



Diversity in “Urban Tech” Procurement



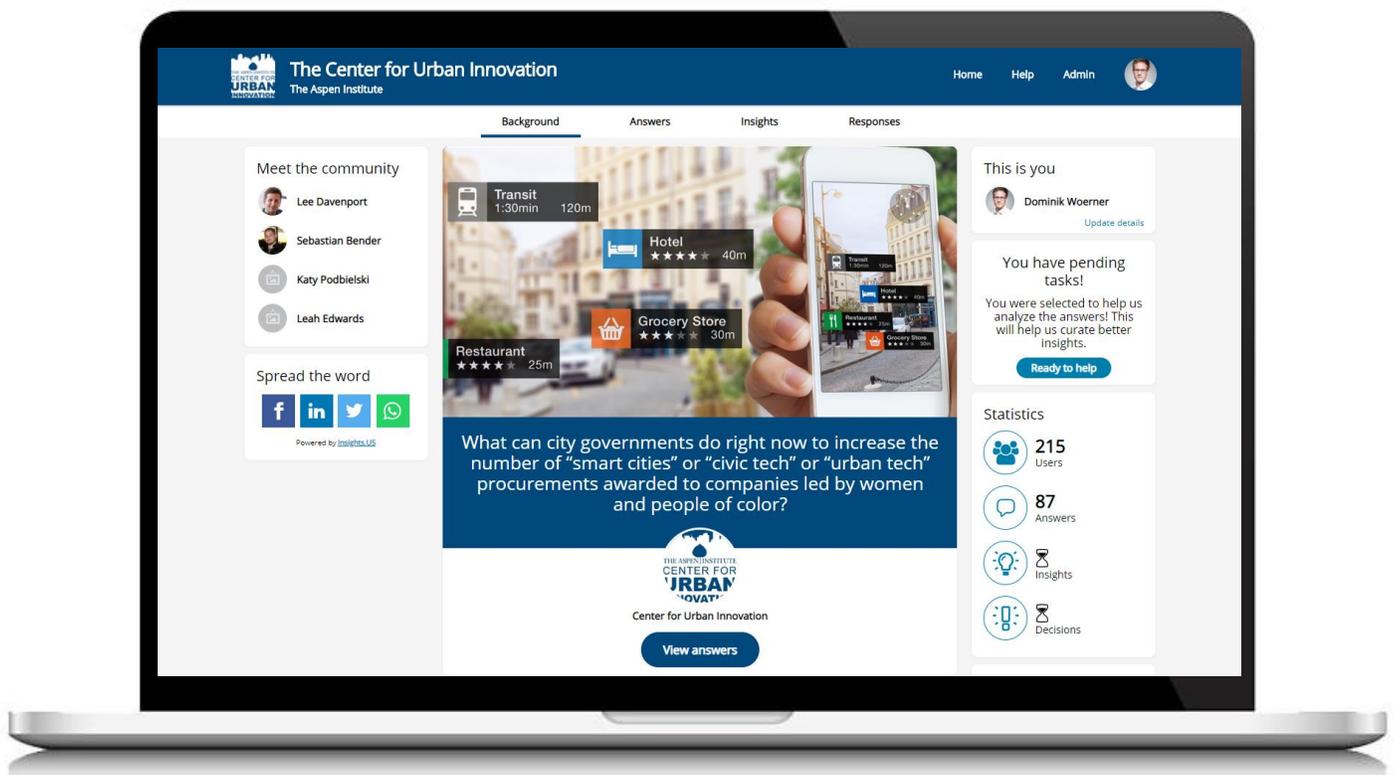
November 2020



The question of the project

What can city governments do right now to increase the number of “smart cities” or “civic tech” or “urban tech” procurements awarded to companies led by women and people of color?

The crowd wisdom platform <https://aspen.insights.us>



Background information

“Urban tech” and “smart cities” technologies are changing how residents engage city services and move through public space. The people building the technology should be as diverse as residents themselves. How can we use city government procurement rules & policies to make that happen?

The Center for Urban Innovation sought help in answering an important question: **What can city governments do right now to increase the number of “smart cities” or “civic tech” or “urban tech” procurements awarded to companies led by women and people of color?**

By “smart cities”/ “civic tech”/ “urban tech,” we mean technologies or applications that address core aspects of city life or service delivery and that probably didn’t exist five or ten years ago.

Methodology

We asked people from different sectors to share their ideas and proposed solutions to help us solve problems in urban tech procurement. We purposely asked a broad question to get an array of answers.

We asked some registration questions, too, which helped us see if people with different professional or demographic experiences led to wildly different ideas about solutions, or if there are interesting commonalities.

What’s next

We will use the insights gleaned from this consultation to help city governments use procurement policies so that women and people of color in the smart cities and urban tech sector get more contracts with the public sector.

The approach

The Center for Urban Innovation reached out to its stakeholders via email and newsletter inviting them to add their advice on how to improve procurement practice. To add advice, stakeholders surfed the crowdwisdom platform <https://aspen.insights.us>. From May to July 2019 stakeholders were able to formulate their answers to the question:

What can city governments do right now to increase the number of “smart cities” or “civic tech” or “urban tech” procurements awarded to companies led by women and people of color?

