



# **2010 Public Procurement Benchmark Survey Report**

Published by the National Institute of Governmental Purchasing, Inc.

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## Introduction

**Conducted by:** The National Institute of Governmental Purchasing, Inc. (NIGP) in partnership with Deltek | INPUT.

NIGP – Developing, supporting, and promoting public procurement practitioners through premier educational and research programs, technical services and advocacy initiatives since 1944. With over 2,600 member agencies representing over 16,000 professionals across the United States, Canada, and countries outside of North America, the Institute is international in its reach. Our goal is simple: recognition and esteem for the government procurement profession and its dedicated practitioners.

The Deltek | INPUT Government Community is an online government intelligence portal that provides contacts, information and resources needed to create and award successful solicitations. On the supplier side, INPUT helps companies develop federal, state, and local government business and helps public sector organizations achieve their objectives.

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**Survey funded by:** NIGP and INPUT

**Survey method:** SurveyMonkey.com on-line survey

**Invitation method:** E-mails through SurveyMoneky.com

**Target groups:** The heads of procurement at all levels of government throughout the US and Canada.

**Issue Dates:**

- April 2, 2010 to NIGP Member Agency Representatives and INPUT users
- April 9, 2010 to NIGP Individual Members representing unique entities
- April 10, 2010 to select National Association of Counties (NACo) and National Association of State Procurement Officials (NASPO) members.

**Reminder method:** Weekly e-mail reminders



**Survey closed:** April 30, 2010

**Total recipients:** 3,639

**Responding:** 324 (9%)

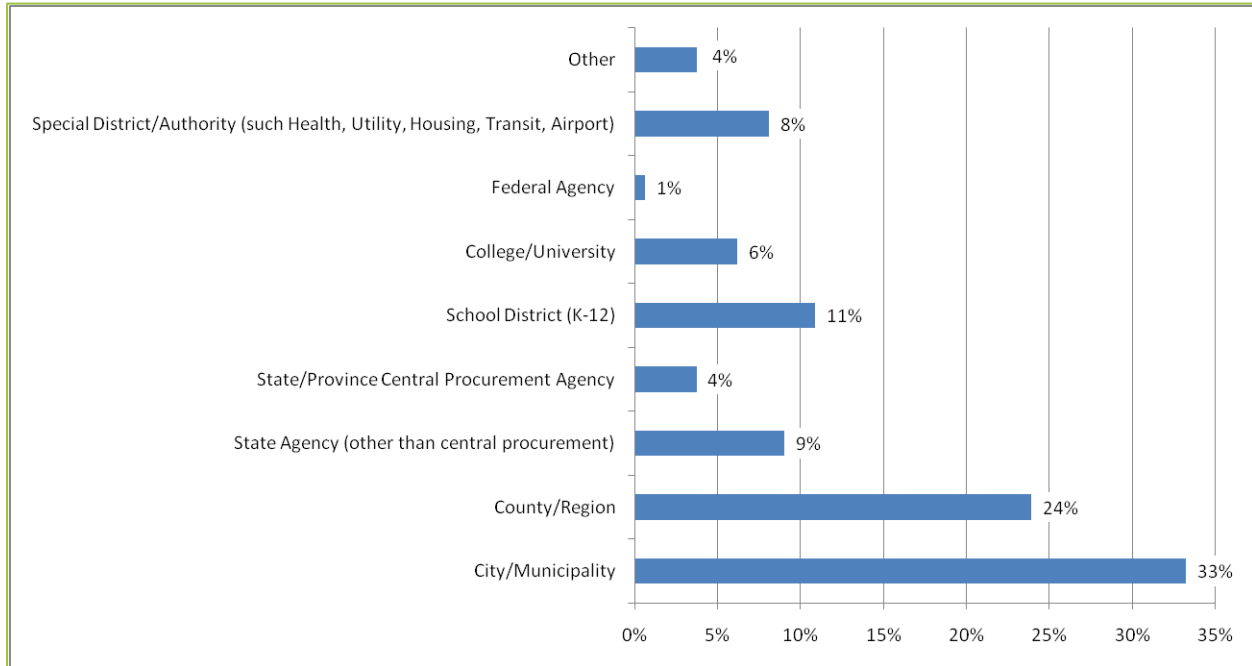
**Not responding:** 3,315 (91%)

## **I. Purpose**

NIGP's Public Procurement Benchmarking Survey is a standardized process for gathering key public sector procurement data so that individual agencies have a structured way to compare their operations to those of other public procurement agencies. Survey results focus on specific operating practices and processes, which allow individual agencies to compare and identify potential opportunities to improve operating practices within their organization.

## II. General Demographics

### 1. Please select your Entity type or types (as many as apply):



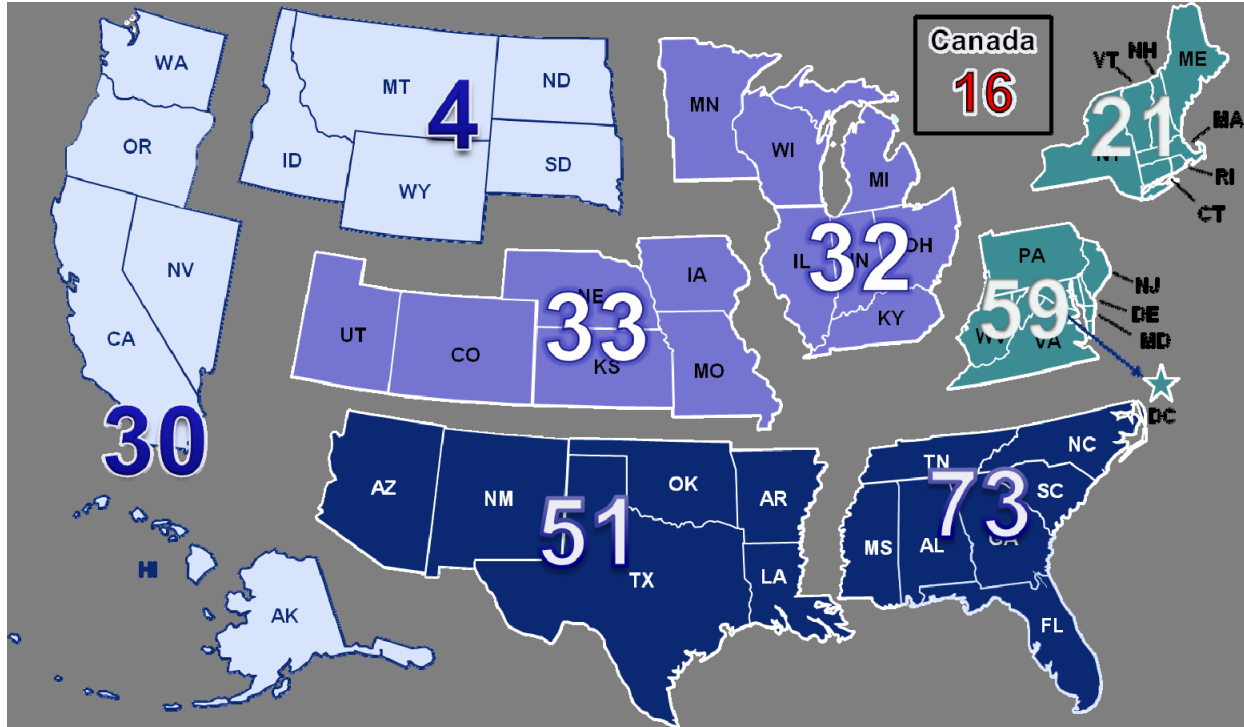
Total responding: 324

Other responses:

- City/county purchasing functions merged
- Council of Governments
- Judiciary
- Public Health Unit
- Public International Organization
- Public Utility
- Purchasing Cooperative
- Quasi Agency
- Risk Pool
- River Authority
- Superior Court of California, Los Angeles County
- Tribal Government



## 2. In which U.S. state/territory or Canadian province/territory is your Entity located?



Note: The map shows the regional response tallies as have been used in previous NIGP benchmark surveys.

