



Research and Benchmarking Report 2019

Each year the *American Purchasing Society* conducts an annual survey asking purchasing professionals about their buying and managing activities. The responses provide information to help those in the profession compare practices with what other organizations are doing in the same occupation. Let the Society know if you would like to learn about a particular practice and they will give you the results of any past survey that answers your inquiry. If the information is not already in their data, a future survey may be able to obtain information about that topic. Here are just a few interested topics.



Percentage of Purchases Made Online

The responses to the American Purchasing Society's annual Benchmarking Survey indicated the percentage of online purchases by business buyers.

<u>% of 2018 Purchases Made Online</u>	
Average	22.4
Median	10.0
Mode	5.0

Orders Placed by Email

Only 5.7% of buyers indicated that no orders were placed by email, but 20.0% indicated that they place all of their orders by email. The average number of orders placed by email was 15.4% with the median being 5%.



To Centralized Or Not Decentralized

The amount of centralization increased slightly during 2018 as it did in 2016. It is not clear if this is because management sees the many advantages of centralization or because companies are consolidating to one central location.

<u>Purchasing Organization</u>	<u>% in 2017</u>	<u>% in 2018</u>
Centralized	52.2	54.9
Decentralized	13.1	12.7
Partially Centralized	34.7	32.4



Staffing Level For 2019

Pay attention to this if you intend to hire new purchasing personnel. This will give you an indication of how tight the labor market is and if qualified people will be available.

<u>Expected Purchasing Staffing Level</u>	<u>% in 2018</u>	<u>% in 2019</u>
Add	16.4	21.8
Reduce	1.5	2.8
Replace	4.5	4.2
Same	77.5	71.2

Orders Placed by Telephone

The way we communicate in business has changed because of electronics, but there are still reasons to use the old fashioned methods once in a while. That being said, 37.0% of survey respondents indicated they placed no buying orders by telephone. On the average they use the telephone to order 8.2% of the time, with the median of only 2.0%. One respondent indicated that 76% of orders were placed by telephone.





WELCOME

new Chapter
member!

Melissa Duvall, Buyer
Rebecca Davis, Buyer
University of West Florida

Combating the Sitting Epidemic

You've heard the
clever slogan:

"Sitting is the new

smoking." Evidence is mounting that sitting for long periods is as harmful to your health as smoking, and more facilities managers are tailoring their spaces to motivate occupants to move. The way buildings and interior spaces affect the health and wellness of occupants is getting greater scrutiny, so creative managers are finding new and fun ways to encourage occupants to get up and move around.



Bradley's All-In-One WashBar

Bradley's all-in-one WashBar features touchless clean+rinse+dry hand washing technology that saves time and money.

The maintenance
friendly design

eliminates the need for
paper towels, along
with frequent waste
bin emptying, soap

dispenser refilling, and wet floor mopping. Its
adjustable-speed hand dryer is 96% less expensive
than paper towels. The WashBar is available with
Bradley's streamlined Verge wash basins and
prefabricated OmniDecks. For more information,

visit: <https://www.bradleycorp.com/product/verge-with-washbar-technology-1-station>



Sales Tax - Direct Purchases

If you are doing direct purchases and if your county's discretionary sales tax surcharge changed in January, you will need to adjust your formula. See link below. Click through to get to the calendar with the current rates.

http://floridarevenue.com/taxes/taxesfees/Pages/sales_tax.aspx

Code of Ethics - NIGP

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or materials management organization:

- Seeks or accepts a position as head (or employee) only when fully in accord with the professional principles applicable thereto and when confident of possessing the qualifications to serve under those principles to the advantage of the employing organization.
- Believes in the dignity and worth of the service rendered by the organization, and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the Institute and its staff should at no time, or under any circumstances, accept directly or indirectly, gifts, gratuities, or other things of value from suppliers, which might influence or appear to influence purchasing decisions.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of the facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager.
- Handles all personnel matters on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and empathetically, without discrimination.
- Subscribes to and supports the professional aims and objectives of NIGP - The Institute for Public Procurement.



Procurement Dictionary Terms

SPEND ANALYSIS

Spend analysis is the part of the procurement process focused on reviewing expenditure data to allow exploration of the opportunities which may exist to create value in a category. The key activities include acquiring the data, cleansing the data, and analyzing the data.

TERMS AND CONDITIONS

A phrase generally applied to the rules under which all bids must be submitted and the stipulations included in most purchase contracts; often published by the purchasing authorities for the information of all potential vendors.

TORT

A wrongful act, other than a breach of contract, such that the law permits compensation of damages.

UNIT PRICE

The price of a selected unit of a good or service (e.g., pound, labor hours, etc.).

When You Have a Warranty and When You Do Not

When a buyer negotiates the terms of a buying agreement, he or she may neglect to consider the warranty aspects of the purchase. This is to some extent understandable because we don't normally expect a product to fail. It is when there is a problem that a buyer may regret not paying more attention to any warranty offered.

