

The State of Procurement and Grantmaking in Colorado

A solutions roadmap to improve procurement and grantmaking for more equitable social service delivery

**Authors: Kailey Burger Ayogu, Rebecca Graffy, Charles Kargman, Pamela Portocarrero
Contributor: Sara Israelsen-Hartley**



HARVARD Kennedy School
Government Performance Lab

Executive Summary

In collaboration with The Colorado Health Foundation, the Harvard Kennedy School Government Performance Lab sought to understand how Colorado State procurement and grantmaking could work better for the community organizations that provide services to Coloradans, particularly organizations led by and serving individuals of color. Through background research and first-hand accounts from government and community stakeholders, we identified **three types of challenges**:

1. **Procurement and grantmaking process and procedures:** These processes and procedures are unclear and create unnecessary barriers, especially for new and small providers.
2. **Limitations of a decentralized procurement and grantmaking system:** Colorado's decentralized procurement and grantmaking system can be difficult to navigate and produces disparate outcomes — but allows for innovation and efficiency.
3. **Provider outreach and inclusion:** Despite recent improvements, state officials could still better understand and engage Colorado's small and diverse provider community.

Promisingly, we also found many state agencies and community nonprofits leading procurement and grantmaking reform efforts, demonstrating the potential for improvement and innovation. Drawing from our research, along with our experience working with jurisdictions across the United States (US), we offer a **roadmap of solutions** that could make procurement and grantmaking in Colorado more effective, equitable, and inclusive. To implement these solutions, this roadmap proposes that leaders in Colorado:

1. **Engage with providers to tailor approaches to more equitable procurement.**
2. **Develop and test reforms with leading agencies and departments.**
3. **Scale reforms through strengthened coordination networks.**

In this report, we illuminate the experiences of providers navigating Colorado state procurement and grantmaking and of officials working inside the system. From this, we aim to create a pathway for reform that builds on the progress and innovation already underway across the state. As the reader, we hope you find this report not just informational and interesting, but also a validating foundation from which to tackle these challenges, improving procurement and grantmaking to better serve all Coloradans.

This report was produced by the Harvard Kennedy School Government Performance Lab, in collaboration with and funded by The Colorado Health Foundation



Table of Contents

Executive Summary	2
Background and Context	4
Prominent Challenges	6
Challenge 1: Procurement and grantmaking processes and procedures.....	7
Challenge 2: Limitations of a decentralized procurement and grantmaking system....	10
Challenge 3: Provider outreach and inclusion.....	12
Proposed Solutions	15
Solution 1: Engage with providers to tailor approaches to more equitable procurement ..	16
Solution 2: Develop and test reforms with leading agencies and departments.....	17
Solution 3: Scale reforms through strengthened coordination networks	19
Conclusion	21
Appendix	22

Background and Context

Research Launch and Vision

This report builds on [The Colorado Health Foundation's \(CHF\) research](#) around which voices exert the greatest influence on policy outcomes across Colorado, especially regarding health equity and racial justice. In recent years, CHF completed more than 70 interviews with individuals who have deep experience in Colorado policymaking. They included key stakeholders from the state legislature, social service agencies, and advocacy organizations.

In these discussions, **interviewees repeatedly identified state procurement and grantmaking as a primary barrier** to more equitable policy development and implementation. This was a topic of concern identified by philanthropic leaders as well. State procurement and grantmaking frequently came up at recent convenings hosted by Philanthropy Colorado, a professional network of Colorado-based grantmaking professionals.

CHF wanted to understand Colorado social services procurement and grantmaking better – including how it works, its impact, and opportunities for improvement. CHF identified the Harvard Kennedy School Government Performance Lab (GPL) to conduct qualitative research to identify ways the state of Colorado could reimagine state-level procurement as a more just and fair process. **What is working in Colorado state procurement and grantmaking? What are the challenges? And what are potential ways state leaders could address them?**

