

## Public & Social Sector Procurement Best Practices Exchange

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What is the Current State of Public Procurement  
Metrics?

Washington, DC

[www.publicspendforum.net](http://www.publicspendforum.net)

## About - *The Public and Social Sector Procurement\* Best Practices Exchange*

- The Public and Social Sector Procurement Best Practices Exchange is **a global initiative** to connect public and social sector procurement leaders and collect/disseminate actionable best practices
- In partnership with faculty from **Michigan State University's #1 Ranked Procurement and Supply Chain program**; and **Spend Matters**
- **Includes Federal, State, Local and Social Sector leaders**; private sector leaders active participants
- **Global reach**, leveraging Public Spend Forum and Spend Matters offices in Europe and Asia...and advisory roles with the World Bank, Penn Law Center for Asian Law

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**\*NOTE about “Acquisition” vs. “Procurement”** – The term “procurement” is used to refer to all phases of the procurement lifecycle including needs identification and requirements development. The term “acquisition” is unique to the federal government and is generally referred to as procurement in all other sectors including state/local/private.

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## Overarching Findings

*Public sector procurement functions are collecting significant amount of information and data but lack consistency and alignment with outcomes*

1

**Metrics Areas  
are Similar**

2

**Influence of External  
Reporting**

3

**Actual Metrics  
Used Vary**

4

**Greater Emphasis  
Needed on Critical  
Practices/Capabilities**

*We will discuss each of these areas along with their supporting findings*

1

## Metrics Areas are Similar

- The metrics areas tend to be similar across public sector organizations...Though actual metrics used vary considerably
- Secondary research also indicated similar basic metrics areas

### Common Metrics Areas Currently Utilized

- Cost savings (at times referred to as “value”)
- Human capital / workforce
- Process efficiency
- Small business and other social goals
- Stakeholder engagement (customers, suppliers, etc.)

2

## Influence of External Reporting

- External reporting is a big driver of metrics collection
- Often dominates which metrics are identified
- Compliance is important but can lead to metrics that are disconnected with DESIRED outcomes

### Many Leaders Identified Compliance as a Major Metrics Driver .....

*“Take care of compliance on behalf of customers”*

*“Compliance is a role – ‘police man’. It is a good thing that agencies see contracting as a stumbling block .... End user agencies care less about compliance – but they depend on us to ensure they are compliant”*

*“Chief Procurement Officers start with compliance as number one – very interesting difference from program”*

### .... Examples of Compliance Driven Metrics Themes Include:

- Total Open GAO and COFC Protest Rate
- Number of Procurement Integrity and Compliance Reviews and audit reports
- Percentage of actions without a protest
- Sustained Protests
- Percent of Awards Protested
- ODRA - # of Contract Disputes (ADR/Dismissed/Partial or full relief granted/relief denied)

3

**Actual Metrics  
Used Vary**

- Metrics currently tracked often misaligned with broader metrics areas
- Fail to provide meaningful insight into how well outcomes achieved and critical practices/capabilities performed

**EXAMPLE: Sample Metrics in the “Cost Savings/Value” Metrics Area:**

- Cost Savings: Annual cost savings as a % of spend
- Cost reduction as a percent of total purchase spend
- Realized/ implemented savings as a percent of identified savings
- Competition Rate / Non-competitive rate
- Output measures reported in budget (i.e. savings / cost avoidance)
- Average Index from Customer Satisfaction Survey
- Percent dollars awarded competitively/ total available
- Percentage of spend that is bid

4

## Greater Emphasis Needed on Critical Practices/Capabilities

- A few key critical practices/capabilities lead to DESIRED outcomes ... these are ultimately what should be tracked in terms of metrics
- Importance placed on these critical practices/capabilities may vary significantly across organizations

### Critical Practices/Capabilities

<b>Customer Engagement</b>	<ul style="list-style-type: none"> <li>• Deliver timely procurements/ acquisition</li> <li>• Engage customers early</li> <li>• Collaborate on requirements</li> </ul>
<b>Supplier and Contract Mgmt</b>	<ul style="list-style-type: none"> <li>• Understand market/supplier capabilities</li> <li>• Manage supplier relationships and performance post-award</li> <li>• Manage contracts post-award</li> </ul>
<b>Executive and Regulatory</b>	<ul style="list-style-type: none"> <li>• Manage total costs</li> <li>• Manage risk</li> <li>• Operate within procurement/acquisition regulations</li> <li>• Achieve social policy goals</li> </ul>
<b>Procurement Talent Mgmt</b>	<ul style="list-style-type: none"> <li>• Manage and retain talent</li> <li>• Develop talent and competencies</li> </ul>
<b>Proc Organization Mgmt</b>	<ul style="list-style-type: none"> <li>• Align staff with customers &amp; markets</li> <li>• Manage procurement/acquisition function</li> </ul>

## Your Points of Contact

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### Raj Sharma



Raj is a thought leader focused on strengthening the management capacity of the social and public sectors. Raj advises leaders in government and social sectors on applying proven practices to improve performance, transform procurement and deliver more value to customers/constituents. Raj co-founded the Public Spend Forum and also serves as CEO of Censeo Consulting Group, a firm recognized nationally for its award-winning culture and impact. He also serves on several boards, including Higher Achievement and Michigan State University's Executive Advisory Board for the supply chain program. And he has written as a fellow for the Center for American Progress and the Woodrow Wilson Center's Women in Public Service Project. [Contact: Raj@publicspendforum.net](mailto:Raj@publicspendforum.net)

### Professor Joe Sandor



Former President and CEO of Creative Procurement Strategies, Joseph Sandor was appointed the Hoagland-Metzler Endowed Professor of Practice in Supply Management at The Eli Broad College of Business of Michigan State University in 2006. During his time with Creative Procurement Strategies (CPS) Sandor advised clients such as Harley-Davidson, John Deere, Electrolux, Rolls-Royce, Whirlpool, Hewlett-Packard, IBM, Motorola, ConAgra, Delphi, Sandia, Schlumberger and the USAF. Sandor has over forty years proactive supply management experience with progressively increasing responsibilities emphasizing cost prevention/reduction, team building, strategic supplier alliance formation, systems development, logistics optimization, shared services, inventory control and cost modeling. [Contact: Sandor@broad.msu.edu](mailto:Sandor@broad.msu.edu)

### Pierre Mitchell



Pierre Mitchell, Senior Advisor at the Public Spend Forum and Chief Research Officer and Managing Partner of Azul Partners, Inc., has 25 years of procurement and supply chain industry and consulting experience, and is a recognized procurement expert specializing in supply processes, practices, metrics, and enabling tools and services. He is a regular contributor to business publications, a frequent presenter at industry events around the world and counts himself fortunate to have served and interacted with so many CPOs and future CPOs. Pierre is a Sr. Advisor and regular contributor to Public Spend Forum. [Contact: Pierre@spendmatters.com](mailto:Pierre@spendmatters.com)

### Ash Bedi



Ash Bedi is a member of the Public Spend Forum management team, responsible for overall business strategy and research. Ash has more than 25 years of experience in both consulting and industry, with expertise in the areas of strategic planning, procurement and supply management. Ash brings a blend of private sector and government industry experience, having worked with Fortune companies as well as numerous federal agencies. Ash has also been a frequent presenter at high profile forums including Institute of Supply Management, National Association of Purchasing Managers, Sourcing Interests Group, and National Contract Management Association. Ash previously worked at A.T.Kearney and Censeo Consulting Group, among others. [Contact: Ash@publicspendforum.net](mailto:Ash@publicspendforum.net)



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USA (202) 591-3361

Washington DC

Chicago

London