

# Procurement Transformation in the City of Syracuse

A Digital Service Network Spotlight

DSN Spotlights are short-form project profiles that feature exciting work happening across our network of digital government practitioners. Spotlights celebrate our members' stories, lift up actionable takeaways for other practitioners, and put the artifacts we host in the DSN Resource Library in context.

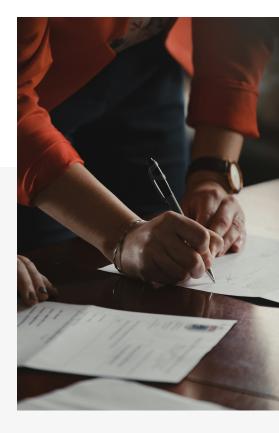
## **Background**

Agile, user-centered digital delivery strategies do not always align with longstanding procurement policies and processes in government, often causing IT contracts to go awry. Overhauling these policies and processes can be a key component of high-quality digital transformation, with digital government practitioners increasingly working on procurement as part of advancing their work.

In 2023, the Syracuse Office of Analytics, Performance, and Innovation (API), in partnership with the Office of Management and Budget (OMB), concluded year one of a multi-year procurement transformation initiative. The initiative includes technical assistance from the <a href="Harvard Kennedy School Government Performance Lab">Harvard Kennedy School Government Performance Lab</a> (GPL), and is structured around four pillars:

- 1. Improve procurement planning,
- 2. Streamline and digitize procurement systems,
- 3. Build capacity for results-driven contracting, and
- **4.** Improve contracting equity.

To learn more about Syracuse's approach to procurement transformation, the Digital Service Network (DSN) spoke with API Director Nicolas Diaz Amigo, GPL Fellow Mia Capone, and OMB Director Timothy Rudd.



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## Teeing up procurement overhaul in Syracuse

"We want the City to approach procurement as a strategic process that impacts service delivery outcomes. As we set out to build a strategy for procurement transformation, we were motivated by the question, 'How can we align service delivery with our major goals and ensure we're using our money strategically and efficiently?'" Diaz Amigo shared.

In 2022, Diaz Amigo, Rudd, and an initial group of finance- and innovation-focused departments applied for a Bloomberg grant for <u>city procurement transformation</u>.

After winning the grant—which included on-the-ground support from Capone as an embedded fellow—Capone worked with the City to establish a "Core Team" tasked with governing the initiative and ensuring the changes would take hold. The Core Team was trained on human-centered problem identification, putting themselves in the shoes of vendors submitting bids and mapping the procurement lifecycle to understand bottlenecks and opportunities for change. In examining the lifecycle, the team asked: "Are we doing things this way because it's City policy, or simply because that's how we've always done it?"

In parallel, the Core Team engaged local, diverse vendors in Syracuse about the challenges and benefits of contracting with the City, centering vendors as both beneficiaries and collaborators in their work to reshape procurement.





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#### **NICOLAS DIAZ AMIGO**

Director, Syracuse Office of Analytics, Performance, and Evaluation

# Syracuse's strategy for procurement transformation

The team identified <u>four strategic workstreams</u> to shape a procurement overhaul roadmap for Syracuse:

- Improve procurement planning: Promote evidence-based budgetary planning and forecasting in department contracting practies.
- **2. Streamline and digitize procurement systems:** Enhance contracting processes for City staff and vendors to alleviate challenges across the procurement lifecycle.
- **3. Build capacity for results-driven contracting:** Cultivate hiring practices and value subject matter expertise to promote more outcome-oriented procurement contracts.
- **4. Improve equity in contracting:** Increase the number of minority adnd women-owned businesses (MWBE) contracting with the City and ensure all procurement policies and processes promote greater equity in procurement outcomes.

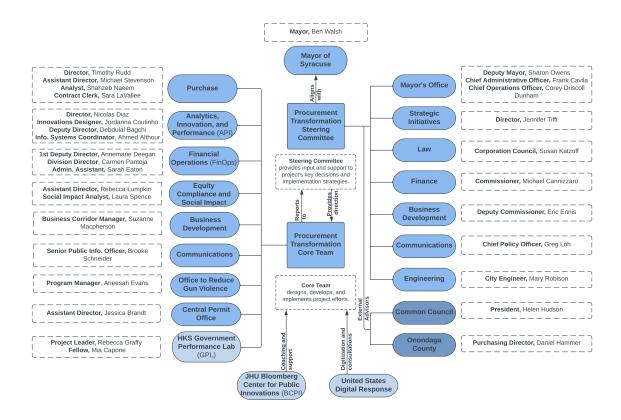
The team developed a roadmap to guide progress in each of these workstreams. "The roadmap identifies key outputs or products—like a procurement manual for City staff and recommendations to redesign the City's vendor diversity strategies—that we want to deliver in each of the workstreams that will move the needle to achieve our goals," Capone explained. Action items on the roadmap follow a monthly timeline with all four workstreams progressing concurrently.