Key Terms

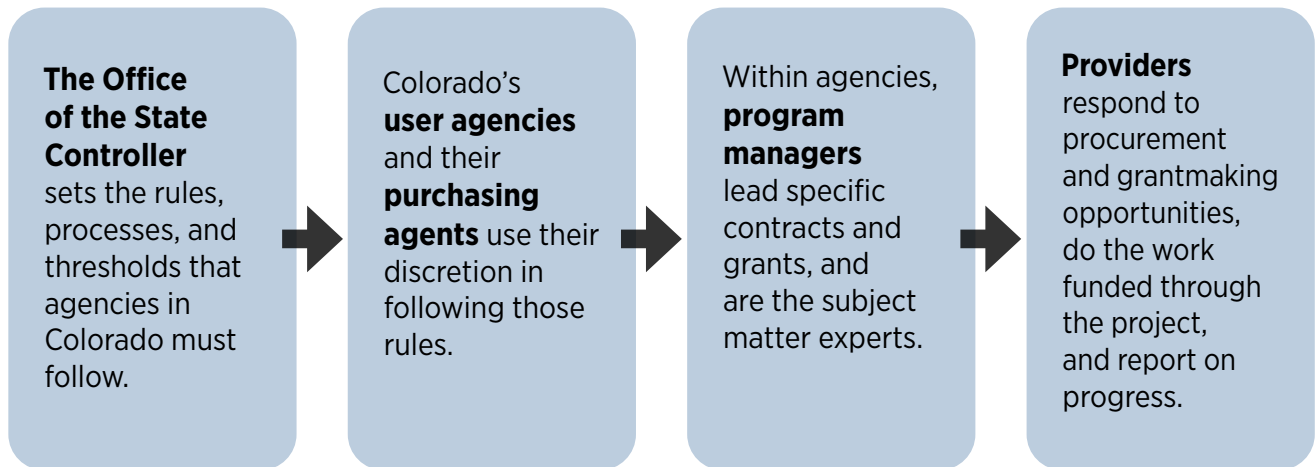
Procurement is the process governments use to fairly and transparently purchase goods and services and allocate public resources to local communities and community organizations. For many state and local governments, as much as 50% of expenditure is spent through procurement.

This project focused on state **procurement and grantmaking, specifically on procurement of services and grant programs to community-based organizations**. Procurement refers to contracting for goods and services, both programmatically and administratively. Grantmaking refers to distributing funding via grants to community organizations. While the specific policies and processes used to award a contract are different from those to award a grant in Colorado, they are informed by common underlying principles and share many of the same thematic challenges for providers.

Throughout this report, we use the term **provider** to refer to organizations applying for or awarded state contract or grant opportunities, inclusive of suppliers (providers awarded a contract through a procurement process) and grantees (providers awarded a grant through a grantmaking process).

The **Office of the State Controller** sets the overarching procurement and grantmaking rules for the state, but agencies have considerable discretion in implementing those rules. The term **user agency** describes Colorado state departments and agencies that are responsible for administering human and social service programs. Each agency has a **purchasing agent** who oversees procurement and grantmaking processes and award decisions. A **program manager** within the agency often designs scopes of work, helps select a provider, manages a project's progress, and serves as the point of contact for the provider throughout the project.

Simplified, key roles in state procurement and grantmaking are:



Prominent Challenges

In interviews, stakeholders of all types repeatedly voiced three types of challenges with Colorado state procurement and grantmaking. These challenges are not uncommon in state procurement and grantmaking, but together, they reflect a system that is difficult to understand, access, and navigate — especially for small, grassroots, and new providers who are more likely to be led by Black, Indigenous, and other people of color.

- **Procurement and grantmaking processes and procedures**
- **Limitations of a decentralized procurement system**
- **Provider outreach and inclusion**

While Colorado's procurement and grantmaking processes are intended to ensure state money is spent fairly and to protect against risk, these processes can be challenging for staff to administer, inadvertently delaying the start of projects and making new providers feel locked out. The decentralized nature of Colorado state procurement and grantmaking makes it difficult for an under-resourced nonprofit provider to effectively identify and respond to opportunities across Colorado agencies. Incomplete outreach efforts on the part of agencies can leave small providers — many of whom are rural or led by people of color — isolated or not set up to be successful. All three challenges contribute to a growing distrust of state government among small and local providers. Yet, these providers may know their communities best and have invaluable insights into effective program design and implementation for their communities. Better engaging them could net greater impact from key services.



Challenge 1: Procurement and grantmaking processes and procedures

Processes and procedures are unclear and create unnecessary barriers, especially for new and small providers.

Stakeholders surfaced challenges for providers across all stages of the procurement and grantmaking processes, from responding to the opportunity to receiving payment.

Pre-Award: Insurance Requirements and Onerous Templates

In Colorado, as in all states, providers need general liability insurance to protect themselves and the state from lawsuits that may arise from a project. To mitigate risk to the state, Colorado social service agencies sometimes require prospective providers to submit certificates of insurance before being awarded the contract. While not much strain to larger providers, this can be a non-starter for small and grassroots organizations that lack the funding to meet such insurance requirements. As one provider put it, **“Why should anybody spend money on the insurance without guarantee of being funded?”**

Too often, insurance requirements also do not line up with the needs of the program or the types of providers required for the program. For instance, one grantee we spoke with had to demonstrate proof of auto insurance, even though her organization does not maintain a fleet. The price of auto insurance (\$4,000) was not included in their budget proposal, as the grantee did not know auto insurance was required until the contract was awarded. They had to cover the cost.

