
Task-6

*Nevada Centralized Grant Management
System*

Draft Final Executive Report

Prepared for:

Nevada Office of Grant Procurement, Coordination, and Management (Nevada Grant Office)
100 N. Stewart St., Suite 200 | Carson City, NV 89701

Prepared by:

TriMetrix, Inc.
2111 Wilson Blvd., Suite 700 | Arlington, VA 22201



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CHAPTER 1: INTRODUCTION

Background

Historically, Nevada has been among the lowest ranked states for federal grant dollars received per capita. Correcting this shortfall and bringing more federal resources to serve the citizens of Nevada is a key goal of the current administration and of the Nevada Office of Grant Procurement, Coordination and Management (Nevada Grant Office).

Nevada's state agencies continue to report a lack of grant application capacity and a number of barriers to increasing federal grant funding to the state. A centralized grant management system (CGMS) and the associated processes have been seen as the best way to more effectively surface millions of dollars in grant opportunities for Nevada. Only a few states currently have such a system fully implemented at the statewide level and, while difficult, the successful implementation of a CGMS could help boost Nevada from a laggard position to one of leadership in obtaining federal grant funds.

In 2016 and 2018, the Nevada Advisory Council on Federal Assistance recommended to the governor and Nevada legislators to implement a statewide grant management system (GMS). As a result, during Nevada's 79th and 80th legislative sessions, funds were appropriated to purchase and implement such a system. For various reasons beyond the scope of this report, those efforts to implement a CGMS in 2016 and 2018 encountered roadblocks and were not ultimately successful. During the 2021 legislative session, Assembly Bill 445 was passed and included appropriations for a CGMS to collect and analyze grant data. Assembly Bill 445 will also transfer the Nevada Grant Office (NGO) to the Governor's Office and renames it the Office of Federal Assistance, effective July 1, 2022. To increase the likelihood of success in implementing a CGMS at this juncture, NGO engaged TriMetrix Inc. as a contractor to develop a "Centralized Grant Management System – Technical Review and Needs Assessment" report.

Study Goals and Objectives

TriMetrix Inc. was contracted by the State of Nevada Purchasing Division on behalf of the NGO to provide technical review, needs assessment services, and develop a request for proposal (RFP) for the creation of a CGMS that will meet the needs of the agencies within the state, facilitate grant performance analysis, enhance statewide administrative efficiencies for grant management, mitigate risk and improve compliance, and increase the visibility and transparency of grant processes to statewide stakeholders.

This project’s goals and objectives were threefold: understand the state’s current processes, understand goals for a CGMS, and develop an RFP for a system that meets those needs.

Exhibit 1: Study Goals and Objectives

Study Goals and Objectives	Task
1. Deliver a technical review and business needs assessment of current processes including:	How state agencies currently track federal and state grant awards, subrecipients, receipts, and expenditures
	How state agencies currently handle reporting requirements of the various grants and how reporting requirements differ among the federal grants and state subrecipients reporting
	How state agencies identify grant opportunities
2. Deliver a technical review and business needs assessment that can be used by state leadership to set the accompanying goals, objectives, and deliverables.	Increasing grant capacity and influencing future policy
	Tracking grant funding received by the state government
	Reporting on grant management in Nevada

Study Goals and Objectives	Task
<p>3. Deliver a request for proposal (RFP) for the procurement and implementation of a centralized grant management system to meet the state’s needs as identified in the technical review and needs assessment, which, to be confirmed through the discovery process, may include the ability for:</p>	<p>State agencies to research available grant opportunities, coordinate with each other, and submit applications</p>
	<p>State agencies to create and manage the state grant award and federal sub-award application processes, manage recipients/subrecipients, and track and report on grant funding and grant funding programs</p>
	<p>The Nevada Grant Office to track and report on key performance indicators, to be determined through the discovery process, such as the number of grants applied for, how many are received, and how much funding is received statewide</p>

This Final Executive Report will summarize in chapters 2) TriMetrix’s project overview and approach, 3) our findings on the current state, 4) the desired future state of grant management in Nevada, 5) a market overview of potential CGMS vendors, 6) our CGMS forecast, and 7) next steps for the NGO.

