

Procurement Excellence Network (PEN) One-Year Anniversary Event

Key Insights Shaping Public Procurement in 2023

November 15, 2023



HARVARD Kennedy School
Government Performance Lab

The Procurement Excellence Network Team



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Today's Agenda



Welcome and Opening Remarks by Professor Jeff Liebman



Recapping First Year of PEN



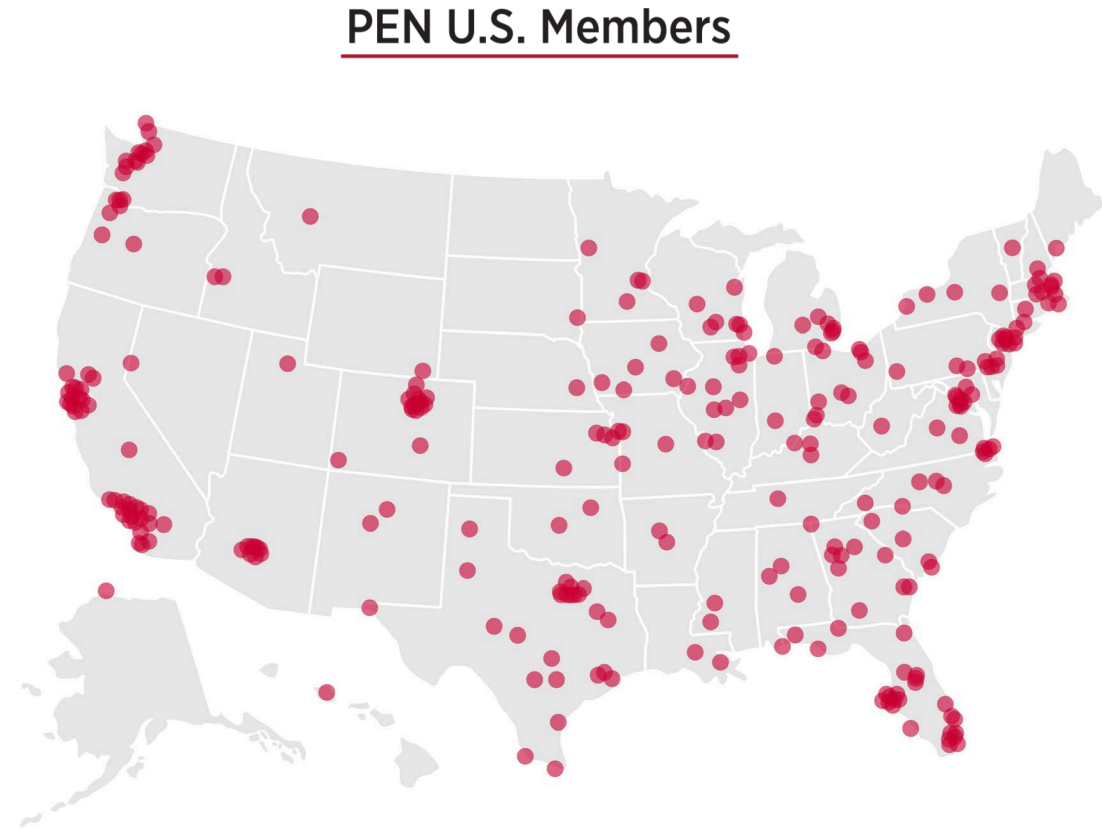
Sneak Peek of PEN in 2024



Key Insights Shaping Public Procurement in 2023

Opening Remarks by Professor Jeff Liebman

Procurement Excellence Network Members



The Procurement Excellence Network: Our First Year

✓ 1100+
PEN Members

Jurisdictions with
the Most Members:

City of Tempe, AZ
City w/ pop. < 300K

New York City, NY
City w/ pop. > 300K

**San Diego County,
CA**
County

**Commonwealth of
Massachusetts**
State

✓ 70
Publications
✓ 11,000+
Publication
Views

Most Viewed
Publications:

1. RFP Response Workbook and Question Bank
2. What is Procurement Excellence?
3. Contract Management Plan

✓ 22
Virtual Events
✓ 40+
Office Hours

Top Attended Events:

1. Unbundling Large Contracts to Advance Vendor Diversity
2. Moving Procurement from Administration to Activation: Procurement as a Strategic Tool
3. Using Process Mapping to Save Time & Money

✓ 240+
Members Initiating
Operational
Changes

As a result of being
a PEN member:

- 83 initiated procurement or contracting fixes
- 115 shared an idea they learned with colleagues
- 44 made a change to business operations

PEN Impact Stories



Half the battle of starting a reform project is knowing where to start, especially when the subject matter is relatively new, which procurement was to me until roughly 6 months ago. [...] **Landing on the Procurement Excellence Network site, I felt like I had struck gold.** All the work I thought I would need to develop from scratch was staring me in the face; expanding vendor capacity, mapping our current procurement processes, promoting data and transparency, evaluating vendor performance and so much more! [...]

