Equity in Contracting Health and Human Services Strategies to Bring Chicago Organizations **Closer to City Contracting Opportunities**



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Letter from the Mayor

"The entire contracting process can and should reflect the values of equity and inclusion at every stage of the process."

Mayor Lori E. Lightfoot City of Chicago

Colleagues,

Increasing equity through every action taken by the City of Chicago has been the driving value of my administration since the day I became Mayor. As part of this effort, my leadership team at City Hall has taken a deep dive into the way we contract for social services. They had extensive conversations with public department staff, delegate agencies performing the work, community partners and community-based organizations who previously had not been able to enter the field.

We heard loud and clear that the City can be a difficult contracting partner to work with—so much so that many are precluded from the work, particularly small and community-based organizations that can be the most effective at tackling the tough problems that our diverse communities face. We considered the input seriously and have challenged ourselves to do better.

In January, we released our *Framework for Equitable Social Services*Contracting. This broad document is the result of your direct input and embraces our commitment to consider how the entire contracting process can and should reflect the value of equity and inclusion at every stage of the process. This policy is our north star and will guide our actions moving forward.

We have adopted an important financial reform, offering cash advances on contracts for services and no longer expecting cash-strapped providers to advance the funds necessary to get services going. We have also instituted better data collection mechanisms to paint a more clear picture on where the City's social services dollars are being spent.

Today, with the release of this Strategic Plan, we lay out a longer and more comprehensive set of ongoing activities that will continue to press our reforms forward. They are intended to make the City of Chicago a good business partner to organizations that do work on behalf of our departments and are intended to leverage every opportunity to use the City's considerable contracting power to advance equity across the City's services.

Our City is strongest when we all work together, when each partner's unique strengths are brought to bear in addressing our communities' needs, and when we collaborate to advance equity across our services. I thank you for everything you do for the people of our City.

Sincerely, **Mayor Lori E. Lightfoot**City of Chicago



Letter from
Deputy Mayor
for Education
and Human
Services

"These goals are not just ideas. They are commitments from the City to take action and make changes to our current processes."

Jaye Stapleton

Deputy Mayor for Education and Human Services

Dear colleagues,

The way we contract for services in the City of Chicago influences the well-being of residents across our City. It defines whether our toddlers get access to quality early development services, and it defines whether youth in need can get support in meeting adolescent challenges that can make or break their developmental years. It influences whether families can stay safely at home, and if communities are able to access interventions they need to prevent violence and build strong relationships. It matters.

We believe the City has yet to maximize its effectiveness in achieving impact, supporting service organizations who do this work, and leveraging community well-being through our spending power. This plan lays out a strategy to address that.

The plan advances seven goals:

- Goal 1: Incorporate Equity Practices in Issuing RFPs and Awarding Contracts
- Goal 2: Improve Access to Information about Contracting Opportunities
- Goal 3: Simplify Paperwork Requirements
- Goal 4: Improve Delegate Agency Cash Flow
- Goal 5: Support Capacity Development of Non-profits
- Goal 6: Leverage City Spaces to Expand Access to Services
- Goal 7: Create Accountability Through Clear Metrics

Importantly, these goals are not just ideas. They are actions. Incorporated in this document are clear assignment of responsibilities and timeframes for action. The Mayor's Office will track implementation carefully and measure impact.

To do these well, we will do them with our delegate agency providers and with the community. The great work of our City Departments will be advanced with strong partnerships in shaping how we move this work forward. We look forward to that effort and building greater impact through this plan.

Sincerely,

Jaye Stapleton

Deputy Mayor for Education and Human Services

Leveling the Playing Field

Equity is a guiding principle of this administration and permeates every action of the Mayor and of City Departments.

In 2020, Mayor Lightfoot tasked City leaders with assessing how City contracting dollars were being used to provide high-quality health and human services while also supporting the growth of local organizations and historically disinvested neighborhoods, especially during and after the COVID-19 pandemic period. Every year millions of dollars are used by the City to contract various services that support our residents. These dollars should go to the organizations that provide best-in-class services and help support communities by creating jobs and redistributing investments.

Mayor's Office executives and Departments have joined forces to listen, learn, review, and change City processes to decrease the number of barriers faced by new organizations that wish to apply to contract opportunities with the City and by those who already have contracts with the City but have challenges with delivering timely services.