CHAPTER 2: PROJECT OVERVIEW AND APPROACH

Project Initiation Summary and Overview

TriMetrix refined its approach to the project after careful consideration and incorporation of the insight and resources provided by NGO during the kickoff meeting on February 18, 2022, via Microsoft Teams. Representing NGO was the interim administrator and a senior grants analyst. Representing TriMetrix was the vice president of our State and Local business unit in addition to a senior research associate and two business analysts. As defined during the kickoff, management activities over the course of this project have included using a risk register to identify potential setbacks within the project, which were housed and tracked in Microsoft Excel and reviewed during weekly status meetings.

TriMetrix also employed a decision log to track and capture key decisions made by both TriMetrix and the NGO. Weekly status meetings were held to discuss progress obtained, issues to be solved, and project decisions to be made. During the kickoff, TriMetrix also discussed its approach to tasks in terms of stakeholder engagement, as well as how feedback would be captured and processed, which is discussed in greater detail throughout this chapter. NGO also provided insight by explaining its history and restructuring, Nevada's culture, project goals and objectives, the integration with SMART-21, and stakeholder selection. Finally, NGO staff detailed their support throughout the course of the project and discussed potential concerns and constraints.

Stakeholder Selection and Response Rate

NGO played a key role in identifying the stakeholders that we engaged throughout this project, having sent an email to numerous agencies throughout the state. TriMetrix employed a preassessment survey to determine where stakeholders were in the grants management lifecycle. This was accomplished by determining the stakeholders' affiliation with grants management, their respective grant activity, and their individual roles within their own organization/agency. TriMetrix sent out 571 preassessment surveys to stakeholders who responded to NGO's email, as well as others we identified. The breakdown included 345 from the base NGO list, 13 from the

tribal list identified through a general tribal link provided by NGO, 188 state agencies identified from a general state agency list provided by NGO, and 25 additional stakeholders added to the base list after the initial surveys were delivered. TriMetrix received 46 responses from the business surveys and 11 from the technical surveys.

It is important to note these included a number of incomplete/partial responses that impacted the amount of data available to analyze. Another factor impacting the accuracy of data was stakeholders' misidentification of their expertise (e.g., technical). In the end, we did not receive as many qualified technical responses as we had initially expected and because of that it was difficult to discern the most critical technical features. The stakeholders willing to participate chose between three options for further participation. TriMetrix contacted subsets of stakeholders to participate in an additional survey, one-on-one interview, or a focus group interview.

Approach to Surveys

TriMetrix knew that stakeholder engagement would be imperative to developing an understanding of Nevada's current grant environment, as well as identifying the business and technical needs for a CGMS. As a result, stakeholders were grouped based on their self reported business or technical acumen. Business and technical surveys were developed to align with these two groups. Stakeholders were asked to respond to both if they held expertise in both. TriMetrix employed this approach to obtain an understanding of the underlying business processes of agencies, as well as the technical features and functionalities that support those processes. TriMetrix distributed the preassessment, business, and technical surveys directly to stakeholders via email. Surveys were developed using SurveyMonkey, and questions were largely multiple choice with others having text boxes where applicable. The business survey consisted of 26 questions, and the technical survey consisted of 23 questions; both surveys were reviewed and approved by NGO prior to being distributed to respondents. Based on NGO input, there were a limited number of questions that required answers due to potential limitations in stakeholder understanding of the grants management process.

Approach to Focus Groups and Interviews

In conjunction to surveys, TriMetrix held a series of interviews and focus groups over a three-week period from April 11 through April 29, 2022, over Microsoft Teams. We scheduled hour-long interviews and two-hour focus groups. TriMetrix recorded and transcribed sessions with the permission of respondents and developed minutes to synthesize the data gathered. Focus groups consisted of two to six stakeholders. Interviews and focus groups shared questions with a similar theme. Focus group questions were tailored to facilitate a larger stakeholder sample size. NGO assisted TriMetrix in identifying key stakeholders for these groups based on the initial group of respondents.

