enter text.](#)

PROJECT ABSTRACT – (Please limit answers to one paragraph each):

1. Share a brief description of the proposed project, including project activities to be undertaken and resources used.

[Click or tap here to enter text.](#)

2. Provide a high-level overall timetable of the proposed project. Project must be initiated after grant agreement execution and conclude no later than March 31, 2022.

[Click or tap here to enter text.](#)

3. Provide a high-level budget summary. Please make clear what COVID-19 Relief funds will be used for.

[Click or tap here to enter text.](#)

4. Is the proposed project an extension or expansion of an existing offering or service? If so, please briefly summarize your existing offering. If not, please describe your experience with similar projects.

[Click or tap here to enter text.](#)

CARES project narrative form: short, simple, and accessible.

Rating	Score	Description
Excellent	3	Brief but detailed info on what project will be conducted, what resources will be used and how people will benefit from this project taking place. May also include how outcomes will be measured. May also describe the connection between the problem and the effects of COVID-19.
Acceptable	1	Basic information on what will be done, when and where the project will be conducted, what resources will be used. May not include information on how people will benefit from the project taking place. May not have information on how outcomes will be measured or the connection to the effects of COVID-19.
Unacceptable	0	Minimal or vague information provided on what will be done, when and where project will be conducted, what resources will be used. Little or no information on how people will benefit.

Evaluation criteria for each section of the RFP



IMPACT: The City created an accessible process for nonprofits and CBOs to put forth their best ideas and let their suggestions inform the programming and direction of the RFP.

Build feedback mechanisms to hear from vendors directly.

EQUITABLE | *Business Engagement Survey*



CHALLENGE: The City had a poor understanding of vendors' experience with the current purchasing process, especially for small businesses and MWBEs.

SOLUTION: A business engagement survey that gave 1750+ firms the opportunity to share their suggestions related to Tulsa's procurement process and vendor outreach.

City of Tulsa Business Engagement Survey

In partnership with the Harvard Kennedy School Government Performance Lab, the City of Tulsa is seeking to understand your experiences and suggestions related to how Tulsa purchases goods and services. All feedback is anonymous and will have no impact on any contracting you do with the City. If you have questions, email Charles Kargman at ckargman@cityoftulsa.org.

* Required

Basic Firm Information

1. In a few words, please share what types of services/goods your firm offers.

Enter your answer

Communication, innovation and outreach emerged as potential areas for improvement.



- Lack of clarity around selection process and who won the bid award
 - Infrequent updates around RFP/CSP status, bid opportunities, and payments
 - Unclear/unpredictable start dates
- 55%*** Thought there were sufficient opportunities for bidders to be innovative
- 55%*** Believed the bid process allowed firms to highlight their strengths
- 50%+** Highlighted "not knowing about opportunities" as a barrier to participation.
- To improve outreach, respondents suggested:**
- Social media
 - Email
 - City staff person dedicated to providing vendor support

* Combined percentage of "strongly agree/very good" and "agree/good"

These challenges are especially felt among local and small businesses. But those who have experienced other jurisdictions are more positive towards Tulsa.

Local
Whether You're Based in the Tulsa MSA

Staff Size
Number of Employees

Experience
Whether You've Contracted with Other Public Agencies

Tulsa MSA-based businesses were more critical of Tulsa's procurement process overall.

For firms with fewer than 10 employees, only 56% agreed that Tulsa was "generally fair" in its procurement process, down to 66% for firms overall.

Firms that have worked with other public agencies tend to be more positive toward the City of Tulsa:

- More likely to believe Tulsa is innovative and fair (7- and 12-point increases in agree-strongly agree, respectively).
- More certain (as opposed to neutral) that City of Tulsa is worth recommending



IMPACT: The City now has a clear picture of vendors' top needs: communication, inability to be innovative, and gaps in outreach. They are actionable steps to make it easier for small, local, and diverse businesses to participate in city contracting.

We ask city leaders to **make a commitment** to inclusive, entrepreneurship-led economic development.

NLC provides:

- 1** Access to a **peer network** of city leaders working on similar policy initiatives.
- 2** Opportunities to apply for **implementation funding**.
- 3** Free light touch **technical assistance** from a best-in-class resource provider

ACT NOW: Email Phil Berkaw (berkaw@nlc.org) for a link to register for a mandatory information session on September 9th

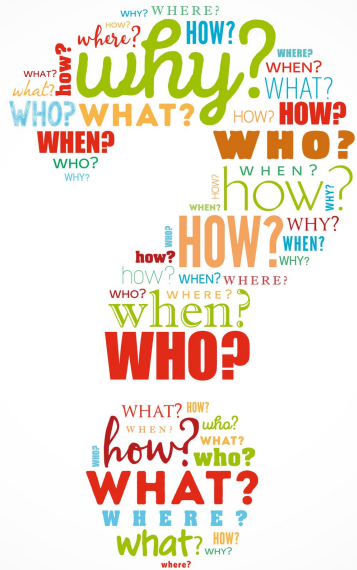
The City Innovation Ecosystems Program has grown to include a network of more than **150 cities, 200 local partners**, and more than **\$100 million** in committed resources.

This year's technical assistance providers include:

Harvard Kennedy School's Government Performance Lab, Sourcelink, Kiva, Wefunder, CDFI Friendly America, Collab Capital, Prospera, Rising Tide Capital, United WE's Appointments Project, and Kauffman FastTrac

JOIN THE NETWORK: Email Phil Berkaw (berkaw@nlc.org) for a link to register for a mandatory information session on September 9th

Q&A



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Thank You!