This Strategic Plan describes the process conducted by the City to diagnose the most pressing issues with City contracting for health and human services and to define the final actions that should be implemented to solve them – some of which are already underway or completed.

The City of Chicago commits to advancing equity through its practices in partnering with delegate agencies for the delivery of services to get more resources into

high-need communities, strengthen indigenous organizations led by individuals representing communities they serve, and reach historically-excluded organizations doing impactful work.

For the purposes of this effort, "delegate agency" is defined as an organization that is paid to provide social services to the people of Chicago, under a contract with a City Department.

A delegate agency is not required to have nonprofit status, though an overwhelming majority do. Agencies must carry out services according to the terms of the contract, including required City, state, and federal program specifications.

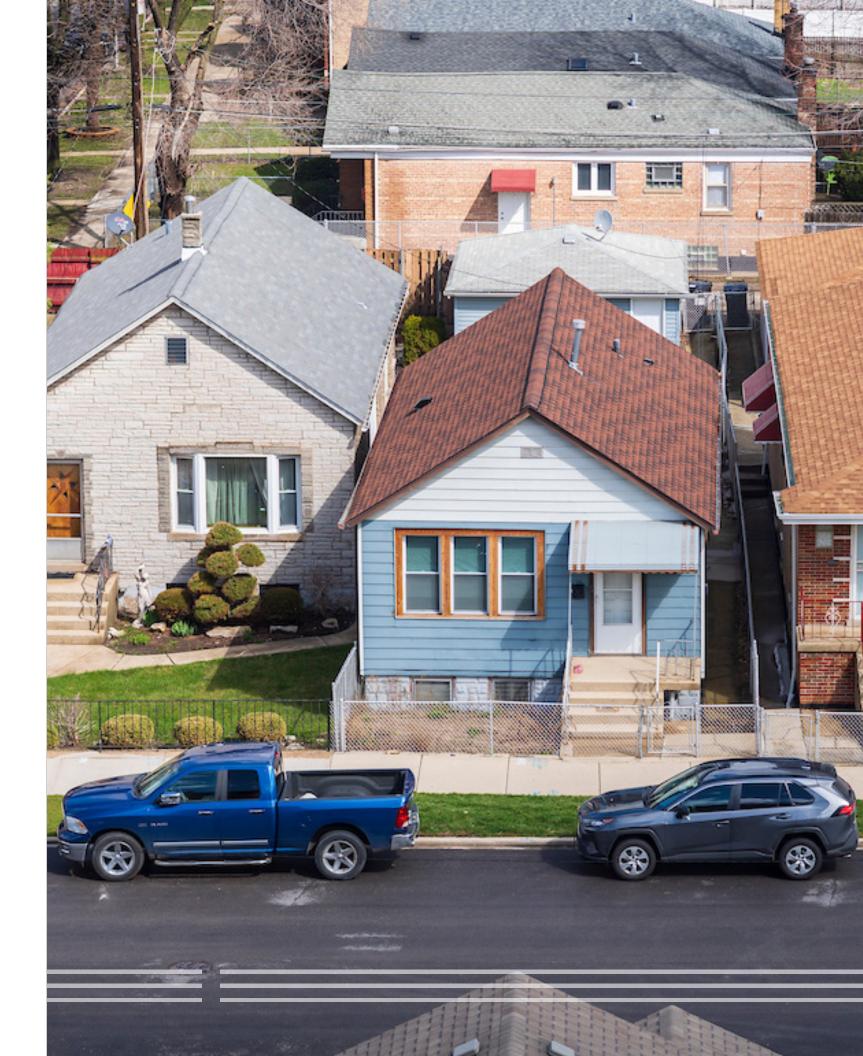
Contracts with delegate agencies typically have a minimum of two-year terms with the possibility of a one-year extension, however contract lengths vary depending on the program model.

Vision

The City of Chicago provides the best quality health and human services through vendors, big and small, who represent the city's diversity and help grow their local communities.

Mission

Lift barriers to create a more level playing field for equitable participation and inclusion in the City's delegate agency contracting process.



Executive Summary

Equity is a key principle of this administration. Mayor Lightfoot tasked City leaders with taking a closer look at contracting processes, evaluating and making changes to enable more accessible contracting with the City, and acting as a source of high-quality services for residents as well as a stepping-stone for the growth of indigenous organizations¹ and their communities.