Warranties for goods (products) are automatically given by the Uniform Commercial Code (UCC) unless the seller's term indicates that the product is sold on the basis of "as is, where is", in which case, the UCC does not apply. Used equipment and machinery are often sold in this way.

It is possible to improve upon any warranty offered by the seller during a negotiation for the agreement, although this may be difficult for the purchase of an item of small value. Suppliers may warranty the product involved but exclude any consequential damages resulting from the product failure. This distinction is very important because recurring the value of a failed product may be insignificant compared with the cost of the damage to property or to injured persons.

There are two types of warranties, the Express Warranty and the Implied Warranty. Both types are covered in the UCC.

An express warranty is created by any statement, either orally given or in writing that a product will be as described. It is not necessary that the seller use the word "warranty" or "guarantee". The description can be in a sales brochure, catalog, or in the quote given by the supplier. The buying organization should make sure that any brochure, sales documents, and catalog pages are retained in either manual or electronic files for reference in case of any dispute regarding the express warranty. Notes should be taken about any product discussions and kept in the file. Such notes should include the names of any employee or witnesses to what was said.

The second type of warranty, the implied warranty, stipulates that the seller is offering a product for a particular purpose. If the buyer indicated what the product will be used for, and it is different than what the seller intended, no warranty would apply unless the seller indicates that it still would apply. However, you need to get that in writing in case the product fails and there is a dispute about your claim.

A wise buyer will try to make sure that products purchased are going to be used as the seller intended. If not, the buyer needs to inform users that no warranty will therefore cover the product and the company will be responsible for any product failure either for the cost of the product, damage resulting from its use, or any other consequential costs.

Warranties, either express or implied, are construed as consistent with each other, but if unreasonable, the intention of the buyer and seller determines which type of warranty is dominant.

Buyers should pay more attention to the warranty provisions of their agreements. They should read the provisions carefully and keep all related records as indicated previously.

**NIGP Forum
August 25-28, 2019
Austin, TX**



The Annual Forum is the largest North American educational conference exclusively for individuals in public procurement. This is a once a year opportunity to engage in professional development and network with others in public procurement and the supplier community. This year's event will take place in Austin, TX.

Our products exposition provides an opportunity to discover the latest products and services available to the government from a vast array of suppliers. The educational component of the conference covers the latest hot topics, best practices, resources and skills to help improve job performance and provide professional development.

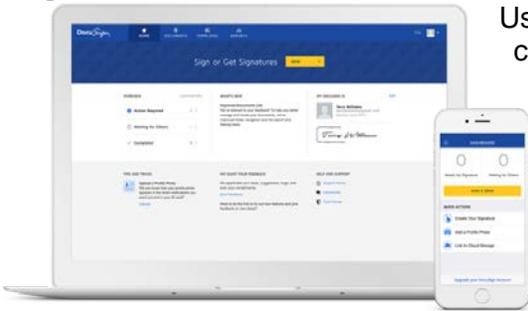


DHL Electric Delivery

DHL rolled out a new fleet of electric delivery vans to serve U.S. markets,

moving closer to its target of operating 70 percent of first and last-mile delivery services with clean transport modes by 2025 and eventually reducing logistics-related emissions to zero by 2050. Equipment manufacturer Workhorse Group produced the fleet of 63 NGEN-1000 electric delivery cargo vans.

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Special Offer until June 30, 2019

NIGP is offering a 1 month **free** individual NIGP membership so that you can experience the benefit of dual membership.

Go to: <https://www.nigp.org/home/membership>

Click: Individual - One Month Option; enter code NIGP Chapter

NPI Now Accepting Applications for the AEP Awards

Achievement of Excellence in Procurement awards recognize organizations that demonstrate excellence by obtaining a high score based on standardized criteria. Applications due **May 15**.

In 1995, the National Procurement Institute, Inc. (NPI) established a program designed to recognize organizational excellence in public procurement. The Achievement of Excellence in Procurement® (AEP) is awarded annually. This prestigious award is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized criteria. The criteria are designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.

For more information, visit: <https://npiconnection.org/aep/application.asp>

NIGP Webinars

NIGP webinars focus on a wide variety of topics facing the procurement professions. Attend regularly to learn about the latest changes in policy & legislations impacting public procurement, technology trends, and overall trending topics in the profession. NIGP is proud to offer sessions in partnership with ASPA and the Public Spend Forum.

Webinars are 90 Minutes (60-70 minutes of content followed by a Q&A session) and attendees receive 1 contact hour. Sign up for a webinar today!

Currently Scheduled Webinars

- May 8 – The Perceived Value of Public Procurement and Contract Management Certification
- May 21 – Market Research Equals Better Decision Making: Learn Why and How
- May 23 – Good Project Outcomes Start at the Source: How Utilities Procurement Teams Manage Complex RFP Decisions more Efficiently with Sourcing Technology
- May 30 – Sustainable Purchasing 101: Achieving Your Procurement Goals with Products that Meet the Triple Bottom Line

Pricing: Members- Complimentary