The Measure of Our Success:
The Challenge and Opportunity of State Procurement Performance Measures

National Association of State Procurement Officials
August 2005
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Executive Summary

The NASPO Board of Directors set several goals within the 2004 Strategic Plan, including to provide assistance to public procurement professionals to better enable and acknowledge their success in the public sector purchasing environment, and to ensure that members have a thorough understanding of strategic global supply and market conditions. An initial survey was conducted in Spring 2005 to examine state benchmarking practices and perhaps find some areas of commonality among the states. Based upon the seventeen state responses and additional research gathered from state procurement websites, NASPO concluded that while many states currently benchmark their processes, finding commonality among these measures means we must further define and then align them to a standard comparable measure.

As a result, the following brief describes benchmarking and performance measurement on a high level, including:

- The basic definition of benchmarking;
- Standard benchmarking practices and methodology;
- How to plan and identify good benchmarking targets; and
- Understanding the pitfall of benchmarking and how to avoid them.

You will also find an outline of benchmarking as a four phase process. Activities identified within these four phases will provide you with an adaptable guide to measuring key performance indicators in your state.

- Planning
- Collecting
- Analyzing
- Adapting

Benchmarking internally (within the state) is an important tool for accountability and performance improvement. However, when standard benchmarking practices are established and individual states begin to use these practices, then NASPO hopes to move towards finding commonality of performance measures so that states can compare their own performance to that of another state with confidence. States may also want to consider using a third party firm that specializes in benchmarking. These comparisons can provide state procurement officials with still more resources to adapt to and meet the changing needs of their customers.
**Introduction**

In the current state environment of reduced resources and public calls for greater government efficiency, *benchmarking* is becoming an increasingly important tool for accountability and performance improvement. There is, however, much variety and even confusion in the field over what benchmarking is and how to do it. While benchmarking will always be a product of each state’s political environment and customer needs, some basic shared understanding of benchmarking best practices or commonalities can be of great assistance to the state procurement community.

This brief will describe some of those benchmarking practices and offers some suggestions, based on a NASPO survey conducted in 2005, of some high-level performance measures that could be tracked by individual states.

This preliminary effort by NASPO also identifies which states are benchmarking in both small and large scale and provides a basic guide for states that are not currently benchmarking to follow in their own efforts.

**What is Benchmarking?**

<table>
<thead>
<tr>
<th>Benchmarking is a process used in strategic management that allows you to evaluate and compare actual performance against targets or set goals throughout the cycle of a process to determine where improvement is needed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>For state procurement directors, benchmarking is a key task in becoming a procurement performance leader.</td>
</tr>
</tbody>
</table>

**Definition**

In practice, benchmarking usually encompasses:

- regularly measuring and comparing quantitative and qualitative aspects of performance (functions or processes) across time and/or between similar entities;

Benchmarking is typically part of a larger program or project management process that:

- identifies gaps in performance;
- seeks fresh approaches to bring about improvements in performance;
- follows through with implementing improvements;
- follows up by monitoring progress and reviewing the benefits.

**Characteristics of a Good Performance Measure**

“A good performance measure is:

- Easily understood by prospective bidders, departments and the general public;
- Focused on the results or desired changes and defined with a specific goal or level of performance expected;
- Well-defined and considers both the quantitative (how much?) and the qualitative (how well?) aspects of a service;
- Developed by engaging as many stakeholders as possible as early in the process as possible;
- Developed with a written definition and well-defined calculation on how data will be reported;
- Realistic in terms of available resources, funding and timelines and recognizes externalities beyond the control of the system;”

Source: Commonwealth of Massachusetts, Operational Services Division (2005)
• Good performance measurement establishes best-in-class entities by establishing key metrics through SMART (Specific, Measurable, Attainable, Results-oriented, Time-bound) goal-setting methodology; and
• Can be audited and certified by a 3rd party.

**Benchmarking is Not….**

• A universal remedy for problems
• Just a comparison to “similar” organizations
• Just an examination of your own operations
• A one-time event

Every function and task of state procurement can potentially be benchmarked, from pricing, processing, and protests to client satisfaction and customer service. Another way of looking at it is that benchmarking can measure **inputs** (average annual number of professional development hours per buyer), **outputs** (transaction cycle times), or **outcomes** (percent of state term contract savings). NASPO’s survey suggests that the following are just some of the processes and indicators currently being measured and benchmarked by the states:

• Efficiency of the procurement process
• Technical or system development
• Professional development
• Cost savings/cost avoidance\(^1\)
• Economic growth and development

**Why Benchmark?**

• For many states, it is becoming mandatory. Federal Reforms (i.e. A-76) and individual state legislation require most procurement programs to measure performance. Unfortunately, most measurements relate to output and speed (purchase orders per buyer, bid processing time, etc) and not value added.

