GovWin+Onvia
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SURVEY OF GOVERNMENT PROCUREMENT PROFESSIONALS 2018

Trends, improvements & challenges in state, local and education procurement, with implications for contractors

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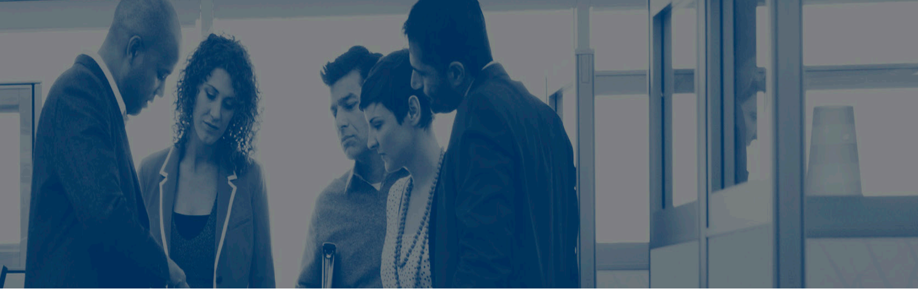
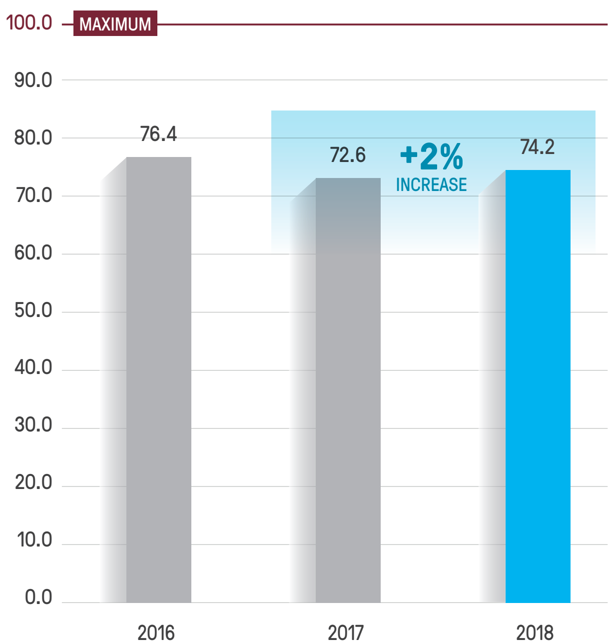


EXECUTIVE SUMMARY

2018 provides a fairly stable purchasing environment for state, local and education (SLED) agencies. However, as stable as the bids may be, workloads continue to increase due to inadequate staffing. Respondents reported a slight improvement of 2% overall in procurement performance (mainly in better customer service), which can be positive for both buyers and sellers. Notable developments include an increased difficulty in getting enough bidders and further growth in adoption of e-procurement, as agencies continue to pursue greater efficiency.

PROCUREMENT PERFORMANCE INDEX (PPI)



STAFF WORKING EXTRA HOURS

42%

OVER-WORKED

TOP AGENCY CHALLENGES

1. Budgets/funding issues
2. Cumbersome bureaucratic process
3. Workload/staffing limitations
4. Getting participation from vendors
5. Working with users/stakeholders
6. Pre-bid Research & Planning

INTRODUCTION

Our 3rd annual survey of government procurement professionals monitors and tracks progress in key areas of purchasing, from vendor recruitment to turnaround times to quality of service. This report is designed for use by the entire business-to-government (B2G) community, including those involved with purchasing for, or selling into, SLED governments.

OBJECTIVES

The insights in this report will enable government buyers and procurement professionals, as well as businesses, to better understand the contracting environment and make informed decisions.

For the SLED Agency Procurement Professional:

- Examine growth in purchasing activity
- Understand buying trends/directions
- Explore constraints or concerns
- Track usage of purchasing methods
- Monitor agency trends in efficiency
- Examine changes in overall performance or effectiveness

For the SLED Contractor or Vendor:

- Gain deeper insight into the procurement process
- Discover buying trends and agency needs
- Understand differences between agencies and their bid processes

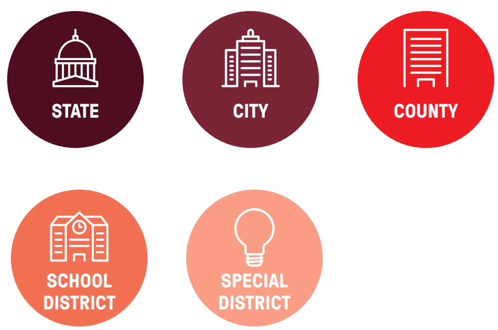
A REPRESENTATIVE SAMPLE

To achieve these objectives, we collected a total of **334** survey responses in May 2018 from procurement professionals and key decision makers at state, county & city agencies, and school & special districts nationwide. The survey has a statistical margin of error of +/- 5.4%.

BREAKOUTS BY TYPE OF AGENCY

Throughout the report we highlight differences by level of government as well as other dimensions such as agency size (population served of less than 50K, 50K – 499K, and 500K+).

LEVELS OF GOVERNMENT COMPARED



MEASURING AND TRACKING PERFORMANCE

As we started reporting last year, we are using a custom index that helps describe how well government agencies are improving in overall performance.

Procurement Performance Index (PPI)

The **PPI** tracks performance in terms of how well each agency is doing in offering acceptable turnaround times, good customer service and meeting requirements for integrity, fairness, and trust.

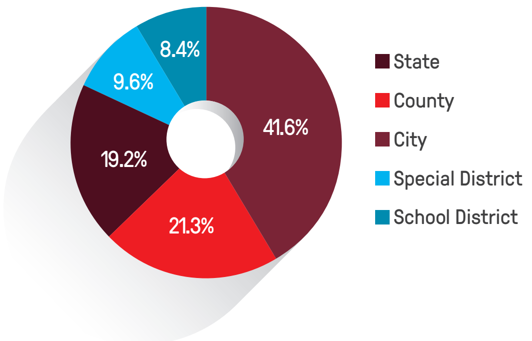
Measuring Contractor Participation

While the very largest agencies will tend to attract more interest from vendors simply based on their scale, we know from our research that governments with the best reputations for fair and effectively-run procurements can end up with better responses from the business community, all other things being equal. In the survey, we measure vendor participation using a single question.