Total responding: 317

### Respondents by U.S. state:

- Alabama (1)
- Alaska (1)
- Arizona (17)
- Arkansas (1)
- California (15)
- Colorado (15)
- Connecticut (3)
- Delaware (0)
- District of Columbia (3)
- Florida (31)
- Georgia (17)
- Hawaii (0)
- Idaho (2)
- Illinois (5)
- Indiana (0)
- Iowa (1)
- Kansas (5)
- Kentucky (5)
- Louisiana (4)
- Maine (0)
- Maryland (13)
- Massachusetts (0)
- Michigan (6)
- Minnesota (3)
- Mississippi (3)
- Missouri (7)
- Montana (1)
- Nebraska (1)
- Nevada (0)
- New Hampshire (2)
- New Jersey (7)
- New Mexico (1)
- New York (13)
- North Carolina (7)
- North Dakota (0)
- Ohio (7)
- Oklahoma (6)
- Oregon (5)
- Pennsylvania (6)
- Rhode Island (1)
- South Carolina (11)
- South Dakota (0)
- Tennessee (3)
- Texas (22)
- Utah (4)
- Vermont (0)
- Virginia (29)
- Washington (9)

- West Virginia (1)
- Wisconsin (6)
- Wyoming (1)
- U.S. Territories (0)

Respondents by Canadian province:

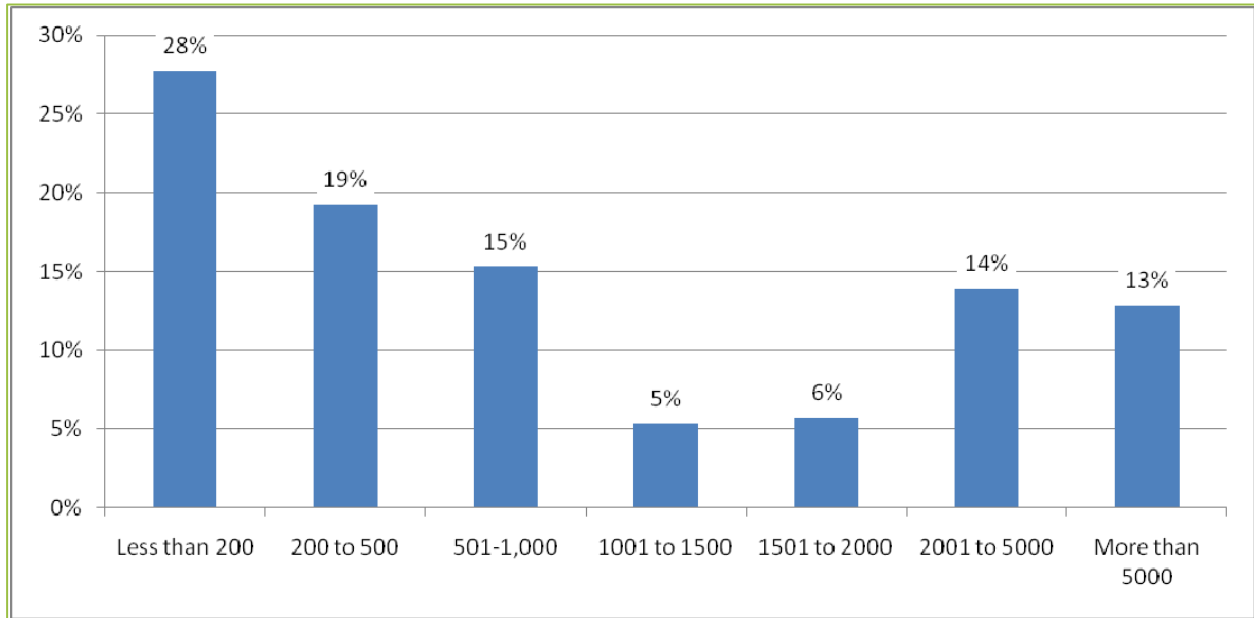
- Alberta (3)
- British Columbia (4)
- Manitoba (2)
- New Brunswick (0)
- Newfoundland and Labrador (0)
- Northwest Territory (0)
- Nova Scotia (0)
- Nunavut (0)
- Ontario (6)
- Prince Edward Island (0)
- Quebec (0)
- Saskatchewan (1)

### **3. What is the residential population served by your Entity?**

- Total Population of Respondents: 197,616,571
- Average Population of Respondent: 803,319

Total responding: 246

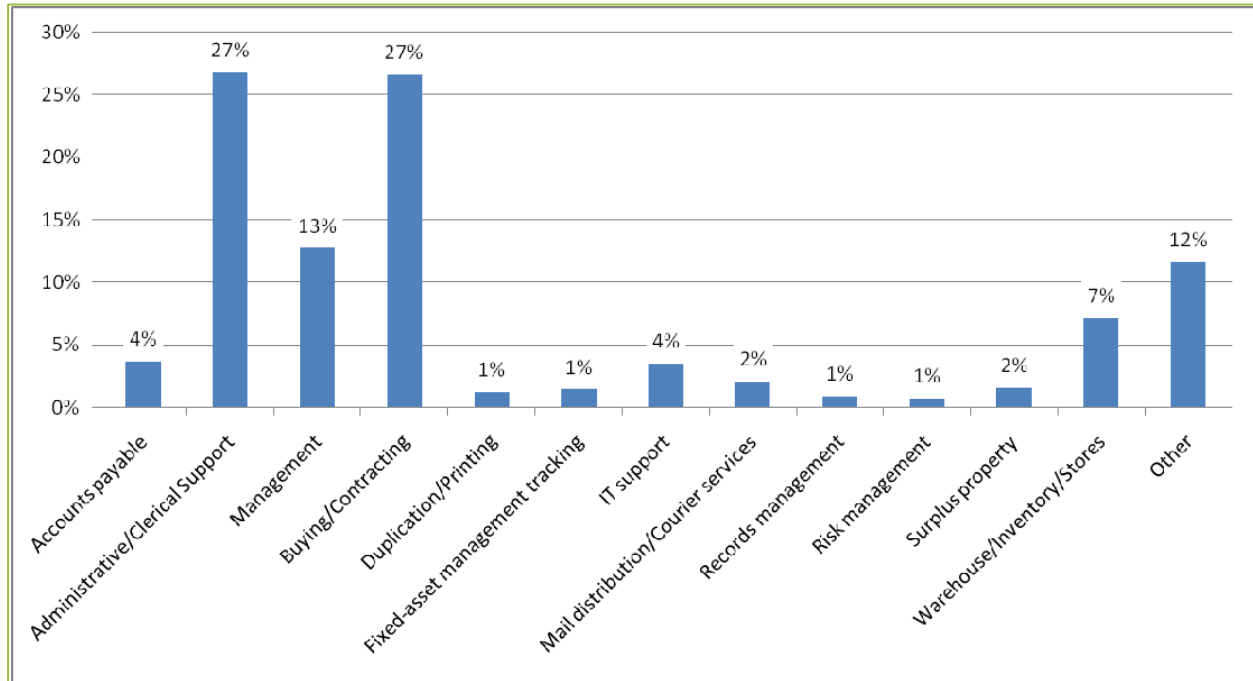
**4. How many full time equivalent (FTE) positions (shown as a percentage within bands) does your Entity have?**



- Total number of Entity FTEs: 1,016,919
- Average number of Entity FTEs per 100,000 of Population: 514.6

Total responding: 293

**5. How many full time equivalent (FTE) positions (shown as a percentage of total procurement FTEs) does Procurement have assigned to the following functions?**



- Total number of Procurement FTEs Reported: 3,270.15
- Average number of Procurement FTEs per Entity FTE: 0.01

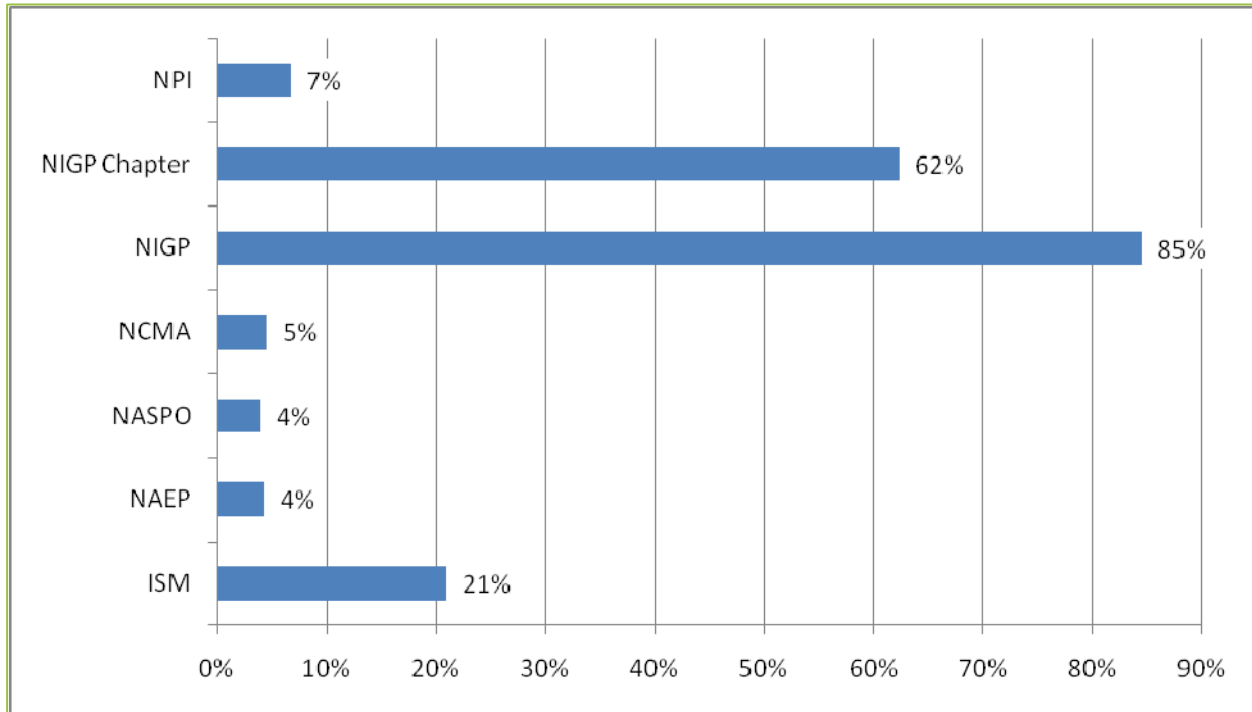
Total responding: 152

**6. How many total hours did Procurement spend on training for its professional staff (in the last year)?**

- Total annual number of Procurement Training Hours Reported: 41,324.5
- Average annual number of Procurement Training Hours per Procurement FTE: 6.4