Moreover, documents the state uses to invite providers to apply for contract and grant opportunities and to administer the project (e.g., Requests for Proposals (RFP), Notice of Grant Agreements) are often long and full of complicated and jargony language. To an applicant new to government procurement or grantmaking, these documents can be nearly impenetrable. While large, incumbent organizations have the administrative staff and experience to navigate this paperwork, they too highlight this challenge. For example, one provider described preparing a 500 page proposal for a project, which would eventually require upwards of 400 reports a year. As another interviewee noted, it is an **“extremely burdensome process, even for an established, well-resourced organization.”**

Post-Award: Reporting and Payment

The expectation that providers report on the progress and impact of their work is common in state procurement and grantmaking and can help the state implement high impact programs. However, we heard many cases of onerous reporting requirements in Colorado. As one grantee put it, **“sometimes you spend more time gathering numbers than doing the work.”**

Providers and philanthropic interviewees both felt that the reporting requirements for social service procurements and grants seemed more intense and time-consuming than for-profit products and services. Reporting requirements can be inconsistent across programs, even within



the same agency. They also rely heavily on long narratives, which take considerable time to write compared to selecting options within a drop-down menu or choosing an answer along a five-point scale. Additionally, too often agency staff are “asking the same question four different ways.”

While reporting requirements are often tied to federal funding, and therefore out of the state’s control, the state may have the ability to help streamline and clarify these requirements and to avoid adding to them. Furthermore, state agencies may be able to offer training or technical assistance to help smaller organizations build their capacity for intensive reporting, but state agencies often lack the adequate staffing or funding to do so.

An even more acute challenge for many providers is payment timelines. State policy requires that providers be paid in a timely manner, which in practice is often within 45 days of an approved invoice. This timeline is long but not uncommon in state government. Agencies handle invoicing differently, so timelines to approve invoices can vary considerably. While some agencies approve invoices within a day, one nonprofit executive spoke of waiting upwards of 180 days for reimbursement. Another described needing to follow up with the state about payments that seemed to be “approved” but had not been received.

For organizations with limited access to capital, payment delays can be fatal. As one person put it, “it shouldn’t be that an organization puts up 4-6 months of their own money before they are able to receive state payments.” Another grantee described having to take out a line of credit to pay for upfront costs, but being unable to charge the interest incurred back to the grant. Interviewees spoke of long cycle times throughout the procurement and grantmaking processes, but payment delays were hardest felt.

Stakeholders are exploring a range of solutions to address this challenge. The Statewide Equity Office within the Colorado Department of Personnel and Administration is working with communities of practice to determine if the 45-day payment term can be reduced. Purchasing agents also have the option to approve a waiver, essentially an exemption from state policy in order to pay a provider up front. However, agencies rarely use waivers as they increase risk to the state and require significant work to justify and approve.

To address challenges around reporting and payment, the state needs to tailor processes and requirements to the scale, risk, and needs of specific projects. Right now, interviewees report that “it’s too much of a one-size-fits-all mentality.”

“

For example, [an agency] gives a community a \$20 million grant for a wastewater facility construction that in 40 years will need to be replaced, so while the award dollars need to be spent in the first 3 years, what does the community do to maintain the facility for the next 37 years?

”

– Former mayor

Procurement and Grantmaking Thresholds

In public procurement, the more money the state is spending, the more controls are in place to make sure money is spent through a fair process. **Thresholds** is the term used to describe the dollar amounts at which a more formal competitive process and additional approvals are required.

Colorado's procurement thresholds allow agency purchases up to \$50,000 to be discretionary. The agency does not have to collect multiple quotes or run a competitive process to justify the purchase. Between \$50,000 and \$250,000, a purchase can be made with multiple documented quotes. Purchases above \$250,000 must use a formal competitive process like a Request for Proposals or Invitation for Bids. Compared to other states, these thresholds are high. For example, Maryland—a state of a similar population—requires a formal competitive process for any purchase above \$100,000, compared to \$250,000 in Colorado.

Grants, meanwhile, are also discretionary for awards under \$50,000. Over \$50,000, many awards must be determined by a competitive process (e.g., a Request for Application or Request for Proposals). One exception is grants that are required by statute to be distributed based on a formula (e.g., based on geography or need).

