

Optimizing Procurement Operations: Choose Your “E”

Strategies for Enhanced Efficiency,
Effectiveness and Efficacy

WHITE PAPER

Presented by
The NIGP Business Council

Your NIGP Business Council

Originally established as the Institute's Enterprise Sponsors Program, the NIGP Business Council ("Council") has evolved over the years to become a team of industry thought leaders collaborating with the NIGP procurement community. Comprised of two representatives from each company, the Business Council has demonstrated a shared commitment to NIGP's values of accountability, ethics, impartiality, professionalism, service, and transparency. The Council is an active partner with NIGP, contributing to the dialogue that increases the value of procurement and creates a space for mutual learning within the supplier-procurement community.

The mission of the NIGP Business Council is to...

Contribute industry content and expertise to public procurement professionals to optimize outcomes for communities.

- **Presentations and whitepapers**
- **Emerging industry trends**
- **Category-specific data**
- **Chapter-level engagement**

In essence, the NIGP Business Council connects the supplier's perspective with the public procurement community and is dedicated to improving the practitioner-supplier relationship. This white paper, along with the dozen other white papers and presentations written and developed by the NIGP Business Council, represents one of the many ways in which the NIGP Business Council supports the educational mission of NIGP.

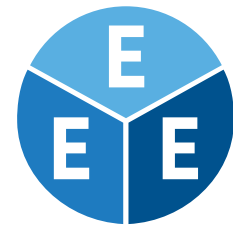
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Strategies for Enhanced Efficiency, Effectiveness and Efficacy

Efficiency. Effectiveness. Efficacy.

These three concepts drive modern public procurement—but each leads to a slightly different destination.

- **Efficiency** focuses on using the least amount of resources to achieve a task.
- **Effectiveness** asks if you’re achieving your intended outcomes.
- **Efficacy** pushes further: are you achieving the right outcomes?



In today’s complex procurement landscape, the smartest agencies aren’t just looking for one of the three—they’re building partnerships that help them choose which “E” matters most for each project. This white paper explores how public procurement professionals can use their suppliers as tools to drive their chosen outcomes.

Public procurement plays a crucial role in the efficient and effective functioning of government operations. Optimizing procurement processes can lead to significant cost savings, improved resource management, and enhanced public trust. Efficiency in public sector procurement is a topic of paramount importance, especially in an era where scrutiny from constituents and stakeholders is ever-present.

Whether you’re under pressure to save time, reduce cost, or increase impact, this paper reframes supplier collaboration as a resource—one that can enhance operations while aligning with your agency’s most important goals.

A roadmap for implementing these strategies and fostering a collaborative environment between government agencies and suppliers is included as **Appendix A - Implementation Guideline.**

Rethinking Efficiency: What Are You Optimizing For?

Efficiency is no longer the uncontested North Star. It's just one compass point. Depending on your situation:

- Public trust might make you optimize for transparency and accountability (effectiveness)
- Resource constraints may drive a focus on speed and cost control (efficiency)
- Strategic outcomes like sustainability or resilience may call for a longer-term view (efficacy)

The supplier community sees hundreds of procurement processes play out every day. They witness what works, what wastes time, and what builds lasting value.

This paper invites you to view your suppliers not as external vendors, but as internal allies—resources who bring knowledge, experience, systems, and creativity to your procurement operations.

Why Efficiency Still Matters—But Can't Stand Alone

Efficiency is central to good governance. But when it becomes the only goal, it risks undermining mission success.

Here's where suppliers can support:

- **Public trust and accountability:** Inefficiencies erode trust. A streamlined process—developed with supplier input—can reduce errors and deliver transparent results.
- **Resource stewardship:** Efficient procurement benefits both the entity and its supplier network. Reduced delays, fewer change orders, and predictable payments lead to better pricing and service.
- **Time savings:** Time is a resource. Suppliers help identify where technology, workflow changes, or contract adjustments can reduce unnecessary delays.
- **Transparency and compliance:** By involving suppliers early and using clear documentation, both sides can prevent rework and disputes.
- **Supplier management:** Suppliers are more likely to bid when the process is efficient. The inverse is also true—inefficiencies drive quality vendors away.
- **Cost Savings & Overall Improvement:** Efficiency translates into cost saving, driving overall improvement in public service delivery to taxpayers. Reduced costs and time savings for both suppliers and entities foster a collaborative environment.