Tammy Corb
Data and Performance Strategist
City of Sugar Land, TX



PEN has been a great resource for networking and learning new ideas from organizations with more advanced procurement processes. After a recent PEN virtual event, **I connected with a fellow PEN member who shared an excellent reporting framework** for their sourcing spend [...] jumpstarted conversations [...] to reconsider what information we capture in our own reporting. We wouldn't even be having these conversations without the connections made through PEN - **now we're on track to improve our reporting process!**

Sanford Hess
IT Director
City of Urbana, IL



The Procurement Excellence Network (PEN) has **been an exceptional addition to the world of government procurement.** The PEN team members are amazing resources and have generously made introductions to leaders from other jurisdictions who were addressing the same or similar issues/projects as Phoenix. [...] Let's not forget that with just one post on the PEN Member Dashboard, I can and have obtained templates, sample policies, and feedback from procurement professionals that I have never met.

T.J. Martin
Chief Assistant City Attorney
City of Phoenix, AZ



I've enjoyed attending many virtual events put on by the Procurement Excellence Network, as well as utilizing the Resource Library and Community Conversations board. The biggest change we have made so far is **using the Resource Library and Community Conversations to draft a simplified and more accessible RFP bid document.** [...] We obtained benchmark documents recommended by PEN from the City of Long Beach [...] which served as models for our own template.

Mary Richards
Procurement Supervisor
City of Madison, WI

How PEN Leads to Impact in 2024



Specific actions taken to improve procurement operations

New Learning Support in 2024

- *Community Resource Library*
- *Role-Based Discussions*
- *Custom Learning Pathways*



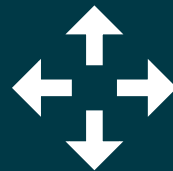
Enthusiasm and confidence in ability to push procurement reforms as an individual

New Engagement Initiatives in 2024

- *Advisory Board*
- *PEN Insight Surveys*
- *Group Welcome Calls*



Shared reforms elevated and implemented by multiple governments



Procurement becomes a critical, strategic tool for results

Upcoming Events & Learning Opportunities

Thursday, January 18, 2-3pm ET

**Training: Actively
Managing Contracts to
Improve Results**

Tuesday, February 27, 1-2pm ET

**How To Design and
Deliver Effective
Trainings**

New PEN Resources Available This Week!

Get In Focus: Using Stakeholder Focus Groups to Improve Your Procurement Processes

Why Reforms Encounter Resistance: How to Overcome Immunity to Change

Digging Beneath the Surface: Techniques for Identifying the Root Causes of Procurement Problems

QUICK READ HARVARD Kennedy School Government Performance Lab Procurement Excellence Network

Get In Focus: Using Stakeholder Focus Groups to Improve Your Procurement Processes

Authors: Maja Gray
Contributors: Colin Erhardt, Elena Hoffnagle, Laura Merryfield

Imagine if it was a simple, straightforward process for small, local businesses in your community to learn about new contracting opportunities. Imagine if you were confident that your government was entering into contracts that would deliver the goods and services your community needs—and that if the vendors delivering those goods and services ran into difficulties, that your team would have the tools to help the vendors get back on track.

Sounds good, right? This is the kind of scenario that we hope all Procurement Excellence Network (PEN) members feel supported to achieve.

One of the key resources for working towards procurement transformation is clear, actionable information about both what is

working well and what might need fixing in procurement operations. By gathering data from key stakeholders (both internal and external) about the way procurement works in your government, you can identify quick wins to help you chart a path to making your procurement processes more efficient, equitable, results-driven, and strategic.

There are several key tools in the toolbox for gathering this information. The Procurement Excellence Network has written previously about [gathering feedback from internal customers](#), [using process mapping to more clearly diagnose challenges](#), and [soliciting feedback from vendors via surveys](#). In this publication, we'll focus on another of these tools: **focus groups**.

Get In Focus: Using Stakeholder Focus Groups to Improve Your Procurement Processes | Quick Read | 1

QUICK READ HARVARD Kennedy School Government Performance Lab Procurement Excellence Network

Why Reforms Encounter Resistance: How to Overcome Immunity to Change

Authors: Hope Patterson
Contributors: Kailey Burger Ayogu, Colin Erhardt, Maja Gray, Elena Hoffnagle

Introduction

Change can seem scary, even if it feels very necessary! Have you ever tried to make a substantial change – or even a small tweak – that you know will improve your government's efficiency and results, and yet colleagues seem to resist your every move? Or have you tried to make a change in your own leadership style, perhaps to micromanage less or advocate more for controversial ideas, but you find yourself quickly reverting to old, familiar habits?

