Managing Public Grants and Contracts
PUBPOL 599-B
Winter 2017
Tuesdays, 5:30 p.m. – 8:20 p.m.
Parrington Hall, Room 108

Professor: Ben Brunjes
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Parrington Hall, Room 209C

Office Hours: By appointment and
Tuesday, 3:00 p.m. – 5:00 p.m.
Wednesday, 12:30 p.m. – 2:00 p.m.

Course Description

Public managers are increasingly reliant on other organizations to help design, implement, and evaluate public policies. This is due to a number of factors, including political ideology, economic theory, resource scarcity, and problem complexity. As a result, public administrators are more likely than ever to encounter and work closely with partners, contractors, and grantees. Indeed, federal spending on grants and contracts accounted for more than 80 percent of the total discretionary budget in 2015. Despite this, little training and research is currently being provided to equip public officials with the skills needed to design and manage these complex organizational structures.

Grants and contracts are two commonly used tools that public managers can employ to engage in and structure relationships with other organizations. Both are legal agreements, often between a principal (often the government or a foundation) and an agent (usually a private sector contractor or grantee, including nonprofit organizations). These agreements define the terms of the relationship between partners, including the timeline, tasks to be completed, financial obligations, and performance criteria. There are many different types of grants and contracts, each designed for a specific purpose.

This course is designed to allow students the chance to better understand why contracts and grants are used, offer practical experience in their design and management, and to consider the ethical, political, and legal obligations associated with these tools. The course begins by introducing the rationale for using contracts and grants, including some background agency theory, contract theory, and transaction cost economics. Then, students will participate in a multi-week, hands-on contract design and management exercise. The course will conclude with a discussion of how the use of these tools has changed modern governance and a discussion of how this approach may influence public values, including accountability, transparency, and efficiency. At the conclusion of the course, students will be prepared for the basics of grant and contract management, including managing internal relationships, writing statements of work, designing and reviewing proposals, developing performance criteria, using incentives (financial and others), and overseeing progress throughout the duration of a contract or grant.

This is NOT a course on how to write grants, attract grant money, or successfully compete for public sector contracts. Rather, this course focuses on equipping people interested in using these tools from the funder’s perspective (that is, the contracting organization or grantor). In a system where grants and contracts are so commonly used, it is essential that students considering public sector employment become familiar with leading strategies and frameworks for appropriately using, managing, and assessing these tools.
Course Objectives

This course will help you develop skills necessary to design and manage grants and contracts. Specifically, this course will provide practical skills and knowledge related to:

- Assessing the presence of transaction costs
- The “make or buy” decision
- Writing statements of work
- Deciding whether to competitively source grants and contracts
- Interact with political overseers and influential stakeholders
- Selecting the proper financial structure for contract and grants
- Writing and reviewing proposals
- Developing performance metrics, and understanding both the promise and drawbacks of performance-based contracts
- The role of task complexity in contract and grant design
- Aligning objectives for principal and agent
- Strategies for managing blended workforces
- Performance and financial reporting mechanisms
- Ethical considerations
- Effective written communication

Grading and Course Assignments

A student’s course grade will be determined as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Contribution to Final Grade</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>20%</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Mgmt. Memo #1</td>
<td>20%</td>
<td>24 January</td>
</tr>
<tr>
<td>Statement of Work</td>
<td>10%</td>
<td>31 January</td>
</tr>
<tr>
<td>Request for Proposals</td>
<td>10%</td>
<td>7 February</td>
</tr>
<tr>
<td>Proposal</td>
<td>10%</td>
<td>21 February</td>
</tr>
<tr>
<td>Decision Memo</td>
<td>10%</td>
<td>28 February</td>
</tr>
<tr>
<td>Mgmt. Memo #2</td>
<td>20%</td>
<td>7 March</td>
</tr>
</tbody>
</table>

Participation

Participation is expected and comprises a significant percentage of students’ final grade. Class attendance alone (which is mandatory) does not contribute your participation grade – the vast majority is determined by how active you are in our in-class discussions. Students are expected to actively engage in the subject matter with the professor, teaching assistant, and other students in the class in a number of ways, including discussions, debates, presentations, analysis of cases, and group work. Included may be a few non-graded homework assignments which will be
discussed with the class as well as pop quizzes if needed. General failure to participate may
result in the addition of a midterm examination.