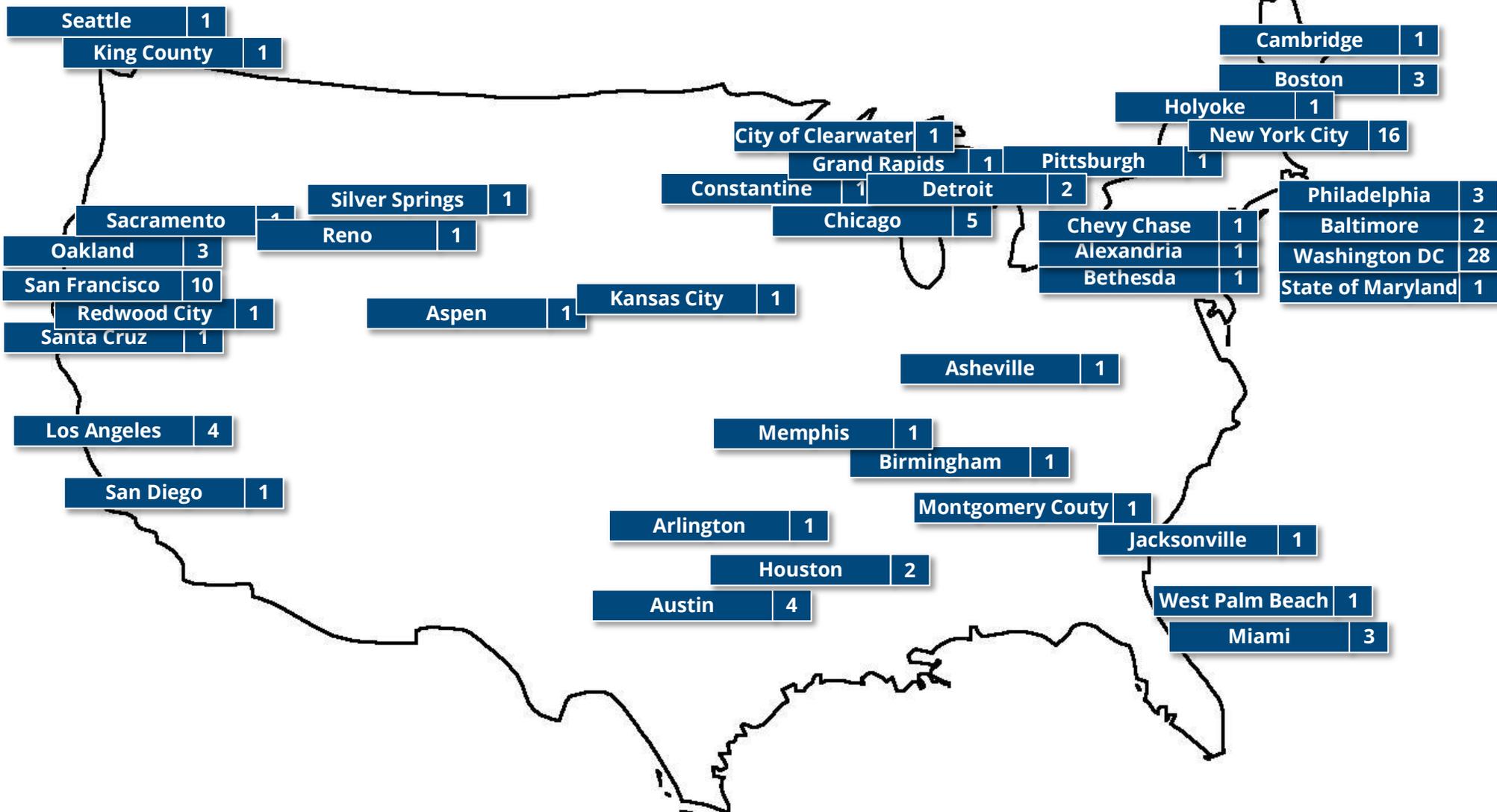
Over 200 experts engaged in the project adding 87 unique answers or liking and commenting answers of others. Once answers were added, the platform requested participants highlight the key points and aspects of their answers. From these 180 highlights were extracted. Supported by the platform’s AI algorithm, the highlights were clustered thematically leading to 8 key insights.



Location

The 215 participants came from all over the United States...and beyond.

International Participants from...	
Paris, France	Dnipro, Ukraine
Berlin, Germany	Tel Aviv Yafo, Israel
Hong Kong	New Delhi, India
Curitiba, Brazil	Caracas, Venezuela
São Paulo, Brazil	Tegucigalpa, Honduras
Rosario, Argentina	



Diversity

It was crucial to have a very diverse group of participants.

Do you identify as a woman? (49 answers)



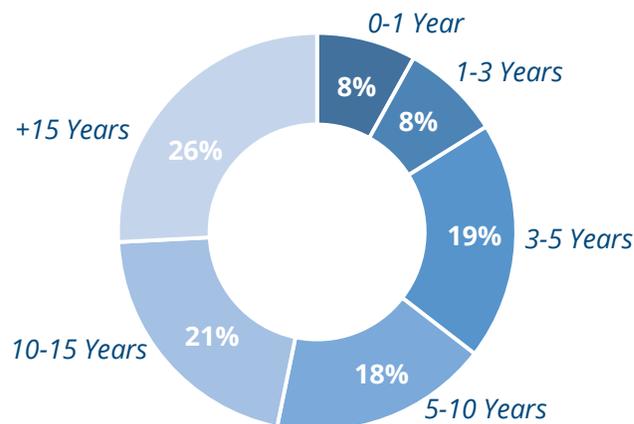
Do you identify as a Person of Color? (62 answers)



