

# Improving Procurement Outcomes: Lessons from US Cities, Counties, and States

Jeffrey Liebman, Harvard University and NBER

May 25, 2022

# Contracting is approximately half of government consumption expenditures

Government production function

public goods= $F$ (government employees, goods & services acquired from private sector)

U.S. Federal Government (2019)

Employee compensation	\$512 billion
Retiree compensation	\$177 billion
Contracting	\$586 billion

Cities

Boston contract spending is 49 percent of budget

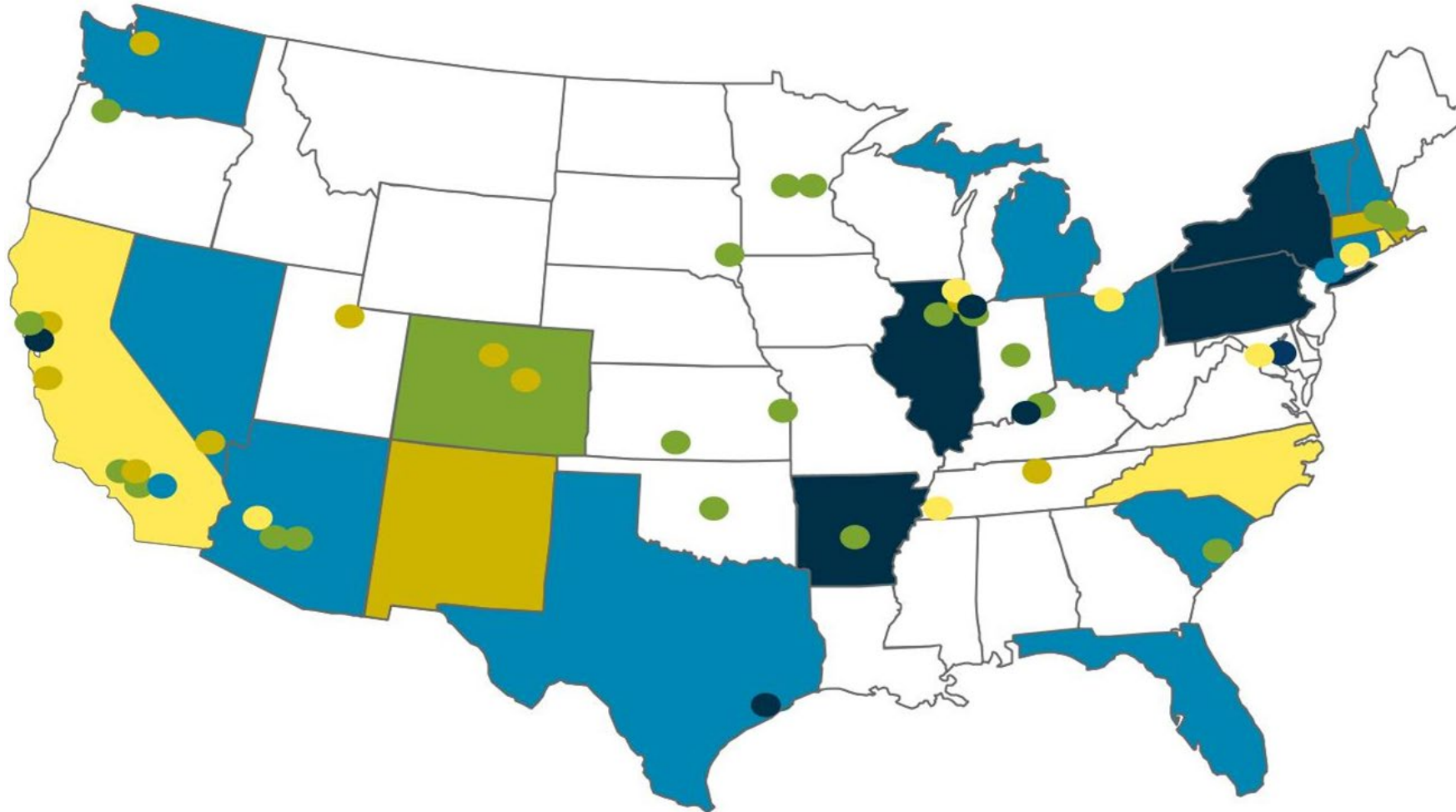
Fort Worth contract spending is 48 percent of budget