Total responding: 222

**7. In what professional associations does Procurement actively participate? (Check all that apply)**



- Percent of NIGP Members also a Member of NIGP Chapter: 74%
- Number of NIGP Members responding: 274
- Number of NIGP Chapter Members responding: 202

Total responding: 274

**Key:**

- ISM = Institute for Supply Management
- NAEP = National Association of Educational Procurement
- NASPO = National Association of State Procurement Officials
- NCMA = National Contract Management Association
- NIGP = National Institute of Government Purchasing
- NPI = National Purchasing Institute

### III. Revenue and Expenditures

#### 8. How much actual revenue did your Entity earn in the following areas?

##### Surplus Property Disposal:

(Total respondents: 165)

- Total Revenue Reported: \$339,692,036.
- Average Revenue per Procurement FTE: \$10,599

##### Rebates: p-Card Program:

(Total responding: 118)

- Total Revenue Reported: \$13,555,416
- Average Revenue per Procurement FTE: \$3,392

##### Administrative fees for use of procurement contracts:

(Total responding: 38)

- Total Revenue Reported: \$40,539,211
- Average Revenue per Procurement FTE: \$27,739

#### 9. What was the total of your Entity's (the entire organization) actual expenditures?

##### Entity Expenditure:

- Total Expenditure Reported: \$87.4 billion
- Average Expenditure per Citizen: \$609.20
- Average Entity Expenditure per Entity FTE: \$167,860

Total responding: 197

#### 10. What was the total of Procurement's (department/division) actual operating expenditures?

- Total Expenditure Reported: \$1.2 billion
- Average Expenditure per Procurement FTE: \$431,676
- Procurement Expenditure as a percentage of total Entity Expend: 0.6%

Total responding: 206

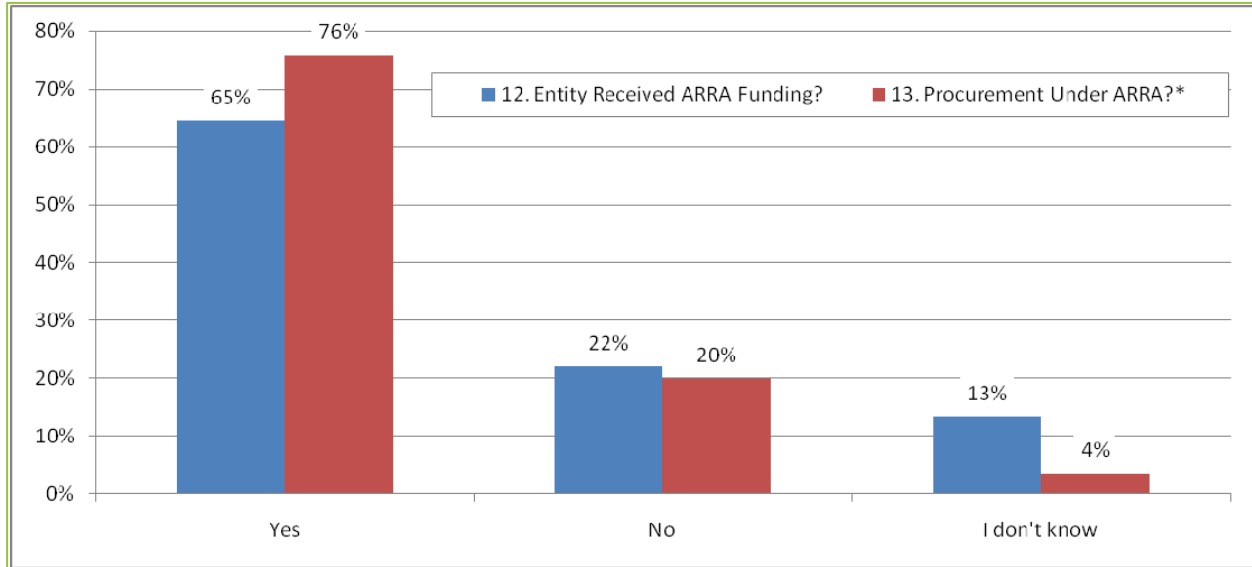
#### 11. How much was spent on the professional development of Procurement's staff?

- Total Expenditure Reported: \$1.3 million
- Average Prof. Dev. Expenditure per Procurement FTE: \$481.89

Total responding: 200

**12. Has your Entity received any American Recovery and Reinvestment Act (ARRA) of 2009 funding?**

**13. Has Procurement contracted under provisions of the American Recovery and Reinvestment Act (ARRA) of 2009?**

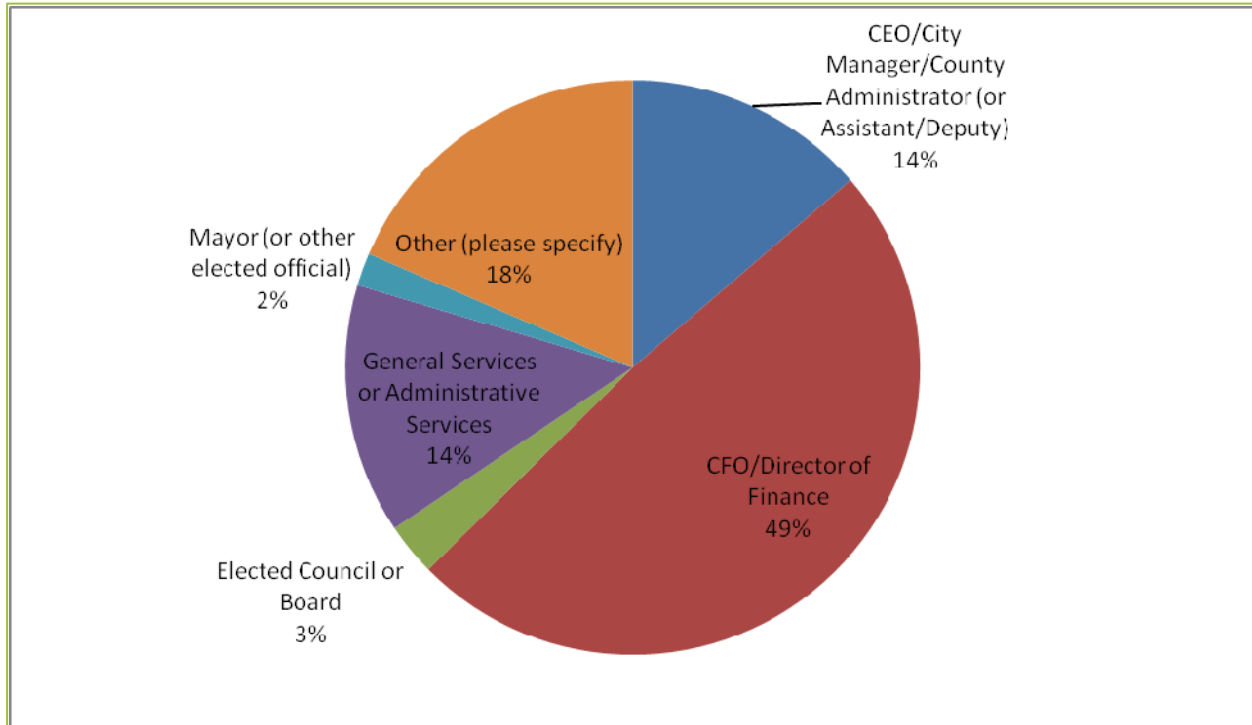


\*Note: Figures for question 13 (red bars in chart) reflect the responses for the 170 respondents who indicated that their entity received ARRA of 2009 funding in question 12.