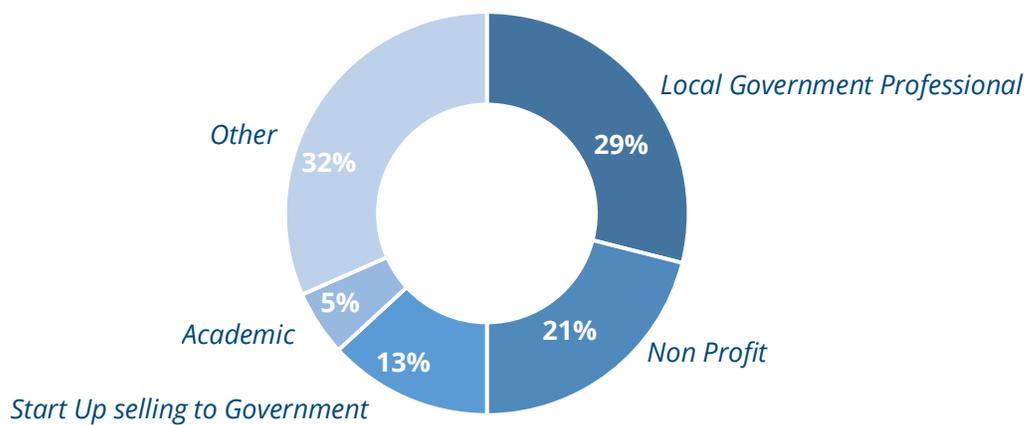
Expertise

We brought together practitioners with different levels of experience in the sector.

Time in sector? (62 answers)



Sector? (38 answers)



The results

Based on the 87 answers and 180 highlights, 8 insights have been gained using digitally leveraged qualitative research methods. Here are the 8 insights with some of the highlights that stand behind them:

Insight #1

1

FIX THE BASICS: Simplify the procurement process generally, through things like common certifications, collaborative contracting, assistance navigating the process, and greater discoverability of contract opportunities. Improving procurement generally would benefit companies led by women and people of color in every sector. For smart cities or urban tech specifically, cities should gather baseline data about their current technology contracts with companies led by women and people of color, set targets and goals for improvement, create plans for outreach, and track and monitor progress.



27

Supportive Users

Randomly selected highlights related to this insight:

Mike Green

Co-founder

Establish a data-driven historic timeline of city contracts, disaggregated by race and gender to gain a better understanding of inherited 20th century segregationist policies currently sustained.

Sascha Haselmayer

Today less than 1% of business in our cities receive procurement notifications. When we invited the other 99% we found participation rates for diverse vendors jump to 42% and win rates to almost 50%!

Story Bellows

Partner

Certification requirements. The lack of transferability of any WBE, MBE, etc., across jurisdictions is challenging. Too much of a hassle to get through the registration processes.

Mark Madrid

Streamline certification documentation to appeal to young tech founders of color...they are disenfranchised from the disconnected pieces to other procurement centers (e.g., county and state)

Karima Woods

City governments can also be more intentional in creating a bench of minority owned companies that have been vetted and make them aware of opportunities when they come about.

Maria Galarza

Urban Planner

An alternative would be to hold pre-bid meetings that break down the requirements in depth for new bidders.

Experienced Professional

If cities wish to make procurement opportunities available to certain sectors of society, the cities should ensure these sectors have access to the information needed to pursue the procurements.

Mariel Reed

Set explicit goals: Establish aspirational benchmarks. For example, Portland, Oregon codified tangible goals for contracting and subcontracting with minority- or women-owned businesses.

Edmund Zagorin

Remove Technology obstacles: NAICS-driven database design does not ensure proper notifications of all potential vendors; vendor portals are not transferable across jurisdictions.

Insight #1

#1

FIX THE BASICS: Simplify the procurement process generally, through things like common certifications, collaborative contracting, assistance navigating the process, and greater discoverability of contract opportunities. Improving procurement generally would benefit companies led by women and people of color in every sector. For smart cities or urban tech specifically, cities should gather baseline data about their current technology contracts with companies led by women and people of color, set targets and goals for improvement, create plans for outreach, and track and monitor progress.



Data about the 27 supportive users:

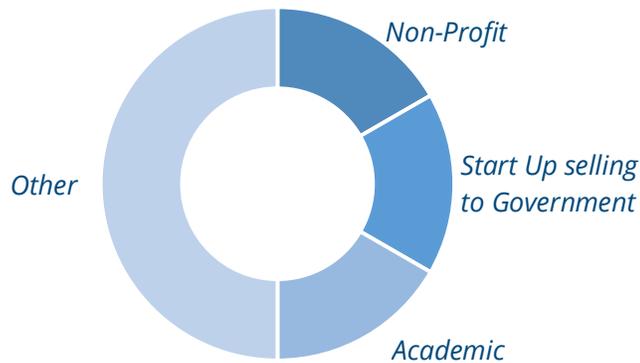
Do you identify as a woman? (7 answers)



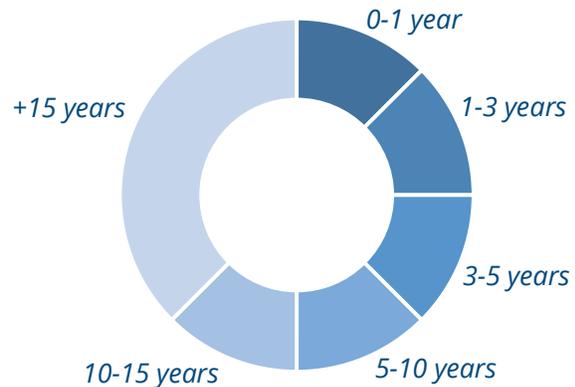
Do you identify as a Person of Color? (7 answers)



Sector? (6 answers)



Time in Sector? (8 answers)



Insight #2

#2

USE PLAIN LANGUAGE: Cities can simplify and streamline RFPs and make the required legal language as straightforward as possible. As one respondent noted, "plain English is not illegal" in procurements. It takes a lot of thought to write clear requests and problem descriptions, and less thought to cut and paste from previous RFPs, and this extra thought might lead to better purchases. Clarity does not, however, mean piling on detailed specifications and requirements.