Many interviewees felt Colorado's thresholds were too low. Colorado recently raised the threshold for discretionary purchases from \$25,000 to \$50,000, a threshold in line with other states. The state should continue to periodically reevaluate its thresholds. Independent of that, agency staff can continue to make discretionary purchases and grant awards under \$50,000. Many stakeholders see this as a key vehicle for awarding contracts and grants to small providers.



Challenge 2: Limitations of a decentralized procurement and grantmaking system

Colorado's decentralized system can be difficult to navigate and produces disparate outcomes — but allows for innovation and efficiency.



A defining characteristic of Colorado's state procurement and grantmaking system is its decentralized structure. Like many states, Colorado has centralized rules for procurement and grantmaking, set by the Office of the State Controller, but agencies have significant discretion in implementation. Agencies set their own processes, in accordance with central policy, and have authority to determine what to consider when selecting a provider (e.g., experience, fiscal standing, knowledge of local context).

In interviews, stakeholders considered the impact of this structure on social services, grants, and their recipients. Colorado's decentralized structure means the programmatic aims, risk tolerance levels, and degree of flexibility in contracting can vary significantly among state agencies. While decentralization gives room for innovation among purchasing agents and program managers, it also raises considerable challenges for providers, especially those new to state procurement and grantmaking. This has implications for whether resources are being equitably distributed across organizations and communities.

Disadvantages of a Decentralized Procurement and Grantmaking System

- **Difficulty finding opportunities.** Currently there is no single place for a prospective provider to look for upcoming contracts or grant opportunities across Colorado agencies. Instead, providers need to review the websites and grant notifications across multiple agencies and platforms. This takes time and can also mean that when providers learn about an opportunity there is not enough time to draft a competitive proposal.
- **Inconsistent outreach.** Decentralization also means agencies vary in experience working with specific communities, including rural and Tribal communities. For example, some agencies have intentional, consistent strategies for promoting RFPs and grants to the two federally recognized tribes in Colorado, the Ute Mountain Ute Tribe and Southern Ute Indian Tribe; others conduct little to no outreach. For this reason, it is not uncommon to hear providers say that they don't want to work with the state because they **"don't buy what I sell,"** or simply that working with the state is **"too hard."** One interviewee believed that the state has a **"branding problem,"** in that there are many opportunities to work with the state, but too few providers know what those opportunities are, or how to find them. In many cases, agencies' limited and inconsistent outreach has resulted in a lack of reciprocal communication and trust with communities across the state. State procurement and grantmaking feels inaccessible and unwelcoming to those communities, making them less likely to attempt to engage in the process.
- **Difficulty applying for opportunities.** While all agencies follow the same thresholds and guidelines, their processes use different paperwork. Agencies use different databases,

so providers frequently must resubmit their organizational information and payment preferences to participate in contract and grant opportunities across agencies. Small and new providers strapped for staff time and unfamiliar with the process can struggle to keep up. The lack of uniformity and duplication of work also increases the likelihood of administrative error, running the risk that providers need to correct and resubmit paperwork and potentially delaying application or award timelines.

- **Varied agency standards.** While all agencies follow the same rules, each agency interprets and implements them differently. Notions of fairness, “best practice,” and flexibility vary between purchasing agents. This makes it hard for new providers to understand why they were awarded a given contract with one agency and not another, or why one agency’s reporting requirements are lax compared to another’s. This can lead to inequity in which organizations are awarded contracts, variances in how long procurement and grantmaking processes take, and confusion, particularly for new providers.

High **staff turnover** across state agencies exacerbates these problems. With each new agency director comes another change in policy. With new staff, messages get mixed, risk tolerance shifts, and providers need to rebuild relationships with program managers. Turnover creates “a mismatch between the goals of the grant and the feedback we receive as applicants because everyone is new,” one grantee explained. For providers, it can be taxing, tiring, and time-consuming. It can lead providers to question whether such a confusing process is worth the grant opportunity or may lead to distrust of state government altogether.

Advantages to a Decentralized Procurement and Grantmaking System

Despite these challenges, there are significant advantages to this decentralized approach. Specifically, it allows for more customized and expert-driven program design and implementation. With greater autonomy in agency purchasing:

- **Agency staff develop expertise** and can **tailor processes** and **move quickly**. For instance, to expedite payments for community-based reentry programs, a Colorado social service agency classified key services as “utilities,” to reimburse grantees within three days, as opposed to the usual 60+ days.
- Agencies have the flexibility to **pilot new methods of outreach and community engagement** based on project needs. For example, one agency reduced its RFP template length by over 70%, and tested new deliverable-based budgets to get funds to grantees quicker. There wasn’t a statewide rule requiring the agency to do this, but rather a purchasing agent felt motivated by the challenge at hand and generated a solution on their own.

