



NCPP

*The Professional Association for
Cooperative Procurement*

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NCPP RFP Tracking Project



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NCPP RFP TRACKING PROJECT



EXECUTIVE SUMMARY

The RFP Tracking Project, sponsored by the National Cooperative Procurement Partners Association (NCPP), aims to quantify the personnel hours and direct expenses involved in solicitations, known as Invitation to Bid (bid) and Requests for Proposals (RFP), across different entities within the United States (US). By understanding these costs and sharing the results with public procurement teams, they can strategize and prioritize solicitation efforts more effectively, optimize resource allocation, and justify additional support during budget approvals.

Over an eight-month period, entities volunteered to track the time spent on their selected solicitation in half hour increments for all roles across the organization that touched this procurement process. The average salaries for each role were compiled from national data for each professional role to create an “apples to apples” comparison. Analysis and compilation of the data produced the results of this report.

PURPOSE

Procurement is a crucial process within government and educational institutions to obtain the goods and services for routine operational needs and emergencies, as well as construction and repair projects to support their buildings and facilities. With overarching requirements of accountability, transparency, fairness and open competition, public procurement policies seek to ensure good stewardship of taxpayer dollars.

However, the procurement process, with all the public contract rules and regulations that must be followed, can be a time-consuming activity. Determining the department’s needs, identifying the funds to make the purchase, choosing the correct procurement process, conducting the competitive bid or selection process, evaluating and ranking the received responses, negotiating and awarding the contract, and finally, making the ultimate purchase takes planning, time and personnel resources. There is a cost to this process.

When seeking prior reports or research at determining these costs for the industry, it was discovered that while individual entities may have tracked their own direct and indirect costs of a solicitation process, there are currently no available national cost ranges available. With workforce shortages and increasing responsibilities, procurement teams are stretched for resources and talent. Understanding these costs can help procurement teams become more strategic and allocate their personnel resources more effectively.

The purpose of this RFP Tracking project is to track and analyze the personnel hours and any direct expenses associated with solicitations from different entities to create cost ranges that can be disseminated and shared through the government sector. The resulting benefits include:

- Increase knowledge of the actual costs of conducting a Bid or Request for Proposal (RFP) process.
- Assist in the decision process of determining if issuing a solicitation is the best option or if other contracting options should be explored.
- Help justify the need for additional resources such as personnel, automation or additional support during the annual budget approval process.
- Educate policymakers and government management teams on budgetary expenses related to procurement activities and how any new initiatives might impact the solicitation process.

BACKGROUND

Traditional bidding has long been established as the primary way to obtain goods, services, and construction for government entities. While the process has been standardized over the decades, there have been updates to address new challenges, changes in technology or legislation, incorporation of social goals, and to minimize fraud and increase oversight. The intention of having a well-documented, transparent process through public procurement best practices is important to ensure a process that is fair to all potential goods and services providers and respectful of the budgetary dollars being spent.

The required steps of a solicitation process can be time-consuming with interactions from various interested parties: end-user department, subject matter experts, legal counsel, procurement, management and community groups. Each of these roles contributes their expertise and time to the overall solicitation process. This process is repeated for all the commodities, services and construction projects required to be purchased or completed during any given fiscal year.

The major steps of most solicitations are outlined below:

DEVELOPING SPECIFICATIONS

Specifications, along with a scope of work, are required as part of any solicitation process to clearly outline the entity's needs and provide an objective method for evaluation as well as acceptance or denial of a proposal. Details are important. To ensure fair competition, specifications should not be restrictive or swayed towards a specific product or supplier.

CREATION OF THE BID PACKAGE

After working with the end-user department and/or subject matter expert(s) to complete the specifications, it is time to create the final bid package. Most entities use boilerplate language that has already been reviewed and approved by their legal counsel. However, specific paragraphs must be added or deleted based on a multitude of factors, including, but not limited to, liability and

risk insurance, funding source requirements, unique requirements, indemnification, federal or state mandates, and department contact information.

BID ADVERTISEMENT

Once the bid package is complete, the contracting opportunity is then advertised and shared with potential suppliers. Each entity has their own methodology for advertising, which can include posting on a website, newspaper, mailing or emailing documents to a vendor list, using a bid service, or through its eProcurement system.

MEETINGS

Pre-bid meetings and site visits are historically held to further explain the bid documents to prospective bidders or walk through the location to provide additional logistical information. Questions during or after any meetings may result in addendums that must be created and issued to augment the original bid documents.