Total responding: 263

## IV. Purchasing Organizational Structure

### 14. Procurement reports to:



Total responding: 263

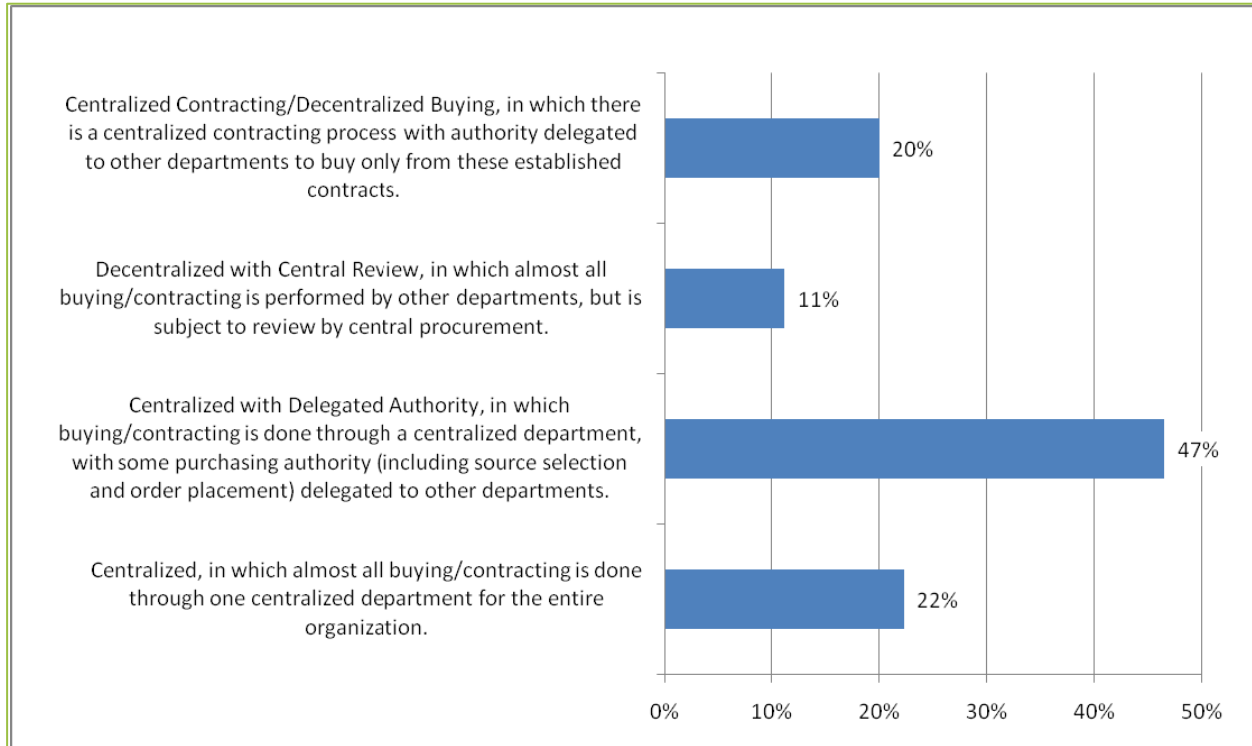
Other responses:

- Accounting Manager
- Agency Head / Governor
- Associate VP of Finance and Administration
- Associate VP, Fiscal Planning & Services
- Asst City Manager
- Budget Director
- Business Administrator
- Chief Operating Officer
- City Clerk
- Clerk/Auditor
- Commissioner
- Commissioner of Administration
- Commissioner of Commonwealth Office of Technology
- Controller (4)
- Deputy & Executive Director
- Director of Acquisitions



- Director of Administration (Under DOF)
- Director of Budget & Fiscal Management
- Director of Central Services
- Director of Finance
- Director, Corporate Business Services
- Executive Director for Dept of Finance and Admn
- Executive Vice President Administration
- Executive Vice President for Finance and Administration
- Finance Director
- FINANCE DIRECTOR
- Fiscal Services
- General Manager Corporate Services
- Human Resources, Supplies and Services
- Internal Services Administration
- management and Budget
- Management Services
- Manager of Accounting
- Mayor, Council & CFO
- Minister
- No Procurement Department
- Operations Division
- public works director
- Senior VP of Audubon Zoo and Central Departments
- Superintendent
- SVP Field Services
- Vice President of Administration/CFO
- Vice president, Business Services
- VP
- VP Finance and Corporate Services
- VP of Administrative Services / CFO
- VP of Finance

**15. Which organizational structure listed below BEST describes your purchasing function?**

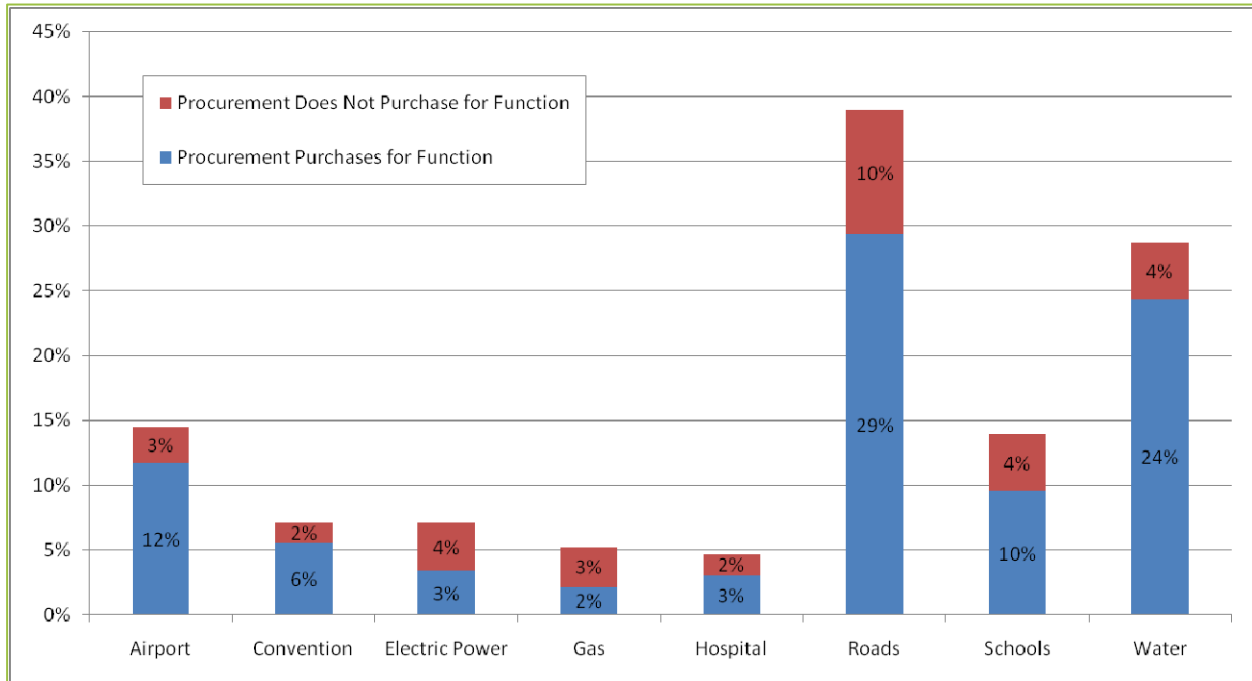


Total Entity Expenditure of Respondents:

- Centralized Contracting/Decentralized Buying: \$17.0 billion (42%)
- Decentralized with Central Review: \$269 million (1%)
- Centralized with Delegated Authority: \$19.9 billion (49%)
- Centralized: \$3.1 billion (8%)

Total responding: 267

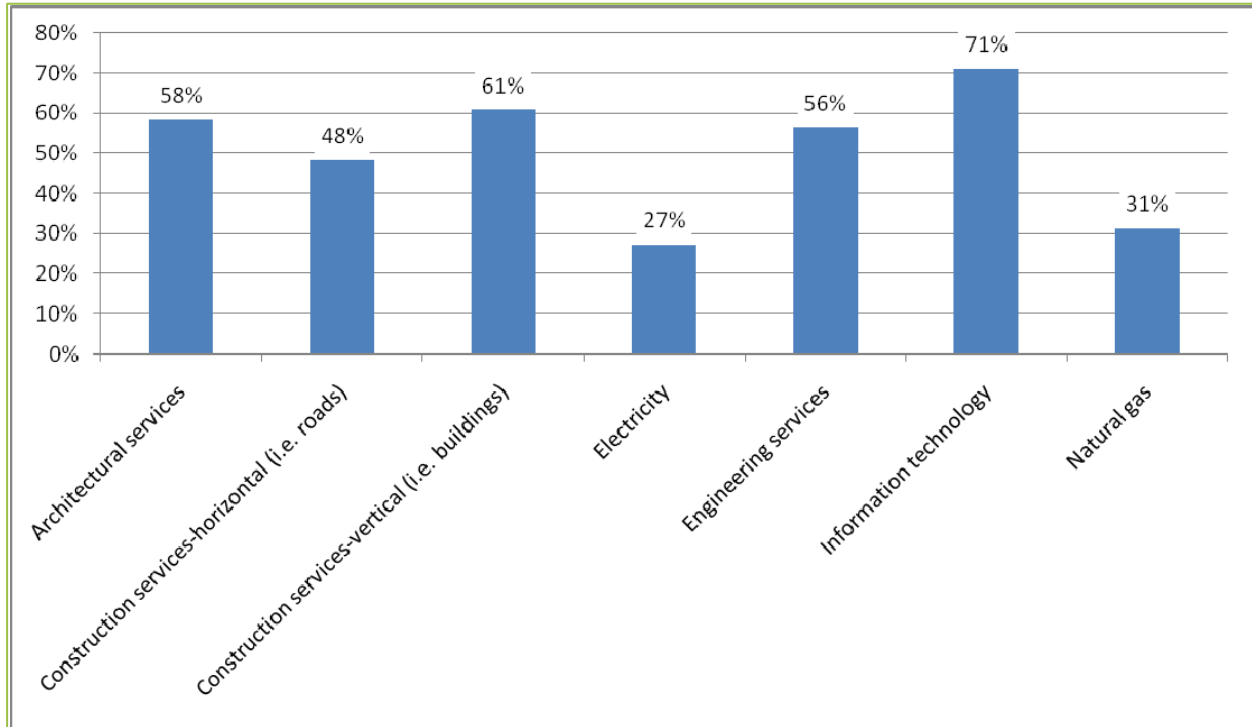
**16. Please indicate which of the following functions your Entity provides and if Procurement purchases for this function.**



Note: The combined total of the stacked bars represents the total percentage of respondents indicating that their entity provides the given function. For example, approximately 15 percent of all entities responding reported providing an airport. Most of those entities with airports conduct purchasing for the airport function through the procurement division as indicated by the blue portion of the bar.

