

When the State of Vermont Sought to ‘Do More, With Less’ it Turned to ShareDynamics for a Change to Outcome-Based Contracting

Situation:

In fall 2010, the Vermont Legislature sought consultants for implementing a new, entrepreneurial approach to government budgeting. Facing a shortfall, state officials did not merely slash spending. They issued 17 departments and agencies a “Challenge for Change” to achieve more with reduced funding through performance-based contracts on \$70 million of procurement and operational budgets. A related project was to set metrics that defined outcomes and amounts saved through improvement and innovation.

ShareDynamics was chosen to prepare the state’s Office of Purchasing & Contracting for this change by creating a process plan, template documents and help staff to determine key performance indicators. We developed workshops and exercises based on the Quantitative Business Performance Management framework.

Delivered:

More than 100 people attended multi-day programs, focused on defining ‘performance’ in their daily service and operations – this combination of cost-effective, efficient and useful benchmarks represented a significant change from the standard lowest responsible bidder program. Managers from state agencies including Forestry, Corrections, Purchasing, Banking, Budget/Management and other departments all participated in a series of workshops during a two-year engagement.

We began by creating the roadmap, training materials and evaluation criteria. We built two-day workshops with reference materials to help craft better quality contracts. A ‘train the trainers’ component included sharing this expertise. Grant and contract documents reviewed in these sessions delivered explicit performance metrics that replaced standard ‘agreements.’



Keys:

- Transitioning grant agreements into competitive bid processes allowed new performance measurement and bidding processes.
- Standardizing agreements statewide eliminated confusion over terms and vocabulary, and sped the ability to template workflows.

The training prompted individual department heads to call on ShareDynamics for more in-depth consulting and training throughout 2012 on workflow process and multi-disciplinary operations. One example was the VT Department of Children & Families, a critical link where, the state reported about 200,000 people – roughly one-third the state’s population – interact with DCF annually receiving assistance, services or grants.

Results:

Staff workers completed their training equipped with live documents – not exercises or templates. Offices were ready for the transition to a new model with operating manuals and a shared online library of updated procurement and grant forms.

“You have helped DCF to produce the paradigm change that business as usual is not optimal,” wrote David Cohen, financial director for DCF. “The idea of documents based on outcomes and deliverables was something that was not the norm.”