The strategic workstreams and roadmap proved valuable for generating buy-in. "Aligning early on our initial priorities and bringing that plan to senior decision makers upfront meant that everyone knew what we were doing, the path we were following, and what we'd use to inform our decisions along the way," Diaz Amigo shared.

### Looking back: Year one accomplishments

Year one's focus was on identifying key problems across each workstream, ensuring progress was made in line with a unified vision of success.

The Core Team works alongside an active Steering Committee composed of key decision-makers in the City, including the deputy mayor, the head of engineering, and the legal department. Together, these groups play an essential role in breaking down barriers by making the initiative a priority. Their collaboration and unification were key to implementing, for example, a standard internal procurement manual for departments.



The Core Team and Steering Committee placed a particular focus on contracting equity in year one. Key areas of investment included improving the clarity of policy, ensuring consistent data collection, and increasing diversity in the vendor pool.

#### Equitable procurement policy

In year one, the city reimagined the mission of the division historically responsible for monitoring compliance with vendor diversity goals, and rebranded it as the Division of Equity Compliance and Social Impact (DESCI). "It's remarkable for a city to think about an office like this as more than just something to ensure compliance with federal regulations. DECSI is very proactive about how they can support the success of diverse local businesses in city contracts," Capone shared.

In year one, the Core Team, which now included representation from DECSI, hired an analyst to assess equity in contracting policies, to continually surface opportunities for improvement, and to coordinate with the local vendor community to ensure diverse subcontracting across departments.

#### Data collection for more equitable procurement outcomes

In year one, the Core Team supported departments with collecting and processing key procurement performance data like annual reports, subcontracting expenses, and vendor-diversity rates. "We need the data to tell the story of what we're doing," Rudd stressed. Rudd now invites department leaders to examine contracts and RFPs using a shared set of procurement metrics. With better data collection, vendor input, and reporting, the City hopes to employ more data-informed strategies to tackle future procurement barriers.

#### Increasing diversity in the City's vendor pool

The City of Syracuse mandates that 30 percent of government contracts go to MWBEs, but at the outset of year one, Syracuse had a short list of approved local MWBE vendors. The key challenge was the lengthy, complicated, paper-based application required to become a certified MWBE vendor—components of which had not been changed since 1991 by Rudd's account.

A working group with members from the Core Team conducted a line-by-line user-centered design examination of the application. They then redesigned the application to remove unnecessary questions, communicate eligibility criteria and required documentation in plain language, and offer a digital application option. The team validated their work with interviews and usability testing with local MWBEs.

In September 2022, the City launched its revamped MWBE application, with both the digital and paper-based options. The new application is half the length of the old and takes 10 minutes to complete. Since the launch, Syracuse has seen its list of MWBE-certified vendors triple.

## Looking ahead: What's in store for year two

In year two, Syracuse will continue its work to improve procurement planning, streamline and digitize procurement systems, build capacity for results-driven contracting, and improve equity in contracting. Priority milestones include:

- + **Improving the request for proposal (RFP) process.** The team will focus on improving the RFP development processes by offering training for departments and improving solicitation policies and practices through user-centered design. For example, Rudd intends to host "RFP-a-thons:" exercises that bring department leadership together to collaboratively develop RFPs with the aim of crafting stronger solicitations that clearly define goals, outcomes, and evaluation strategies.
- + **Producing a public-facing dashboard to increase transparency** and hold the City accountable for its procurement goals. Capone, Diaz Amigo, and Rudd all stressed that their aim is for procurement not just to be a "behind the scenes" process.
- + **Shifting how City staff think about procurement.** The team is developing training for City staff on procurement best practices to support departments in taking more proactive, strategic, and forward-looking approaches to their procurement needs.

#### Lessons learned

Approach procurement transformation iteratively while guided by an overarching vision and strategy.

Procurement transformation practitioners should be open to shifting course in service of a shared, long-term vision of success—a practice familiar to modern digital delivery practitioners.

**Center local, diverse vendors' voices.** Procurement has tangible effects on residents' lives, and small, diverse local vendors are uniquely situated to identify certain blockers or enablers to a productive collaboration with the government. Centering local and diverse vendors' perspectives and considering them as constituents can help promote greater equity, efficacy, and efficiency in procurement outcomes.

Cross-cutting multidisciplinary teams are essential to overhauling ubiquitous functions like procurement.

Construction contracts and IT contracts, for example, often demand different processes. For citywide, mission-driven transformation, it is essential to intentionally collaborate with staff across multiple levels of the organization who bring a diverse set of subject matter expertise.

#### Resources and artifacts

To see how this work was put into practice, explore the following assets in the <u>DSN Resource Library</u>:

- + Syracuse's Procurement Transformation Project Team Organizational Chart
- + Syracuse's Procurement Transformation Roadmap
- + Procurement process mapping exercises from the City of Syracuse
- + Press release about the Division of Equity Compliance and Social Impact
- + Syracuse University Procurement Equity study
- + Syracuse's redesigned MWBE online application