Your efficiency strategy should be shaped by context—and informed by supplier input.

Key Areas for Optimization

Based on successful collaborations, suppliers have identified several practical ways procurement teams can improve outcomes:

- **Sourcing Processes:** Periodic reviews of your bid process can uncover redundancies and improve clarity. Invite supplier feedback on timelines, formats, and scope alignment.
- **Technology Integration:** Leverage eProcurement platforms, automated approval routing, and digital documentation to reduce lag time and manual tasks.
- **Artificial Intelligence (AI):** Explore AI tools that can help evaluate proposals, identify risks, and suggest pricing benchmarks—areas where suppliers may already be using these tools internally.
- **Supplier Relationship Management:** Use scorecards and KPIs collaboratively. Suppliers can help refine performance metrics so they're aligned with project realities.
- **Contract & Spend Analytics:** With supplier support, you can identify opportunities to consolidate vendors, streamline purchasing, or select categories to cooperative contracts.
- **Resource Management:** Talk to suppliers about staffing assumptions. Their insight may lead to better alignment between your internal resources and procurement workloads.
- **Select Sourcing:** Leveraging external resources to attain desired results and optimal outcomes.

Appendix B offers additional areas for consideration where opportunities may exist for efficiencies and increased effectiveness in government entities.

Suppliers as Strategic Contributors— A Roadmap for the Three E's

The Supplier Rating Spectrum, presented by the NBC at the 2020 Forum, provides a helpful roadmap to understand how suppliers contribute to efficiency, effectiveness, and efficacy at different levels of engagement.

Supplier Rating Spectrum



From basic transactions to strategic partnerships, each supplier tier offers unique contributions to your entity's goals:

- **Supplier (Basic)**
 - *Efficiency:* Delivers goods and services quickly and at low cost.
 - *Effectiveness:* Limited; typically transaction-focused.
 - *Efficacy:* Not aligned to long-term outcomes.
- **Tactical Supplier**
 - *Efficiency:* Brings cost-benefit practices and effective processes.
 - *Effectiveness:* Begins to address operational needs with reporting.
 - *Efficacy:* Engagement is reactive, not proactive.
- **Contract Supplier**
 - *Efficiency:* Supports contract compliance and reduces friction.
 - *Effectiveness:* Aligns with goals and builds structured relationships.
 - *Efficacy:* Can offer targeted insights during reviews.
- **Preferred Supplier**
 - *Efficiency:* Implements process innovations and improves reporting.
 - *Effectiveness:* Endorsed by the organization and helps drive measurable results.
 - *Efficacy:* Delivers service quality that supports broader program success.
- **Strategic Partner**
 - *Efficiency:* Streamlines workflows across departments.
 - *Effectiveness:* Embedded in planning and performance.
 - *Efficacy:* Helps achieve long-term strategic goals, serving as a benchmark for future procurement success.

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A strategic supplier provides significant value to a government entity through innovation, collaboration, and long-term partnership. Ultimately, this collaboration leads to increased success in identifying cost savings, reduced time impacts, increased quality and improved public service. These suppliers offer more than just goods or services; they become key partners in developing tailored solutions to public sector entity challenges and they help drive innovation.

By understanding where your suppliers sit on this spectrum—and helping elevate them to higher levels—you gain more tailored support for whichever “E” you choose to prioritize.