• Benchmarking can provide a compelling argument for improving and implementing changes needed to efficiently and effectively deliver public services.

• Benchmarking used as a means to improve performance and increase services may provide a strong marketing tool to encourage public support of state government.

• Benchmarking may aid state procurement offices in preventing both internal and external outsourcing. For example, many state IT offices have become frustrated by the slow and methodical process of the procurement system and therefore, many states have given

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\(^1\) When benchmarking it is important not to confuse cost avoidance (the difference between the cost of the purchase and the estimated increase in the cost should price negotiations not occur) with cost savings (total cost savings as a percent of the total purchase spend). Cost savings can be attributed to cost avoidance and/or cost reduction. Cost reduction savings, or negative cost savings, compares the difference in cost of the same goods or services from one reporting period to the next.
information technology departments an exemption from the central procurement system. And externally, the private sector is encroaching on the traditional public procurement function. Benchmarking your state procurement performance may save your job and those of your staff by providing quantitative proof of the value of procurement.

**Benchmarking Methods**

*Internal Benchmarking*

This is an easy way to begin benchmarking and can provide a level of privacy for those involved. For states this means comparing between different departments of the same states or between functions within one department. The advantages of internal benchmarking are that internal partners are typically easier to approach, as a competitive environment is less likely. Internally, variables such as department structure, policy, funding etc. are also more comparable.

*Competitive Benchmarking*

For state government, competitive benchmarking typically means comparison between different states or more specifically, state procurement departments. For most state procurement departments this is not a preferred benchmarking method. The difference in state policies, departmental structure, etc. does not offer a practical platform for comparison in most cases. While somewhat subject to debate, states are typically not viewed as competitors and thus comparison between them is best suited to functional/generic benchmarking.

*Functional/Generic Benchmarking*

This model compares the state’s practices with others considered to be best practices (this may include the private sector). The functional approach compares similar functions within procurement. The generic approach seeks to find broader similarities between processes and operations, usually in dissimilar operations.

When considering benchmarking methods, NASPO members may want to consider internal benchmarking between state members of the association. By doing this, the association can provide the level of privacy provided by internal benchmarking but also provide the benefit of comparison outside the individual state. Some possible common benchmarks to consider will be addressed in the last section of this brief.

**What Are You Going To Benchmark?**

Basic performance measures should be determined and reviewed in correlation to the strategic plan. These measures can be selected based on the needs of the benchmarking organization and/or the needs of the customer. Key is that they be relevant, easily understandable, and actionable—i.e., be information that that can contribute to making a relevant argument for change and improvement.

Often priorities related to performance measurement do not align between different levels of management. To some degree this is healthy to ensure that measurements are balanced as these priorities likely relate to the goals of their position. When making decisions about performance measurement it might be helpful to consider the 1997 CAPS Research, *Measures of Purchasing Effectiveness*. The table below demonstrates the study’s findings when comparing the priorities of chief procurement officers and chief executive officers. Though some priorities align, many are very far apart. Careful planning can help you avoid creating benchmarks that are not useful to your customers and stakeholders.
The Measure of Our Success

Top Chief Procurement Officers Measures | Top CEO Measures
--- | ---
1. Price negotiations | 1. Quality of purchased items
2. Creating leverage through combining volumes | 2. Key supplier problems that could affect supply
5. Requirements that supplier have a credible quality and stress continual improvement | 5. Purchase inventory dollars
6. Department budget versus actual expenditures | 6. Purchase cost savings

Balanced Scorecard Approach
To resolve this issue many organizations are deploying a balanced scorecard to aid in the interpretation of their individual goals. The balanced scorecard provides a map through which different departments can define and quantify performance. It may also assist in identifying other less tangible areas of performance such as leadership, creative thinking, cross-enterprise integration, resource management and development, and nurturing stakeholder relationships.