Total responding: 324

**17. Please select all those for which Procurement contracts:**



Total responding: 324

## V. Procurement Spend

Procurement spend is that portion of the public body's expenses that may be within the scope of Procurement's activity and can be affected through procurement involvement in the areas of cost, quality, service level/delivery, or terms. The following types of transactions are typically not part of procurement spend, and should be excluded:

- Employee-related expenditure, such as salaries and expense reimbursements
- Payments to individuals, such as foster care providers
- Payments to other public sector bodies (unless for commercially available services)
- Revenue refunds

### 18. What was the total value of Procurement Spend for your Entity?

- Total Entity Spend of Respondents : \$40.7 billion
- Average Entity Spend of Respondent: \$251 million

Total responding: 324

### 19. What percentage of the total Procurement Spend was by:

- Procurement: 73.1%
- Entity departments under delegated authority: 26.9%
- Average Procurement Spend: \$183 million

Total responding: 162

### 20. What is the total number and value of purchase orders issued by Procurement?

- Total number of Procurement POs: 881,525
- Total value of Procurement POs: \$14.5 billion
- Average value of Procurement PO: \$15,453

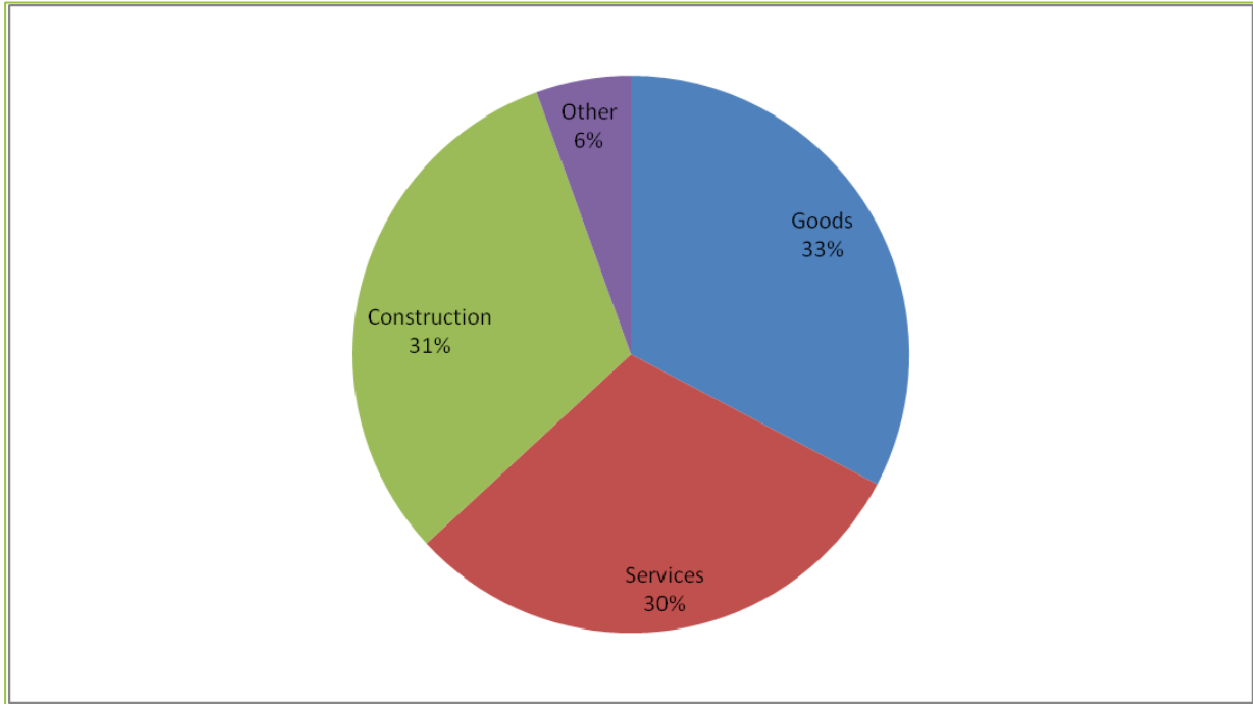
Total responding: 160

### 21. What is the total number and value of purchase orders issued by other departments under delegated authority?

- Total number of Department POs: 679,150
- Total value of Department POs: \$4.7 billion
- Average value of Department PO: \$5,587

Total responding: 49

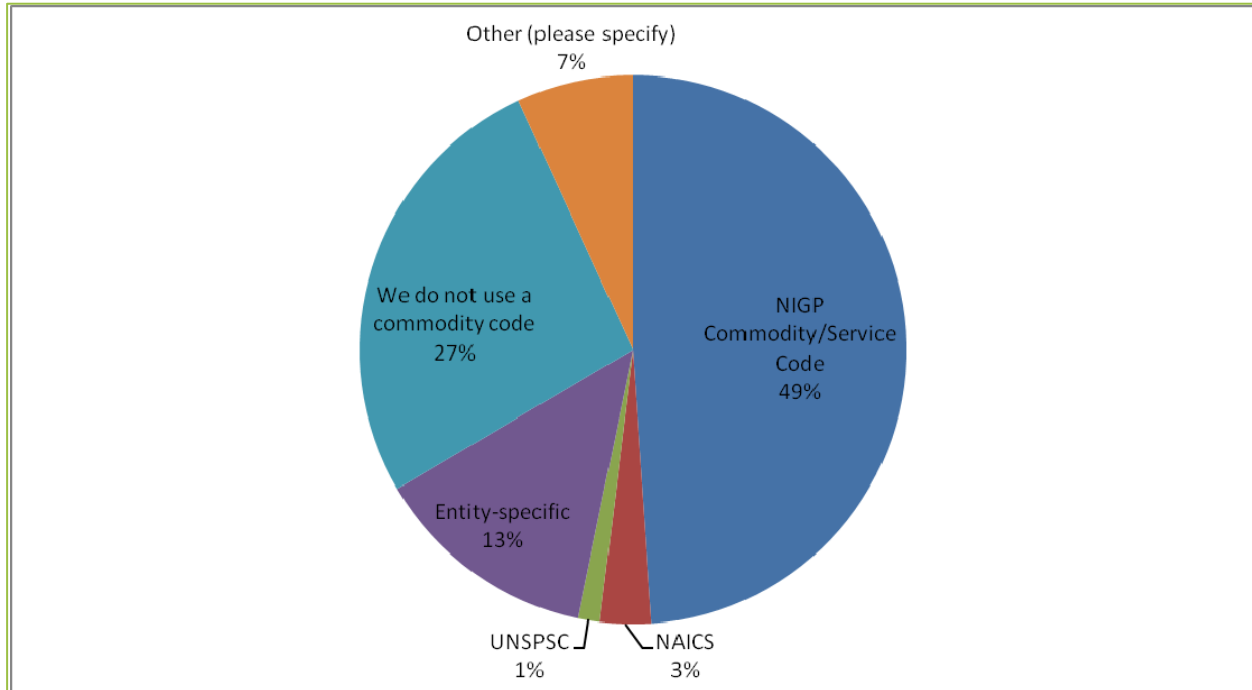
**22. What was your Entity's (average) Procurement Spend (shown as a percentage) for each of the following categories?**



Note: The chart above shows the average for all respondents who provided a figure in one or more categories.