Given these advantages, interviewees consistently advocated for **solving the challenges of decentralization, rather than centralizing**. They wanted more to be done to mitigate the confusion, administrative bureaucracy, and award disparities that arise with decentralization. One interviewee shared: “The state is perceived as erecting barriers to participation to protect the state ... a good purchasing agent can work with the program’s staff to help them find a successful path to grantmaking or contracting. Many times, purchasing agents aren’t using all the flexibility and options that they could.” Each agency is free to be as flexible or as inflexible as they like, resulting in inequities across the state and leaving new and less resourced providers to navigate the consequences. How can we get more Colorado state agencies to be flexible and innovative?

Challenge 3: Provider outreach and inclusion

Despite recent improvements, state officials could still better understand and engage Colorado’s small and diverse provider community.

Working with new providers requires building relationships and bringing in new perspectives. Despite recent efforts, Colorado state agencies struggle to understand the universe of potential providers, the challenges for small and diverse providers, and how to work with these providers effectively. Interviewees repeatedly discussed how the state’s provider diversity and inclusion efforts have often been superficial and insufficient.



Incomplete Understanding of the Provider Pool

Because small providers are frequently most closely in touch with their local communities, relationships with these providers are key to agencies’ effectively serving these populations. Yet Colorado social service agencies do not have a firm understanding of what local and diverse organizations exist, what services they provide, and how to work with them more effectively. Even Colorado’s Statewide Equity Office, the lead on provider equity, expressed a desire to better understand the diverse provider landscape. This makes it difficult for the state to reach out about contracting or grantmaking opportunities, or to understand how to fix problems and right-size opportunities.

This incomplete understanding of the diverse provider pool also shapes programmatic decisions. Interviewees mentioned that it is those that are best organized and best resourced that are most successful in advocating for policy change and winning grant opportunities. For instance, the extent to which certain groups have the ability to organize and advocate can sometimes shape the rules around Medicaid eligibility and benefits. Those from less-resourced communities or rural areas may not be able to organize as easily and may miss out on critical opportunities compared to other groups that have a long-standing, robustly funded advocacy arm. **“All departments talk a good game of wanting to support small nonprofits,” one grantee explained, “but keep sending the money to big systems that are not serving the communities as well as the smaller ones.”**

Fragmented and Under-Resourced Provider Outreach, Engagement, and Capacity Building

Many interviewees felt the Office of the State Controller and social service agencies don’t receive enough funding from the legislature to effectively engage providers, build provider capacity, or manage grants. One agency discussed having only a few staff to manage 1,000-2,000 agreements annually on top of other agency-wide responsibilities. This is exacerbated by staff turnover, which leads to lost institutional knowledge and the constant need to build new relationships with community leaders and organizations serving people of color. Furthermore, in Colorado’s decentralized context, agency efforts to connect with diverse, lower-income, and rural providers are often fragmented rather than complementary.

When provider outreach does occur, it is inconsistent and sometimes doesn't meet the needs of providers, particularly the needs of diverse providers. A stakeholder we spoke with in state procurement described how the limited provider outreach they are able to do is very general and not always helpful for small organizations. The outreach may explain the basics — for example, having a booth at events where a state agency staff member gives a three-minute explanation of how to do business with the state — but does not go beyond that. It does not customize engagement to the audience, whether they be rural or communities of color.

Inconsistent Relationships with the Provider Community

With stakeholders reporting that provider outreach is rare or inconsistent, providers — especially small and diverse providers — do not perceive state agency leadership to be invested in working with their communities. Site visits are rare and compliance-oriented. As one grantee put it, “for our grant manager to come down, we had to have done something bad.” As a result, when collaboration with providers does occur, it can feel strained. To new and rural grantees, interactions with agencies (e.g., trainings, reporting requirements) often come from a place of strict compliance, not collaboration. Grantees hear, and sometimes see, displays of reform by way of public announcements and local visits by agency staff. Yet they have found that in the end it does not always translate into action. Interviewees shared examples of state agency representatives coming to their communities to connect with providers, but not having enough knowledge or authority to answer providers questions. They also felt that these representatives were too junior and unable to share their messages with key decision-makers. Agency leadership is rarely a visible presence in local communities.