Data analysis of existing delegate agency contracts revealed most contracts were registered downtown. There are numerous potential reasons for that concentration, including the fact that City systems require delegates to submit their billing address,

not their service address. It could also indicate a trend towards awarding contracts to larger centralized delegates. Future analysis is required for conclusive assessment.

At the same time, the Office of Budget Management started a contracting and process analysis taskforce building from lessons learned during the pandemic period (Project Phoenix). The goal of this taskforce is to modernize and streamline contracting systems and tools allowing changes such as online signatures and document sharing between departments to avoid duplication of submissions by delegates.



¹Organizations led by individuals representing communities they serve

The research phase also captured existing equity language already in use in City RFPs, which represent best practices within City Departments.

Finally, the group conducted a thorough stakeholder engagement process which involved City Departments, current delegate agencies, non-funded organizations, philanthropy and community leaders. More than 150 people provided feedback during this process. Meetings were held online and in person and focused on two main topics: (1) what are the main barriers for contracting with the City; and (2) what changes must be implemented to make the process more equitable.

From the long list of recommendations that came out of this process, seven goals were prioritized and now encompass this Strategic Plan:

Goal 1

Incorporate **Equity Practices** in Issuing RFPs and Awarding Contracts

Goal 2

Improve Access to Information

Goal 3

Simplify Paperwork Requirements

Goal 4

Improve Delegate Agency Cash Flow

Goal 5

Support Capacity Development of Small Non-profits

Goal 6

Seek Opportunities to Leverage City Space to Expand Access to Services

Goal 7

Create Accountability Through Clear Metrics

Background

Data Analysis

In 2020, an initial analysis of data by the Office of Budget and Management (OBM) on delegate agency contracts across City departments indicated that the City of Chicago funded at that time nearly 400 non-profit delegate agencies across 7 departments through 1,200 contracts totaling over \$280 million.

- 92% of all contracts and 93% of all funds came from the Department of Family and Support Services (DFSS) and the Chicago Department of Public Health (CDPH)
- The top 10 delegate agencies accounted for 28% of total funding
- A disproportionate share of agencies are headquartered in the Downtown/Loop area (Map below)
- Organizations headquartered in periphery communities received the fewest contracts and least delegate agency funding; and 13 communities had no funded agencies headquartered in them.

Purple: Three community areas with 33% of all delegate contracts:

Loop: 197 Near West Side: 167 West Town: 68

The remaining 66% of contracts are spread more evenly and contain 48 or fewer contracts

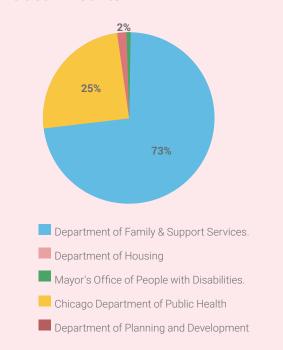
Green: Top 33% of contracts Yellow: Middle 33%

of contracts Red: Bottom 33% of contracts White: No contracts

Outside the Loop, funding and contracts clustered in the Near West Side, West Town, Lower West Side, Uptown, and Humboldt Park.

During the winter and spring of 2021, the Mayor's Office analyzed data shared by DFSS, CDPH, the Department of Housing (DOH), the Department of Planning and Development (DPD), and the Mayor's Office of People with Disabilities (MOPD), which corroborated the initial analysis done by OBM, indicating that DFSS and CDPH hold most contracts with delegate agencies (percentage in the graph below considers funds directed to delegate agencies, whether non-profits or not). This analysis also showed that health and human service contracts are rather diffuse, most contracts having either small (\$100k-\$500k) or very small (less than \$100k) amounts and being distributed among many providers.

Contract Amounts



Number and Size of Contracts



The main conclusions from the data analysis were:

- Data availability is limited, therefore this analysis is not conclusive.
- Information on delegate agencies' address is incomplete, as iSupplier, the contract data repository from the City, collects information on billing addresses only and not on service location in a standardized form.
- There is no standardized information repository on subcontractors, that is, other organizations that are hired by delegate agencies to provide part of contracted services.
- There is no data on the size of the delegate agencies, so it is difficult to tell whether the City is contracting with small (\$1M-\$5M budget) or large (more than \$10M budget) organizations.