Total responding: 79

## 23. Which commodity code are you using?



Total responding: 233

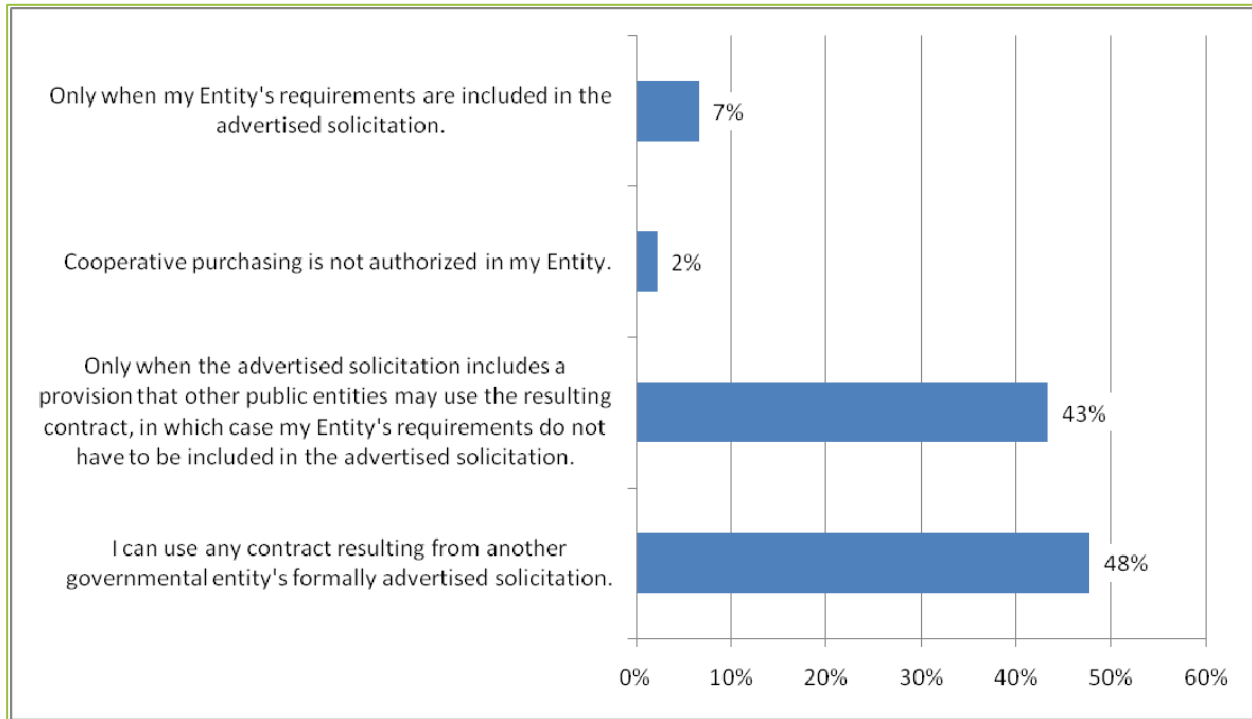
## Other responses:

- Association of American Railroads; Standard Material Classification
- Both NIGP and UNSPSC
- Chart of accounts in accordance with NYS regulations
- CSI
- Florida state commodity codes
- Health
- HTE (2)
- Modified from NIGP
- Moving to home grown-code linked to departments.
- Shortened NIGP codes
- Springbrook
- Started with NIGP, switching to UNSPSC
- State of South Carolina
- Washington State agency

## VI. Cooperative Purchasing

The NIGP Dictionary defines Cooperative Procurement as “A variety of arrangements whereby two or more public procurement units purchase from the same supplier or multiple suppliers using a single IFB or RFP.”

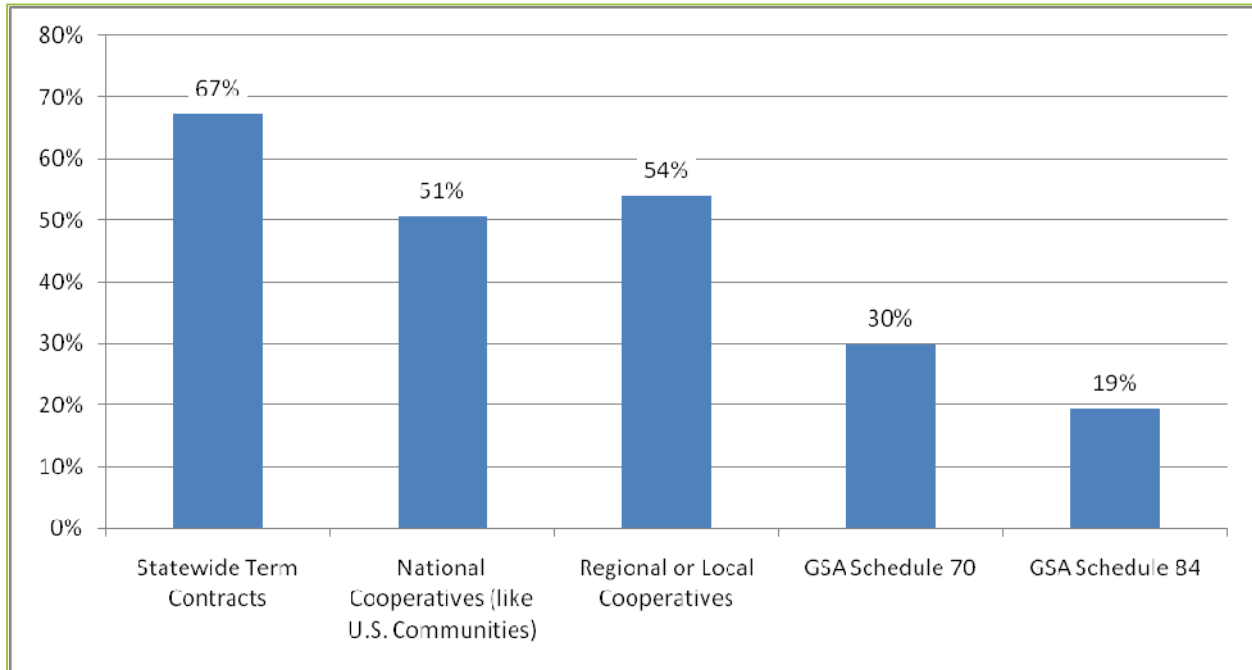
### 24. Which statement BEST describes your authority to use cooperative contracts?



Total responding: 226



**25. Which of the following cooperative contract types does your Entity use? (Select all that apply.)**



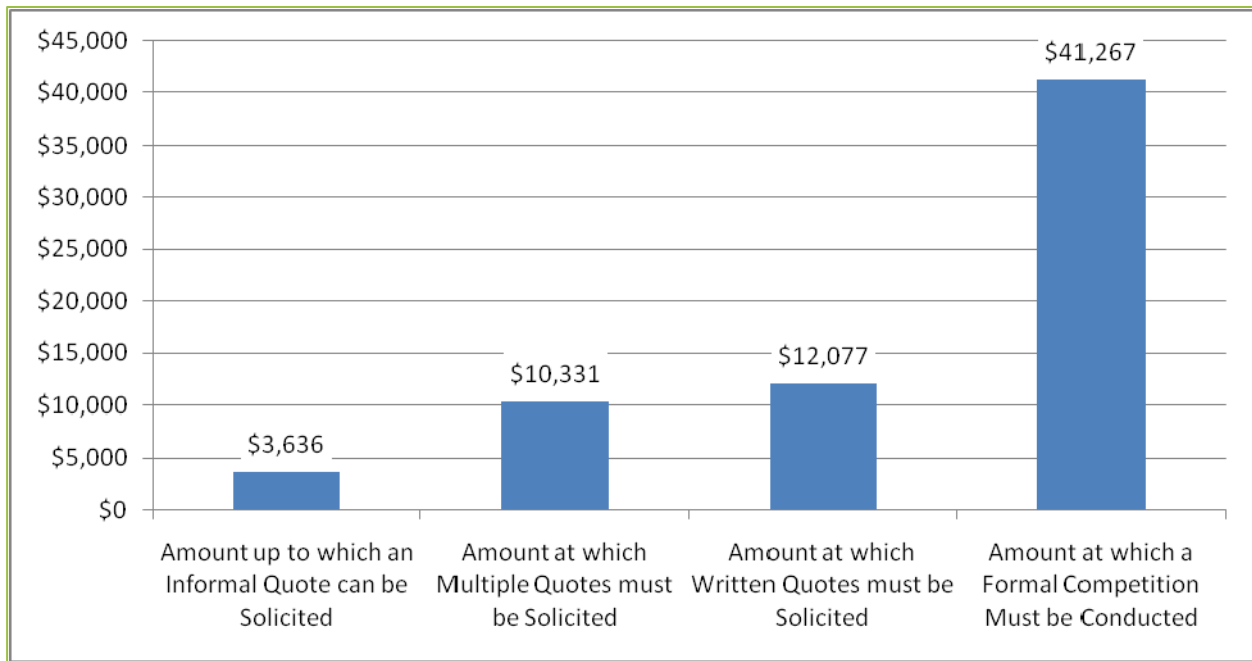
**26. Approximately what percentage of your Procurement Spend was made under Cooperative Purchasing?**

- Average for all respondents providing a figure: 22.8%

Note: Due to inconsistency in the way respondents provided data (e.g., “7.5” and “0.075” provided by different respondents to indicate 7.5%), this figure represents a best effort by the authors to create consistency by revising some responses.