(Liebman and Azemati, [How Cities Can Improve Their Procurement of Goods and Services](#), Manhattan Institute, 2016)



# HARVARD Kennedy School

## Government Performance Lab



Children & Families



Education & Jobs



Procurement  
Systems



Criminal Justice



Behavioral Health  
& Homelessness





## Harris County, TX

[Link to GPL policy brief](#)

**It takes deliberate  
effort to produce  
competition**



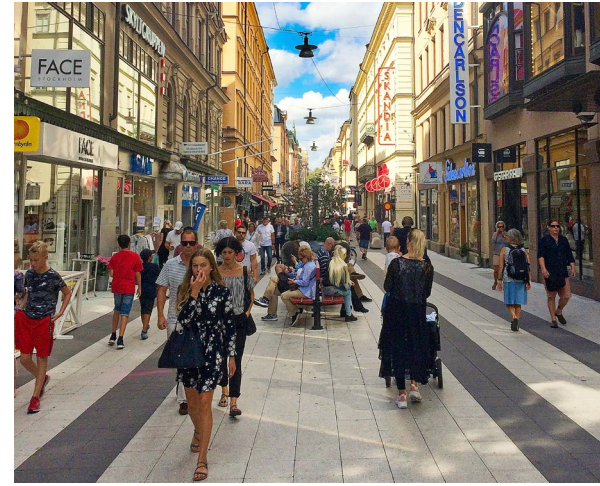
**St. Paul, MN**

[Link to GPL policy brief](#)



# Vendors often have solutions government isn't aware of

*Explain problem, let vendors suggest solutions*



## Stockholm

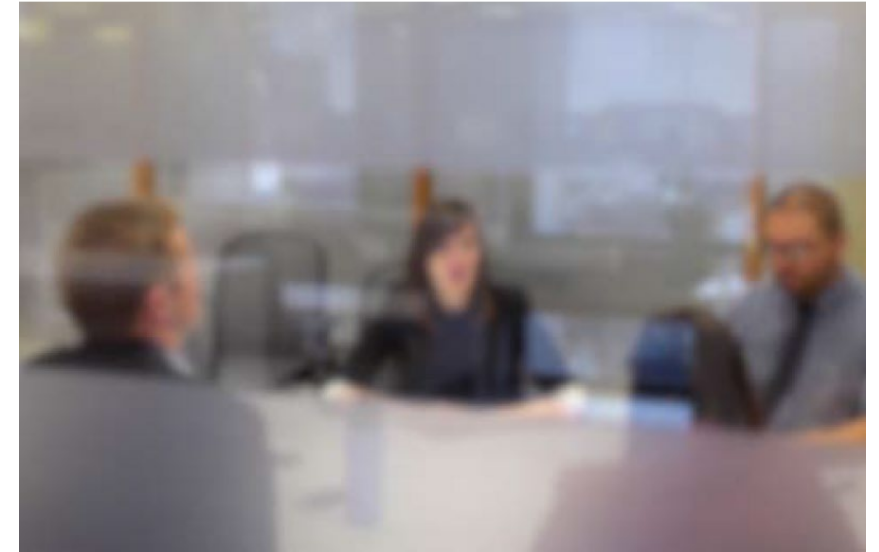
[See Sascha Haselmayer article](#)



## Boulder, CO

[Link to GPL policy brief](#)

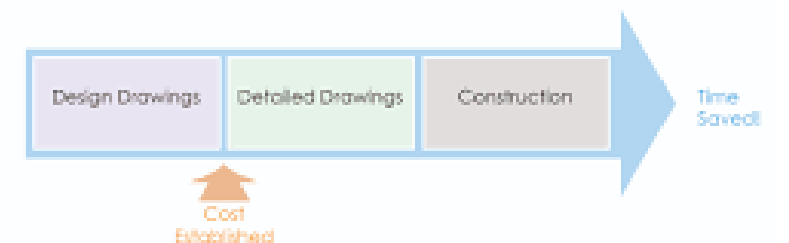
**We need better conceptual frameworks on when to consolidate contracts and when to split them apart**



"Traditional" Method



Design-Build Method



**The signing of a contract is the beginning not the end of the procurement process**



**Seattle, WA**

[\*Link to GPL policy brief\*](#)



**In some contexts,  
very small  
performance  
payments may be  
all that is  
necessary**



**Seattle, WA**

[Link to GPL policy brief](#)