RESPONSE PERIOD

After the opportunity is posted, then a period of time is allocated (usually a few weeks) to allow prospective suppliers to review the bid package, seek clarification, ask questions, and respond with their completed proposal or bid. The question/answer period provides an opportunity to gain further knowledge about the entity's needs and document requirements. Each question must be answered and distributed to all potential bidders. Additional time may be allocated, or the deadline moved back, to allow for any addendum changes as a result of the questions.

BID OPENING

All bids shall be submitted in sealed envelopes or through an official electronic procurement system in the form and manner prescribed by the entity. All bids have a specified date and time to be officially opened with strict guidelines for bid handling and opening. Vendors submitting bids are commonly invited to attend the bid opening meeting, or they may obtain the bid opening results electronically.

EVALUATION OF BIDS

The evaluation involves the examination of each bid against pre-established criteria. Points are given according to a predetermined rating scale, which may include meeting the requirements of the specifications and scope of work, technical accuracy and completion, and vendors' ability and reputation to deliver and support their product through its useful life.

An evaluation team is comprised of various stakeholders and decision-makers who review all proposals, tabulate any calculations, score based on established criteria, and coordinate their final rankings with the other team members to determine an ultimate ranking for contract award. Depending on what is being purchased, there may be reference checks, demonstrations, in-person interviews or site visits. This process can often take weeks to complete.

AWARDING AND MANAGING OF THE CONTRACT

The awarding of the contract is to be completed after all bids have been evaluated and scored with the contract offered to the supplier(s) that provide the best value. There may be a negotiation to finalize details and pricing. Communications with unsuccessful bidders is also done, as well as coordination with legal counsel on final contract completion and document signatures.

MANAGEMENT APPROVAL

Depending on the contract amount and thresholds established by an entity for approval, the final contract may have to be presented to and approved by an elected political body or management team. This requires docketing on the agenda, making a presentation, preparing the necessary documents, answering questions, and gaining approval.

CONTRACT MANAGEMENT

Once a contract is awarded, it must then be managed over the lifespan of the contract, sometimes up to 3 – 5 years. In these instances, option years need to be negotiated, insurance certificates collected and any minor changes or deficiencies in performance must be addressed. These hours were not included in this project, however are mentioned as an important part of the process, and one in which personnel expenses are incurred.

DELAYING FACTORS

While most solicitations follow the steps that have been outlined, there can be delaying factors or unexpected issues. Delays due to budgetary restraints, unanticipated project challenges, changes to the scope, lack of supplier participation, protest from an unsuccessful bidder, or legal concerns can result in a longer than anticipated timeline or cancelled solicitation. The time and resources spent can still be considerable despite the lack of completion with no contract award.

METHODOLOGY AND APPROACH

When approaching this project, it is important to recognize that while entities follow mostly the same processes in public procurement, each may have their own methodologies or specific policies that are pertinent to that organization or community. In addition, each state may have specific policies that must be followed, so a procurement process in one state might vary slightly from another state's procurement process. Finally, salary ranges can vary across different jurisdictions. Since the main tracking mechanism will be the time spent on the process associated with different roles, standards were set to have consistency for an "apples to apples" comparison.

The first step was to create a tracking spreadsheet template that includes all the steps of the typical procurement process, and those roles that may participate in the solicitation process. Specific outlined instructions and the ability to add fields, if needed, offered standardization as well as some flexibility. The spreadsheet was reviewed by procurement experts prior to project implementation to ensure that all the necessary steps were included.

The next step was to reach out to the procurement community at large to request volunteers to track their own processes – real solicitations tracked by real procurement professionals. These announcements were made within NCPP association newsletters, social media postings, and invitations to participate at regional and national procurement conferences. While there were some offers from Canada, this report, and the data contained within, is specific to US-based entities.

In the end, 70 different individuals offered to track their process starting in August 2023. Since solicitations can often take weeks or months, the timeframe provided to collect data was eight months, ending in March 2024. Each volunteer completed a cover sheet to identify the specific project with information about the purpose, type of the solicitation and other identifying factors (e.g., budget, automation involvement, advertising costs, etc.). Regular bimonthly reminders were sent via email. Some entities dropped out through the process for various reasons, including:

- The volunteers left their organization or the procurement section, and no one else took over the tracking.
- The project faced delays that took it past the final deadline.
- The project was cancelled due to budgetary constraints or other organizational priorities.
- The submitted spreadsheet was incomplete – only procurement hours were included and not the hours of all those involved in the solicitation.

