



# Fostering Equitable Contract Outcomes

## Part 3: Managing Contracts with Equity in Mind

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### Introduction: Delivering Contracted Services Equitably

Changes in how governments manage and oversee contracts can improve equity in outcomes from service delivery, thus improving the lives of residents. Historically marginalized individuals and communities often don't receive the same quality of service as other individuals or neighborhoods, so it is critical for governments to identify and address gaps in service delivery for these populations during the contract period, from response time to complaints to service take-up rates.

Inequity in service delivery is often manifested in two ways: disproportionality and disparity. Disproportionality means the under- or overrepresentation of a particular group compared to its own percentage in the total population. For example, youth of color may comprise 38% of the youth population in a certain city, yet they comprise only 25% of youth served by a municipal job placement program. Disparity can be defined as the unequal outcomes of one group as compared to outcomes for another group. For example, within the same municipal job placement program, a disparity could be that 20% of youth of color find job placements within 6 months after exiting the program, compared to 40% of white youth participants.

Many contract administrators make it a common practice to “set and forget” their contracts—assuming that if a strong provider or vendor has been hired, they can be trusted to serve the identified target population. But without reviewing service delivery data on a regular basis collaboratively with the provider, it can be difficult for patterns such as disparities and disproportionalities to be identified and addressed during the term of the contract.

In this piece, we’ll talk about how to set up structures for more actively managing contracts using data to identify and address service inequities. This final piece in our three-part series on delivering contracted services equitably will show you how to foster equitable contract outcomes during the contract term.

## Active Contract Management

As you are taking a tailored, intentional approach to drafting an equity-centered RFP (see [part 2](#) in this series), it is important to clarify to service providers their responsibilities for collecting quantitative and qualitative output and outcome data (e.g., the number of individuals served disaggregated by race/ethnicity, age, and zip code; participant satisfaction; % job placement after program enrollment) and how you plan to review this data with them. We call the process of meeting with your vendor or provider regularly to discuss their performance and review specific performance metrics **Active Contract Management (ACM)**, which features:

- **Regular reviews of real-time performance data.** Frequently reviewing performance metrics associated with your contracts allows you to rapidly identify major problems before they become ingrained or unfixable.
- **Regular, collaborative meetings between vendors/providers and departments.** In these meetings, you can have solutions-oriented conversations that connect current performance to the design and support of a specific project or program. These meetings also facilitate transparency into department decision-making and vendor improvement efforts, resulting in greater trust.
- **Reports from the vendor and periodic performance reviews.** Establish procedures for receiving reports from the vendor and for preparing evaluations. You may also find it necessary to assess performance through periodic, random spot checks. A formal written evaluation of performance at the end of the contract can provide a helpful record when you consider whether you will renew the contract, or if the vendor bids on future contracting opportunities in your jurisdiction.

This process is designed to provide regular opportunities to course correct, diagnose disparities, and generate solutions to reduce inequities in the way services are delivered. It differs from the conventional approach to contract management, which focuses mainly on vendor compliance:

## The Conventional Approach

Contract management is a **back office function**, quality assurance focuses on **compliance**, and **results are not reviewed** until the end of a contract.

## Active Contract Management

Agencies **frequently review** data with providers (including disaggregated data by race/ethnicity and/or qualitative data), **analyze** what the data are telling them about service delivery, and **take actions** aimed at improving results.

“ It looks like all six of our community providers submitted their invoices and program reports on time this quarter. I don't see any violations that concern me. ”

“ Great. Please file these away into their contract files and email them to say thanks. ”

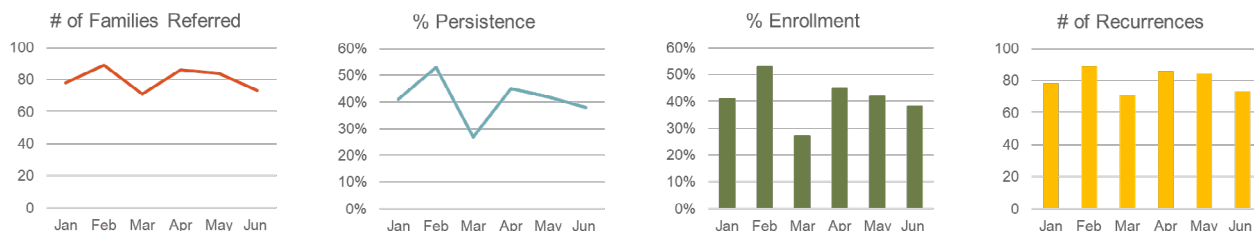
“ What patterns are we noticing this month? ”