Suppliers can leverage best practices in numerous ways with the public sector in all phases of the sourcing process, from pre-solicitation through contract negotiation and contractor performance. For a more in-depth discussion, see **Appendix C: Supplier Community Role.**

The Three “E’s” in Action

Supporting the Los Angeles County Fair—A Unified Approach to the Three E’s

As the largest county fair in the U.S., the Los Angeles County Fair (“Fair”) is a massive logistical undertaking—spanning five divisions and requiring more than 550 pieces of equipment. In past years, the Fair relied on multiple vendors for buildings, equipment, and services, often leading to confusion over responsibilities, inconsistent support, and delays during time-sensitive moments. That changed when the Fairplex team and United Rentals began working more closely to align goals and streamline operations. What emerged wasn’t just a service agreement—it was a shared strategy.

United Rentals introduced a cross-functional team to Fair staff, creating a unified structure that improved communication and reduced complexity. Rather than contacting dozens of different suppliers, the Fair could now rely on a central point of coordination to address a wide range of needs—often within the same day.

This shift supported **efficiency** by minimizing duplication, consolidating billing, and simplifying equipment management through the use of Total Control software introduced by the supplier. Bottom line it saved the staff time and eliminated confusion during the Fair’s operations.

But efficiency alone wasn’t the goal.

The partnership supported **effectiveness** by ensuring the right equipment—generators, solar light towers, modular offices, sanitation units—was delivered where and when it was needed, even during high-traffic events like live concerts. Coordination across United’s regional logistics network helped maintain operations under pressure.

What truly set this partnership apart was its **efficacy**: the ability to achieve the right long-term outcomes. By adapting to the Fair’s evolving needs and integrating into their planning processes, United Rentals became more than a vendor—they became part of the infrastructure that made the event possible.

The result was not just smoother operations, but a shared sense of purpose and growth. As the Fairplex continues to expand, this partnership offers a model for how supplier collaboration can turn complexity into clarity—and intention into impact. The Three E’s in action.

Bridging the Digital Divide in Pharr, Texas—The Power of Public Partnerships

Pharr, Texas, located near the U.S.-Mexico border, is a resilient community known for its international bridge and agricultural exports. Despite its strategic location, Pharr once ranked last in the nation for digital infrastructure—a major challenge in an increasingly connected world. Students often had to rely on public Wi-Fi from parking lots and civic buildings to complete their homework. Families lacked stable internet access. In response, the city committed to building and owning a municipal broadband network, treating internet access as a basic utility, on par with water or electricity. The goal: provide cost-effective service to residents based on income, eligibility for assistance, and available federal, state, or education incentives—all during a pandemic and a global supply chain crisis.

The city couldn't meet its ambitious timeline alone. It turned to existing partnerships for design, engineering, project management, and construction. What remained was securing a product and logistics solution to keep the project on track. That's where Graybar and their National Cooperative contract played a vital role.

Serving as Pharr's supply chain partner, the supplier brought immediate **Efficiency**, allowing the city to bypass a lengthy RFP process through an existing, legal cooperative contract. This reduced the procurement timeline to weeks instead of months. As designs were finalized, materials could be ordered quickly saving time and cost.

Effectiveness came through coordination. The supplier worked closely with Pharr's IT staff, contractors, engineers, and other stakeholders to align technical needs, manage delivery, and ensure timely access to materials. Even as global supply chains faced strain, their logistical expertise helped keep the project moving forward.

The partnership also delivered on **Efficacy**—achieving the long-term goal of connecting residents to high-speed broadband. Pharr isn't just laying fiber; it's building a bridge to education, health-care, and economic opportunity.

Through collaboration with the supplier, the cooperative, and other partners, the city is turning vision into reality—closing the digital divide one neighborhood at a time.

The Public Health Purchase Portal at Maricopa County Department of Public Health: Driving Efficiency, Effectiveness, and Efficacy in Government

The Maricopa County Department of Public Health (MCDPH) in Arizona transformed its procurement operations in collaboration with Databank by creating the Public Health Purchase Portal, a centralized, digital system for managing purchase requests. Previously, procurement relied on manual forms, Excel logs, and email-based approvals, which caused delays, errors, and limited visibility. With over 800 staff, 70+ grants, and thousands of annual transactions, inefficiencies were costly and burdensome.