Sample Procurement Balanced Scorecard

<table>
<thead>
<tr>
<th>Customer</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consumer complaints related to purchased materials and services</td>
<td>• Measurable cost savings</td>
</tr>
<tr>
<td>• Internal customer satisfaction</td>
<td>• Pricing trends versus published indices</td>
</tr>
<tr>
<td>• Use of cross-functional teams in selecting and evaluating suppliers</td>
<td>• Total cost of ownership</td>
</tr>
<tr>
<td>• Supplier satisfaction</td>
<td>• Cost per transaction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal Business Processes</th>
<th>Learning and Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Number of suppliers according to 90 percent of spend (supplier concentration)</td>
<td>• Training/development time and memory</td>
</tr>
<tr>
<td>• Percent compliance with preferred suppliers</td>
<td>• Professional certifications</td>
</tr>
<tr>
<td>• Lead time from requisition to order</td>
<td>• Sharing of best practices</td>
</tr>
<tr>
<td>• Average value of purchase order</td>
<td>• Employee satisfaction</td>
</tr>
</tbody>
</table>

Source: Judith Stimson © 2000

Benchmarking as a Four Phase Process
It may be helpful to think of benchmarking as a four phase process. There are many versions of this process but generally all follow a continuous cycle similar to the model below. States may prefer to expand these steps to fit their own needs.

Phase One - Planning
This phase includes establishing the process and reason for the study. Stakeholders are identified, trained and selected for cross-functional teams. The planning phase is also when key/critical success factors are determined. In addition, determining how the data will be used is a key element to the benchmarking design. The measurements must be useful to all stakeholders. If the measurement chosen is of a sensitive nature then it may not be a good candidate for benchmarking.

Phase One Activities
• Ensure all parties understand benchmarking
• Ensure all parties involved are committed
• Identify customers
• Identify resources
• Determine the purpose of the information to be used
• Determine the timeline
• Determine the costs
• Determine the driver for the study
• Determine the benchmarking method
• Determine what will be benchmarked
• Link benchmarking with strategic plan

To manage these activities requires not only project management skills but an understanding of the behavioral aspects of change. A team approach can provide the structure needed to manage the project while also giving team members a sense of ownership in the resulting changes. For example:

*Needs Assessment Team*
• Identifies key stakeholders
• Reviews operations to provide insight into stakeholder needs
• Determines if needs are being met (quality, within budget, on time, etc.)
• Determines who best meets those needs (i.e. internal delivery or consultant)
• Reviews the current processes (What processes work? Where is the need for improvement?)
• Determine which processes are most critical to meeting those needs

*Project Design Team*
• Understands the critical processes and how they are measured both in their own terms and in the stakeholders’ terms
• Determines the method for data collection
• Determines how the data collected will be used
• Produces a flow chart that highlights the interfaces and areas of responsibility, and identifies process-based measures that provide the basis for performance indicators
• Provides links to the strategic plan

*Phase Two – Collecting*
The collecting phase consists of research and data collecting. In phase two, identified partners are contacted and site visits scheduled if necessary. Legal and ethical issues should also be reviewed.

*Phase Two Activities*
• Create a data collection plan to keep the process relevant and within range
• First collect internal data to create a baseline to help develop the final set of measures
• *Identify potential benchmarking partners
• Research potential partners to narrow the list by using public information
• Prepare to work with a potential partner by studying relevant information available
• Observe the potential partner(s)
• Establish a benchmarking agreement with partner(s)
• Establish uniform collection methods
• Establish uniform collection levels for data (i.e. Units and intervals – Bids per Month)
• Validate apples to apples comparisons
*Identifying partners should be done with an open mind. Even if an organization is dissimilar to your own (i.e. state to private sector) it is important not to overlook the similarities in process. A classic example from private industry is Xerox benchmarking their logistics and shipping operations against those of L.L. Bean.

Members of all teams responsible for these activities and should try to adhere to the principles found in the Benchmarking Code of Conduct (or similar document) to ensure the benchmarking project is successful.

**Benchmarking Code of Conduct**
- Keep it legal
- Be willing to give what you get
- Respect confidentiality
- Keep information internal
- Do not refer without permission
- Be prepared from the start
- Understand expectations
- Act in accordance with expectations
- Follow through with commitments

**Phase Three – Analyze**
The analysis phase is the process of comparing one’s goal performance to actual performance and identifying what the gap is between the two. The data collected in Phase Two is only valuable if careful analysis is performed to reveal information needed to make effective decisions regarding change.