“ Our northern provider has streamlined their intake protocols – it seems to have helped! ”

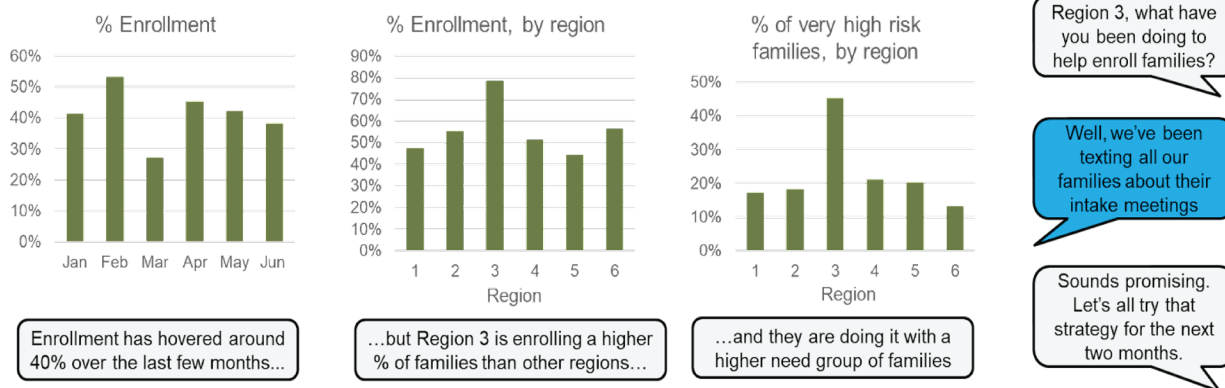
“ Enrollment hasn't improved. What are we hearing from the field? ”

“ When we review this data again next month, let's brainstorm. ”

A few tools can help jumpstart Active Contract Management. A **dashboard** is a set of key metrics for review in every meeting with the vendor that gives a high-level snapshot of how well the program or service is performing. You should disaggregate key data by racial/ethnic groups or neighborhoods and prioritize metrics to identify gaps in service across these groups. You don't need to have fancy software to create a dashboard; simply tracking and diagramming performance over time is often good enough. The key is to actually discuss what the data is showing with vendors or providers rather than simply tracking it! Sample dashboard metrics appear below:



A **deep dive** is a review of a more detailed set of analysis or findings on a particular topic that allows you to have a focused conversation and highlight relevant insights that lead to action. It's important to investigate identified disparities further (such as by supplementing quantitative data with qualitative research, like interviews or surveys) and bring relevant stakeholders together to develop solutions.



A **performance improvement roadmap** is a working plan for upcoming deep dive topics to address in upcoming meetings. Designing a plan to diagnose disparities and act can help organize your approach to contract management.

Month	Topic
June	Data deep dive on how enrollment of referred students in tutoring services differs by race and ethnicity
August	Data deep dive on how the number of students still in the program at 6 months differs by school, plus review supplementary focus group findings about why students report dropping out

Finally, you'll need to **collaborate** with other government staff to proactively consider how to set expectations and structures for this collaborative work with providers to address disparities in program performance. Below are questions you can ask to get started thinking about equity in contract management:

- **Performance Improvement Opportunities**

- What is the motivation for regularly reviewing performance data? How will reviewing performance data allow us to identify disproportionalities or disparities?
- What are the top five leading indicators, outcome metrics, or other performance measures that you want to be frequently tracking and reviewing with providers? How should those metrics be disaggregated (by race, ethnicity, age, neighborhood, etc.)?
- Against what benchmarks should provider performance be compared? Potential benchmarks may include historical outcomes, peer communities, specified targets, third-party standards, national best-practices, or others.
- How are you going to match and refer program clients to services and close gaps in access? (e.g., hire staff with lived experience, create culturally resonant services, improve language accessibility)? How will you check if matching and referral procedures are working?
- On what topics do you anticipate needing more in-depth analysis on provider performance and client outcomes to proactively support system improvement?