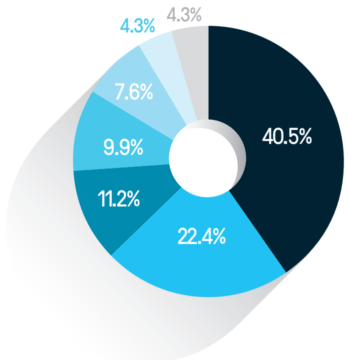
PROFILE OF SURVEY PARTICIPANTS

The procurement professionals and government executives surveyed were representative of the broader universe of state, local and education (SLED) agencies.

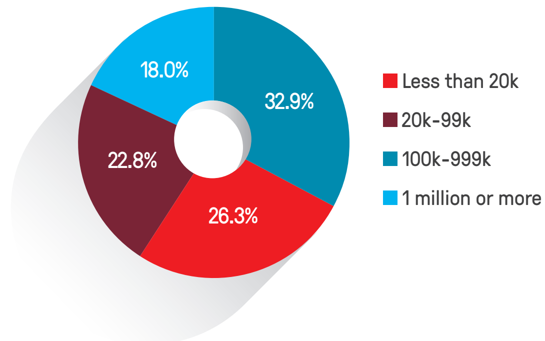
LEVEL OF GOVERNMENT



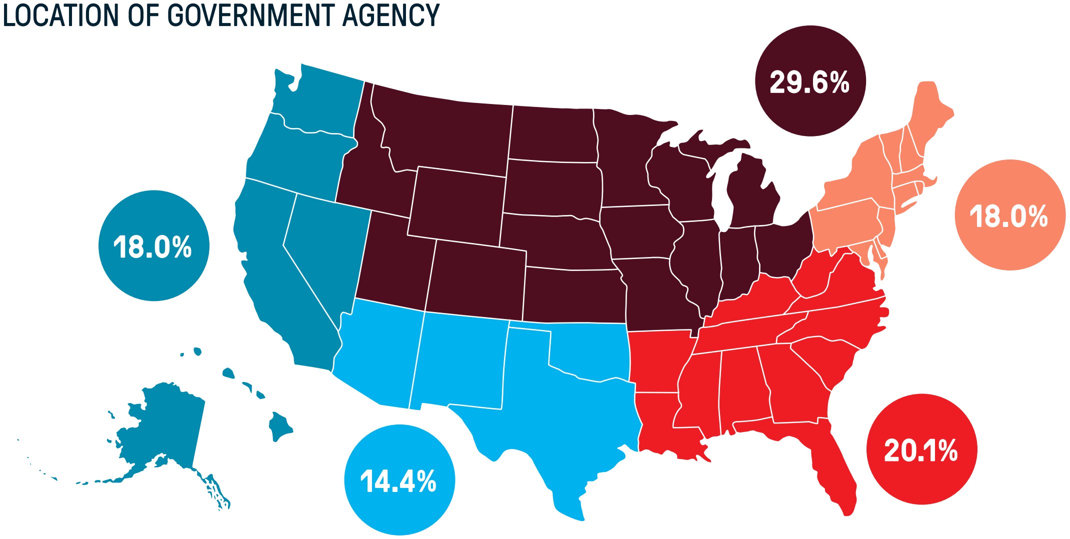
ROLE



POPULATION SERVED



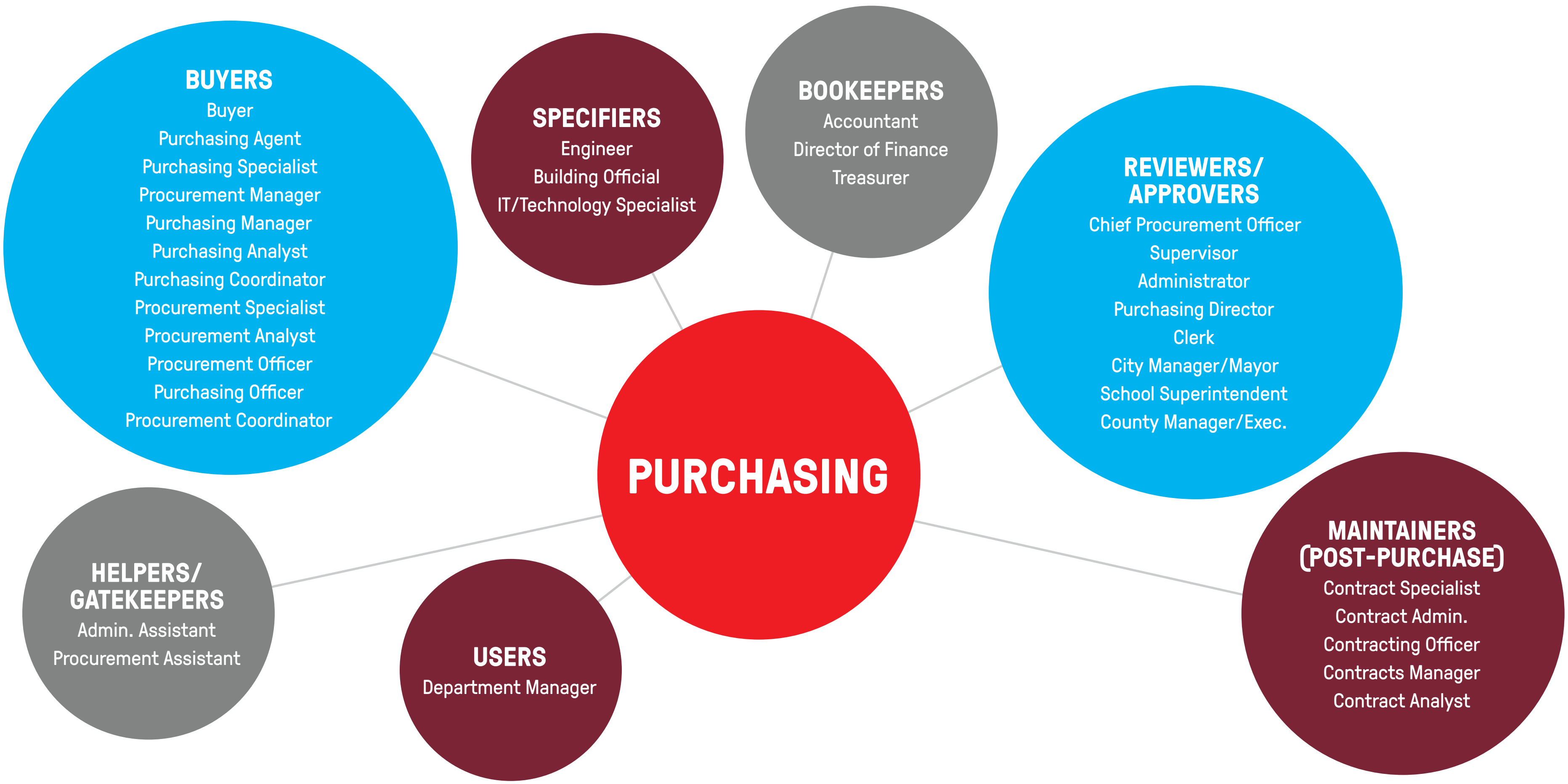
LOCATION OF GOVERNMENT AGENCY



PROFILE OF SURVEY PARTICIPANTS, CONTINUED

Since our first survey, we've focused our sample on the broader "community" of government professionals who are directly or indirectly involved in the procurement process. Below is a sample of common types of job titles reported in this survey, broken out by major functional areas. Contractors looking to better understand the buying process should keep in mind that any purchase, even an informal one, requires the assistance and participation of multiple staff members, and larger bids/RFPs will typically involve an entire committee of professionals.

UNDERSTANDING THE PROCUREMENT COMMUNITY (Examples)



TURNAROUND/RESPONSE TIMES ARE STABILIZING

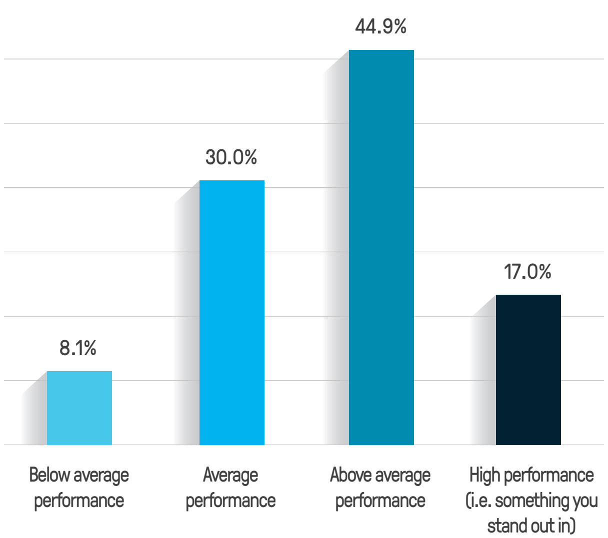
After a noticeable decline last year in response agility, turnaround times have stabilized in the current survey.

PROCUREMENT PERSPECTIVE

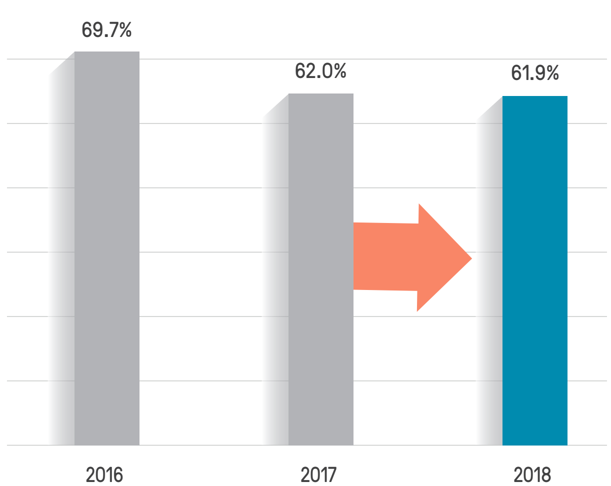
Established vendors generally regard frequent delays or greater uncertainty in wait times as negatives that can affect their willingness to bid or participate in the process. Last year's results pointed to an urgent need to address this area, with a decline of 8%. However, agencies have been able to prevent further deterioration, with a similar level of 62% of staff that gave above average to high ratings.

The importance of agility and decision times are reflected in the "top challenges/constraints" discussed later, as well as in their verbatim comments. As one survey respondent explained, "It is becoming more complex and it is often more difficult to get purchases through the system in a timely manner."

PERFORMANCE IN RESPONSE AGILITY



ABOVE AVG. OR HIGH RESPONSE AGILITY



CONTRACTOR PERSPECTIVE

There is a traditional saying in business that "time is money." Contractors generally understand and expect a certain amount of wait time and uncertainty in the competitive bid process. However, these bidders also appreciate agencies that have shorter or more predictable turnaround times. They can either prefer the more "business-friendly" agencies or be less interested in those agencies that are coming up short in this area. Recent vendor surveys have recorded the following specific complaints:

"Purchasing decisions at agencies are taking longer..." – *Furniture vendor*

"Government is taking too long to make awards" – *Business services vendor*

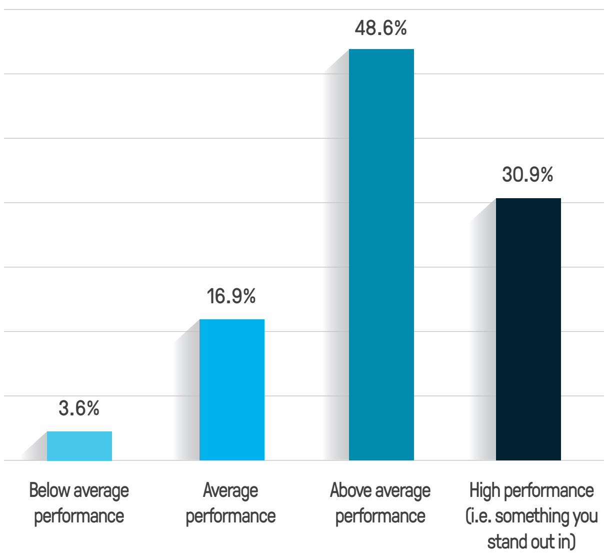
CUSTOMER SERVICE REBOUNDS

Customer service rebounded from the lows of last year to the highest level in this series.

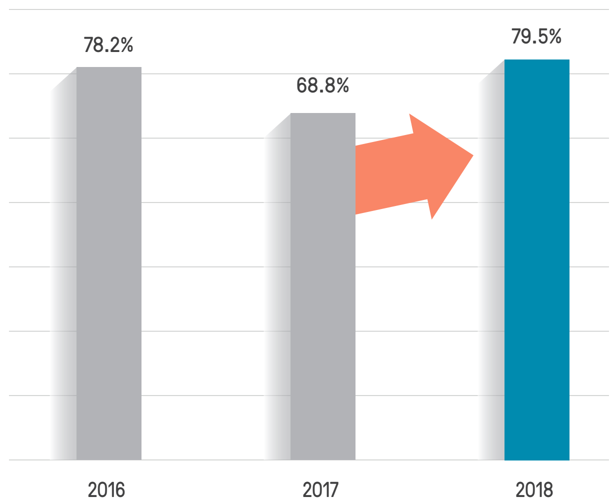
PROCUREMENT PERSPECTIVE

In the midst of a market that has grown in spending over the past year and continued the pressure on workloads, agencies were able to achieve an increase in customer service of around 11% (counting above average and high ratings together). While these results are impressive, they are still statistically similar to the first survey's responses in 2016. Still, the absolute size of the increase suggests that many procurement teams have tried to address this area. Friendly, responsive customer service is an important attribute that NIGP conducts training on for government staff. One of the respondents in the current survey indicated they "are implementing policies and processes to improve communication and expectations" within their agency's procurement staff.

PERFORMANCE IN "FRIENDLY, RESPONSIVE CUSTOMER SERVICE"



ABOVE AVG. OR HIGH CUSTOMER SERVICE



CONTRACTOR PERSPECTIVE

When it comes to positioning an organization for success, appearances matter – even among government buyers. Procurement teams are normally more focused on serving the needs of their internal stakeholders; however, the conduct of their staff is often noticed by bidders and contractors. Businesses both depend on and appreciate helpful, responsive service, particularly when an important question comes up that may be a roadblock to finishing a bid response or making a decision whether to bid at all. While the "cumbersome" process itself can be difficult, having access to good service can help reduce risk and create a more "business-friendly" atmosphere.

SLIGHT IMPROVEMENT IN TRUST

80% of agency staff rate themselves above average or high on maintaining a reputation for integrity and transparency – up slightly from last year.

PROCUREMENT PERSPECTIVE

Procurement staff are expected to operate with integrity and transparency at all times, helping maintain trust and remain accountable both to vendors and internal users. A total of 80% of agency contacts surveyed rated themselves as either high or above average, including 38% that gave the highest rating.

Procurement staff talked about related themes:

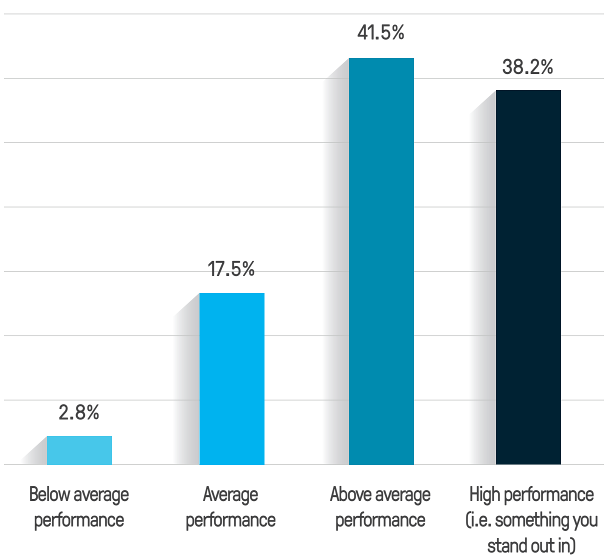
"We just try to get the work done; it is very difficult to concentrate on quality when the demand is high and the resources are few."

— Purchasing specialist at a county

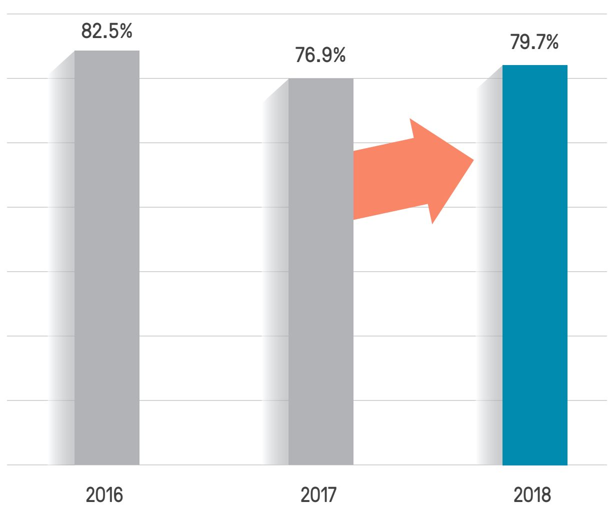
"Our state is becoming more transparent."