While in class students are expected to behave in a professional manner. Inappropriate behavior
in classes will not be tolerated. Specifically, please arrive on time, be respectful of your fellow
students and instructor, and refrain from distracting activities such as side conversations,
updating social media, or misusing computers. Also, make sure that all mobile phones are
silenced or turned off. We will be addressing some sensitive issues this semester. Some people
may feel uncomfortable at times. Try to be aware of how your actions affect others in the class.
This does not mean that you cannot voice your opinion – just do not attack others or behave in an
overly aggressive or disrespectful manner. Everyone comes to this class with their own set of
values and pre-conceptions, and these may or may not align with yours. Part of being a
successful leader is the ability to bridge ideological or value-based divides to either find common
ground or shared understanding.

Though participating in class might not come naturally to everyone, the ability to publicly
communicate ones ideas are critical in a work setting. Thus, the instructor will expect regular
contribution from all students. This does not mean that you should speak for no reason at all.
Rather, please have thoughtful contributions that link or analyze concepts from the readings and
group activities in interesting and insightful ways. Your ideas need not be novel, but they should
contribute to the ongoing dialogue of the class.

Attendance: Missing Class
You should not miss class. That said, people get sick and have lives outside of the MPA
program. Should you need to miss a class, notify both the professor and teaching assistant
in advance of the absence. Depending on the nature of the notification and the absence,
asences may be excused, though some work will likely be assigned to compensate for
the lost class time and ensure that the concepts covered are understood.

Management Memos
In practice, government and nonprofit officials rarely write long papers, but instead must
summarize information quickly. Developing the ability to succinctly communicate complex
information is essential in government (and in the private sector). The memo is one way to
practice this form of writing. Good memos will maximize the meaning and utility of every
sentence and word. As a result, outlining may prove invaluable. Both memos will task students
to respond to a case. Responses should summarize the case, provide some analysis, introduce
policy options and a policy solution, address counter-arguments, and provide some concluding
remarks. Memos are to be no longer than two single-spaced pages, using Times New Roman 12
pt. font. Instructions for each memo will be provided when it is assigned. A grading rubric will
be handed out with the prompts so that students are cognizant of the assessment standards.

Grant/Contract Design and Management Assignments
The bulk of this course will focus on giving students the chance to actually design a contracting
or grant initiative. During this phase of the course, students will write a statement of work,
develop a detailed request for proposals, craft a proposal, and then evaluate bids and select
winners. The purpose is to familiarize students with the day-to-day logistics of the contract
management process, giving them marketable expertise and a detailed understanding of the challenges that contracting officials face. This is essentially an ongoing case (grant and contract) that we will use for the middle section of the class. Materials and guidelines for each assignment will be available on Canvas and discussed in class.

**Assignments: Due Dates and Submission**
Due dates for this course are **firm**. Papers are due at the start of class on the date listed on the syllabus. No late papers will be accepted. Submission instructions will be provided by the instructor at the time assignments are made.

**Readings and Course Materials**
Course readings include academic articles and book chapters, cases, and journal articles written by some of leading scholars and practitioners in the field of public administration and policy. There are two assigned books for this course, which are available at the bookstore and online retailers:

2. DiIulio, J. (2014). *Bring back the bureaucrats: Why more federal workers will lead to better (and smaller!) government*. Templeton Foundation Press.

All other course materials are available on the Canvas website (http://canvas.uw.edu).

Please complete all readings prior to coming to class. While in class, it is wise to have access to the readings, either in print or electronic form. Though rare, Professor Brunjes may occasionally make changes to the assigned readings or other course materials. Should this occur, you will be notified in class and over email. A changed syllabus and the new reading(s) will be uploaded to Canvas.