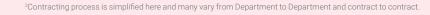
Contracting Lifecycle

Next, the Mayor's Office analyzed the contracting process², which can be summarized as:

- 1. Develop a program model
- 2. Develop and release the Request for Proposal (RFP) and Scoring Rubric
- 3. Provide Public Notice
- 4. Conduct Pre-bidder Conference
- 5. Update information in iSupplier
- 6. Evaluate proposals and select delegates
- 7. Develop and Execute Contract

This exercise of dividing the contracting cycle into steps was key to enabling specific and detailed discussion of the process during stakeholder engagement, with discussions focusing closely on steps that need revision and change, such as items 2, 5, 6 and 7 above.

Prior to this engagement, many City Departments were already working to make contracting processes more accessible to a larger pool of local organizations. These departments have good practices to share, and their precedent is key for the creation of a Peer Learning Network (Goal 1).



Equity Language Found in Chicago RFPs

Below are some examples lifted from existing Chicago RFPs that represent good equity provisions:

Examples of Existing Equity Provisions	RFP
Includes Equity Vision and Goals	CDGA Book; CDPH RFPs; CDPH Violence Prevention Grants; CDPH Contact Tracing RFP; DFSS Re-Entry Supports RFP; CDPH Health Equity Zones RFP
Requires Equity-Oriented Organizational Capabilities	DFSS Senior Services RFP
Preference for Local Hiring	Early Learning Family and Community Outreach RFP; CDGA Book; CDPH Health Equity Zones RFP
Identifies Target Neighborhoods	CDGA Book; CDPH Health Equity Zones RFP; Contact Tracing RFP; DFSS SCaN RFP; CDPH Street Outreach & Victim Services RFPs
Requires Culturally/Linguistically Competent Services	DFSS DV RFP; DFSS Homeless Services RFP; Early Learning Support Services Family and Community Outreach Services;
Requires Community Engagement	DOH CHDO Operating Assistance RFP; CDPH Health Equity Zones RFP
RFP Scoring Rubric Includes Equity Elements	DFSS Caregiver Respite RFP; DFSS Senior Services RFP; Early Learning Supports/Outreach; CDPH Health Equity Zones
Defines Small Organizations	CDPH RFPs

Stakeholder Engagement

More than 150 people were engaged in a process that involved group and individual discussions, in person and online. Members from City Departments, current delegate

agencies, non-funded organizations, philanthropy and community leaders were asked to share (1) the main barriers for contracting with the City; and (2) what changes must be implemented to make the process more equitable.

Current Delegate Agencies

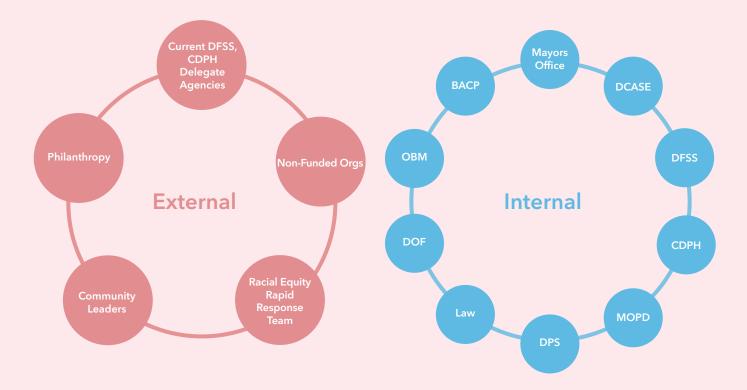
Hektoen Institute for Medical Franciscan Outreach Chinese American Service Leagu Phalanx Family Service La Casa Norte Everthrive Illinois Planned Parenthood of IL Teamwork Englewood After School Matters Metropolitan Family Services Heartland Alliance Heartland Alliance
Archdiocese of Chicago
Catholic Charities

Austin Coming Together Chicago Neighborhood Initiatives
Proactive Community Services
UChicago Civic Engagement Project Vida Global Girls Inc.

Philanthropy

Polk Bros Foundation
Funders Together to End
Homelesspace

Community Leaders



Key Insights from this process include:

- 1. The reimbursement model requires organizations to have access to cash flow until funding becomes available. This, many times, represent a barrier to smaller organizations.
- 2. The current subcontracting models can create further inequities or do not necessarily alleviate administrative burdens as delegate agencies require from subcontractors the same documents and guarantees as those required of them by the City.
- 3. The delays in contract execution and payments impose hardships to delegate agencies who can spend many months delivering services without being reimbursed.
- 4. Onerous paperwork process does not align with funding amounts and may be too cumbersome.
- 5. Community-based organizations many times are unaware of when contracting opportunities are available and do not have the staff or other resources to effectively respond to some of the funding openings.