**Analysis Activities**
- Review and study the data
- Produce a gap analysis
- Identify key performance indicators
- Identify opportunities for improvement
- Develop improvement actions
- Prediction – over time the data produced can assist with regression analysis

**Phase Four - Adapting**
The adapting phase allows for improvement and control of the process. To ensure that gains made through benchmarking are not lost over time it is important that a tracking and measurement framework be in place. The framework additionally reports even the smallest incremental changes that ultimately can add up to a large improvement. Remember however that not all results will be positive. Part of the adapting phase requires experiments and trials in order to find the best solution or desired result.

**Adapting Activities**
- Monitor results and progress for continued success and identification of future opportunities
- Report results and progress
- Ensure data visibility throughout the organization
- Manage results and progress
- Continue to gather resources when necessary
- Recalibrate the measure
Remember, benchmarking can only be successful if customers/stakeholders understand that adaptation, experimentation and trials are part of the process. Without a certain amount of failure there can be no improvement.

**The Pitfalls**

Many of the pitfalls you may encounter when benchmarking and measuring performance have been noted in the prior sections. Their importance bears repeating with the addition of some others of which you should be aware. These include:

- Inadequate preparation (in convening stakeholders and getting buy-in, etc)
- Developing either overly simplistic or overly complex benchmarks. The former runs the risk of “measuring the obvious” and the latter the risk of making the benchmarking process so difficult and resource-intensive that it never gets adequately done or never gets used.
- Comparing “apples to oranges.”
- Faulty interpretation of benchmarking data or, worse, the use of benchmarking data for other ends (political, “gotcha” games, etc).
- Inadequate follow-through
- Data used for a “witch-hunt”
- Collecting specific data to “support my opinion” without consideration of other key data, and conclusions drawn without merit

**Toward Common Measures**

The NASPO survey data used to develop this brief revealed several areas of the procurement process being benchmarked with at least some consistency by the states that responded. They are listed below. For more information regarding specific state are benchmarks please refer to Appendix A.

1. Efficiency of the Procurement Process
   - Processing Time for RFP, IFB, RFQ’s, etc.
   - Number of Commodity, Technical and Professional Service Contracts Developed/year
   - State Contract Lapses
   - Customer Satisfaction
   - Protest Activity

2. Technical or System Development
   - Website or Electronic System Functionality
   - Innovation – Actions Taken, Rules Promulgated to Improve Performance
   - Rate of Reverse Auction
   - Online Registered Vendors
   - Online Bid Responses
   - Contracts with Online Pricing and Ordering Capabilities

3. Professional Development
   - Training and Development Hours
   - Number of Certified Staff

4. Cost Savings/Cost Avoidance
   - Multi-State Contract Savings
5. Economic Growth and Development
- Minority and Small Business Outreach
- Environmentally Preferable Contracting
- Redistribution Activities (% returned to state agencies)
- Customer Base Growth
- Registered Vendors

Finding commonality between these state performance measures may give the states a starting point from which to begin sharing best practices.

It is understandable that for some, sharing information about your state’s performance may not first appear to be in your best interest, as in every comparison some states will perform very well, while others may fall into the bottom of the list. However, sharing this information regardless of where your state may rank in the long run will provide you, and others, the opportunity for improvement. Therefore, any further data collection by NASPO to aid the states with measuring performance will be published as data only, allowing the states to remain anonymous. Data collection instructions will be clearly defined and standardized.

Conclusion: Benchmarking and the Value of Public Procurement
One of the strategic tasks for today’s public procurement officer is helping both government and citizens understand that public procurement is not a cost center, but rather, a revenue and value center for the enterprise:

**Effective public procurement effects much more than cost savings:**
- Procurement provides results that benefit taxpayers. There are many examples of contracts that were planned, designed and negotiated poorly that produced few, none or even negative results. Effective procurement produces effective contracts.
- Effective public procurement protects government from waste, fraud and abuse.
- Public procurement touches every government service and ultimately every taxpayer.
- Public procurement serves small, disadvantaged and emerging businesses with fair and equitable competitive opportunities to flourish and grow.
- Public procurement helps preserve our environment through recycling, energy savings and other green purchasing programs.
- Effective public procurement instills public confidence in government.

Benchmarking and performance measurement are the tools that can objectively demonstrate this value proposition. Although benchmarking can ultimately be as complex as you want or need it to be, at its core it is a philosophy, a process, a discipline, and a set of tools that should be accessible at every level in the organization.