Readings are currently displayed in the “Files” folder on Canvas. Readings are separated into two categories: required and supplemental. Required readings are those readings which you are expected to read prior to class each Tuesday. Supplemental readings are available for students who wish to dig deeper into a particular topic. Occasionally they will be used in class, but there is no expectation that students will have read them thoroughly.

**Academic Integrity**
Students are responsible for abiding by the University of Washington’s and the Evans School’s academic conduct policies. All academic work must meet the standards contained in UW’s Student Conduct Code (http://www.washington.edu/admin/rules/policies/WAC/478-120TOC.html) and the Evans School’s Policy on Academic Integrity (https://evans.uw.edu/sites/default/files/public/Evans%20School%20Policy%20on%20Academic%20Integrity.pdf). Students are responsible for knowing, understanding, and adhering to these policies before performing (and submitting) and academic work.

For this class, the biggest concerns are the following:
**Using other people’s ideas:** In academics, it is inevitable that students will often need to rely on the ideas of other people. When using an idea that someone else had, regardless of the source, acknowledge the originator of the idea in the appropriate fashion. This is usually a citation in written work.

**Using other people’s responses:** Do not do this. Claiming someone else’s work as your own is academic fraud. Do not search for other people’s responses to case studies. Do not copy and paste portions of other people’s responses into your work. Doing so is (a) against the academic honor code, (b) a poor use of your time and money spent on this degree, and (c) disrespectful to professor, teaching assistant, and other students in our class, all of whom will be working hard all semester to generate original ideas.

**Collaborating when you should not be:** All students will be responding to the same cases and the same prompts. As a result, it may be tempting to discuss assignments with your peers. Don’t do this. Wait until after you have submitted your memo, and we will all discuss the assignment together in class. Individual projects should be undertaken without input from others. This includes having other students read and edit your memo, provide ideas about your options, talking through the case, and so on. Write your memos by yourself, please.

**Academic Accommodations**
At the Evans School, we are committed to ensuring access to classes, course material, and learning opportunities for students with disabilities. If you would like to request academic accommodations due to a disability, please contact Disability Resources for Students at [http://www.washington.edu/admin/dso/](http://www.washington.edu/admin/dso/). If you have a letter from the office of Disability Resources for Students indicating you have a disability that requires academic accommodations, please present the letter to me so we can discuss the accommodations you might need for this class.

**Course Schedule**

<table>
<thead>
<tr>
<th>Week 1 – Jan. 3rd</th>
<th>Course Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required Readings</strong></td>
<td>• Course syllabus</td>
</tr>
<tr>
<td><strong>Other Readings</strong></td>
<td>• None</td>
</tr>
<tr>
<td><strong>Case</strong></td>
<td>• N/A</td>
</tr>
</tbody>
</table>
| **Key Topics** | • Course organization, deadlines, and expectations  
• Memo writing style explanation  
• The current scope of contract and grants – some basics |
| **In-class Activities** | • Instructor and student introductions |

| Week 2 – Jan. 10th | Background: How Contracts and Grants are Used |
### Required Readings


### Other Readings


### Case

- The F-35 program

### Key Topics

- What are grants and contracts?
- How are grants and contracts used?
- What are some implications of the widespread use of these tools in government?