— Purchasing coordinator at a state

PERFORMANCE IN "INTEGRITY/TRANSPARENCY"



ABOVE AVG. OR HIGH "INTEGRITY/TRANSPARENCY"



Over the last year there was a 2.8% increase in the percentage of procurement staff reporting above average or high levels of integrity and transparency (77% up to 80%).

CONTRACTOR PERSPECTIVE

Businesses count on agency procurement staff to maintain an environment of fair and open competition, where the best and most appropriate submissions are selected. Contractors also expect transparent communication and updates throughout the process. Having sufficient visibility into the decisions and "next steps" of procurement can provide accountability and help reinforce productive relationships with agencies.

PROCUREMENT PERFORMANCE INDEX (PPI)

PURPOSE OF THE INDEX

The Procurement Performance Index (PPI) is a single metric that measures and tracks the progress of government in achieving its goals and objectives related to purchasing.

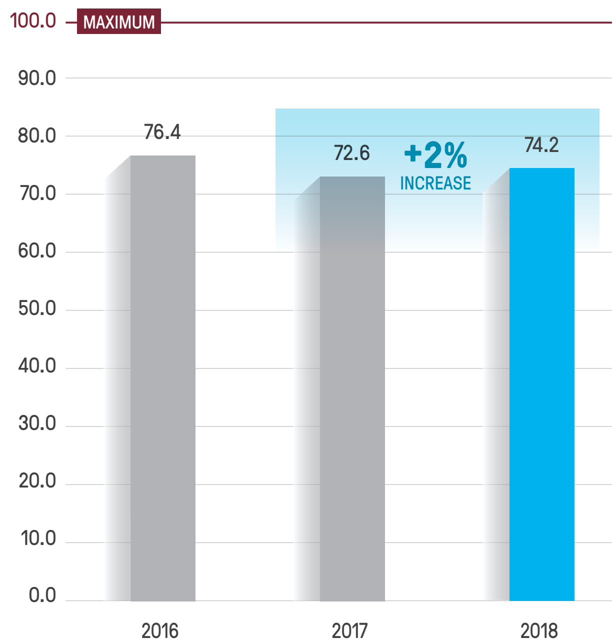
HOW IT WORKS

The PPI is based on three inputs from the survey, with equal weight given to each. This weighting was chosen based on each variable having similar statistical correlations with an agency's ability to receive enough bidders.

COMPONENT	SURVEY QUESTION	WEIGHT
Effective turnaround times	Providing acceptable turnaround times for bids	33%
Effective Service	Providing friendly, responsive customer service	33%
Effective Compliance & Trust	Maintaining a good reputation for integrity and transparency	33%

Values were assigned to each answer to the three component questions. 100 points were given for "very high" answers, followed by 75 points for "above average," 50 points for "average" and 25 points for "below average." These values were then averaged to calculate the overall score for each indicator, as well as to create overall index values across the three questions, which can be broken out by segment for custom views of the PPI.

PROCUREMENT PERFORMANCE INDEX (PPI)



TRACKING PROGRESS

The PPI increased in 2018 by 2.2%, following a decline last year of 5%. It has a current value of 74.2. Even with the increase, it remains slightly below the level of the first (2016) survey.

The 2% improvement was driven mainly by a 6% rise in customer service (see below). Although the individual section about service in this report mentions an 11% improvement, the calculation used for the PPI index takes into account each of the survey answers and is more balanced and comprehensive. Trust increased slightly by 1.5%, while response agility decreased slightly by -0.7%.

COMPONENT	2016	2017	2018	% Chg.
Response Agility	72.7	68.2	67.7	-0.7%
Customer Service	76.4	72.4	76.7	5.9%
Trust	80.5	77.6	78.8	1.5%

PROCUREMENT PERFORMANCE INDEX (PPI), CONTINUED

MEASURING DIFFERENCES BY AGENCY TYPE

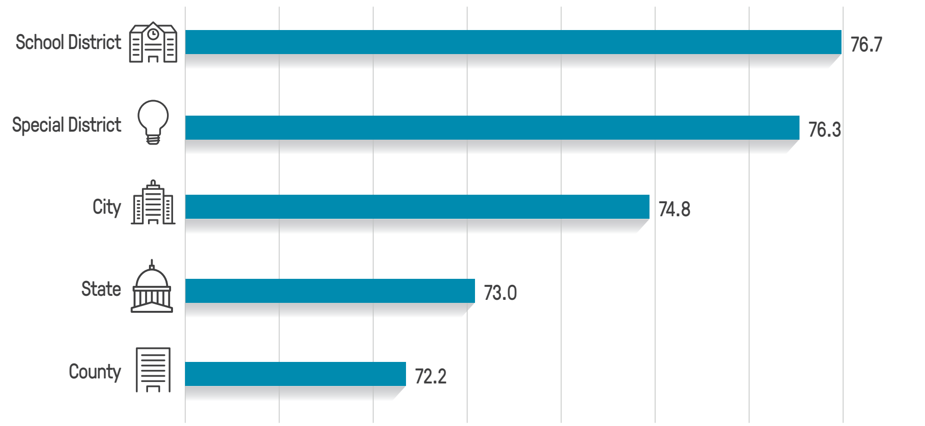
Differences by type and size of agency were often noteworthy. Governments ranking highest included school districts and special districts, as well as smaller agencies. When considering the higher scores for smaller agencies, one should keep in mind that many of them have populations less than 20,000 and do not have to issue many formal, advertised competitive bids each year.

Some of the organizational challenges mentioned in this survey such as a "cumbersome process" or problems working with stakeholders and agency leaders can arguably become even more difficult with greater scale and size of the agency.