Moreover, without the systems or staff in place to build meaningful relationships with small and diverse providers, Colorado state agencies often rely on larger community organizations and philanthropic organizations to serve as conduits. They may use foundations' long-standing relationships, rather than dedicating time and resources to establishing those relationships directly. Many philanthropic organizations we spoke with do not always feel comfortable serving in this role. Foundations do not want to use their social and political capital to endorse what they feel is a broken and biased process, especially given they are not paid by the state. As one philanthropic leader put it, “I don't feel comfortable being the messenger for something I don't agree with necessarily [the state's procurement and grantmaking processes], that's not accessible and that's not equitable. As long as the structure remains the same, I do not feel comfortable being the messenger.”

Too often, from the perspective of some interviewees, the state's partnerships with providers and community organizations feel more performative or extractive than productive. This furthers providers' distrust of state government because from their perspective agencies do not do enough to hear from small and diverse providers, let alone collaborate with them.

“

The lack of trust between residents and nonprofits and the state informs how communities receive and engage with the state's outreach efforts. The trust and relationship components are not quick fixes. ”

– Nonprofit consultant

Proposed Solutions

From our discussions with government officials, providers, and philanthropy, the GPL believes that Colorado possesses a strong foundational commitment to improving procurement and grantmaking for the benefit of all Coloradans. We heard many examples of champions within state government and nonprofits leading reform, as well as concrete suggestions for solutions to many of the challenges raised. Leaning into the strengths of Colorado's decentralized system, there are many state agencies and departments where these solutions could be developed and tested. There are also foundational platforms for coordination across agencies, from which solutions can be spread. For this reason, we are offering a roadmap for leaders in Colorado to take on, iteratively, the challenges identified by our research:

1. **Engage** with providers to tailor approaches to more equitable procurement.
2. **Develop** and test reforms with leading state agencies and departments.
3. **Scale** reforms through strengthened coordination networks.



Solution 1: Engage with providers to tailor approaches to more equitable procurement

Small providers are frequently most closely in touch with their local communities. Building relationships and effectively working with these providers is key to agencies effectively serving Colorado’s diverse populations. This requires knowing who these providers are, building trust, and understanding their perspectives. It then requires incorporating their perspectives into the design of grant and social service programs, as well as reforms to procurement and grantmaking process.



Potential Strategies	Description and Promising Practices
<p>Build relationships and develop a provider outreach strategy.</p>	<p>Surveying providers, either at the state level or with pilot agencies or departments, can be a first step to building relationships and understanding their perspectives on priorities for procurement and grantmaking reform. Survey insights could inform a statewide provider outreach strategy, led by the Statewide Equity Office’s Supplier Diversity program.</p> <p>Promising Practice: The Colorado Statewide Equity Office asks that all user departments have a procurement equity officer, which could be a key role in coordinating provider outreach within and across agencies.</p>
<p>Include provider voice in grantmaking.</p>	<p>Engaging providers early in program design can lead to programs that better serve the community and can increase trust with providers. This can be done through focus groups, by sharing white papers for provider feedback, or by engaging intermediaries who have a deep understanding of the small and diverse provider landscape.</p> <p>Promising Practice: The Colorado Department of Corrections worked with an intermediary organization to get input from individuals who might benefit from a grant for re-entry programs. By incorporating provider and client input, the Department made sure the grant would address the target population’s needs.</p>
<p>Build provider capacity.</p>	<p>For grants targeting new providers, agencies could hire intermediary organizations to build provider capacity. Intermediaries can train and coach providers on grant application and compliance. They can also serve as fiscal sponsors.</p> <p>Designated agencies or departments, like the Department of Local Affairs could also be funded to lead regular provider trainings on procurement and grantmaking with the state.</p>

Solution 2: Develop and test reforms with leading agencies and departments

In parallel, there are clear opportunities to begin making changes to improve procurement and grantmaking processes for all providers — particularly for new, small, and diverse providers. Changes to processes will also have the benefit of streamlining operations for state officials. These solutions could be developed and tested within one or more agencies, and with input from key provider groups.



Potential Strategies	Description and Promising Practices
<p>Revise templates to simplify terminology, reduce jargon, and improve language access.</p>	<p>Long procurement and grantmaking documents with technocratic and legalistic language are off-putting to prospective providers who can feel that “one must be an insider” to apply. Additionally, many documents are only offered in English, limiting access to non-English speakers. Simplifying procurement and grantmaking documents can invite new providers to apply for projects, and make projects easier to administer.</p> <p>Promising Practice: The Colorado Department of Public Health and Environment adjusted their Tribal contracts template spurred by conversations with Tribal leaders and Tribal community service providers. The updated sovereignty-affirming language now makes grant requirements more flexible and more respectful of Tribal autonomy.</p>
<p>Develop a “common app” for grant application.</p>	<p>Creating one standard application for grants with all state departments could reduce entry barriers and confusion for providers, and streamline process flows for state agencies.</p>
<p>Right-size insurance requirements and test making them a condition of award for a project, not an application requirement.</p>	<p>Onerous insurance requirements can keep small and diverse providers from applying for a contract or grant opportunity. By tailoring the type of insurance and coverage amount required for a project, Colorado might reduce costs for providers and the state. By waiting to require insurance once a provider knows they’ve been selected for a project, it would be easier for small providers to apply.</p>
<p>Streamline reporting.</p>	<p>Project managers can reduce the administrative burden on providers and themselves by streamlining reporting where possible. This can include removing redundant reporting requirements, only asking for data that will be used by the program, minimizing reliance on time-consuming narrative reports, or reducing the frequency of reporting.</p>