Focus Group and Interview Participation

Stakeholders were divided into three groups which included the “State Technical” group, the “State Business,” and the “Other” group, based on survey responses. During the first week, interviews with the Other group consisted of local governments, nonprofits, etc. The Other group utilized mostly Microsoft Excel, Sharepoint, and Outlook to track grants. We also held five interviews and a focus group consisting of five participants. During the second week, we interviewed the State Technical group, which consisted of four interviews and one focus group with five participants. During this week we also found that some stakeholders may have misidentified themselves regarding their technical expertise. We asked for referrals/introductions to state technical experts to elicit the needed information and received a small number of additional participants.

TriMetrix supplemented the technical information with external research where possible. TriMetrix, therefore, had to base its technical findings on the data gathered from a limited number of respondents. During the final week of our interviews and focus groups, we had the opportunity to interview the State Business group which, consisted of six interviews and three focus groups consisting of four to six participants each. During the final week, TriMetrix was able to speak to agencies such as the Governor’s Office, Department of Education (DOE), Department of Health and Human Services (DHHS), Department of Children and Family Services (DCFS), Department

of Public Safety (DPS), and Department of Veterans Services (DVS). It should be noted that some stakeholders who had initially committed to an individual interview or focus group interview were unavailable to participate in their allotted time.

Approach to Interviews with Agencies from Other States

To develop an understanding of systems other states used successfully, TriMetrix interviewed respondents from agencies outside of Nevada. Although these interviews shared the same methodology as the interviews and focus groups held with stakeholders from Nevada, questions were tailored to this environment. NGO initially provided contacts from six states that included Illinois, Maryland, Louisiana, New York, California, and Rhode Island. Of these six states, only two responded to our outreach. TriMetrix gathered contacts from an additional 12 states including Arizona, Arkansas, North Dakota, South Dakota, Mississippi, Minnesota, New Mexico, Oklahoma, Oregon, Utah, Washington, and Wyoming. Of those 12 states, seven responded to our outreach. In total, TriMetrix was able to secure nine interviews with individuals from agencies outside of Nevada.

The findings resulting from the approaches discussed in this chapter are defined in “Chapter 3: Current State,” “Chapter 4: Future State,” and “Chapter 5: Market Analysis.”

CHAPTER 3: CURRENT STATE

Initial Assumptions

Over the course of this project, TriMetrix has had contact with numerous stakeholders associated with organizations and agencies currently involved in grant-related activity within Nevada. Initial assumptions were that these agencies would likely employ formalized GMS to navigate the grants management process from award through closure.

Findings

Based on our research, we found three stakeholders, namely the Nevada Department of Education, the Nevada Office of Traffic Safety, and the Nevada Division of Emergency Management that each leveraged some form of formalized GMS, although these were not complete end-to-end solutions as currently used by agencies within the state. Microsoft Excel spreadsheets, Access databases, and paper driven processes are far more prevalent in this environment. There are also agencies that have transitioned from Excel spreadsheets and Access databases to SQL based systems in an effort to improve reliability and boost efficiency.

These disparate systems have led to a lack of standardization, resulting in a lack of coordination between NGO and agencies involved in grant related activities. TriMetrix has been able to gather a comprehensive list of business and technical needs from the stakeholders who were interviewed and has aligned those needs with a core set of features for consideration in the proposed CGMS. Stakeholders generally remain cautiously optimistic about the CGMS and what it could mean for their agencies and the State of Nevada at large. However, several hope to continue leveraging their current systems, which would necessitate integration. TriMetrix has found that many existing systems have limitations that would hinder integration. Ultimately, TriMetrix recommends a staggered rollout where a series of small, incremental deployments are employed as opposed to a big bang rollout where a vendor would attempt to onboard all the agencies within Nevada on day one. With incremental deployment, a win for both the stakeholders and NGO could be achieved

more effectively to further NGO's goals. Furthermore, TriMetrix recommends an implementation strategy that would consider bringing users on to the new statewide CGMS based on new grants, rather than integrating existing grants to alleviate potential contract cycles. Through our research, TriMetrix has found that some states implementing CGMSs choose to bring smaller agencies that have fewer stakeholders into the new system first, as these quick wins often compound rapidly with these agencies becoming champions of the implemented process. To have a successful CGMS implementation for all stakeholders, which we know and support as the goal of NGO, it may be necessary to employ legislation that mandates the use of the proposed system. Agencies are not currently statutorily required to use a CGMS.