At the end of the project, there were 39 submitted spreadsheets that were complete and could be analyzed from start to finish for consideration. Some entities submitted more than one project spreadsheet for consideration.

ANALYSIS

Starting with a review of all submissions, the first step was to assess the spreadsheets to ensure completion. There were three major components tracked – Initial Stages and Publication; Open Solicitation Period; and Negotiation and Award. It was important to note any missing data points and check back with the entity for an explanation of incomplete fields. In addition, any additional roles that had been added were analyzed and placed into one of these six distinct categories:

Procurement Manager (Procurement Supervisor, Purchasing Agent)

Procurement Lead (Buyer, Procurement Specialist, Project Manager)

Admin Support (Clerical, Analyst, Intern)

Customer Lead/SME (End-User Dept, Risk Management, Community Member, Finance, Consultant, Evaluation Team Member)

Assigned Counsel (Legal, City Clerk, Auditor)

Management (CPO, City Manager, Director, Deputy Director, Program Manager)

As pay scales, benefits, and salary packages differ greatly from one entity to another, particularly regionally, it was important to determine a salary mid-point that would be used for each job category in the analysis. For this report and based on industry-wide salaries, the following was established as the salary for each of the approved six roles. Hourly rates were based on the average number of working hours per year for a full-time employee working 40 hours per week (2,080 hours), minus three weeks (120 hours) for holidays and vacation.

Procurement Manager	\$85,000	\$43.37/hour
Procurement Lead	\$60,000	\$30.61/hour
Admin Support	\$45,000	\$22.96/hour
Customer Lead/SME	\$93,000	\$47.45/hour
Legal Counsel	\$98,000	\$50.00/hour
Management	\$120,000	\$61.22/hour

To provide flexibility for those submitting data, the ability to add extra steps and roles was permitted by the participants. However, it was important that any additions be examined and re-categorized so that all spreadsheets could be compared equally to draw the final cost estimates and project conclusions.

Finally, the spreadsheets were divided into “complex” and “non-complex” categories. The table below defines that distinction:

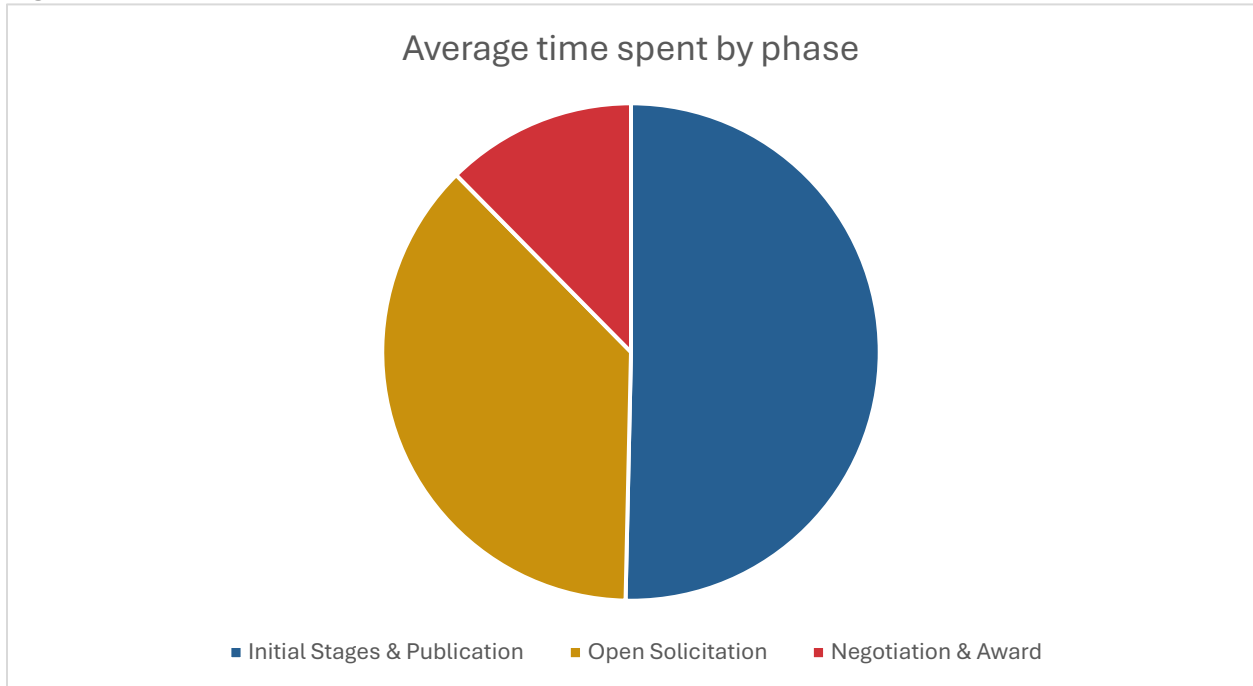
Complex	Non-Complex
Construction bid Over \$1M budget Commodity with installation services	Re-bid of a contract Commodity or consulting service No management approval required