Goal
Incorporate
Equity Practices
in Issuing RFPs
and Awarding
Contracts

Solicitation and award of contracts can be a powerful force in advancing equit in the delivery of social services.

These recommendations focus on advancing best practices across issuing Departments through sharing strategies and incorporating improvements in RFP release.

1.1 Include overarching cultural competency

Department staff writing RFPs and scoring proposals should be sensitive to different cultural dynamics and necessities in the City, from services being offered to the language used in RFPs and contracts. Consulting with community leaders could be a way of making sure contracting opportunities are reaching a wider diversity range.

(i) Scope preparation

Envisioning the services to be delivered in a well-designed scope of work can advance equity by shaping programs to meet unique local needs and tap into local capacity to deliver services. Community consultations and solicitation of interest are examples of the types of practices that advance equity and inclusion.

(ii) Request for Proposals

Structuring RFPs to foster new entrants to the service field can strengthen delivery with a varied array of delegate agencies reflective of local concerns and capacities. Identifying size of contracts, number of providers and subcontracting opportunities are mechanisms that can increase provider diversity.

(iii) Bidders Conferences

Innovating the way Bidders Conferences are convened by tailoring them to each community can send important signals about the City's interest in engaging non-traditional providers.

1.2 Establish an Inter-Departmental Peer Learning Network

Seemingly neutral standards for guiding evaluation and making contract awards can inadvertently exclude smaller organizations and entities who lack a strong track record of services with the City. A careful design of these standards can open the field to increase local knowledge and solutions in the service array.

1.3 Increase department staffing capacity and skills to support the work

Departments should designate a group of individuals internally to focus on achieving the goals of this Strategic Plan.

1.4 Ensure that services meet physical and communication guidelines as set out by federal law including the Americans with Disabilities Act

The cultural competency strategy also should be expanded to people with disabilities.

By paying careful attention to existing guidelines, Department staff can make contracting opportunities more available to individuals with disabilities as well.





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Goal
Improve Easy
Access to
Information about
Contracting
Opportunities

Entering a new field can be daunting and government contracting necessarily involves detailed compliance reporting.

Helping providers understand when new opportunities come up, providing an easy-to-find repository for these, offering plain language guides to contracting with the City, and other training and technical assistance materials, can support small entities in accessing and managing relationships with the City.

2.1 Create an Online Destination Location for Easy Access to Training Materials, Background Facts and Contract Opportunities

The City will review existing web resources and identify a landing place on the main City website that can be used to organize and share updates and background materials. An effort will be made to centralize existing City content and generate new content with partners (see Goal 5 below) around critically needed technical assistance resources. All procurement opportunity and award notices will be posted here as well.

2.2 Bidders Conferences should be held in different areas of the city and consider multiple types and sizes of organizations

Holding easy to access, easy to understand bidders' conferences, ideally at the community level, can spread the knowledge about opportunities to provide services to the community through City contracts









Goal Simplify Paperwork Requirements

Background, compliance and monitoring requirements accumulate over time and have the effect of generating a significant burden on delegate agencies.

These can also act as barriers to entry for small organizations which do not have the time and resources to navigate all paperwork requirements.

3.1 Conduct Comprehensive Multi-Agency Review

A comprehensive review of all contract requirements will be conducted across agencies to develop a minimally required common set of requirements that will be adopted as the standard across all agencies, funding source limitations considered.

3.2 Establish a Small Contract Minimal Approach

An effort to further minimize these requirements will be made for small contracts where such burdens are disproportionate to the work being completed.





Equity in Contracting Health and Human Serv



Goal Improve Delegate Agency Cash Flow

Chicago has already made a significant commitment to improving cash flow to agencies by adopting the Advance Mobilization Policy (AMP), which is being implemented through ARP funded services in 2022.

4.1 Expand and Complete AMP

The City will complete AMP implementation by expanding this to all new health and human service contracts issued by 2023.

4.2 Pursue Prompt Payment through Full **Alignment with Project Phoenix**

Further progress will be made by closely supporting the work of Project Phoenix which is seeking simplification, standardization and automation of steps along the contracting continuum for delegate agencies.