8

Supportive Users

Randomly selected highlights related to this insight:

Katrin Frauscher

Make the RFPs easy to read and understand;

Noha Gaber

Write the RFPs in plain language

Maria Galarza

Urban Planner

Request for proposals could use less jargon (although often times the language is there for legal reasons).

Pat Sapinsley

Simplify process for Women/ Minority Owned Business filings and require x% be awarded to WMBE.

Abigail Golden-Vazquez

ED Latinos and Society

Make securing procurement processes more transparent, less costly and less difficult to navigate.

Kerry O'Connor

Chief Innovation Officer

Procurements needs to be made more accessible for small businesses and start-ups in general.

Edmund Zagorin

Remove Process obstacles: Extensive bid document packages, good faith inclusion clauses as they are used to not try hard and "how to do bus with gov"-fairs as they are not working at all.

Laura Melle

RFPs can end up as "Frankenstein" documents copy/pasted from old examples. But plain English is not illegal! For the Boston.gov redesign, we radically changed what the RFP looked like.

Insight #2

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USE PLAIN LANGUAGE: Cities can simplify and streamline RFPs and make the required legal language as straightforward as possible. As one respondent noted, "plain English is not illegal" in procurements. It takes a lot of thought to write clear requests and problem descriptions, and less thought to cut and paste from previous RFPs, and this extra thought might lead to better purchases. Clarity does not, however, mean piling on detailed specifications and requirements.



8
Supportive Users

Data about the 8 supportive users:

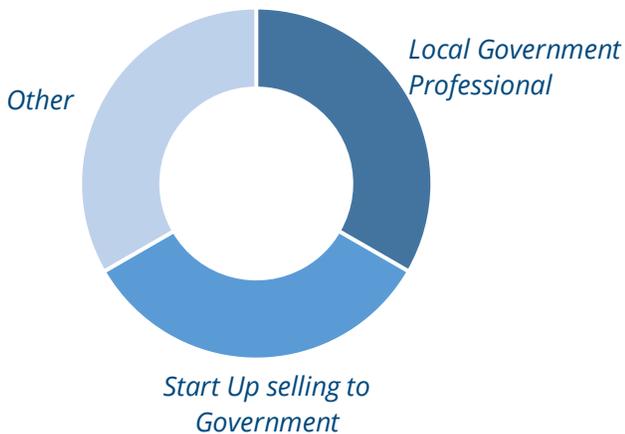
Do you identify as a woman? (3 answers)



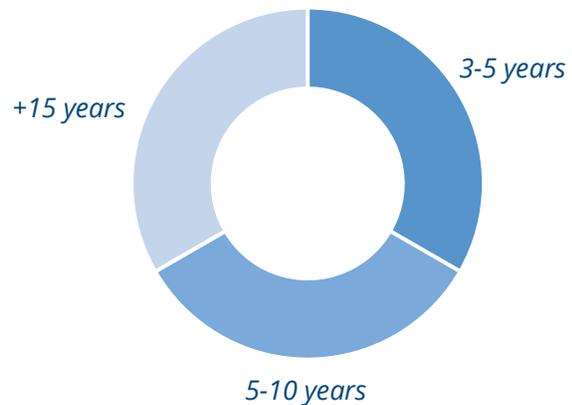
Do you identify as a Person of Color? (3 answers)



Sector? (3 answers)



Time in Sector? (3 answers)



Insight #3

#3

FOCUS ON PROBLEMS, NOT TECHNOLOGY: Engaging residents, identifying the problems that matter most to them, and working across municipal boundaries and city systems can yield new applications of technology outside of the "smart city". Provide new opportunities for technology to solve, and yield more insightful applications of technology. As one survey respondent put it: "When you solve real problems for real people, you'll likely find enterprises being started by women and people of color that hadn't been on your radar screen."



14

Supportive Users

Randomly selected highlights related to this insight:

Ruth Gallant

By seeking feedback from local minority- and women-owned tech businesses in the earliest stages of identifying problems and solutions, cities would set them up for participation in the procurement process

Eric Roche

City governments can instead focus on running experiments with low-cost equipment, developing smart city policies, holding community input sessions.

Amber Schleuning

Host hack-a-thons or data jams that focus on women and people of color and seed topics pertaining to smart cities and civic tech.

Kim Bryden

Remove lowest-bidder procurement, and replace with value-based or problem-based procurement.

Peter Bihr

Make participatory processes and impact assessments a requirement, esp. impact assessments that are broad enough to include all stakeholder groups and not just the "target audiences."

Katya Abazajian

Pass citywide policy and budget measures to invest in more community-centered procurement processes so that staff have the time, capacity, and higher-level support to spend more time scoping needs.

Robin Chase

So one might get more procurement from these groups if you recognize and highlight some of the non-technical requirements that do actually go into them.

Christina Rosan

Broaden discussion of "tech" to think about people's needs. How can technology better promote equity? How can it be used to improve neighborhoods, promote citizen engagement, and address structural inequalities.