CHAPTER 4: FUTURE STATE

Findings

The State of Nevada must work with all agencies and subrecipients currently engaged in grant activities to implement best practices in all areas of the grant lifecycle and adhere to policies and procedures. Best practices can be accomplished by strengthening and implementing a uniform set of policies and procedures followed by all state and non state agencies. This would improve the services provided by grant administrators and subrecipients, thus benefiting the state and its priorities. An implementation of a new CGMS would also benefit grant management practices including enhanced standardization of the grant process and procedures across agencies and departments, making it more efficient to move employees from one office to another without extensive retraining, and making it easier to analyze the state's overall effectiveness of grants. Automation allows for more grant processing per employee and better security of information such as written communications exchanged between grantors and grantees.

Documentation and capture of processes cohesively within the CGMS allow potential best practice sharing with other agencies using the same system. Increased speed, automation, and quality of repetitive grant processes as well as a higher level of security for data, both in transit and at rest, are additional benefits. Improved compliance and risk mitigation over disparate and unstandardized processes currently in use across the state can be greatly increased. Significantly better analytical capabilities with real time monitoring through standard dashboards, metrics, and reports can be implemented along with increased visibility and transparency of grant processes for statewide stakeholders inside and outside of state government. The CGMS would also provide the potential to search, apply for, and receive additional grant funding by making the grantseeking process less labor intensive and more rewarding for those charged with administrating the grants.

The state could have dedicated grant managers and teams in each agency who understand the state and federal policies and procedures. Additionally, the NGO could provide statewide training and support services to agency grant managers for grant related activities. This can increase efficiency

and build rapport, increasing the morale of the grant teams and helping them to work together with greater commitment toward managing all types of grants.

The NGO must emphasize the importance of effective and efficient grant management to all the grant administrators. Good grant management allows the state to enhance program efficiency, stay competitive, and continue receiving federal funds. This will help to minimize audit findings and allow the state to be a low risk grant recipient. It also increases the potential to receive additional funding for the state's priorities to satisfy its goals and objectives. As a result, the State of Nevada will be able to enhance programs by expanding to serve its citizens without adding a tax burden to residents and businesses.

CHAPTER 5: MARKET ANALYSIS

In our opinion, there was no perfect fit vendor, but we identified five vendors which include AmpliFund (Streamlink), Coastal Cloud, eCivis (Carahsoft serves as the prime contractor), GovGrants (REI Systems), and IntelliGrants (IGX) (Agate Software) that have been successfully used by comparable agencies in other states and could potentially meet Nevada’s needs for a statewide CGMS and its ultimate goal of receiving more federal grant money to benefit its citizens. Due to lack of standardization across products, a strictly best price bid approach may not be the best strategy, but rather choosing the vendor whose product and processes best align with the business and technical needs, capabilities of the state, and allows for continued growth in the future. Nevertheless, those states that first successfully implement CGMS capabilities will have an advantage in capturing and managing a greater level of federal grant funds relative to their slower moving peers. As one employee of a state currently implementing a CGMS whom we interviewed told us, “Despite the cost of the centralized grant management system, it would have cost us more to not implement it due to lost grant opportunities.”

Building off of the Needs Assessment in Task 3 and the Discovery and Documentation of Existing GMSs in Task 4, TriMetrix reviewed a number of potential GMS vendors with an understanding of Nevada’s existing grant management practices and their challenges as well as an understanding of the business, technical, and other needs of the state.