To ensure a transparent review with an agnostic approach, NCPP then reached out to academia for data analytical expertise. Karim Jetha is a Lecturer in the Department of Management Information Systems in the Terry College of Business at the University of Georgia, where he teaches undergraduate and graduate-level courses in applied data science. He received a JD, MBA, and PhD from the University of Georgia. Dr. Jetha conducted the review of all the submitted spreadsheets to create the final charts and analysis included within the report. Based on that analysis, the report’s findings and conclusions are then presented.

FINDINGS

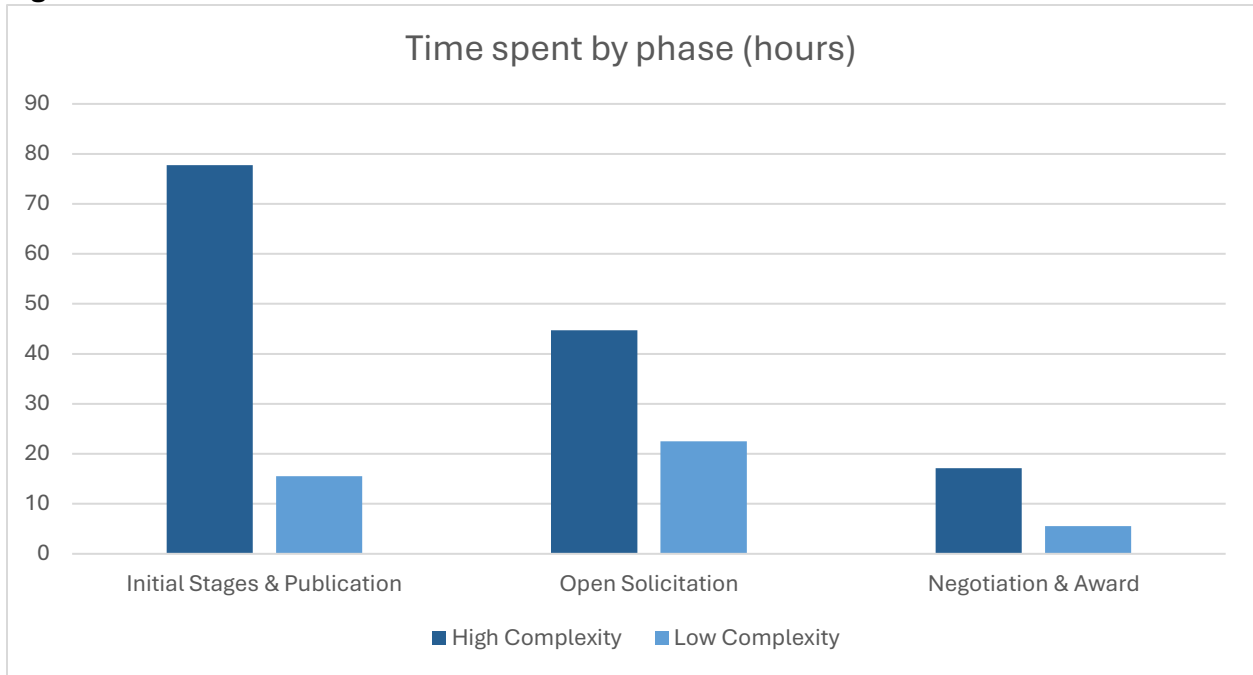
The results of the final analysis of the submitted tracking spreadsheets provide greater objectivity and insights for government teams into the personnel costs related to issuing a solicitation – Invitation to Bid or Request for Proposal. Overall, based on the submitted data, the average amount of personnel hours that it takes to complete a project is 87.1 hours. Complex projects take substantially longer (138.7 hours) than non-complex projects (42.9 hours).