Insight #3

#3 FOCUS ON PROBLEMS, NOT TECHNOLOGY: Engaging residents, identifying the problems that matter most to them, and working across municipal boundaries and city systems can yield new applications of technology outside of the "smart city". Provide new opportunities for technology to solve, and yield more insightful applications of technology. As one survey respondent put it: "When you solve real problems for real people, you'll likely find enterprises being started by women and people of color that hadn't been on your radar screen."



14

Supportive Users

Data about the 14 supportive users:

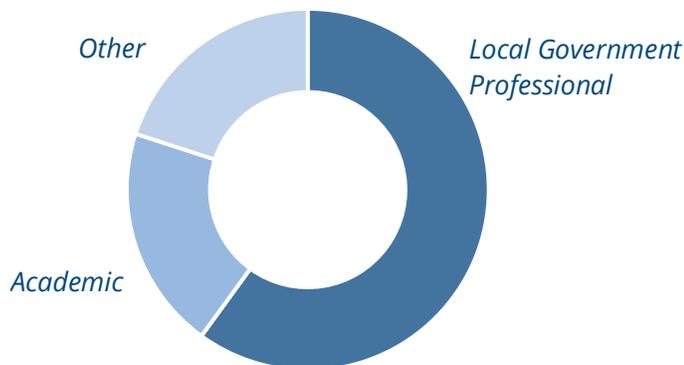
Do you identify as a woman? (5 answers)



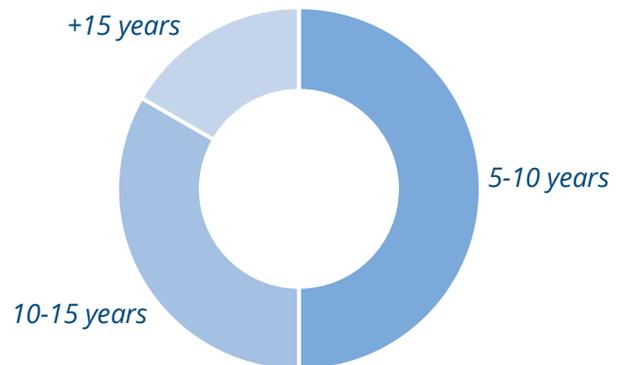
Do you identify as a Person of Color? (6 answers)



Sector? (5 answers)



Time in Sector? (6 answers)



Insight #4

#4

ENGAGE THE LOCAL TECHNOLOGY ECOSYSTEM AND NETWORKS OF ENTREPRENEURS OF COLOR: City governments should become a reliable, present and active part of MWBE (Minority/Women-owned Business Enterprises) and local tech networks. Building trust requires time, effort, creativity, and genuine outreach. "How to do business with government" events are not sufficient. City officials should reach out to and partner with multipliers such as community groups and activist movements to find the right nodes within diverse communities.



26

Supportive Users

Randomly selected highlights related to this insight:

Faith DeVeaux

You can send RFPs to groups such as the black sororities and fraternities, HBCUs - especially the tech incubators, Beacon, WOC in Tech, Small Business etc. that directly work with these groups.

Mac (McKeever) Conwell

Manager of the Builder Fund
It's not enough to have an open door policy or say everyone is welcome, they need to go out their doors and meet with these communities face to face.

Jen Lemen

Connect to activist movements. Best talent and most skilled innovators will be there. Those networks are heavily vetted and have depth of analysis.

Nate Wong

Managing Director
Finding the right nodes within diverse communities are important. And it takes time and effort... and trust building. It starts by asking around.

Daniel O'Neil

Principal
Seek and engage with community groups that are innovating in public meetings. Not just having them, but documenting them, finding ways for more people to be heard, and working with cities.

Kimberly Henderson

President and CEO
In addition, many of these people attend events for the creative community that are held in cities throughout the U.S. I would have staff scour Latin and Black publications and social media. People are out there!

Ryan Coonerty

Santa Cruz County Supervisor
Hold diverse hack-a-thons, open data initiatives and incubators which (1) identify urban opportunities, (2) build the necessary eco-system, and (3) hold workshops about procurement with outreach.

Dan Winston

Commissioner, ANC 1B12
Seek out those communities in the early stages of planning projects - well before the procurement opportunities actually arise.

Andrea Saenz

Chief Operation Officer
Invest time in building relationships with community based tech small business incubators and affiliated non-profits.

Insight #4

#4

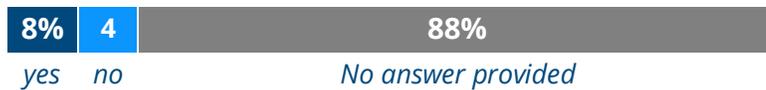
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26
Supportive Users

Data about the 26 supportive users:

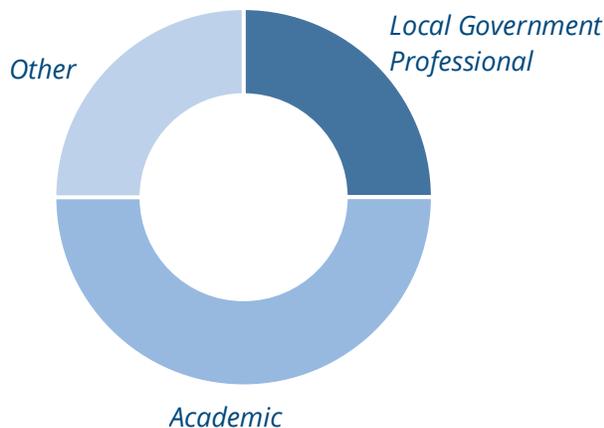
Do you identify as a woman? (3 answers)