While states will inevitably vary somewhat in their benchmarking needs, there is surely much to be gained by increased communication between states about their performance measures and best practices.
Acknowledgements
This issue brief was produced by NASPO’s Benchmarking Committee, chaired by Voight Shealy (SC). Members of the committee included Vern Jones (AK), Doug Richins (UT), Mike Smith (IL), Fred Springer (FL), and Brenda Willard (MN). NASPO President John Adler provided important feedback and guidance throughout the process. The principal author was Michelle Sisler, and editor was Matthew Trail at AMR Management Services.

The committee would like to thank all states who responded to the NASPO benchmarking survey and provided feedback to the project.

Resources


*Understanding the Department’s/Agency’s Procurement*, Queensland Government Dept. of Public Works, Better Purchasing Guides Index, Queensland, Australia, 2005.


Appendix A

NASPO State Survey Responses

Alaska
The state's central procurement section measures three performance areas each quarter: Target: 100% of new contracts entered into produce a minimum of 5% savings from prior rates. Measure: Percent of change in cost of goods and services. Target: Establish 5 new statewide contracts or purchasing agreements. Measure: Number of new consolidated contracts or purchasing agreements. Target: Maintain 20 annual procurement training courses. Measure: Annual number of training sessions, personnel certified and re-certified.

The following link provides additional information about Alaska's performance measures for all agencies: http://www.gov.state.ak.us/omb/results/agencies.php

Name: Walt Harvey
Title: Contracting Manager
State: AK
Email: walt_harvey@admin.state.ak.us
Phone: (907) 465-5681

Arizona
Processing times for RFP, IFB and RFQ Processing times for purchase orders Savings gained through strategic contracts exempt (sole source, emergency) procurements

We would like to see some standard comparable measures. Performance measures could be maintained on quarterly basis. Other measure relating to workloads and salaries could be measured on annual basis. I see biggest challenge will be to define and align measures. This survey is good start.

Name (Point of Contact): John Adler
Title (Point of Contact): Administrator
Email (Point of Contact): john.adler@azdoa.gov
Phone (Point of Contact): 602-542-5308
q4: This would be a very valuable tool for states, especially if we choose meaningful and comparable measures.

Arkansas
Mission: The Office of State Procurement-- Arkansas. To provide leadership and assistance to all state agencies, boards, commissions, and Institutions of Higher Education in the procurement of commodities and technical and professional services. Goal 1: To provide assistance to the Governor, General Assembly and all state agencies to ensure the uniformity, accountability and efficiency in the management of human, and financial resources necessary to perform their missions. Objective 1: To provide direct support and services that advise and assist all state agencies with their administrative processes and functions with a maximum level of satisfaction and efficiency. Strategy 4: Ensure the integrity and efficiency of the procurement process. Measurements: 1. Professional Buying Staff a. Average annual number of professional development hours per buyer b. Percent of total purchasing employees that hold a professional purchasing designation 2. Cost savings a. Percent of cost savings generated by purchasing from multi-state buying cooperative contracts (i.e. WSCA) b. Percent of state agencies that actively use multi-state contracts c. Percent of state agencies that actively use state-wide contracts 3. Efficiency of the procurement process: a. Number of commodity, technical and professional
services contracts developed/processed (by calendar year) b. Average cycle time to develop and negotiate a contract (weeks) c. Average cycle time for quotation bids (days) d. Average cycle time for “Competitive sealed bid” (days) e. Average cycle time for Request For Proposal (RFP) (Competitive sealed proposals) 4. Minority-owned business activity a. Percent of minority-owned vendors registered in state master vendor file b. Number “certified” as minority-owned vendors (ADED) c. Percent of purchase dollars spent with minority-owned suppliers 5. Marketing and Redistribution a. Total dollars returned to state agencies b. Average cycle time for sale dollars to reach state agency

There is nothing posted to our web site or the State web site.

Name: Joe Giddis  
Title: director  
State: AR  
Email: joe.giddis@dfa.state.ar.us  
Phone: 501-324-9312

California
We currently measure transaction cycle times, but are in the process of reviewing and updating our performance measures.