Figure 1



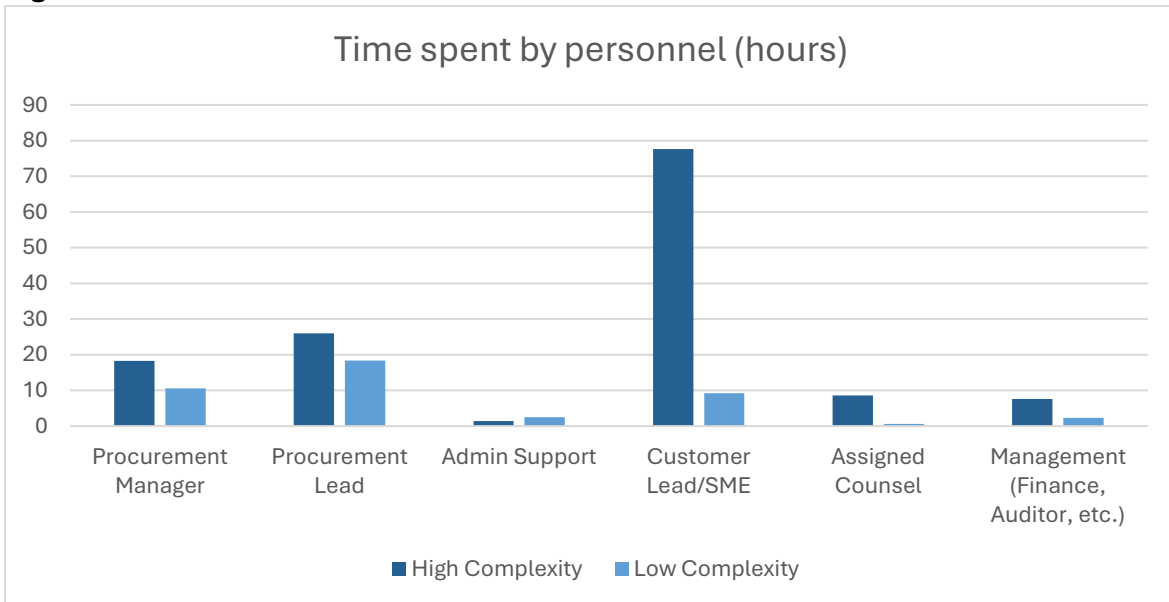
When reviewing the three phases outlined in Figure 1, projects require on average 43.9 hours (50%) in their Initial Stages and Publication phase, 32.7 hours (38%) in the Open Solicitation phase, and 10.5 hours (12%) in the Negotiation and Award phase. The difference between complex projects and non-complex projects is very evident in phase one, where on average, complex projects take 77.4 hours and non-complex projects only take 15 hours. Therefore, complex projects take 5 times as long as non-complex projects to complete the Initial Stages and Publication phase. During the Open Solicitation phase, complex projects take about twice as long as non-complex projects (Figure 2).

Figure 2



While procurement served as the lead for each of the tracked projects, the highest number of combined personnel hours for high complexity projects were attributed to the category of Customer Lead/SME. This relates directly to the first part of specification development, where content is generally provided by the user department as well as other subject matter experts. For low complexity projects, procurement often takes the lead and performs most duties, so Procurement Lead hours rank highest for those projects.