Total responding: 162

## VII. Thresholds



### 27. At what dollar amount is at least one informal quote required?

- Average for all respondents providing a figure: \$3,636

Total responding: 185

### 28. At what dollar amount are multiple quotes required?

- Average for all respondents providing a figure: \$10,331

Total responding: 230

### 29. At what dollar amount are such quotes required to be in writing rather than just verbal?

- Average for all respondents providing a figure: \$12,077

Total responding: 219

**30. What is your formal competition threshold – the minimum dollar threshold where formal competition and public advertising are required through either competitive sealed bidding or competitive negotiation?**

- Average for all respondents providing a figure: \$41,267

Total responding: 227

**31. What is the highest contract award authority for the following:  
(shown as an average for all respondents)**

- Client departments with delegated authority: \$99,182  
Total responding: 133
- Procurement Director/Manager/Chief Procurement Officer: \$163,705  
Total responding: 146
- Chief Executive Officer (City Manager, County Administrator, etc.): \$229,420  
Total responding: 112

## VIII. Workload Indicators

### 32. Please indicate the number of transactions in each category. (Shown as an average for all respondents)

- Letters of Interest to determine the field of suppliers available and interested: 20.3  
Total responding: 50
- Letters or proposals of Qualifications used to prequalify suppliers for an opportunity: 19.4  
Total responding: 72
- Request for Quotes (small purchases): 1,074.1  
Total responding: 113
- Competitive Sealed Bidding - IFBs Issued: 71.7  
Total responding: 147
- Competitive Negotiation - RFPs Issued: 20.3  
Total responding: 137
- Original Orders Issued (Whether by purchase order, releases, etc.): 7,199.6  
Total responding: 97
- Change Orders Issued: 387.  
Total responding: 79

### 33. Emergency Contracts awarded over your formal threshold: (shown as an average for all respondents)

- Number: 15.0
- Value: \$1.9 million
- Emergency Contracts as a percentage of Total Procurement Spend: 1%

Total responding: 49

### 34. Sole Source Contracts awarded over your formal threshold: (shown as an average for all respondents)

- Number: 767.7
- Value: \$5.0 million
- Sole Source Awards as a percentage of Total Procurement Spend: 2%

Total responding: 69

**35. How many protests did your Entity receive in your most recently completed fiscal year?  
(Shown as an average for all respondents)**

**36. How many were determined in favor of your Entity?  
(Shown as an average for all respondents)**

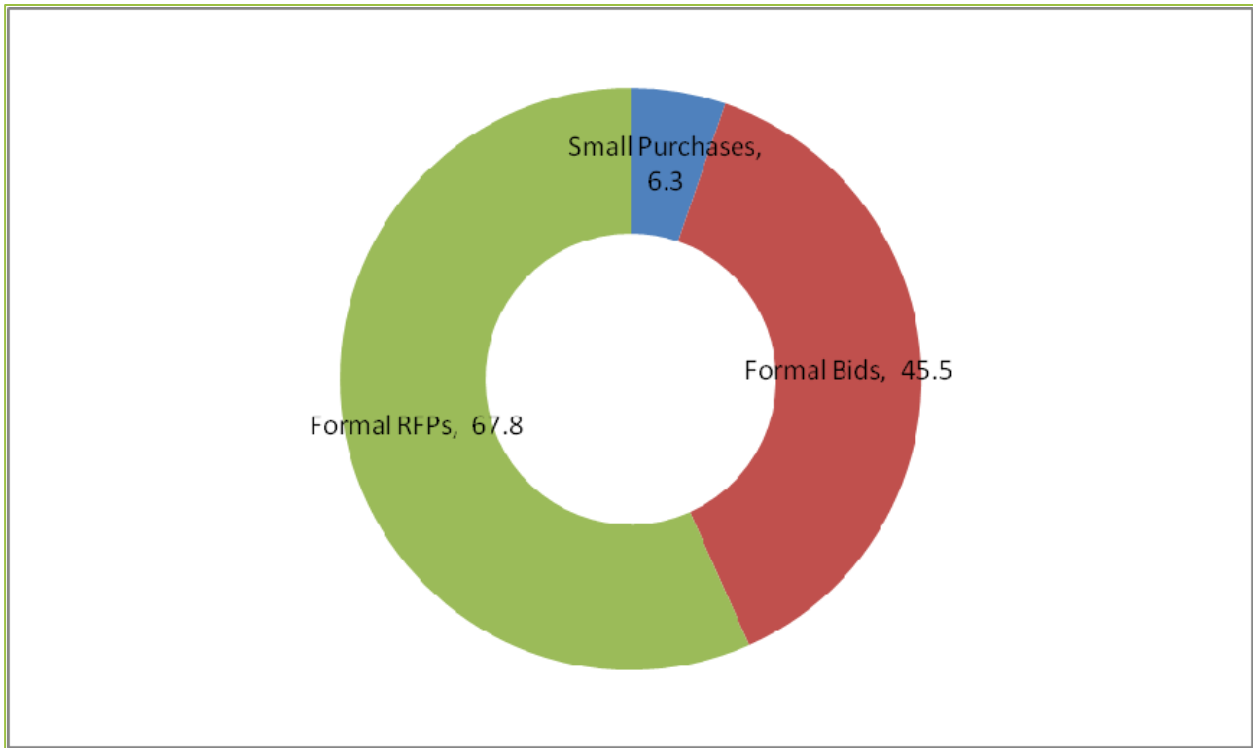
- Protests: 4.9
- Protests in Your Favor: 4.8
- Percent of Protests in Your Favor: 97%

Total responding: 82

## IX. Average Cycle-Times

Cycle time is defined as the number of calendar days from receipt of a requisition to issuance of a purchase order or contract.

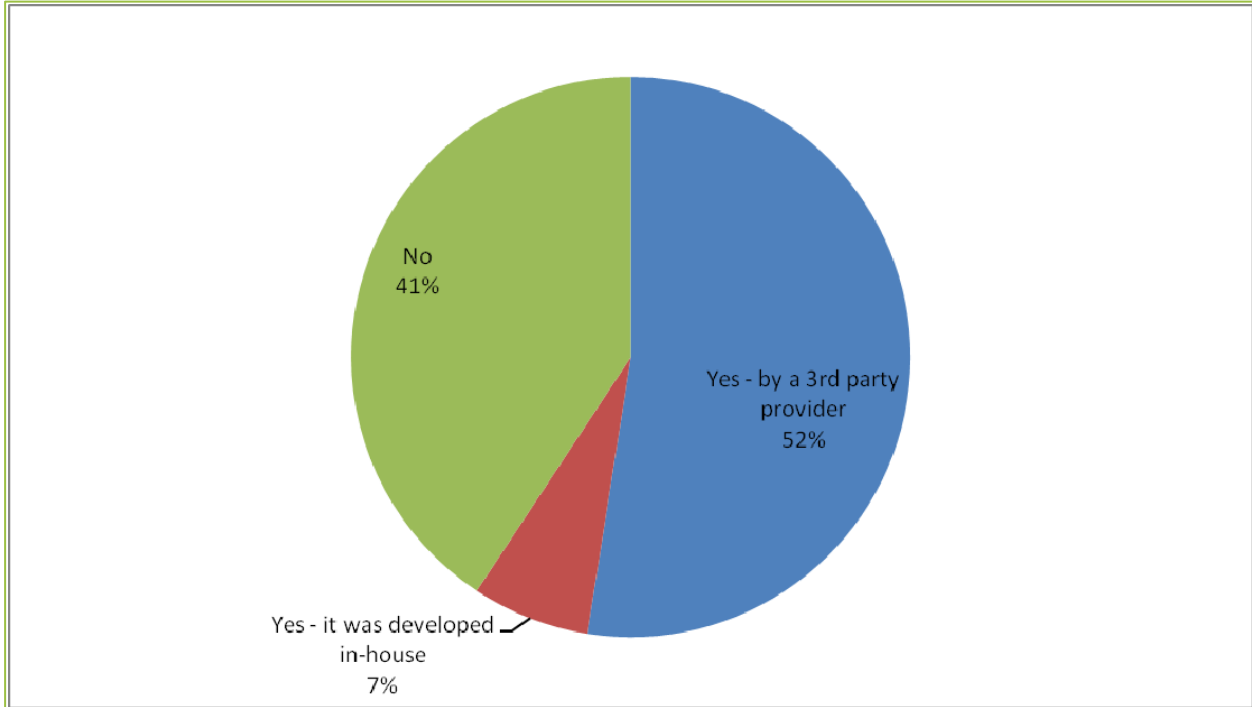
**37. Please provide your Average Cycle Time (in calendar days) for the following:**