TriMetrix reviewed 13 potential vendors and created detailed reports on five that have been successfully used by comparable agencies in other states. Analysis was based on:

- Review of the confidential request for information (RFI) submissions received previously by the State of Nevada
- Each vendor’s publicly available, nonconfidential marketing information from websites, marketing brochures, online webinars, and YouTube videos (which was limited)
- Interviews with employees of seven other states, three of which were currently using or implementing some type of statewide GMS solution

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- Discussions and system demonstrations with several vendors, including all the final option vendors with the exception of eCivis, who declined to speak with us unless we identified our client and signed a perpetual nondisclosure agreement (both of which we declined)

Our final options include five vendors with configurable off the shelf solutions. AmpliFund (Streamlink) and eCivis (Carahsoft serves as the prime contractor) have traditional, internally developed, proprietary systems which have been or are being implemented in at least one statewide engagement. GovGrants (REI Systems) and Coastal Cloud have more modern, hybrid, Salesforce based systems and have had multidepartmental, state level implementations but have not yet implemented a fully centralized statewide system. Finally, IntelliGrants (IGX) (Agate Software) offers a proprietary system and currently works with a Nevada agency. This vendor does not have a full implementation in place in Nevada at this time but says it can do one and gave us a demonstration. This vendor was also the only one of these five options with a three year implementation and licensing capability for under \$1 million.

CHAPTER 6: CGMS FORECAST

Through the demonstrations TriMetrix attended with CGMS vendors, we found that most have the ability to install their solutions in a modular or phased manner to ease implementation burden and/or to spread out payment over time. While some vendors can implement by award phase (such as pre-award, award, post-award, and closeout), the more common procedure entails rolling out entire end-to-end solutions across a few departments or agencies (departments) at a time to get “quick wins.” Typically, a couple of smaller (by grant activity volume) departments are identified that have mostly manual processes currently and demonstrate a willingness to implement a new system that will make their job easier and more automated. After word gets out that the implementation was successful somewhere else, other departments are less hesitant to implement the new system. From there, additional departments may be added in groups or cohorts of departments with similar needs to expedite the process.

The second phase is typically to implement the GMS in those departments that process the largest volume of grants by number and/or dollar volume. There is a concept used in many fields called the Pareto Principle or 80/20 rule that states that for many outcomes, roughly 80% of consequences come from 20% of causes (the “vital few”). While TriMetrix has not done a precise analysis of grants by department for the State of Nevada, it is quite likely that a vital few departments such as Education, Health, or Transportation account for a large share of the total grant dollars the state receives. This has been the case in many other states according to the states and vendors that TriMetrix has spoken with in developing this report. Improving efficiencies in these high impact departments is where the system starts to pay for itself and bring real benefit to the state. Paradoxically, these large grant processing departments, which would appear to most benefit from a sophisticated CGMS, are likely to be the most resistant to a new system. This is because they have already developed or adopted at least partial systems that meet many of their needs (if not those of the rest of the state) and they understand how to use them. Departments may also have multiyear contracts in place with their existing system vendor. For instance, the Department of Education strongly indicated that it wants to stay with its current ePAGE system. In some cases, the resistance can be mitigated by having all existing grants run their course in the

existing systems while requiring all new grants to be run through the new CGMS.

In the early stages the system is effectively a multidepartmental GMS but not a fully statewide CGMS. Once it becomes a full CGMS used by all departments receiving or distributing grants, it becomes more valuable at the state level. It is at this point that a state level grant management office can begin to use real time metrics, reports, and dashboards to fully understand the state's performance. Then the centralized office can help the most prolific grant processing departments, identify areas for improvement in departments that are less active, and compare the state's overall performance to its peer states. Making this vision a reality for Nevada may entail a need for legislation requiring the adoption of a single, statewide CGMS as departments and agencies are not currently compelled to use a single CGMS of the state's choosing.