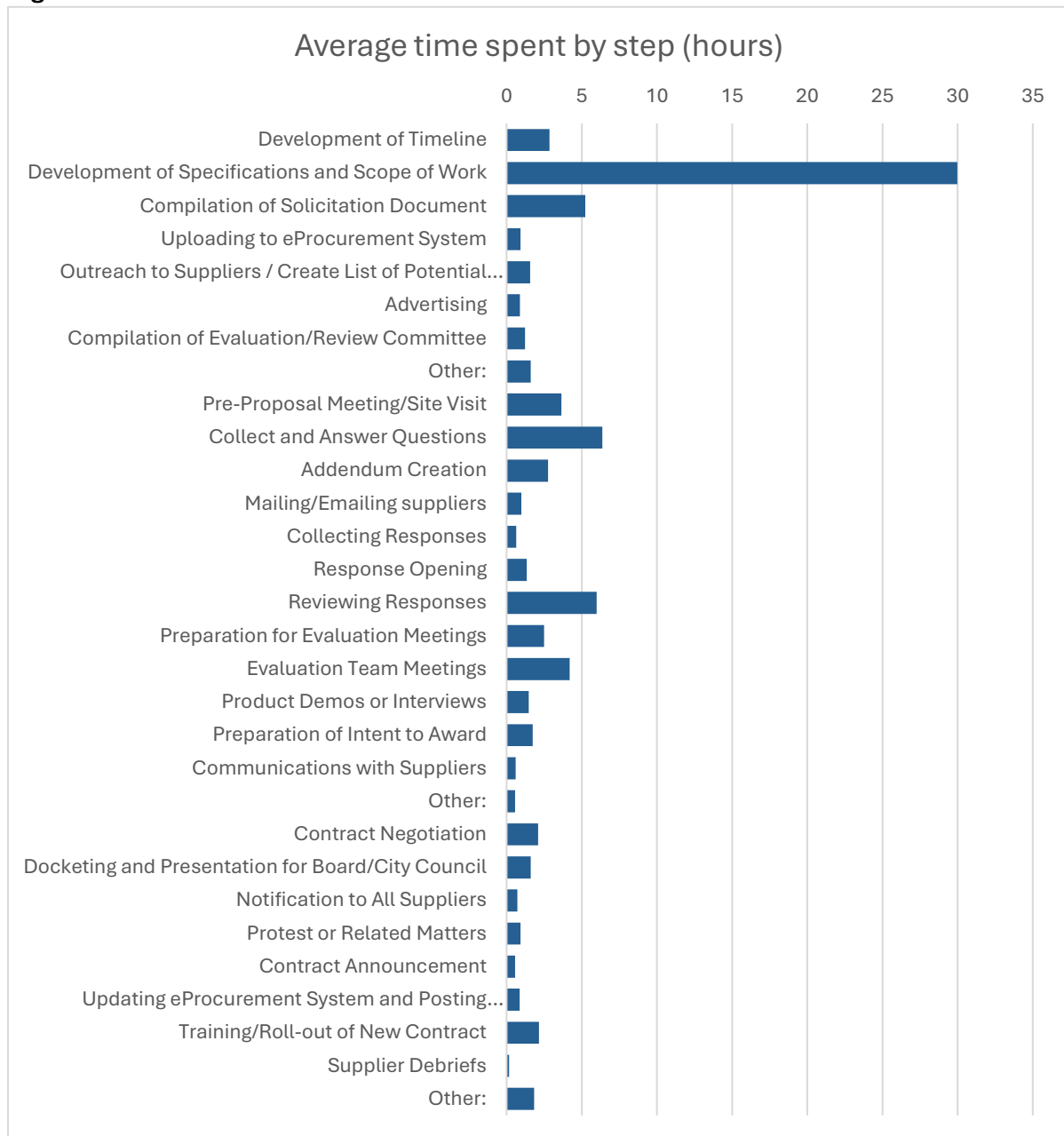
Figure 3



In reviewing the individual steps of the overall solicitation process, those that took the most personnel resources on average were (Figure 4):

- Development of Specifications and Scope of Work
- Collect and Answer Questions
- Reviewing Responses

Figure 4



The cost associated with each solicitation project is the sum of the number of hours recorded for each defined job category multiplied by the hourly salary rate for each role.

Due to the wide variety of project types – commodities, services and construction - the cost ranges were wide. To help provide guidance, an average range was developed across both complex and non-complex projects with consideration of the highest and lowest recordings. A few specific anomalies will be noted:

- The project with the least number of recorded hours (48 hours) was for a re-bid construction project – the initial solicitation resulted in no bids, so the solicitation was re-issued. There was very little time recorded for many steps, since that work was already done in the initial solicitation (which was not submitted).
- A few entities submitted projects with no hours within some of the phases. When asked about the lack of hours for those steps, they indicated it was due to procurement having authorization to proceed without management/Board approval or simply awarded to the lowest bid, with no negotiation. Pre-determined and approved templates eliminated any time having to consult with assigned counsel.
- The project with the highest number of hours (4,619 hours) was for an RFP for transportation equipment with supporting services.
- For the non-complex projects, many entities had little to no hours recorded for the final phase of Negotiation and Award. One entity submitted five non-complex projects with zero recorded hours in those fields. Since those submissions make up 28% of the spreadsheets, it may have skewed the costs downwards for that category.