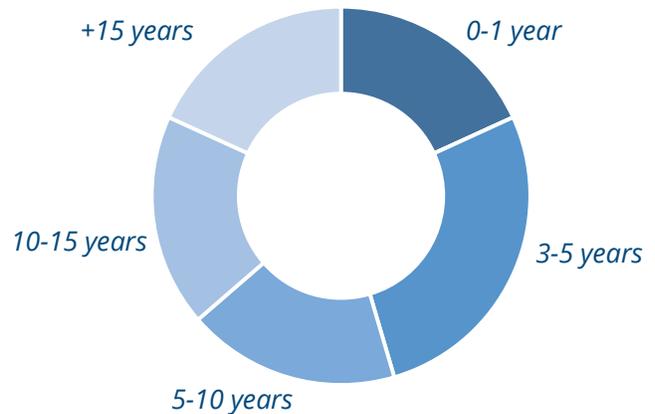
Do you identify as a Person of Color? (10 answers)



Sector? (4 answers)



Time in Sector? (11 answers)



Insight #5

#5

BUILD THE MARKET: The current system of venture capital funding for technology companies disadvantages companies led by women and people of color and companies that sell to government. While cities might not make direct investments in companies, they can support incubators, accelerators, and innovation labs for government-focused startups and MWBEs. They can shape the market by working with companies in the early stages of product and idea development (through programs like start-up in residence). Cities can also signal to the market to take resident needs seriously by evaluating companies on the depth of their community engagement and their commitment to positive local impacts. These criteria could give MWBEs an advantage over large incumbent vendors. Regional, shared, or interoperable certification standards also help create a bigger market and make selling to government a more attractive option.



23

Supportive Users

Randomly selected highlights related to this insight:

Mariel Reed

Make business certifications more interoperable: One challenge that diverse businesses face is that the process of getting credentialed is expensive and complex

Kim-Mai Cutler

Pressure their municipal & state pension funds to invest in private equity firms with female managers and managers of color.

Earl Gloster

Local governments may have the ability to create "business incubators" to help local businesses in that demographic.

Mike Bloomberg

Chief of Staff, City of Holyoke

It would be great to have a non-profit group that only focuses on serving as a clearinghouse for city technology vendors and allows me to sort by ownership, tech, location etc.

Hans Galland

The labs are a safe incubation space for major challenges that our city faces and require innovative solutions. These solutions need piloting, shielded in experimental zones before being processed as city wide interventions.

Jake Luce

While there is more that can be done to increase awards by government agencies, the 'bigger bang' may be to help government support incubators run by 3rd parties.

Nando Castillo

CEO

Incubators focused on supporting startups led by women or people of color

Erica Lock

Vice President

Pilot contracts with funding guarantees AND make connections to investors to support product development;

Karima Woods

City governments could require that a certain percentage (ex. 10%) of their procurement awards go to women and people of color.

Insight #5

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23

Supportive Users

Data about the 23 supportive users:

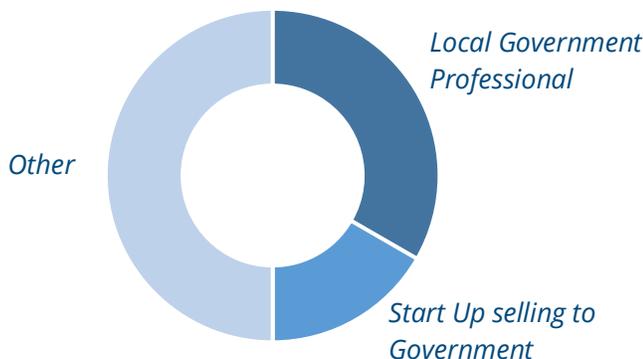
Do you identify as a woman? (3 answers)



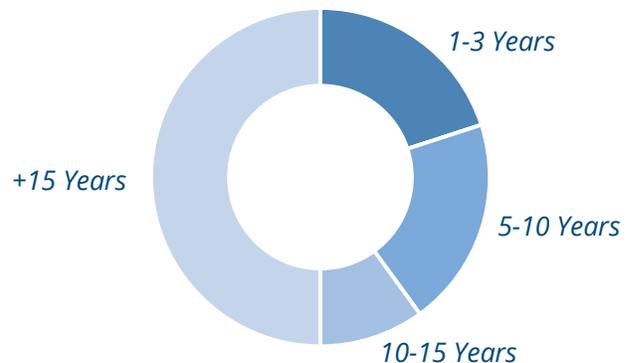
Do you identify as a Person of Color? (10 answers)



Sector? (6 answers)



Time in Sector? (10 answers)



Insight #6

#6

DESIGN SMALLER CONTRACTS: Smaller contracts are often a better fit for MWBE capacity. Additionally, smaller and modular contracts align better with Agile principles of technology development, which increases the likelihood of cities getting a better product. Whenever possible, city governments should divide large projects into smaller parts and run separate procurement processes. For instance, a city might offer separate contracts for the implementation and maintenance of a new project.



18

Supportive Users

Randomly selected highlights related to this insight:

Justin Entzminger

Use innovation programs as opportunities to co-develop with a company led by women or people of color.

Daniel O'Neil

Principal

Ask groups to perform services on an ad hoc, paid basis using small-dollar rules, which are in place in most municipalities. Follow all ethics rules and use trusted intermediary agencies for payment.