Name (Point of Contact): Janice King 
Title (Point of Contact): Assistant Deputy Director 
Email (Point of Contact): janice.king@dgs.ca.gov 
Phone (Point of Contact): 916-375-4419

Colorado
For price agreements: dollar savings as estimated by the vendor, and as compared to highest bid; administrative cost savings to the delegated agencies for not having to bid it themselves; changes to industry or vendor practices; timely re-bid of agreements. Business Outreach: Percentage of registered vendors who are M/WBE; Percentage of competitive awards to M/WBE's; number of presentations to business groups re: doing business with the state. Procurement Card: Annual program growth by dollar volume; Percent of purchases made with card for certain vendors that do high volume, low dollar price agreement transactions. BIDS system (electronic bid notification etc.): Completion of various improvements to system functionality (e.g. pushing notices to vendors via email; system and web site functionality. Oversight: Number of "peer reviews" conducted; Number of appeals received on delegated agency solicitations; Number of other oversight activities. Innovation: Actions taken or rules promulgated to improve system performance.

www.gssa.state.co.us

This is a great idea and should help us come up with new ways to measure our programs.

Name: Kay Kishline  
Title: State Purchasing Director  
State: CO  
Email: kay.kishline@state.co.us  
Phone: 303-866-6181
**Delaware**
Output: cost saving/cost avoidance per contract, total annual cost saving/cost avoidance

Name: Blaine Herrick  
Title: Administrator  
State: DE  
Email: blaine.herrick@state.de.us  
Phone: 302-739-5587

**Florida**
Florida state purchasing is significantly decentralized. Though State Purchasing is responsible for high-level policies, procedures, and systems used by all executive agencies in their purchasing, we are not directly involved in vast majority of their transactions. Transactionally, our primary activities are sourcing of "state term contracts," or centralized requirements contracts for use by state agencies and other governmental bodies in Florida. We currently report three performance measures to our legislature: percent of state term contract savings (outcome); number of state contracts executed (output); and number of contract item specifications processed (output). These measures pre-dated current State Purchasing leadership, which does not necessarily agree about the wisdom or usefulness of the measures. We have proposed alternative measures, which have not yet been officially accepted. We currently track metrics using tools that I will email separately to Voight.

Our homepage is http://dms.myflorida.com/dms/purchasing

Name (Point of Contact): Russ Rothman  
Title (Point of Contact): Chief of State Purchasing Operations  
Email (Point of Contact): Russ.Rothman@MyFlorida.com  
Phone (Point of Contact): (850) 487-8778

**Hawaii**
Ruth Yamaguchi  
Title: Acting Administrator  
State: HI  
Email: ruth.yamaguchi@hawaii.gov  
Phone: 808 586-0554

**Illinois**
Total number of bidding vendors (does not include duplicates, i.e., vendors who bid multiple times on different solicitations) - Total number of bidding vendors who did not receive an award in the prior four fiscal years (new vendors) - Total number of bidding vendors who received an award in the prior four fiscal years - Total number of new vendors who received an award in the last quarter of the current fiscal year - Percent of new participating vendors who received contracts

N/A. Procurement performance data is not currently posted on a public web site. We are in the process of implementing an enterprise-wide spend management system and a web-based knowledge management system to help ensure improved accuracy and accessibility of procurement performance data.

Name (Point of Contact): Mike Smith
Louisiana
Employee planning and review process is personalized to each employee. Each employee has a planning session with a supervisor to discuss expectations and set goals. The employee receives a performance review at the year end and is graded according to their performance. Merit increases are tied to performance. • Weekly procurement status reports are generated for supervisors and purchasing officers to review their current workloads. Reports provide number of requisitions and solicitations that indicate time frames (i.e. how long in the office, how long since bid opening date, when contracts will expire, etc.) Information is used to plan and manage workloads. • Contract performance questionnaires are sent out 4 months prior to contract expiration to obtain input from using agencies. Information provided is reviewed to determine need for revised specifications, new items, deletions, and/or revised contract terms. The form is on our website at http://www.doa.state.la.us/OSP/OnLineForms/submit/contPerformance.pdf • Purchasing Officers facilitate focus groups with end users to discuss what is right and what is wrong with contracts or to obtain input when developing new contracts. Since use of our contracts is not mandatory, obtaining user input affects a desirable contract. • Last year our office contracted with a private consulting firm to review the entire procurement process from concept of need through the payment process. The agencies that we serve participated in the process. Recommendations were provided and implemented where feasible. • Vendor performance is addressed formally, but not necessarily measured in a structured format.

Procurement performance and participation is affected by vendor payment, but payment is usually monitored outside of the procurement office. That measurement is integral to the procurement process also

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Phone: 225-342-8057

Minnesota
Among our measures: Savings attributable to and success rate of reverse auctions; % of unexpired contracts; revenue per employee in our office supplies and surplus operations; % of contracts where work had begun to encumbrance of execution; processing time on (1) contract approvals and (2) requisitions; customer satisfaction; % of purchasing dollar spent in MN and US; % of purchasing dollar spent with medium/small MN businesses.