Position	Complex	Non-Complex
Procurement Manager	\$1,082	\$455
Procurement Lead	\$4,800	\$563
Admin Support	\$46	\$57
Customer/SME/Evaluation	\$7,705	\$436
Counsel	\$1,290	\$30
Management	\$2,496	\$141
Average hourly costs across all spreadsheets*	\$17,419	\$1,682

**Individual results for each entity may be higher or lower than these average costs. Two additional spreadsheets were included in the cost analysis, but not the hourly tracking charts (Figures 1-4).*

CASE STUDY: ORANGE COUNTY PROCUREMENT, CALIFORNIA

Orange County is located within the Los Angeles metropolitan area in Southern California. As of the 2020 census, the population was 3,186,989, making it the third-most-populous county in California, and the sixth most populous in the US. The County Procurement Officer's has delegated authority through its 200 Deputy Purchasing Agents located at each of its 22 agencies and departments. Under the direction of the CEO, the Procurement Office ensures that proper safeguards are in place for maintaining a procurement system of quality and integrity by providing procurement leadership, support, training and oversight countywide.

In 2017, Maria Agrusa, Chief Procurement Officer made the determination to undertake a similar tracking effort to understand her organizational costs to procure – specifically for a Request for Proposal. Under her leadership, the team took a comprehensive approach, tracking the initial solicitation as well as the time and resources required to manage that contract across its lifespan. The tracked personnel hours included procurement, customer departments, evaluation team, management, budget and even the elected Board of Supervisors as the project required its review and approval.

In the NCPP RFP Tracking Project team's preliminary research for already completed tracking projects, this endeavor was identified as one of the most comprehensive efforts to date on tracking the costs of a solicitation. Tracking across the entire 5-year lifetime of the contract took the effort even further, and in greater detail, than the NCPP RFP Tracking Project.

Since the spreadsheets used by Orange County were not specifically aligned with the NCPP RFP Tracking Project, they could not be brought into the study directly. However, due to the comprehensive nature of that endeavor, it is important to include this effort as a case study to illustrate the lifetime costs for a particular project for one entity. The salary rates were specific to Orange County salaries and yearly costs included any salary range movement and other yearly increases.

Cost To Procure: RFP Process for 5-Year Contract

Cost Year 1-3	\$51,084.54
Cost Year 4	\$17,524.74
Cost Year 5	\$17,524.74
Total Cost	\$86,134.01

CONCLUSIONS

In reviewing the final tabulations and data analysis for submitted NCPP RFP Tracking Project spreadsheets, the following conclusions have been made:

TIME- INTENSIVE PHASES

The phases that take the most personnel resources are Initial Stages and Publication, followed by Open Solicitation. In particular, the Development of Specifications and Scope of Work is the single most resource-consuming step.

Conclusion: It may be prudent for public procurement teams to review the steps within their own processes and determine ways to streamline or standardize them. As the Development of Specifications and Scope of Work requires the most personnel resources, there may be opportunities to evaluate how that part of the process is conducted by the entity and identify where time might be better spent or used more effectively. For non-complex purchases, such as commodities or services, it may be more advantageous to leverage less resource intensive contracting options to enable greater efficiencies.

COST TO PROCURE

It takes time and personnel resources – real costs – to issue and manage a solicitation process with a resulting contract. While this NCPP RFP Tracking Project is a small sampling of the hundreds of thousands of solicitations issued annually, it provides valuable cost estimates and insight into the actual staffing expenditures associated with procurement.

Conclusion: Based on the cost figures provided in this report, it may be prudent for a government team to estimate the cost of the actual item or service being purchased and determine if the cost to procure is greater or equivalent to the cost of the actual purchase. If this is the case, turning to another entity, state or cooperative contract might be a better strategic solution; otherwise, the entity is essentially doubling the cost of the purchase.

ADVERTISING COSTS:

Direct advertising costs were a provided data entry field, and most entities did not record any advertising costs. This is due to the use of an eProcurement system or online advertising that have no direct charges. For those who recorded advertising dollars for their chosen solicitation, there was a wide range of costs, from \$70 to \$1,300.

Conclusion: Overall, advertising and its associated costs are diminishing as procurement teams move online to publicize their contracting opportunities. For those who still pay for advertisements, this may be a good opportunity to track these costs to propose a future change in policy regarding paid advertising and/or justify the integration of an eProcurement system with online postings to drive savings and broaden the outreach to potential suppliers.