By leveraging their partnership with Databank, MCDPH implemented the portal, establishing a single platform for submitting, tracking, and processing purchase requests. This shift reduced paperwork, improved accountability, enhanced transparency, and enabled real-time monitoring of procurement activity. The portal also improved audit readiness and continuity of operations, especially in a hybrid work environment.

Launched in July 2023, the portal quickly demonstrated measurable results. In its first full year, over 3,300 purchase requests were processed, and adoption has only increased. A second phase introduced workflow enhancements, improved notifications, and robust reporting features, giving leadership new insights into vendor spending and workload trends. Staff reported greater satisfaction due to fewer errors, faster turnaround times, and clearer communication across teams. The project's success stemmed from strong user engagement, phased implementation, and continuous refinement. Most importantly, it offers a replicable model for other public agencies seeking to modernize procurement, blending efficiency with the core values of accountability, transparency, and service excellence.

The MCDPH improved **efficiency** by replacing manual, paper-based processes with a centralized digital portal that streamlined requests, reduced delays, and cut errors. It demonstrated **effectiveness** by delivering measurable results within the first year, processing thousands of requests while enhancing accountability, transparency, and audit readiness. Finally, it showed **efficacy** by achieving the intended outcomes—greater staff satisfaction, faster turnaround times, and stronger insights for leadership—proving the solution worked in practice and can serve as a replicable model for other agencies.

With fewer errors, faster turnaround times, and clearer communication, staff satisfaction has risen. MCDPH achieved efficacy through Phase I of the project and the process improvements now stand as a replicable model for other public agencies seeking efficiency while upholding accountability, transparency, and service excellence.

Improving Compliance and Performance Review

Metrics matter—but only if they're meaningful. Procurement teams can use suppliers to sharpen their review process:

- **KPIs:** Establish mutual agreement on what success looks like.
- **Scorecards:** Track responsiveness, delivery, quality, and service—then discuss results openly.
- **Audits:** Conduct periodic compliance reviews with supplier support.
- **Feedback loops:** Invite suppliers to share what's working—and what's not.

This turns performance review into a two-way street, and improves outcomes for both parties.

Education, Awareness, and Internal Alignment

Many government entities have found that improved internal education and contract awareness can lead to stronger compliance and better utilization of existing agreements. Starting conversations around education and procurement processes can open the door to greater alignment across departments. Some of the most effective approaches we've seen include:

- **Education Programs:** Train internal users on how and when to use contracts effectively.
 - **Target Audience:** Procurement officers, department heads, program managers, and any internal "customers" who use or request contracted goods and services.
 - **Approach:** Develop structured learning programs such as onboarding modules, workshops, webinars, and knowledge-sharing sessions that explain how contracts are sourced, how to request services, and how compliance is maintained.
 - **Outcome:** Better equipped employees align their needs with existing contracts, minimizing redundant purchases and improving efficiency.
- **Marketing and Communication:** Work with suppliers to build campaigns that raise awareness. Try a "contract of the month," or highlight user success stories.
 - **Methods:** Newsletters, intranet announcements, internal bulletins, or "contract of the month" campaigns to highlight new or underused contracts.
 - **Branding:** Treat contracts like products—develop simple, user-friendly names, create info sheets, and use success stories or case studies to show how departments have benefited from using them.
 - **Outcome:** Higher engagement and broader use of strategically sourced contracts thru increased visibility.
- **Continuous Improvement:** Use user feedback and supplier suggestions to evolve tools and processes.
 - **Feedback Loops:** Set up mechanisms like surveys, suggestion boxes, or regular user forums to collect feedback from contract users.
 - **Data-Driven Adjustments:** Use metrics on contract usage, time-to-procure, and user satisfaction to drive improvements.
 - **Culture:** Empowered staff sharing insights and identifying inefficiencies through a culture of open communication.
 - **Outcome:** Procurement processes remain agile, user-friendly, and aligned with agency goals.