Julie Bosland

Procurement reforms (break up contracts, reduce financial barriers through prompt pay and reasonable bonding/insurance requirements, sub-contracting or mentor-protege arrangements, problem-based proc).

Andrew Salkin

Cities can “right size” contracts into scopes of work that are appropriate for size and experience of typical companies led women and people of color.

Gail Nayowith

Principal

Promote affiliations between MWBE firms and larger firms.

Laura Melle

We’re constantly thinking of ways to break work up into smaller pieces (into multiple contracts, multiple partners within one contract, and/or multiple phases within one project).

Eric Roche

Cities could also focus on maintenance costs or ongoing subscription costs and contracting these out to smaller companies, since the largest companies may only be needed for an initial implementation.

Mariel Reed

Govs should award cooperative contracts as a default to suppliers. Suppliers still have to win a first contract, but coop language can help expedite buying & selling across more govts.

Carlos Garcia

City governments can encourage these businesses to participate in procurement opportunities as Tier 2 providers. City governments can promote the use of diverse Tier 2 suppliers in the Tier 1 awards.

Insight #6

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18

Supportive Users

Data about the 18 supportive users:

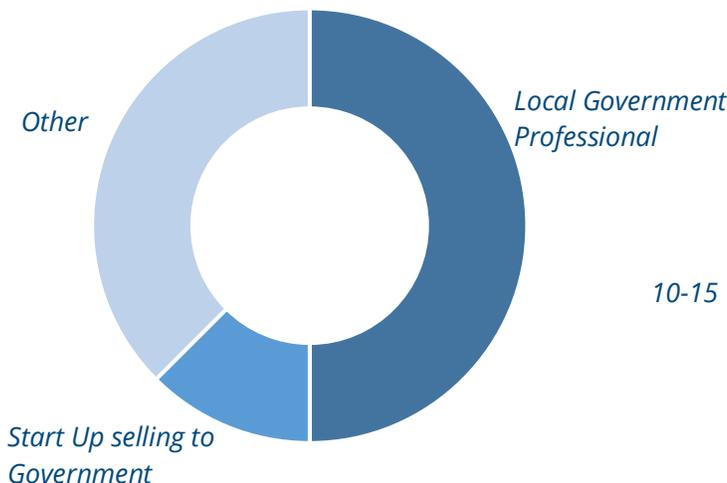
Do you identify as a woman? (9 answers)



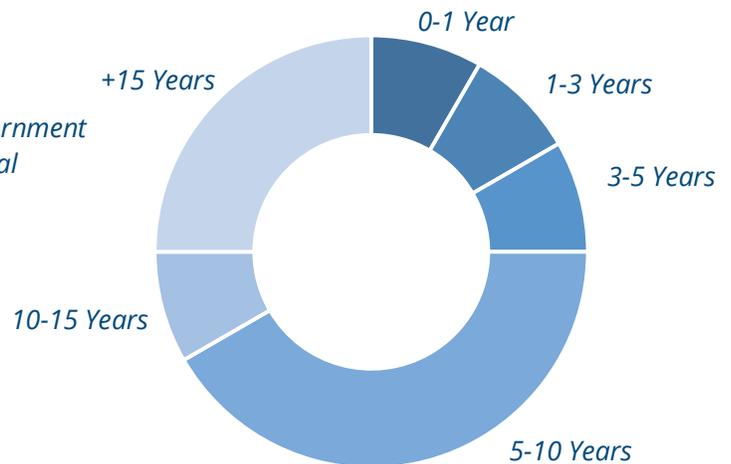
Do you identify as a Person of Color? (13 answers)



Sector? (8 answers)



Time in Sector? (12 answers)



Insight #7

#7

CHANGE WHO IS IN CHARGE: City governments can put women and people of color in procurement decision-making roles like selection committees, heads of procurement, as well as legal and purchasing departments. This can help change the existing landscape disadvantaging women and people of color. Local leaders can also press for state and local pension fund managers to invest in private equity firms with female managers and managers of color.



15

Supportive Users

Randomly selected highlights related to this insight:

Ruth Gallant

Cities could convene working groups that bring together diverse representatives from civic groups, business organizations, tech incubators and the education sector to identify local problems.

Mia Birdsong

If the landscape continues to be racist and sexist, then Black women are set up to fail. That means doing real and ongoing intersectional antiracist work with people in power.

Gail Nayowith

Principal

Diversify city procurement leadership teams (sourcing, purchasing) and contract management staff.

Laura Melle

If we want our vendors to be diverse, we need to make sure our Purchasing, Legal, and even Communications staff are diverse as well.

Carrie S. Cihak

Hire women as procurement directors, CIOs, transportation directors, and the like.

Tina Walha

Position women and people of color in decision-making roles (e.g., Head of Procurement) and processes (e.g., scoring committees).

Kerry O'Connor

Invest in a more equitable network. In Austin, we have an Equity Office. When we sent a request for grant application through their network, we increased our diversity applic. by significant margins.

Tina Kempin Reuther

Representation of underrepresented groups in government and decision-making processes is significant to increase awareness of the issue.

Andrea Sanez

Chief Operating Officer

In Chicago, this might fall within the oversight responsibility of our new chief equity officer.