You may be experiencing immunity to change – the innate aversion to change that we all have. This phenomenon was first described by two Harvard Graduate School of Education faculty members, Robert Kegan and Lisa

Lahey, in their book *Immunity to Change: How to Overcome It and Unlock the Potential in Yourself and Your Organization*. While this framework has been used in many settings, we think it applies very well to change management challenges faced in procurement transformation efforts.

To learn more about the framework, see helpful links noted in the appendix. In this publication, we aim to provide a high-level overview of the framework and then explore ways you might apply this framework to common challenges faced on procurement teams, to ultimately overcome resistance to change so that you can advance your government's goals for transforming procurement.

Why Reforms Encounter Resistance: How to Overcome Immunity to Change | Quick Read | 1

QUICK READ HARVARD Kennedy School Government Performance Lab Procurement Excellence Network

Digging Beneath the Surface: Techniques for Identifying the Root Causes of Procurement Problems

Authors: Elena Hoffnagle, Hope Patterson
Contributors: Kailey Burger Ayogu, Colin Erhardt

Introduction

Every purchasing team encounters problems in their day-to-day work – it's inevitable! But oftentimes, the solutions that governments design address only the symptom of a problem rather than its root cause. To fix tricky problems, you'll need to dig deep beneath the surface of the issue to figure out what's causing it.

Imagine you sit in a public works department and are responsible for writing a solicitation to repave aging streets. You probably know that the government is procuring a solution to potholes and disrepair, but you might not understand all the dimensions of that problem. What's causing these potholes to appear? Why are some roads in a worse state than others? Is the number of newly reported

potholes higher or lower than last year? Which residents are most likely to report potholes to 311? Sometimes framing a problem statement for a procurement requires deep exploration.

In this quick read, you'll learn three techniques to dig deep into root causes and understand how to create user-centric problem statements, ultimately designing solutions that address the root cause of the problem:

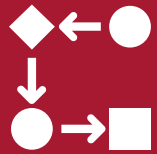
1. Asking the Five Whys
2. Asking the Four W's
3. Using fishbone diagramming

Note: While we're big fans of these techniques, the Harvard Kennedy School Government Performance Lab (GPL) certainly did not invent these methods. However, we have deployed these techniques successfully in multiple GPL-led projects. Read more about the origins of the *Five Whys* technique, the *Four W's*, and *fishbone diagramming* (also known as *Ishikawa diagrams*).

Digging Beneath the Surface: Techniques for Identifying the Root Causes of Procurement Problems | Quick Read | 1

Key Insights Shaping Public Procurement in 2023

Key Insight #1 – Procurement processes are still a huge driver of inefficiency



PEN members tell us that inefficient procurement processes continue to be the top challenge they're facing. Unfortunately, even new technology and more staff are only addressing part of this challenge, and still more work is needed to create processes that are truly clear, inviting, and efficient.

Available PEN Support

- PEN Resource Library: Several publications related to process efficiency, [including process mapping support](#).
- PEN Events: Piloting a new event type next year for smaller role-based roundtable discussion on solving process challenges.
- PEN is currently hosting a bootcamp on vendor surveys with ten governments and plans to host more in the future.



Key Insight #2 – Workforce challenges make it hard to implement projects and harder to innovate



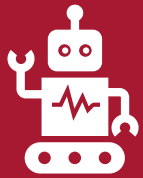
Across the country we're seeing that an uptick in staff departures and increased workloads are creating major challenges in procurement; prompting governments to consider creative staffing models, hiring for new skillsets, and empowering user departments to take on more.

Available PEN Support

- PEN Community Conversations and LinkedIn: Spaces to post job opportunities.
- PEN Events: Upcoming event on facilitating effective procurement trainings next year.
- PEN Resource Library: Contains templates to help support user departments to grow their skills (ex: RFP Getting Started Worksheet, Sample Intake Form, Results-Driven RFP Template, RFP Response Workbook and Question Bank).



Key Insight #3 – Artificial Intelligence (AI) has the potential to significantly disrupt public procurement



The current use of Artificial Intelligence (AI) in public procurement is limited, but growing rapidly with a lot of buzz and commentary. As the use of AI grows, some governments are planning ahead by putting governance structures in place now to manage its use.

Available PEN Support

- PEN Research: GPL's Procurement Research and Development Team are collecting best practices around the responsible adoption of AI within procurement departments that will be shared with the PEN network in the coming year.



Key Insight #4 – Governments are responding to the shifting landscape around equity in public contracting



State and local governments have implemented strategies to continue advancing equitable procurement amidst uncertainty raised by the potential impact of recent and anticipated court decisions, and a fast-evolving legal landscape.

Available PEN Support

- PEN Resource Library: Several publications related to [vendor diversity](#), including [specific strategies related to contract unbundling](#).
- PEN Office Hours: PEN staff available to share non-legal advice on generalized insights, recommendations, and examples.