This link for entire department's performance management:
http://www.departmentresults.state.mn.us/admin/index.html I'll also send Matthew a Word document containing the Division's current measures we report into the department system.

Name: Kent Allin
Title: Director/CPO
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Email: kent.allin@state.mn.us
Phone: 651-296-1442
Mississippi
Cost per Request for Authority to Purchase (agencies making purchases in excess of $15,000 follow the bid laws and then submit the Request for Authority to Purchase to the Office of Purchasing and Travel for review and approval). This is a measure of the percentage of staff time spent on these approvals, thus the cost, compared to the number processed. Cost per bid contract per distribution point. This is a measure of the percentage of staff time spent on competitively bid contracts, compared to the number of entities that receive the contract for use. Cost per negotiated (multiple award) contract. This is a measure of the percentage of staff time spent on multiple award contracts, compared to the number of entities that receive the contract for use

Don Buffum
Title: Materials Mgmt Mgr
State: MS
Email: dbuffum@dfa.state.ms.us
Phone: 601-359-2896

Not really pleased with these measures. Developed several years ago to comply with legislative mandate. Really need to be looking at cost of developing the contract compared to the total purchases from the contract to determine if it's being used. Also, need to be looking at the savings achieved by using the contracts.

New York

We use a software tool called pbViews to track our performance over time

Name: Dick Ross
Title: Assistant Director
Email: dick.ross@ogs.state.ny.us
Phone: 518-474-3855

Ohio
Attachment provided
I have attached metrics we use to measure efforts of the individual contract analysts. We also use these same categories to measure performance for the entire office. In addition to the listed categories, we also measure spending by political subdivisions, training of vendors and agency personnel, average responses for each bid issued, and new vendors registered.

Supportive details not listed on public domain. Please call if additional details are needed.

The initial intent of using metrics was to ascertain strong and weak areas of the process. Managers will meet with individual analysts, quarterly, to go over their respective metrics. We had to assure staff that such would not be used for disciplinary purposes, but for growth purposes. It was also interesting to see how analysts developed a competition among themselves to keep their numbers as high as possible. We are currently reviewing categories to further refine.

Name: Steve Hunter
Title: Administrator
South Carolina
We track numerous input and output measures such, i.e. requisitions received, solicitations processed, awards made, and dollar value of awards for general accountability purposes. However, our primary performances measures address the following areas of our operation: cost avoidance, processing times, and customer satisfaction. They are as follows: 1) Cost avoidance due to state term contracts - In this measure, we estimate the savings to state agencies due to the statewide term contracts we awarded during the fiscal year. We compare the state contract prices to an estimate of the unit costs we would have paid if we had not aggregated the state's needs into a statewide term contract and leveraged better prices. Using the estimated unit cost savings, we estimate the total cost avoidance based on our estimate of contract usage. 2) Cost avoidance due to negotiated savings - In this measure, for each award made during the fiscal year, we compare the original price offered of the winning bidder/offeror to the actual price awarded after negotiations. 3) Processing times for requests for proposals (RFPs), invitations for bids (IFBs), and requests for quotes (RFQs). We compare our processing times with our own historical records. 4) Rebate to the state from our P-Card contract. 5) Customer satisfaction - annually, we survey the procurement directors of all state agencies regarding our customer ratings. 6) Protests won.

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South Dakota
Purchase Orders Issued; Annual Contracts

We only report those indicated in #1 above as part of our budgeting process.

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Utah
Here are the metrics that Utah is using in our balanced scorecard for the Division of Purchasing: 1. Customer Satisfaction (Survey level of Satisfaction); 2. Employee Satisfaction (Survey level of satisfaction); 3. Dollar usage of State Contract Usage by political subdivisions (non-mandatory use); 4. Number of non-frivolous protests and appeals filed. 5. Number of lapses in state contracts; 6. Number of Strategic Sourced Contracts; 7. Number of Benchmarked Contracts; 8. Internal contract review and processing time; 9. Number of State Contract with on-line pricing and ordering capability; 10. Volume of Spend via Purchasing Cards.

Our state has a new administration, and a significant focus of the new administration has been to have us develop key performance measures for a balanced scorecard approach.