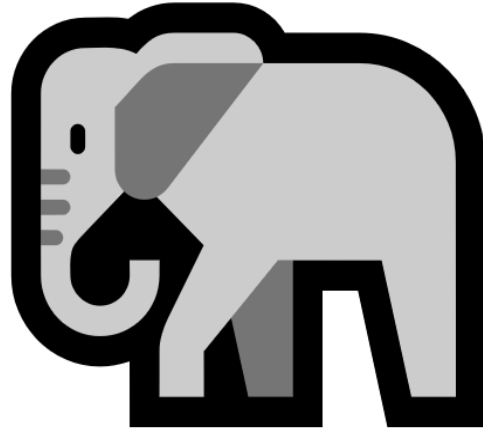
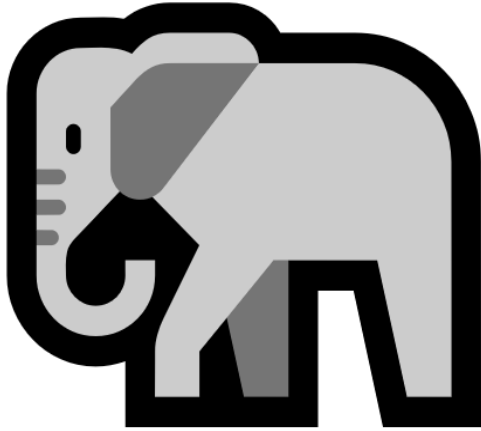


Training



The Elephant in the Room: Activity Kit on Active Contract Management

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In this training you will:

- Discover a fun exercise you can use to help your staff understand the difference between compliance-oriented and results-oriented contract management.



HARVARD Kennedy School
Government Performance Lab

**Procurement
Excellence Network**

The Elephant in the Room: Activity Guide

Introduction

This exercise is designed to provide a quick—and fun—introduction to the difference between compliance-oriented and results-oriented contract management.

Actively managing contracts is one of the key tools in the toolbox for governments working towards procurement excellence. For many busy staff, it's tempting to focus on the compliance-related aspects of contracting processes: making sure insurance certificates are up to date, for example, or checking if vendors have submitted invoices on time, and then simply signing off on payment. The assumption behind this approach to procurement is that because you've hired such a qualified vendor, they'll be able to meet your objectives without any significant oversight on your part.

But active contract management shifts the focus from compliance-related tasks to helping procurement staff **understand how effectively vendors are meeting goals described in the RFP** and enabling contract managers to **work collaboratively with vendors** to meet those goals. Active contract management helps governments achieve success by monitoring progress towards key metrics of success, tracking changes in risks and opportunities, and collecting and analyzing data.

This short exercise helps staff quickly and easily understand some of the benefits of active contract management and is meant to be used in conjunction with comprehensive training. Additional resources include:

- **How-To Guide:** [Orienting Towards Outcomes: Results-Driven Approaches to Contract Management](#)
- **How-To Guide:** [Assessing and Tracking Vendor Performance](#)

Activity Notes

This exercise has participants put themselves in the role of contract manager for the imaginary city of Citylandia. The scenario that participants are given suggests that their role as contract manager is to make sure the city doesn't overpay a vendor for producing a report. However, the report also includes an important message: Citylandia is at high risk for an elephant stampede.



After leading participants through the steps necessary to calculate how much the vendor should be paid, the facilitator asks whether any of the participants noticed the risk to Citylandia's residents. Typically, participants answer "no" because they were so busy counting the number of words. The facilitator should emphasize that if participants are focused on fulfilling their compliance-related responsibilities rather than focusing on the vendor's work, then they stand to miss crucial information like this.

Prep Needed Beforehand

- Print out enough copies of this exercise for the number of participants, double-sided, with the Exercise Instructions on one side and the Executive Summary on the other.

Activity Steps

1. Place one copy of the printed exercise on the table in front of each participant. Tell participants not to flip over the paper until instructed to do so.
2. Instruct participants to read the Exercise Instructions.
3. When participants have finished reading, instruct them to turn over the page to the Executive Summary on your mark. Time the participants for 40 seconds as they count the words in the Executive Summary's second bullet.
4. At the end of 40 seconds, allow the participants to record the amount owed to the vendor. There are 67 words in the second bullet of the Executive Summary, so the Department of the Environment owes the vendor \$335 for the report.
5. Ask the participants whether any of them noticed what the report was telling us. Few participants will likely know what the substance of the report was about. Then, lead participants in discussion around the pitfalls of focusing strictly on compliance-related tasks (that sometimes we are so focused on compliance-related activities that we miss key status updates on how programs are doing or important information our vendors are trying to tell us). Feel free to use this as an opportunity to make a joke about the "elephant in the room."

Exercise Instructions

Do not flip this sheet over until instructed to do so.

Instructions: You are a contract manager for Citylandia's Department of the Environment (DOE). You have been asked to review a copy of a study commissioned from an outside vendor. Among other things, it's your job to make sure the Department doesn't overpay for the study. The vendor gets paid \$5 per word. In order to make it easier for you as the contract manager, the contract allows you to use a representative sample of text from the report to establish payment. In this case, the second bullet point will be used to determine the amount owed.

There are 3 bullet points in the report. You will have 40 seconds to count the number of words in the second bullet point on the back of this page. We want to make sure we pay the right amount for that section of the report. At the end of the 40 seconds, record your count below and calculate the appropriate payment amount for the reviewed section.

_____ X \$5 per word= _____



Executive Summary

A recent study commissioned by the Department of the Environment (DOE) investigated changes in local vegetation and animal life over the past 10 years in Citylandia. The study's findings are largely in keeping with recent newspaper accounts and anecdotal evidence shared by residents during DOE's listening tour this summer. Highlights from the study's findings include:

- A survey of 1,012 local beekeepers found that the number of bees has remained steady over the last decade with hives in south-east Citylandia proving most productive with an average output of 13.6kg of honey per hive.
- Plant disease has killed off 80% of vegetation in fields immediately surrounding the city, in turn disrupting the food sources for many native animals. As a result, the likelihood of an elephant stampede in the city has increased significantly in the past three months as these animals search for alternative means of sustenance. Early notification systems and other precautions should be implemented immediately to safeguard city residents.
- Certain species of grass in western Citylandia have been found to be better equipped to handle drought because of their improved cultivars. For additional information, see the attached full report. The public comment period for the report runs until March 1, 2024. The final report will be made available on the DOE website.



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.

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