- **Implementation Guidance**

- What is the appropriate cadence for meeting with providers to review real-time performance data and promote continuous learning and improvement?
- Who needs to regularly be “in the room” to alleviate barriers when performance lags, especially for specific target populations?
- What data sources are available – or need to be developed – to generate performance information that can be disaggregated by race, ethnicity, neighborhood, etc.? How reliable is this data?
- Who will perform necessary data analysis and develop meeting materials? Who will be responsible for directing further analytical needs and identifying the implications raised by the data?
- How will the government support regular follow-up and action, based on dashboard and performance roadmap information? Potential solutions may include ad hoc working groups, individual case pulls, and/or dedicated follow-up time on meeting agendas.

- How will the government support centering resident voice and experience? What structural changes can make it easier for staff to seek feedback from clients or individuals with lived experience?

To see an example of Active Contract Management (ACM) in practice, check out the Harvard Kennedy School Government Performance Lab's brief on [Active Contract Management: How Governments Can Collaborate More Effectively with Social Service Providers to Achieve Better Results](#) or this [training](#) from the Connecticut Office of Early Childhood.

## Leveraging End-of-Contract Performance Reports

By reviewing adjustments made throughout the year with service providers to facilitate more equitable service delivery, you can use what you've learned to inform future service procurements. At the end of a contract, prepare a formal report on the provider's performance, using performance information collected over the course of the contract and by talking to clients or client representatives who have witnessed the provider's work directly. Internal cross-agency reflection sessions may also help to capture and communicate lessons learned. During these sessions, document what worked well and what failed. Encourage collaboration, coordination, and feedback from staff across agencies (e.g., frontline program staff, finance, and procurement). Finally, conduct an exit interview with the service provider to learn what their experience working with the government was like and whether they have suggestions for improvement.

## Conclusion

It is commonly believed that procurement staff serve purely administrative functions and have a limited role to play in shaping the quality and impact of a program or service once the contract is in place. In fact, every stage of a contract's development, from planning the RFP to contract management, presents an opportunity for procurement staff to directly advance or train others in government on practices that advance equity.

If you're unsure where to begin, start with these five steps for getting started with equity-focused contract management. These steps can help you effectively prioritize your time, amplify these strategies to other agencies or departments, and look outwardly to incorporate client voice (the experiences and needs of the people being served, especially those with personal knowledge gained through lived experience rather than training or formal education).

We hope that you found this series helpful in thinking about how to build equity into every aspect of your service planning and delivery.

## Five steps to get started with equity-focused active contract management:

1. Identify which contracts are appropriate for piloting more active contract management
2. Hold a training for agency or department staff on practices to take more data-driven and equity focused approaches to managing contracts
3. Work with agency or department staff to identify key performance metrics to monitor and regularly discuss, and how those metrics can be disaggregated
4. Provide agency or department staff with examples of engaging client voice (e.g., resident surveys, focus groups, or town halls)
5. Set up a peer learning group for agency or department staff working to facilitate more equitable outcomes from service delivery on similar types of contracts

The **Procurement Excellence Network** is an initiative of the Government Performance Lab designed to help public sector leaders use government procurement as a tool to improve resident outcomes and advance equity. The **Government Performance Lab**, housed at the Taubman Center for State and Local Government at the Harvard Kennedy School, conducts research on how governments can improve the results they achieve for their citizens. An important part of this research model involves providing hands-on technical assistance to state and local governments. Through this involvement, we gain insights into the barriers that governments face and the solutions that can overcome these barriers. By engaging current students and recent graduates in this effort, we are able to provide experiential learning as well.

The Government Performance Lab is grateful for support from Bloomberg Philanthropies.

What Works Cities Certification provides cities at all points in their data journey with a standard of excellence that shows how investing in data and evidence practices can lead to better and more equitable results for residents. This guide includes strategies in alignment with the following What Works Cities Certification criteria:

- Results-Driven Contracting (RDC) 5: Using Data to Manage Contracts and Improve Outcomes and Performance
- Results-Driven Contracting (RDC) 8: Supporting Vendor Participation and Competition

**Learn more** about how to get your city Certified.

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