Procurement can't operate in a vacuum. Supplier collaboration helps close the loop between contract creation and day-to-day use.

Implementation Planning: Turning Insight into Action

Appendix A provides a more detailed guide, but the essential steps include:

1. **Assessment:** Where are you today? What's your current "E"?
2. **Stakeholder Engagement:** Include suppliers in planning conversations.
3. **Process Improvement:** Review workflows with an eye for supplier bottlenecks.
4. **Technology Optimization:** Ask vendors how they interface with your tools.
5. **Training and Support:** Use supplier-created training and marketing materials.
6. **Evaluation:** Measure results through data and feedback.
7. **Reporting:** Share insights internally and with supplier partners.
8. **Scaling:** Apply successful pilots to other contracts or categories.

Implementation becomes much more achievable when suppliers are treated as collaborators

Conclusion:

Intentional Procurement in a Complex World

There is no one-size-fits-all procurement strategy. But there is a question every procurement team can ask:

What are we really trying to accomplish—and how are we using our suppliers to help us get there?

Whether you choose to optimize for efficiency, effectiveness, or efficacy, your suppliers can—and should—be a resource in that effort.

By leveraging supplier expertise through collaborative partnerships, entities gain access to insights for improved decision making. By fostering a culture of collaboration with the supplier community, public procurement stands to significantly increase their likelihood of success in efficiency initiatives. We encourage readers to leverage the supplemental tools offered in the appendices to inspire conversation, to seek opportunities to challenge operational practices that may no longer serve the best interests of the entity, and to constantly seek ways in which we can collectively improve the delivery of services to our communities.

This paper offers a starting point for making supplier engagement more strategic. The conversation doesn't end here. It begins with a choice:

Choose your “E.” Then choose to collaborate.

Appendix A – Implementation Guidelines

Implementing the strategies discussed in this white paper effectively requires a structured approach and collaboration between various stakeholders. Here are some steps to guide you through the process:

1. Assessment and Planning

- **Conduct a Needs Assessment:** Evaluate current procurement processes to identify inefficiencies and areas for improvement.
- **Set Clear Objectives:** Define specific goals for optimizing procurement operations, such as cost savings, time reduction, and improved supplier relationships.
- **Develop a Strategic Plan:** Create a detailed plan outlining the steps, resources, and timelines required to achieve the objectives.

2. Stakeholder Engagement

- **Engage Key Stakeholders:** Involve procurement staff, suppliers, and internal customers in the planning process to ensure buy-in and collaboration.
- **Communicate the Benefits:** Clearly articulate the benefits of the proposed changes to all stakeholders to gain their support.

3. Process Optimization

- **Streamline Onboarding:** Simplify contractor and supplier onboarding processes by focusing on essential information and eliminating unnecessary steps.
- **Enhance eProcurement Workflows:** Implement electronic procurement systems to automate routine tasks and reduce manual interventions.
- **Improve Bid and Solicitation Processes:** Continuously monitor and refine bid and solicitation processes to eliminate redundancy and improve outcomes.

4. Technology Utilization

- **Leverage Technology Solutions:** Utilize procurement software, eBiz, pCards, and automated workflows to enhance efficiency. With the tools available today through supplier partnerships, practitioners can take stock of departmental needs while balancing purchasing controls and audit measures to ensure the highest public procurement standards are upheld.
- **Data Analytics:** Use data analytics to gain insights into procurement performance and identify areas for improvement.

5. Supplier Relationship Management

- **Foster Strong Relationships:** Build and maintain strong relationships with suppliers through transparent communication and regular reviews. Best practices in this area include requesting updated contract and manufacturer line cards from vendor partners, quarterly meetings to review.
- **Cooperative Contracts:** Promote the use of cooperative contracts to streamline procurement and leverage collective buying power. By broadening the procurement aperture, the practitioner can broaden the vendor pool selectively on products or services that may not be served by a mandatory or elective contract. This can also lead to enhanced competition (creating lower prices) and availability for products and services.