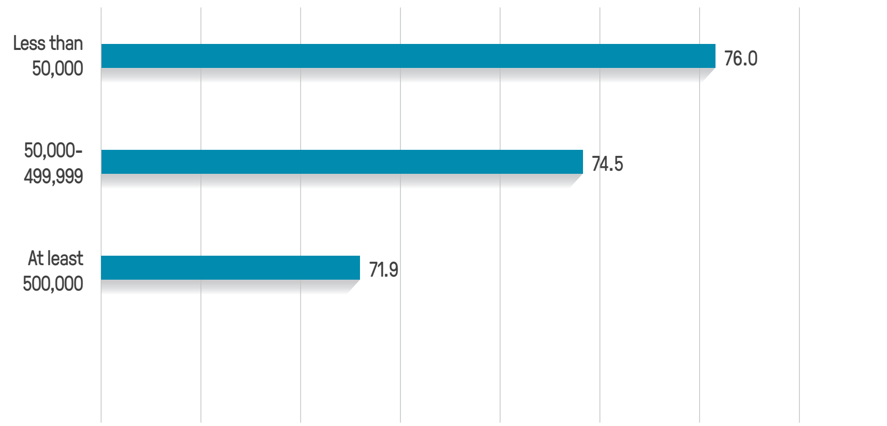
HOW PERFORMANCE AFFECTS CONTRACTOR RESPONSES TO BIDS

Last year our analysis demonstrated that higher levels of procurement performance (such as better customer service, agility and trust) tend to encourage more bidders, regardless of the size of the agency or whether the procurement function was centralized or de-centralized. This year's survey indicated similar potential, with the percentage of agencies that have "enough" bidders rising from 44% with a low to moderate PPI index to 55% if that agency scored highly on the index (90-100 score).

2018 PPI INDEX BY LEVEL OF GOVERNMENT



2018 PPI INDEX BY POPULATION SIZE



CONTINUED STABILITY IN SPENDING

SLED government buyers continue to see stability in agency spending.

PROCUREMENT PERSPECTIVE

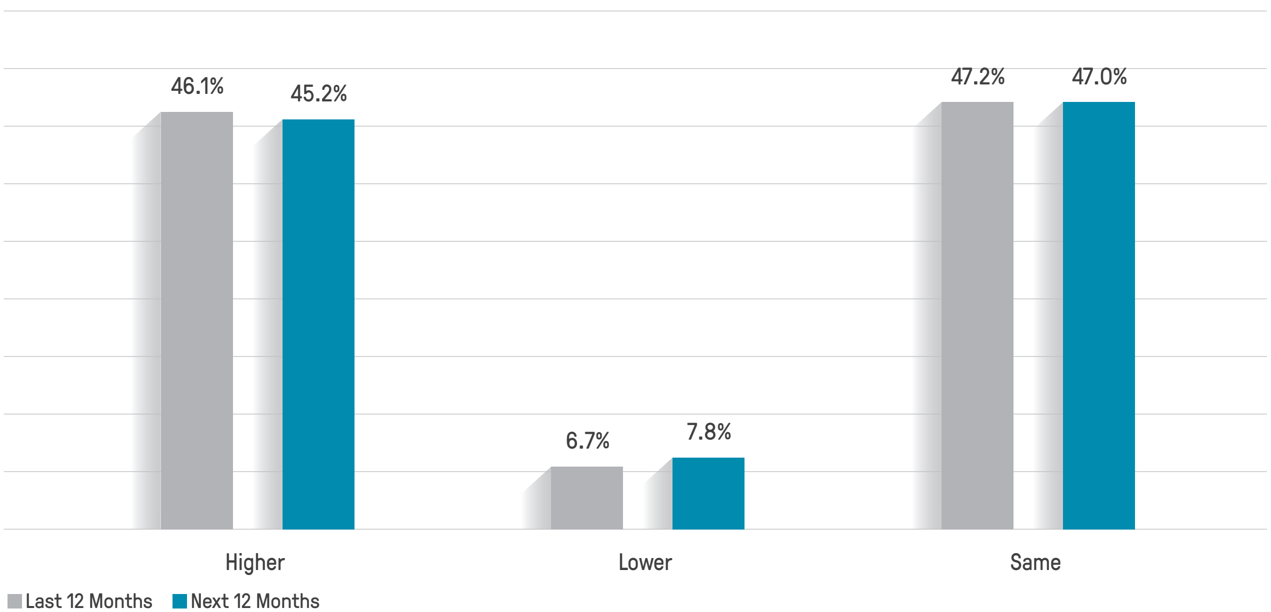
While few agencies reported actual declines in spending, less than half were in the growth segment and nearly half remained the same. Expectations for the next 12 months were similar, but slightly less favorable (around 1% fewer to grow, and 1% more to decline). These minor differences were well within the margin of error.

Government leaders from SLED agencies describe the current environment as generally steady but note that growth will often depend on regional economic differences. Our Q1 2018 Quarterly Procurement Snapshot discussed these views, including the following quote:

"Some cities have experienced economic growth and have seen corresponding revenue growth—some have not."

— Lee R. Feldman, City Manager, Fort Lauderdale, FL.

AGENCY SPENDING



CONTRACTOR PERSPECTIVE

Government contractors have also been seeing stability, in terms of the share of firms that are growing in their government revenue. Also, slightly more contractors are declining this year versus last year – similar to the agencies. The share of companies that reported increases over the last 12 months, at 35.5%, was somewhat lower but directionally similar to that of the 45% of agencies surveyed. Meanwhile, 16% reported a decline – somewhat more than with the agencies currently. Overall, there was a sense that while the market was still healthy, higher uncertainty in agency budgets could result in somewhat lower rates of growth in the future.

"There is substantial demand, but it's tempered by spending uncertainty."

—Business consulting services firm

GROWTH IN BIDS STEADY BUT SLIGHTLY BELOW SPENDING

Bids fairly stable, but slightly fewer agencies expect to grow their volume of bids over the coming year.

PROCUREMENT PERSPECTIVE

Compared to the results for spending, around 2-4% fewer agencies report having increased, or are planning to increase, their volume of bids and RFPs. 51% expect to remain the same in bids over the coming year. Slightly fewer expect to grow (41%) versus those reported having grown (44%) in bid volume. As we saw last year, agency staff generally see the formal bid/RFP process as one of the most challenging aspects of their job, particularly in the areas of research, planning and bid specifications. While they are not aggressively reducing bids, they are open to ways to cut back and spend more using fewer new competitive bids.