Insight #7

#7

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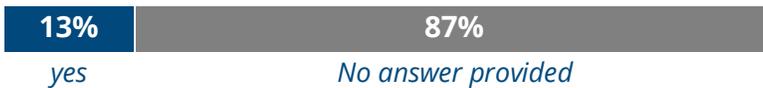


15

Supportive Users

Data about the 15 supportive users:

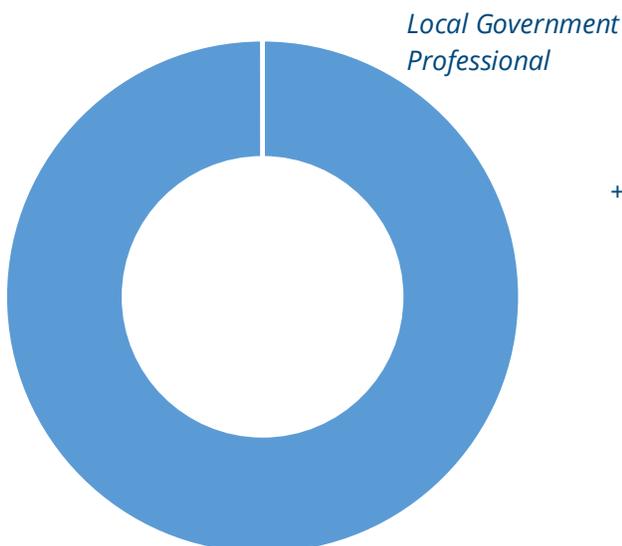
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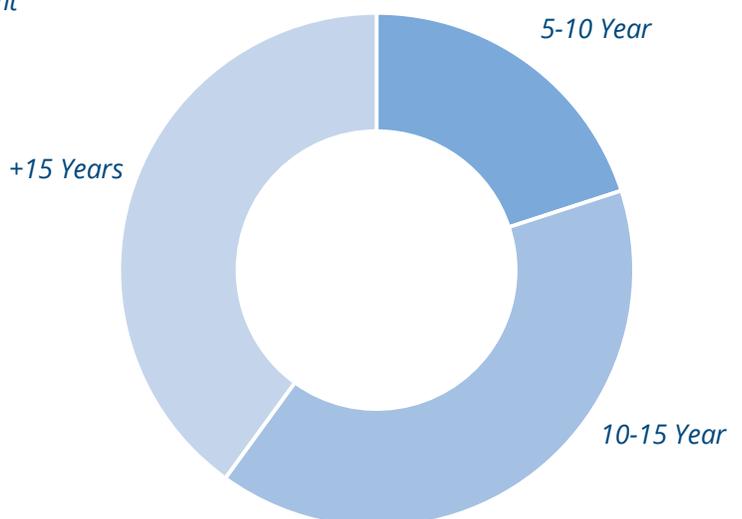
Do you identify as a Person of Color? (13 answers)



Sector? (6 answers)



Time in Sector? (10 answers)



Insight #8

8

RE-THINK TIMELINES. The timelines of typical procurement processes are a bad fit with many companies, not just technology companies led by women and people of color. In addition to devoting time to understanding community needs and building relationships, local governments could share forecasts of longer term purchasing needs. Cities also should keep procurement bidding windows open for at least 28 days (shorter windows are a huge advantage to incumbents). At the same time, cities should re-evaluate the need for "time in business requirements" to make it easier for new companies to compete. Finally, city governments absolutely must pay vendors as quickly as possible -- this is essential for any small business, and especially for MWBEs and start-ups.



Randomly selected highlights related to this insight:

Mariel Reed

Target diverse suppliers in focused outreach as an essential of procurement process. Create more predictability in purchasing in advance (5-years anticipated buying plan).

Catherine Geanuracos

Revise procurement rules to remove minimum time in business requirements.

Sascha Haselmayer

60% of innovative procurements are open for more than 28 days, the minimum period for small business to have a competitive chance to bid, 30% are open for less than 21 days meaning they are probably cooked.

Seyi Fabode

Make sure it's a 30-45 day process because these companies cannot afford that length of time, sticking to the schedule is critical.

Kathrin Frauscher

Pay them on time.

Sascha Haselmayer

Cities should level the playing field by establishing guidelines or regulations around timeframes to assure procurements are open for 28+ days to give a chance to small or less networked vendors.

Justin Entzminger

Executive Director

Make the process consistent and as swift as possible. Use templates. Have a published insurance checklist. Pay on time

Kathrin Frauscher

Publish upcoming contract expiration data; publish past award data; make the submission process simple and free; keep the RFP open for a minimum of 30 days; engage with vendors during execution.

Edmund Zagorin

Remove policy obstacles: paper-only response requirements, brand name specification, years in business requirements, in-person presentation (unconscious).

Insight #8

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8

Supportive Users

Data about the 8 supportive users:

Do you identify as a woman? (2 answers)



Do you identify as a Person of Color? (4 answers)



Sector? (2 answers)

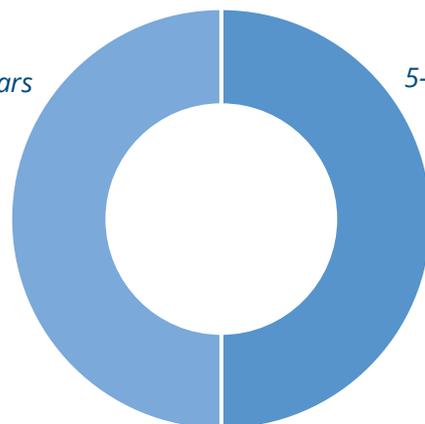
Start Up selling to Government



Time in Sector? (4 answers)

10-15 years

5-10 years



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