CHAPTER 7: NEXT STEPS

Re-Evaluate the Budget for a State-of-the-Art CGMS

Previous RFPs discussed a budget of \$200,000 annually for up to four years. More recent informal discussions have talked about having a \$1 million budget. These numbers will likely prove inadequate. As described in the market analysis report (Task 5, Chapter 8), vendor provided CGMS systems from the five vendors that are best aligned with the state's requirements fall within the range of \$977,789 to \$4,806,831 for a three year implementation plus three years of licensing fees. There is a significant difference in experience and number of successful statewide implementations between these vendors. In our research, TriMetrix felt that there was enough difference between vendors that simply choosing the lowest cost bid may not be in Nevada's best interest, but that careful consideration of features and benefits will be required as well as consideration of which vendor can best manage a successful statewide implementation.

We should also note that these nonbinding estimates were made in late 2021 for January 2022 submission. Recent events suggest that inflation may become a factor. Further, only one of the vendors offered a range of costs, and all others gave a single point estimate. Allowing for some level of cost overruns for unanticipated configuration needs may be reasonable because statewide CGMS is a fairly new field.

If we consider 5% to 10% additional configuration/customization expenses and allow the midpoint of 7.5% for these additional expenses and a possibly conservative 7.5% inflation rate, it will imply that an additional 15% cost increase could happen by the time this project is complete.

Find Your Champions—Identify Early Successes and Celebrate Them

In conversations with other states that have been through an implementation as well as in speaking with vendors, TriMetrix found that identifying stakeholders to champion the new CGMS greatly increases the chances of a successful statewide implementation. Based on our research, we found that often smaller agencies with fewer stakeholders who currently do not leverage a GMS system

may be more eager to adopt a CGMS, may experience early success, and can serve as these champions. These quick wins can compound and ultimately help convince other agencies of how the CGMS can benefit their own agencies as well as the state.

Additionally, multiple vendors alluded to the need for politically powerful champions to support the statewide implementation. Finally, Nevada may need legislation requiring all agencies to use the new CGMS to bring all parties on board and maximize the overall benefit to the state of the significant CGMS investment. A legislative champion with the political clout to carry this effort across the finish line would be a great asset to the eventual implementation of a CGMS.

Nevada will also need IT technical champions to ensure that all the necessary features and functionalities are present. Because the response rate was low in our surveys and we often did not have the right participants by area of expertise in focus groups and interviews, TriMetrix believes that engaging more stakeholders on the IT technical side would help solidify and potentially expand upon this report's findings and better facilitate the solicitation of a CGMS system that meets the needs of stakeholders within Nevada as well as the NGO. Perhaps IT leadership could identify a small number of experts who can speak to the features and functionalities needed to facilitate the grant activities of agencies who could participate in a focus group as champions of the process.

Integration Considerations

Although all grants will eventually run end to end (pre-award phase, award phase, post-award phase, and closeout) through the new CGMS, it will still need to integrate with existing statewide systems such as the Advantage 2000 financial system so all analysis draws from the same data set. This could potentially be further complicated by the possibly simultaneous implementation of the SMART-21 project. TriMetrix found in our research that communication between the Grants Office and SMART-21 could be improved because they did not interact frequently. Possible solutions could include cross membership among the two project teams so that potential disconnects are identified as early in the processes as possible to minimize rework and unnecessary expense.

The state should be mindful of the required connectivity and potential overlaps between these two large projects and make every effort to achieve joint benefits of these two very important modernization projects. Depending upon the timing of the two projects, there may be interim steps required such as integrating the new CGMS with the Advantage 2000 finance system initially then reintegrating into the SAP system (enterprise resource planning software) once it is in place.

Although most agencies in Nevada currently do not leverage formalized GMS systems, there are some that do, and they tend to be larger agencies by grant dollar volume. NGO should therefore select a vendor that provides a system with application programming interfaces (APIs) that facilitate integration if needed. NGO should hold discussions with agencies to integrate with the CGMS and allow integration where it makes sense. If the base product of the CGMS cannot support the specific needs of an agency, integration should be employed to fill those holes in the base product. Once the base product is customized or configured in a manner that can effectively support the needs that necessitated integration, NGO should work with the agency to transition these functions or processes to the CGMS with the goal of ultimately having all grants managed through a CGMS statewide.

END OF TASK 6

The Final Executive Report