### Week 3 – Jan. 17th

**Background: Frameworks for Assessing Contracts and Grants**

### Required Readings


### Other Readings

<table>
<thead>
<tr>
<th>Case</th>
<th>• Basic research grants and contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Topics</td>
<td>• Transaction cost economics</td>
</tr>
<tr>
<td></td>
<td>• Agency theory</td>
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<tr>
<td></td>
<td>• Public choice</td>
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<tr>
<td></td>
<td>• Contextual considerations for writing grants and contracts</td>
</tr>
<tr>
<td>In-class Activities</td>
<td>• Assign Management Memo #1</td>
</tr>
<tr>
<td>Week 4 – Jan. 24th</td>
<td>Background: Legal and Political Considerations</td>
</tr>
<tr>
<td>Case</td>
<td>• OMB Circular A-76</td>
</tr>
<tr>
<td>Key Topics</td>
<td>• Basic legal frameworks of contracting and grants</td>
</tr>
<tr>
<td></td>
<td>• Understand the importance of political influence</td>
</tr>
<tr>
<td>In-class Activities</td>
<td>• Management Memo #1 Due</td>
</tr>
<tr>
<td></td>
<td>• Statement of Work (SOW) assigned</td>
</tr>
<tr>
<td>Week 5 – Jan. 31st</td>
<td>Management: Contract Design and Markets</td>
</tr>
<tr>
<td>Case</td>
<td>• Homelessness in Seattle (pt. 1)</td>
</tr>
</tbody>
</table>
| Key Topics | • Elements of contract design  
• Market management  
• Competition and solicitation  
• Risk and task complexity |
| In-class Activities | • Statement of Work (SOW) Due  
• Request for Proposals (RFP) Assigned |
<table>
<thead>
<tr>
<th>Week 6 – Feb. 7th</th>
<th>Management: Oversight, Risk, and Transaction Costs</th>
</tr>
</thead>
</table>
| Key Topics                                                          | - Day-to-day demands of oversight  
- Balancing risks  
- Exchanging information  
- Strategies for limiting shirking and encouraging performance |
| In-class Activities                                                 | - **Request for Proposals (RFP) Due**  
- **Proposals Assigned** |
| Week 7 – Feb. 14th Management: Integrating Workforces and Building Capacity |  
| Required Readings                                                  |  
| Case                                                               | Homelessness in Seattle (pt. 3) |
| Key Topics                                                        | - Managing complex contracts and grants  
- Personnel and management concerns (internal)  
- Value and goal alignment |
| In-class Activities                                                | **Review progress on homelessness case assignments** |
| Week 8 – Feb. 21st Management: Performance Evaluation and Oversight |  


**Other Readings**


**Case**

- Homelessness in Seattle (pt. 4)

**Key Topics & Questions**

- Setting objectives and monitoring performance
- Utility of and problems with performance-based contracts
- Information asymmetries and risk
- Strategies for overcoming problems on complex contracts

**In-class Activities**

- Proposals Due
- Decision Memo Assigned

**Week 9 – Feb. 28th**

**Ethics: Separation, Competition, and Revolving Doors**

**Required Readings**


**Other Readings**

- Rainey, H. G. (2004). Big science, big bureaucracy, and privatization: Complications in contracting for the management of


<table>
<thead>
<tr>
<th>Case</th>
<th>Homelessness in Seattle (pt. 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Topics &amp; Questions</strong></td>
<td><strong>Ethical dilemmas associated with sector switchers</strong>&lt;br&gt;<strong>Downsides of competition</strong>&lt;br&gt;<strong>Concluding contracts and evaluating future efforts</strong></td>
</tr>
<tr>
<td><strong>In-class Activities</strong></td>
<td><strong>Decision Memo Due</strong>&lt;br&gt;<strong>Management Memo #2 Assigned</strong></td>
</tr>
<tr>
<td><strong>Week 10 – Mar. 7th</strong></td>
<td><strong>Ethics: Systemic Implications</strong></td>
</tr>
<tr>
<td><strong>Other Readings</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Case</strong></td>
<td>“Draining the Swamp”</td>
</tr>
<tr>
<td><strong>Key Topics &amp; Questions</strong></td>
<td><strong>Transparency and accountability</strong>&lt;br&gt;<strong>Interdependence</strong>&lt;br&gt;<strong>Ethical dilemmas inherent in the use of tools</strong>&lt;br&gt;<strong>Ramifications for the “public interest”</strong></td>
</tr>
<tr>
<td><strong>In-class Activities</strong></td>
<td><strong>Management Memo #2 Due</strong></td>
</tr>
</tbody>
</table>