Total responding: 178

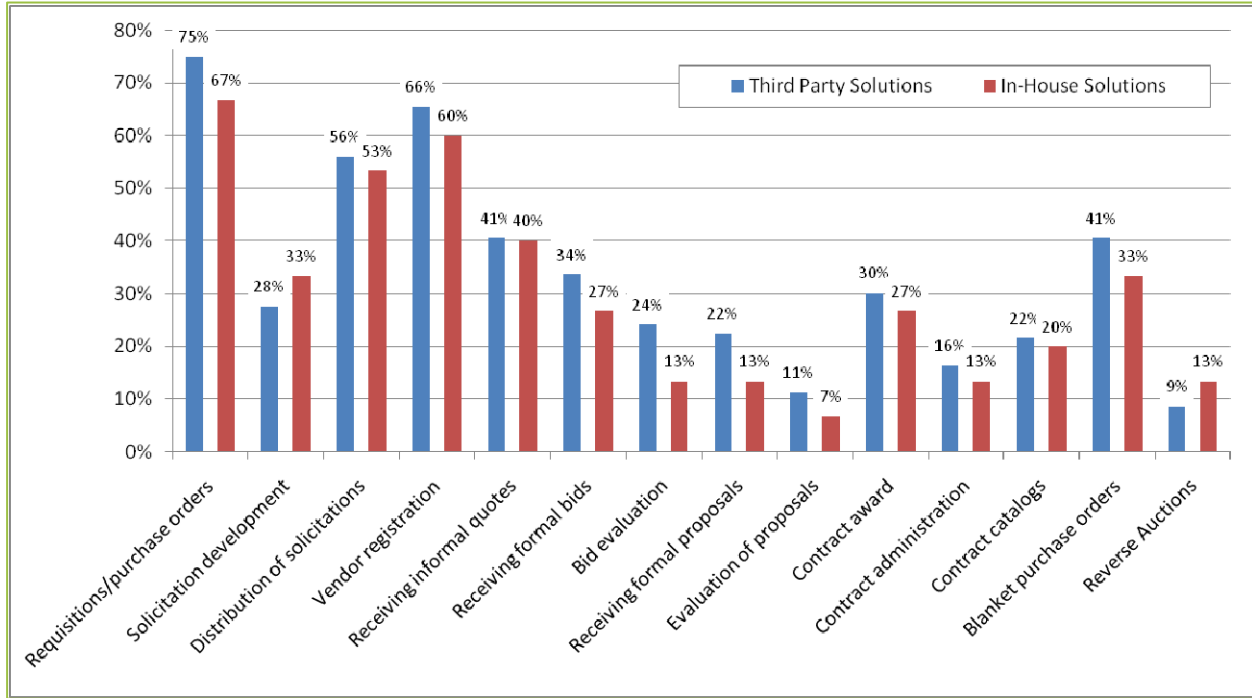
## I. e-Procurement

### 38. Does your Entity use an e-Procurement system?



Total responding: 221

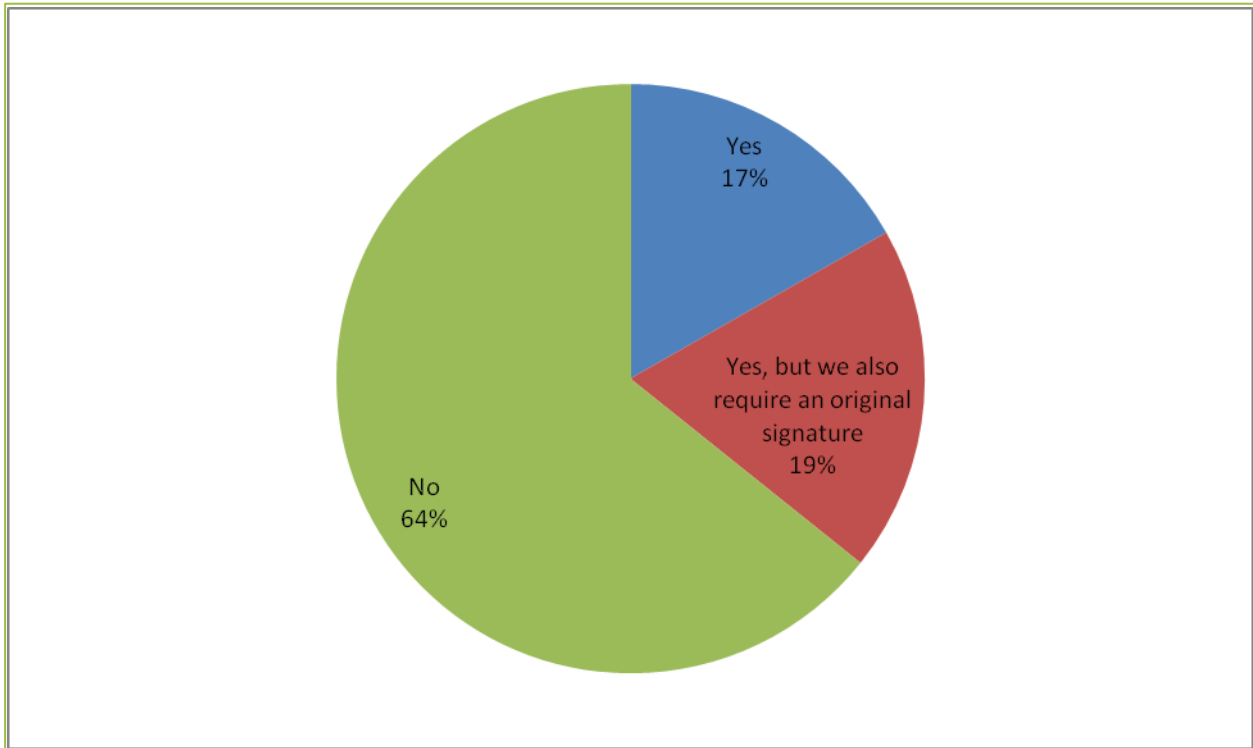
39. If yes (to question 38), please list application used:  
 What capabilities does your e-Procurement system provide? (Check all that apply):



Total responding: 221

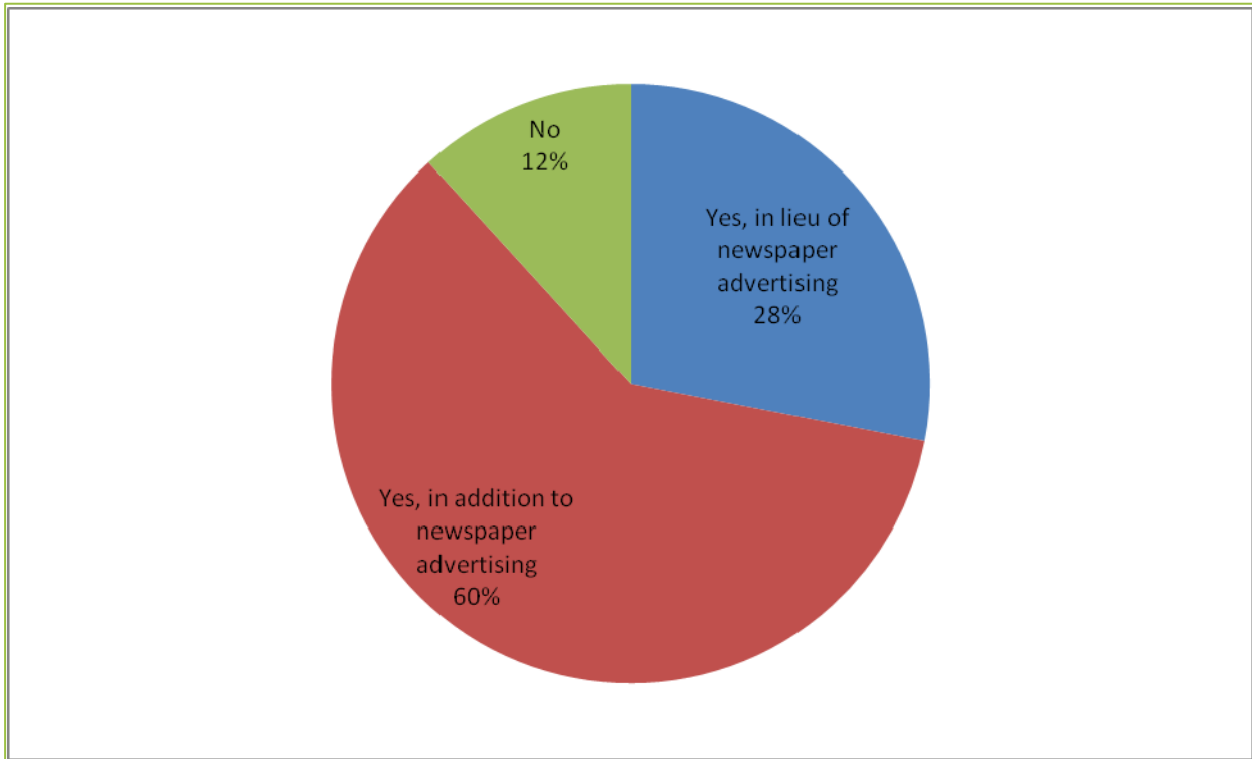


**40. Do you accept electronic signatures on contracts?**



Total responding: 221

#### 41. Do you use electronic advertising of formal IFBs and RFPs?



- Nine percent of respondents indicated that they used neither e-signatures nor e-advertising of any sort.

Total responding: 221