4.3 Conduct a regular review of AMP and other prompt payment metrics to understand impact of policy change

As with all strategies listed here, change must be monitored and evaluated to enable course correction and assess true impact. The impact of AMP will be duly evaluated to measure its effectiveness in attracting other delegate agencies to contract with the City.









Goal Development of

Many communities thrive with the support

Helping these providers to access City funding to deliver their services and bring them into the array of offerings the City can support, depends on the ability of the providers to grow, manage a relationship with the City and other funders, and meet service practice mandates and best practices within their offerings. An alignment of partners to support this effort in the City will tap into their potential.

5.1 Further Work of the Readiness Summit to Expand Opportunities Across Agencies and Programs

Identify key technical assistance content that is critically important for providers to know to be successful in working with the City. Develop and post the content in the convenient online portal.

5.2 Focus Communications of Contracting Opportunities through **Community Based Networks**

Creative expansion of notification and engagement at the community level will be undertaken to reach out to organizations not currently in the City's portfolio.

5.3 Explore using technical assistance organizations to support delegates with contracts and applications/submissions

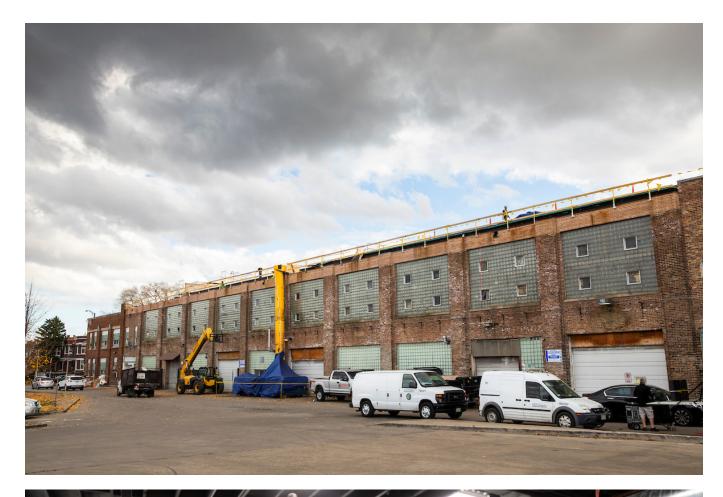
Work with technical assistance organizations to increase the availability of back-office support, and assistance with RFP submissions to support delegates and first-time applicants.

5.4 Work with the philanthropic community to better leverage private and government resources to fund technical assistance and capacity building for delegate organizations and first-time applicants.

Private philanthropic funders have a deep interest in advancing equity in service delivery. They are well placed to partner with the City to develop a series of technical assistance efforts that can strengthen the capacity of communitybased providers.

5.5 Leverage the knowledge of community leaders

Community leaders know best how to outreach to the diverse members of communities most effectively. Their knowledge on the best services to seek or most appropriate language to use in RFP writing can be invaluable to make contracting more equitable.









Goal Leverage City Space to Expand Access to Services

to deliver services is a challenge for many non-profits.

The City's desire to make services accessible to residents in need reinforces the importance of identifying local opportunities.

6.1 Align with Other Efforts Identifying New **Uses for Underutilized City Spaces**

The City's economic development and education partners are advancing strategies for creative reuse and co-location of functions in community spaces to foster local wealth building. These efforts can be leveraged to advance small provider service opportunities as well.

6.2 Ensure that existing community locations that provide access to services meet standards of appropriateness

Language should be added in RFPs across the board about the need to make service locations accessible to diverse members of communities, including people with disabilities or other needs.

Space Opportunities to Small Non-profits **Needing Affordable Options**

Conducting community outreach and engagement about the potential for community uses, making those opportunities available during solicitations for services, and generating an easy to access leasing arrangement can all foster a collaborative environment for expanding service presence at the community level.