Key Insight #5 – Reformers are activating procurement champions by strategically engaging political leaders



Members note that they are often subject to scrutiny or the approval of elected officials/bodies, which can present delays and hurdles if those entities are not well-versed in procurement. Yet, by engaging these leaders it can be an opportunity to elevate the status of procurement.

Available PEN Support

- PEN Events: Recently hosted an event on elevating the status of procurement that touched on strategically communicating with political leaders within your government.
- PEN Resource Library: PEN publications are available with strategies for procurement staff to [more effectively engage with key stakeholders.](#)



Key Insight #6 – Procurement should be used to address pressing challenges: climate and infrastructure



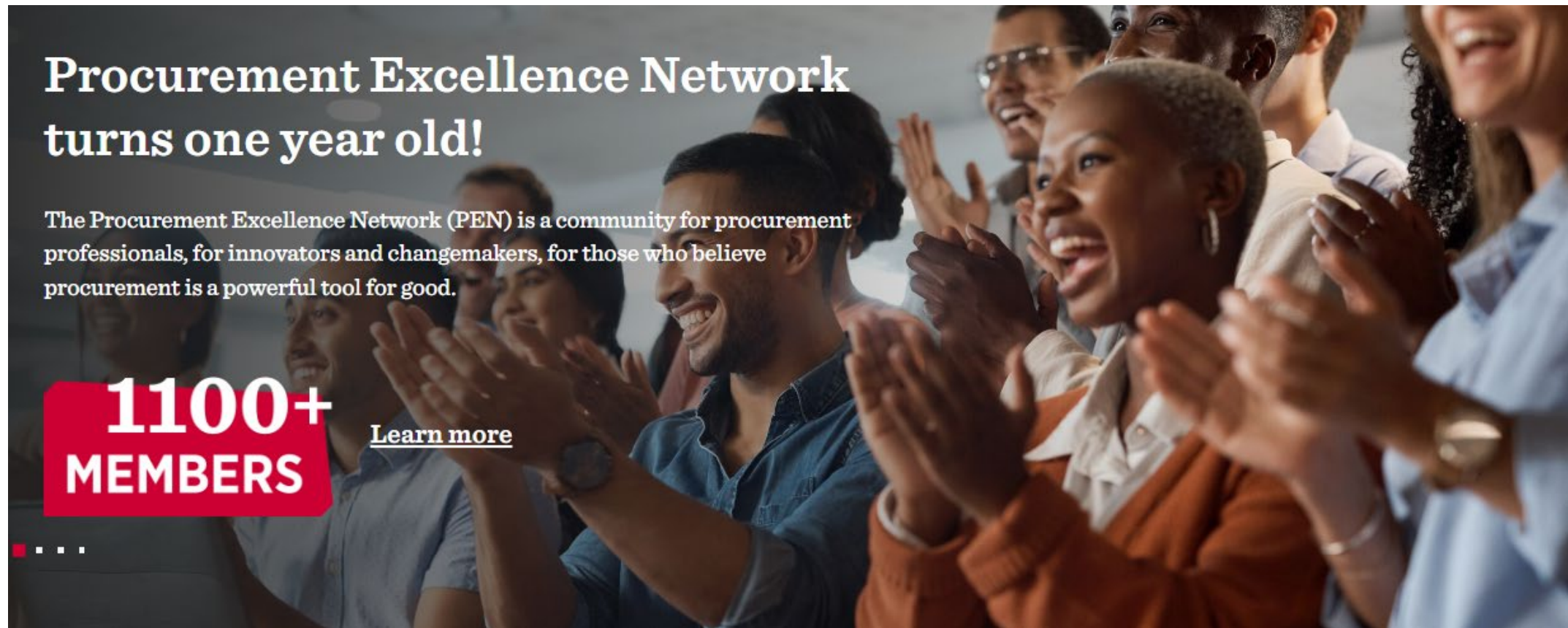
As historic federal investments flow into states and cities, governments are getting ready for cross collaboration between program departments, procurement, and private sector efforts. Procurement officers will need to have shared language and goals on impact in their communities.

Available PEN Support

- PEN Events: PEN is hosting a new bootcamp on sustainability/infrastructure in March 2024.
- PEN Resource Library: Several publications to help procurement teams [coordinate with internal stakeholders](#) (like climate and sustainability leads), including a [Solicitation Getting Started Toolkit series](#) to facilitate productive collaboration.



PEN Anniversary Special Webpage



**Procurement Excellence Network
turns one year old!**

The Procurement Excellence Network (PEN) is a community for procurement professionals, for innovators and changemakers, for those who believe procurement is a powerful tool for good.

1100+
MEMBERS

[Learn more](#)

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<https://gplpen.hks.harvard.edu/one-year-anniversary/>