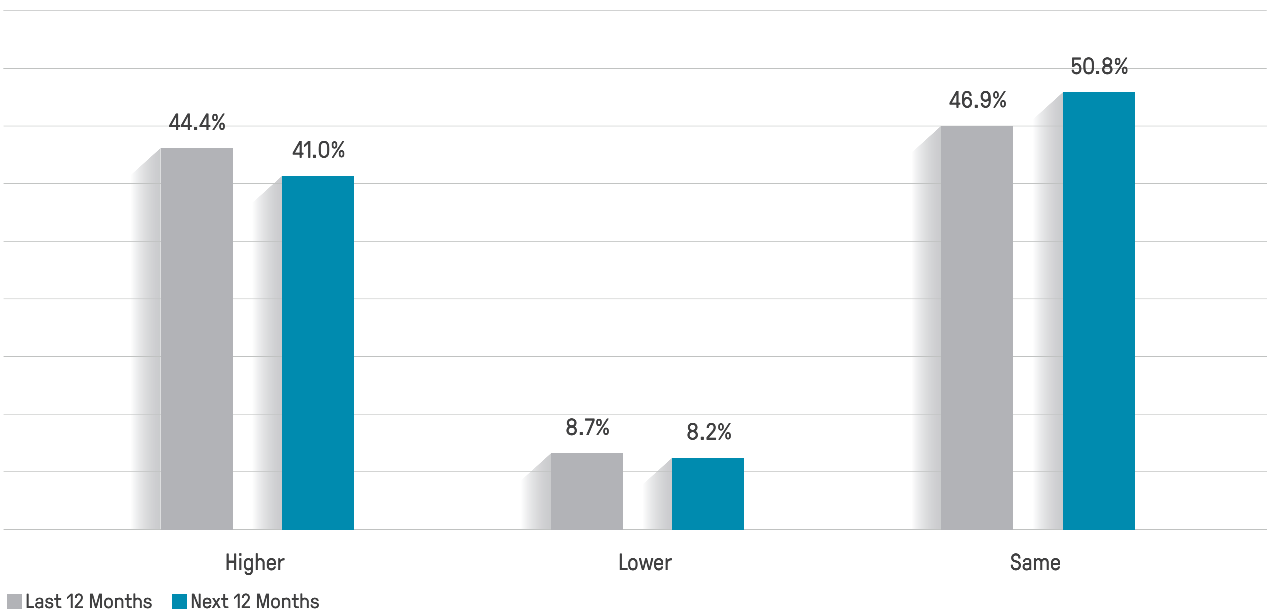
"I believe we will continue to spend more, but the bids won't increase much."

— Contracts manager at a county

"In dollars, I am sure our purchasing will grow—however, in contracts I believe the volume will be the same."

— Procurement specialist at a city

AGENCY BID & RFP VOLUMES



CONTRACTOR PERSPECTIVE

When bids grow slower than spending it points to a more competitive environment for contractors. In the 2018 contractor survey, competition was the primary "constraint" measured, which increased by 7% from last year. There were also comments made about firms gearing up to become more competitive by identifying a larger base of opportunities and improving their marketing and outreach strategies to win a greater percentage of the bids they know about.

WORKLOADS GETTING HEAVIER

The perception that procurement workloads are heavy and staff are working extra hours continues to rise.

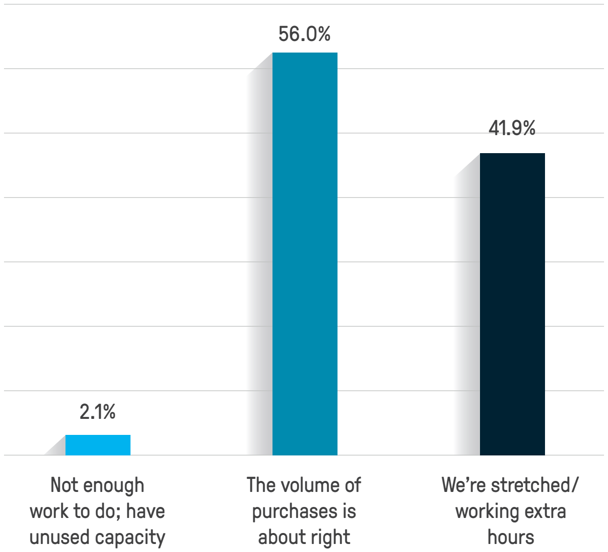
PROCUREMENT PERSPECTIVE

Last year's report noted the long-term trend of under-staffed procurement teams. This resulted from agencies not replacing the staff that were cut during the Great Recession and being asked to do "more with less."

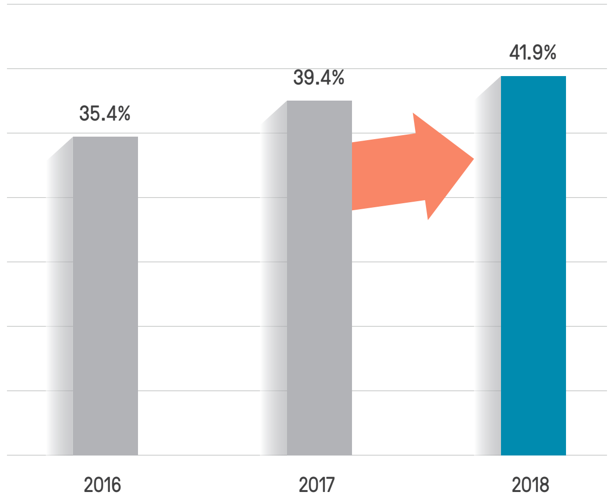
Nearly forty-two percent (41.9%) of the procurement staff and managers indicated being "stretched" or working extra hours to meet deadlines. As one contract administrator at a county noted, "As we grow, we will continue to be challenged by the initiatives and increased workloads."