Goal Create Accountability Through Clear Metrics

Data availability and transparency to measure results

7.1 Revise Data Collection Capabilities

7.2 Identify, Track and Report Key Metrics

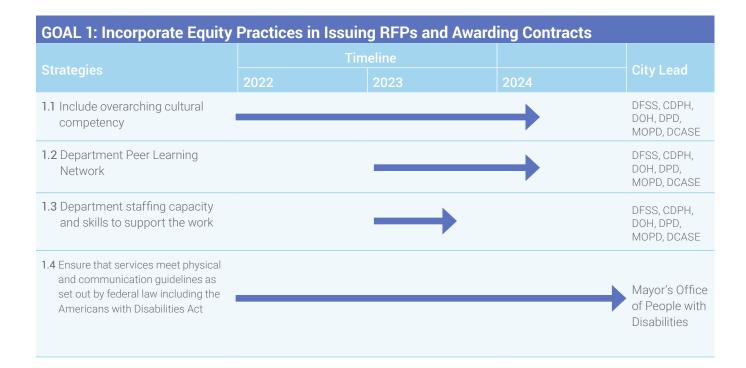
Thank You

The City of Chicago would like to thank all Departments, delegate agencies, community leaders and organizations, including our philanthropic consultants from Bloomberg Associates, whose dedication and shared vision made this plan possible.





Timeline and Responsibilities



Chrotonica		Timeline		City Lead
Strategies	2022	2023	2024	
2.1 Create an On-line Destination Location for Easy Access to Training Materials, Background Facts and Contract Opportunities			-	Department of Assets, Information and Services
2.2 Expand Bidders Conferences around the city		_		Office of Budget and Management

Strategies				
3.1 Conduct Comprehensive Agency Review	Multi-	_		Office of Budget and Managemen
3.2 Establish a Small Contract N Approach	Minimal			Office of Budget and Managemen

Ctrotogico	Timeline			Oite Lead
Strategies	2022	2023	2024	City Lead
4.1 Expand and Complete AMP				Department of Finance
4.2 Pursue Prompt Payment through Full Alignment with the Project Phoenix				Office of Budget and Management
4.3 Conduct a regular review of AMP and other prompt payment metrics to understand impact of policy change		ı		Office of Budget and Managemen

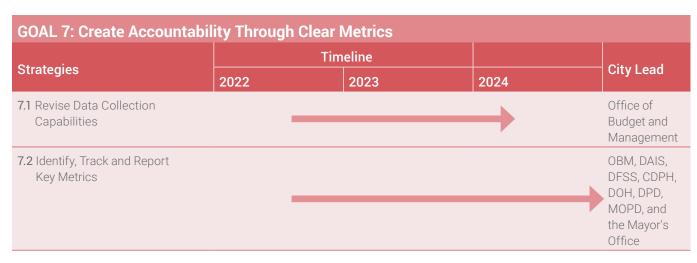


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GOAL 5: Support Capacity Development of Non-profits				
Ctratagian	Timeline			City Lond
Strategies	2022	2023	2024	City Lead
5.1 Further Work of Readiness Conference to Expand Opportunities Across Agencies and Programs				BACP
5.2 Focus Communications of Contracting Opportunities through Community Based Networks	_		→	Office of Budget and Management Department of Assets, Information and Services
5.3 Explore assist agencies to support delegates with contracts and applications/ submissions		_		BACP, Office of Budget and Management
5.4 Work with Philanthropic and Technical Assistance Community to Provide Capacity Building and Back Office Support to Small Non-Profits			→	DFSS, CDPH, DOH, DPD, MOPD, DCASE
5.5 Leverage the knowledge of community leaders		_		DFSS, CDPH, DOH, DPD, MOPD, DCASE







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Framework for Equitable Social Services Contracting

The City of Chicago commits to conduct its delegate agency contracting in a manner which more effectively reaches historically underrepresented organizations doing impactful work, strengthens organizations indigenous to and led by individuals representing the communities they serve, and increases the resources available in high-need communities.

Through Chicago's equitable social services contracting framework, we will create social value in our contracts to help to make Chicago more equitable by distributing economic benefits throughout the communities that have traditionally been underrepresented. This will be achieved by 5 goals:

- 1. Reaching historically underrepresented organizations doing impactful work.
- 2. Strengthening organizations indigenous to and led by individuals representing communities they serve.
- 3. Increasing resources in high-need communities.
- 4. Ensuring cultural competence.
- 5. Being accountable for results.

Working with community, public agencies, and non-profit and philanthropic partners, we will seek to undertake contracting process and policy reforms and align technical assistance and support.

The complete text of the Framework can be found in: https://www.chicago.gov/city/en/sites/chicago-recovery-plan/home/equity.html