THE FUTURE

This project was based on a simple question, “How much does it cost to do my own bid or RFP process?” Upon initial research, there did not seem to be an industry answer to that commonly asked question. Relying on volunteerism by government and educational institutions, this project serves as a starting point to answer that question.

No research project is without its challenges. After the kick-off, there was a slight disconnect with some entities as they found that promising to track a project was the easy part. However, committing the time to track that project across all roles and steps involved an additional level of effort when managing a solicitation process. As a result, several entities dropped out after determining it was too much of an additional burden.

For others, there were factors outside of the control of procurement (e.g., timing, priorities and budget) that caused them to drop out. Thus, many who started out strong in recording those efforts with excellent intentions went by the wayside as those factors impacted the data collection process. For those who did submit spreadsheets, NCPP thanks them for their persistence and dedication to completing the tracking process. Their efforts and results are reflected in the report’s findings.

NCPP views this report as an important foundational resource that can support continued expansion. A few entities who experienced delays with their solicitations asked to submit their tracking results well after the deadline. As more entities hear about the project, they have expressed interest in participating in the future to track their own specific entity’s costs.

As a result of this ongoing support and interest of the NCPP RFP Tracking Project, there are upcoming plans to collaborate with Pavilion, a NCPP Affiliate Partner, to develop an online spreadsheet with tracking capabilities for use in the future. In addition, a cost estimator calculator is under development for entities to pre-determine the costs to make the contracting decision to choose either the bid route or cooperative contracting path. As entities contribute more standardized data points to analyze, the cost estimates can be further refined and possibly broken down into sectors or regions. Continuing to collect data will augment the work already done, as well as provide greater flexibility for teams to participate in the future within their own timeframes.

NCPP’s goal through this report is to provide resources and data for public procurement teams to be more thoughtful and strategic as it pertains to those personnel resources allocated to the solicitation process.

SPECIAL THANKS TO...

ADA County, ID	Loudoun County Public Schools, VA
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City of Providence, RI	San Mateo County Community College District, CA
City of Santa Cruz Water Department, CA	Spring Independent School District, TX
Emerald Coast Utilities Authority, FL	Tarrant County, TX
Fort Bend Independent School District, TX	Tarrant Regional Water District, TX
Fort Worth Housing Solutions, TX	The Philadelphia Parking Authority, PA
Georgia Department of Transportation, GA	Truckee Meadows Water Authority, CA
Greater Rockford Airport Authority, IL	Tualatin Valley Water District, OR
Howard County Public School System, MD	Washington County, OR

PROJECT TEAM

Dr. Karim Jetha is a Lecturer in the department of Management Information Systems in the Terry College of Business at the University of Georgia where he teaches undergraduate and graduate-level courses in applied data science. He received a JD, MBA, and PhD in Management Operations Systems from the University of Georgia. Previously, he served as an Assistant Professor at Florida International University.

Victoria Lee is the Business Manager for Cooperative Services, LLC. Her 30-year career in public safety includes serving as a volunteer firefighter/EMT, as Managing Director for a public safety technology consulting firm and working in several public safety focused positions with the First Responder Network Authority and the International Association of Fire Chiefs (IAFC). Victoria received a BA degree from the College of William & Mary and an MPA degree from George Mason University.

Tammy Rimes is the Executive Director for the National Cooperative Procurement Partners (NCPP), and former Purchasing Agent for the City of San Diego. As a long-time government manager, Tammy held positions in departments such as Water/Wastewater, Finance, City Clerk, Community Services and Procurement. She is a presenter and author on topics related to government procurement with a BS degree in Computer Science from Florida International University and an MPA degree from National University in San Diego.

Clair Steil is the Membership Coordinator for the National Cooperative Procurement Partners (NCPP). An experienced administrator, Clair assists with membership management, communications, and operations for NCPP. Clair has a BA from Macalester College in Saint Paul, Minnesota.

ABOUT NATIONAL COOPERATIVE PROCUREMENT PARTNERS (NCPP)

To maintain a standard of excellence across the cooperative sphere, the National Cooperative Procurement Partners (NCPP) serves as North America's premier professional association for cooperative procurement. Its mission is to elevate advocacy, collaboration, and education for cooperative procurement, so its strategic value is widely recognized and promoted by government and educational leaders.

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