<p>Design individual procurements and grants to be inclusive, and to incentivize equitable results.</p>	<p>Response workbooks, a template worksheet for answering RFP response questions and materials, can make it easier for providers to submit a proposal and can reduce bias in evaluations.</p> <p>Users or front-line staff can be included in program design or on evaluation panels.</p> <p>For individual contracts and grants, staff can design scopes of work that incentivize equitable outcomes.</p> <p>Promising Practice: The Colorado Department of Early Childhood included language in several of their RFPs that required the establishment of diverse evaluation panels.</p> <p>Promising Practice: The Colorado Department of Health Care Policy and Financing wrote an RFP that awarded funds to all geographic areas of the state, while also requiring providers to set up local advisory boards representative of their areas.</p>
<p>Expedite payment.</p>	<p>Small providers with limited access to capital can't wait months to get paid. Agencies can streamline processes to pay providers more quickly.</p> <p>Occasionally, agencies pay providers up front through a "waiver." However, this takes a lot of paperwork and it can be difficult to assess the risk of a provider taking the money but not doing the work. Through advocacy and legislation, some departments have been successful in making up-front payments standard practice. Colorado could explore expanding these up-front payment policies. Providers indicated that even 25% of the grant amount up front could be a tremendous help to cash-strapped grassroots organizations.</p> <p>Promising Practice: The Colorado Nonprofit Infrastructure Grant calls for 100% up-front payment of grant recipients — the result of work between intermediary organizations, the Colorado Department of Local Affairs, and the sponsors of the legislation that created the grant program.</p>
<p>Explore extended or long-term grant life cycles.</p>	<p>For small and diverse providers, short grant life cycles of one to three years and grants awarded on a one-off basis do not provide enough of a runway to ramp up operations. However, adjusting grant lifecycles would require further investigation to unpack feasibility and potential effects for providers and the state.</p>

Solution 3: Scale reforms through strengthened coordination networks

Coordination is key to strengthening and streamlining Colorado’s decentralized procurement and grantmaking system. Better coordination across agencies can help to lessen the confusion and redundancies that providers experience. It can also help amplify provider outreach efforts, and scale reforms developed within individual departments and agencies. Excitingly, there are already vibrant platforms for coordination in Colorado, such as the Statewide Equity Office, the Statewide Grant Managers Group, and the Supplier Diversity Community of Practice. These efforts could be enhanced.



Potential Strategies	Description and Promising Practices
<p>Create a statewide provider database, or list of small providers and those serving and led by communities of color.</p>	<p>A provider list or database could give agencies better visibility into the universe of providers in the state, particularly those serving communities of color. This could help provider outreach efforts, and also help procurement equity officers build their supplier diversity plans.</p> <p>The Statewide Equity Office could own and manage the list and work with the procurement equity officers to update it.</p> <p>In a more robust version of this solution, the database could be a one-stop portal for providers. Providers working with the state could update their administrative information (e.g., contact information, tax documents, licenses) centrally, rather than resubmitting the same information to different offices.</p>
<p>Create a centralized list of active grant opportunities across agencies, potentially including social services procurements.</p>	<p>Rather than scouring different websites, providers can look to a single place to easily browse opportunities and understand how to apply. This is something that has been discussed for a long time in the state Grants Unit but would need resourcing to develop and manage.</p> <p>A more advanced version of this solution could also include a forecast of upcoming grant opportunities, and potentially priority social service procurements, to give prospective providers advanced notice.</p>
<p>Spread promising practices.</p>	<p>Standing working groups and communities of practice can play an important role as platforms from which to spread reforms and learnings across agencies.</p> <p>Promising Practice: The Statewide Grant Managers Group and Supplier Diversity Community of Practice are already vibrant platforms for collaboration.</p>

Conclusion

In this report, we offer a roadmap for leaders in Colorado to iteratively take on the challenges we identified. We encourage you to draw on the experiences of providers, and to embrace Colorado’s decentralization to experiment with and spread solutions. We have also outlined a range of potential strategies for procurement and grantmaking reform. Some, like simplifying proposal templates, could be taken up today by individual project managers or procurement officials. We offer these to spark action. Others, like developing a “common app” for grants, require broader coordination or resourcing. We offer these as a starting point for leaders of procurement and grantmaking reform to align on implementation priorities.