6. Training and Education

- **Develop Training Programs:** Create training programs for procurement staff and internal customers to ensure they understand and can effectively use new processes and technologies.
- **Continuous Improvement:** Encourage feedback and continuous improvement to refine procurement processes.

7. Monitoring and Evaluation

- **Measure Performance:** Implement metrics to measure the efficiency and effectiveness of procurement operations, such as cost savings, time savings, and supplier performance.
- **Regular Reviews:** Conduct regular reviews to assess progress and make necessary adjustments to the strategies.

8. Reporting and Communication

- **Robust Reporting Mechanisms:** Establish reporting mechanisms to track and communicate progress to stakeholders.
- **Transparent Communication:** Maintain transparent communication with all stakeholders to ensure they are informed and engaged throughout the process.

9. Case Studies and Best Practices

- **Learn from Others:** Review case studies and best practices from other entities to identify successful strategies and potential pitfalls.
- **Share Success Stories:** Share success stories and lessons learned with stakeholders to build momentum and support for the initiatives.

By following these steps, public procurement practitioners can effectively implement strategies to optimize procurement operations, leading to enhanced efficiency, cost savings, and improved supplier relationships.

Appendix B – NIGP GLOBAL BEST PRACTICES AND OTHER AREAS OF OPPORTUNITY

NIGP has published a number of Global Best Practices that offer key areas of opportunity for increased efficiency and effectiveness in procurement operations. Consider reviewing and discussing these Global Best Practices and consider how they may be introduced or improved within your entity. While this list is not intended exhaustive, it is offered as a starting point.

- [Achieving an Optimal Procurement Card \(PCard\) Program Performance Measurement](#)
- [Performance Metrics](#)
- [Performance Management](#)
- [Spend Analysis](#)
- [Performance Based Contracting](#)
- [Contract Administration](#)
- [Supplier Relationship Management](#)
- [Technology](#)

In addition to the above Global Best Practices, the NBC offers these additional topics for discussion and consideration:

- **Data Analytics**
- **Predictive Analytics**
- **Real-Time Dashboards**
- **Cost vs. Benefit Analysis**
- **Supplier Risk Analysis**
- **Market Risk Analysis**
- **Supplier Audits**
- **Benchmarking**
- **Cycle Time Analysis**
- **Process Mapping**
- **Employee Productivity Metrics**
- **KPI Dashboards**
- **Supplier Innovation**
- **Quarterly Supplier Reviews**

Appendix C – Supplier Community Role

Focus Area	How Suppliers Add Value	Key Benefits	Example
Cooperative Contracts	Expand vendor pool and share contracts across entities	Lower costs, faster procurement, reduced duplication	State and municipalities jointly procure office supplies, cutting costs
Improving Specifications	Provide market insights and practical input	Clearer requirements, innovative options, reduced scope creep	Hospital refines equipment specs with suppliers, saving money
Contract Terms Adjustment	Flexibility in delivery, payment, and requirements	Broader competition, stronger supplier performance	Faster payments exchanged for quicker deliveries
Leveraging Expertise	Share innovation, risk strategies, and industry trends	Cost savings, resilience, new solutions	Construction firm adopts sustainable, lower-cost materials
Quarterly Reviews	Ongoing performance and KPI check-ins	Continuous improvement, early issue resolution, stronger partnerships	IT supplier reviews improve uptime and response times
Contract Rollout Plans	Structured education for suppliers and stakeholders	Ongoing performance and KPI check-ins	Ongoing performance and KPI check-ins
Evaluating Contract Types	Assess single, sole, and multiple-source approaches	Balanced efficiency and risk	Cybersecurity via single-source, office supplies via multiple-source
Debriefs & Improvements	Post-contact evaluation and feedback loops	Process optimization, lessons learned, better outcomes	Construction project debrief improves future delivery terms
Efficiency Modifications	Adjust scope, benchmarks, and flexibility	Streamlined execution, adaptable contracts, aligned performance	Logistics provider modifies delivery schedules for efficiency

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