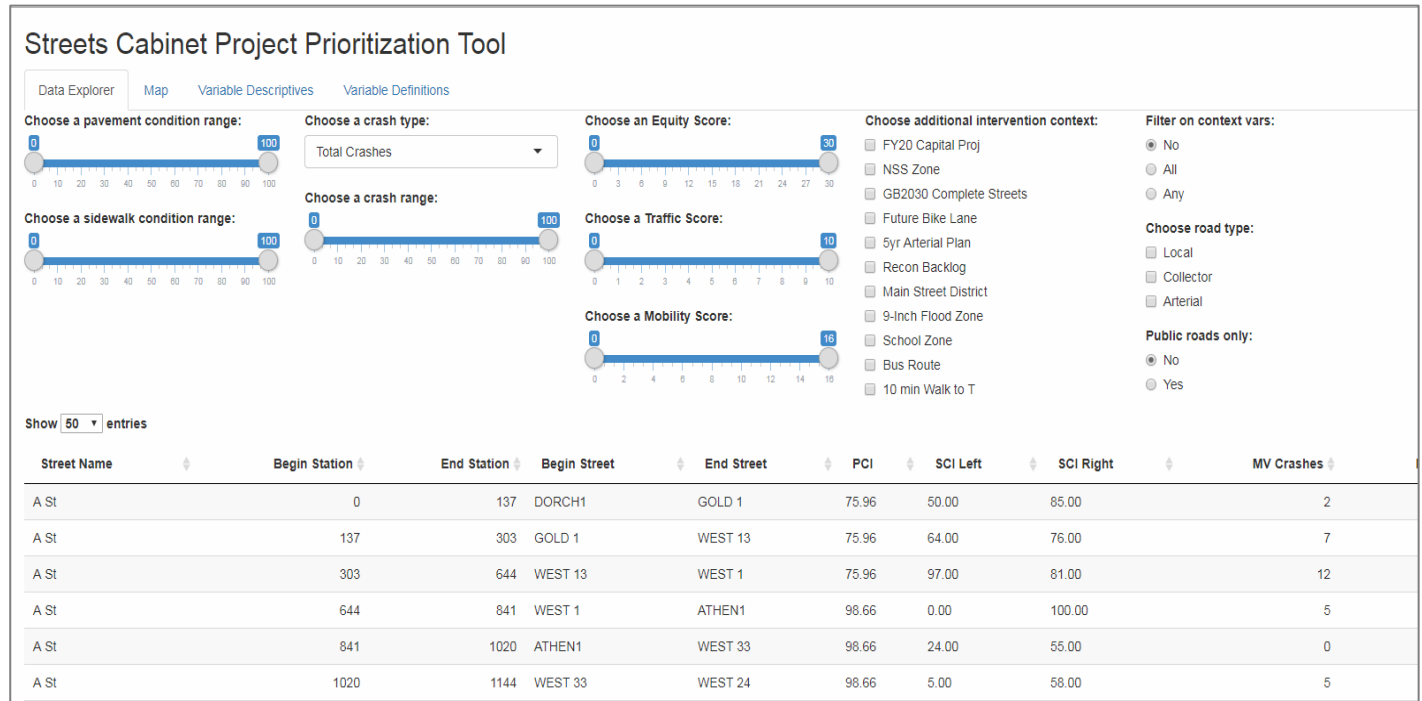
# Two components of equity

*Equity in who receives contracts*



Phoenix, AZ

*Equity in service delivery*



Boston, MA

See “[Using Procurement to Advance Racial Equity](#),” Harvard Kennedy School Government Performance Lab, April 2022.

# Building diverse wealth is possible



See “[Maynard Jackson: the Ultimate Champion for Black Business.](#)”



# Elevating the status of procurement



**Glendale, AZ**

[GPL policy brief](#)



**Memphis, TN**



**We need better  
conceptual frameworks  
for incorporating equity  
considerations into  
benefit-cost analyses  
for federally-funded  
infrastructure projects**



# The GPL's Framework for Procurement Excellence

The **GPL's Procurement Excellence Framework** is a set of strategies designed to help governments use procurement and contracting to achieve better outcomes for residents.



## 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 better outcomes for marginalized populations

## Sustainable



Elevates and resources procurement as a strategic function

To learn more, please visit <https://govlab.hks.harvard.edu/>



**HARVARD Kennedy School**  
Government Performance Lab

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