While Colorado certainly faces challenges with procurement and grantmaking — burdensome administrative requirements, decentralized structure, limited provider outreach — it also has the will and opportunity to make real change. As the reader, we hope you find this analysis validating, illuminating, and supportive of your efforts to create a procurement and grantmaking system that best meets the needs of Coloradans.



Appendix

About the GPL

The Harvard Kennedy School Government Performance Lab (GPL), based in the School's Taubman Center for State and Local Government, supports state and local governments across the country in designing and implementing solutions to pressing social problems.

The GPL works closely with governments to develop and test service reforms — from how governments spend money through procurement to how they incorporate community voice in reforms — and thereby build more just and effective service systems. The GPL has completed more than 278 projects in 38 states, which have helped government leaders improve results for their residents. An important part of the GPL's research model involves capturing the insights, tools, and practices gained through these hands-on projects to share with current and future government leaders through teaching and creation of public resources.

The GPL's Procurement Excellence Network (PEN) has connected 1900+ government staff from 600+ unique jurisdictions to procurement resources, best practices, and community support.

Research Methodology

Research to develop this report was conducted from May through September 2024. It included:

Desk Research: In addition to CHF's own analyses and interviews, the GPL reviewed Colorado's state procurement and grantmaking policies, organizational charts, thresholds, and guidelines that inform the state's procurement and grantmaking processes.

Stakeholder Interviews: In collaboration with CHF, GPL identified 27 key stakeholders from all stages of Colorado's procurement and grantmaking process. Interviewees were selected to be representative, but not exhaustive. Collectively, they represented many of the core roles within the state's procurement and grantmaking system: central procurement and grantmaking offices, state social service agencies, philanthropies, providers, and nonprofit applicants who have not been as successful winning state contracts. The interviews were 45 minutes long with a standard set of questions around their experiences with procurement and grantmaking in Colorado. Interviews were conducted virtually and not recorded, with GPL staff taking notes offline. All interviewees spoke with us on a voluntary basis.

Comparative Analysis: As we synthesized and assessed interviewees' responses, we compared insights with our organization's experience working with 90+ governments in the US, Canada, and Latin America. We consulted our own staff's knowledge around state procurement and social services contracting, along with our network of subject matter experts, to determine which challenges were unique to Colorado, and which were shared among other state governments.

Highlighted Research Sources

State Government and Procurement Agencies

- [Colorado Department of Local Affairs, Division of Local Government](#)
- [Colorado General Assembly House Bill 22-1356](#)
- [Colorado Office of the State Controller](#)
- [Colorado Statewide Equity Office](#)
- [NASPO 2022 Survey of State Procurement Practices Report](#)
- [OSC Competition Requirements for Grants Policy](#)
- [State of Colorado Unofficial Procurement Code and Rules](#)

Nonprofit and Advocacy

- [Colorado Access Foundation, Our Work](#)
- [Colorado Nonprofit Development Center, Our Services](#)
- [Latino Coalition for Community Leadership, FAQs](#)
- [Latino Community Foundation of Colorado, Small Nonprofit Grant Program](#)

Interview Participation

The 27 interviewees we spoke with came from these organizations. We appreciate the time they spent sharing their perspectives with us. We note that their participation and opinions are their own. They do not speak for their organizations.

- Adelante Community Development
- Center for African American Health
- City of Antonito, CO
- Colorado Access Foundation
- Colorado Department of Early Childhood (CDEC)
- Colorado Department of Healthcare Policy and Financing (HCPF)
- Colorado Department of Personnel and Administration (CDPA)
- Colorado Department of Public Health & Environment (CDPHE)
- Colorado Nonprofit Development Center
- Colorado Office of Health Equity
- Colorado Office of the State Controller
- Colorado State Purchasing and Contracts Office (SPCO)
- Colorado Statewide Equity Office
- Government Performance Solutions
- Latino Coalition for Community Leadership
- Latino Community Foundation of Colorado
- San Luis Valley Area Health Education Center
- United Way of Morgan County

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 also able to provide experiential learning.

© Copyright 2024 Harvard Kennedy School Government Performance Lab

Designed by Sara Israelsen-Hartley