The share of procurement professionals reporting working extra hours continues to trend higher for 2018. While the recent change is slightly over two percent, it is up around six percent since 2016.

TYPICAL WORKLOADS



WE'RE STRETCHED/WORKING EXTRA HOURS



CONTRACTOR PERSPECTIVE

Many contractors appreciate having access to adequately staffed procurement teams – particularly those well-established firms that are more proactive or those that respond often to bids. When government staff are overworked it can have negative impacts such as poorly worded bid language that can add preparation time for a bidder. In previous contractor surveys vendors recognized this connection, complaining that "We have understaffed client agencies" and that "RFPs need to be better matched to the actual scope of work and more up-to-date."

TOP CHALLENGES INCLUDE TIGHT BUDGETS AND CUMBERSOME PROCESS

Procurement teams struggle with a wide range of issues, challenges, and constraints, both internal to the procurement teams, within the agency, and among the vendor community.

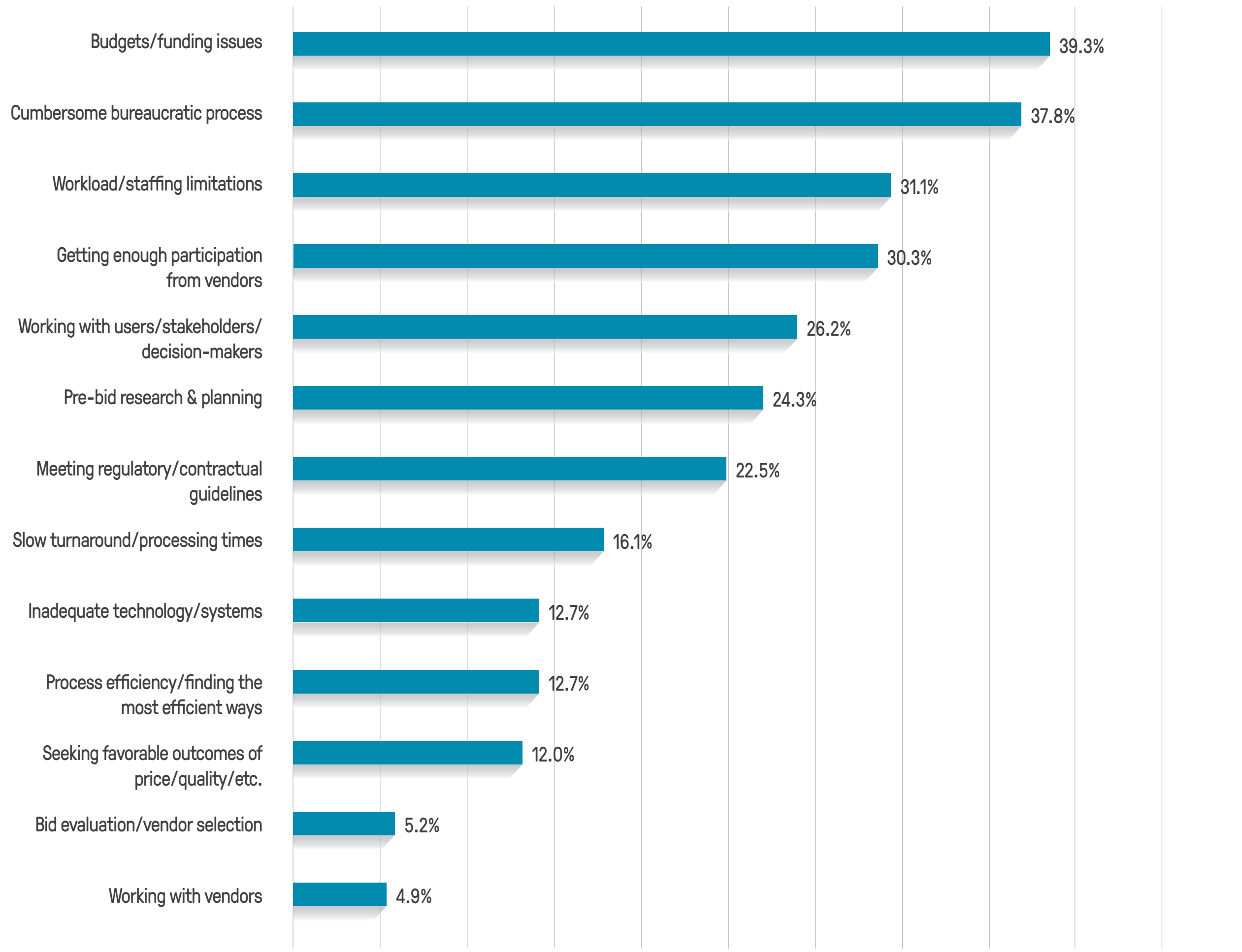
PROCUREMENT PERSPECTIVE

Using the list of constraints identified from the raw verbatim comments last year, agency procurement staff were asked to select the 1-3 challenges they face most often in procurement. Topping the list at 39% was "budgets/funding issues," followed closely by "cumbersome bureaucratic process" at 38%. In the next tier of answers were "workload/staffing limitations" (31%) and "getting enough participation from vendors" (30%). Note that because a different (multiple response question) method was used this year, these findings are not directly comparable to those of last year.

CONTRACTOR PERSPECTIVE

It's always a good idea to understand the challenges your prospects or clients are facing in order to provide good communication, customer service, and partnership. These answers help provide additional perspective about the world that procurement teams live in and their (very real) pain points.

TOP CHALLENGES



EVIDENCE AGENCIES ARE SENSITIVE TO ECONOMIC CONFIDENCE

A review of the comments given by procurement professionals in this survey suggests that agencies tend to look out into the near future for clues about what direction their tax revenues or fiscal conditions will trend. They can then make adjustments in their overall purchasing outlook that may either encourage or delay the number of new bids issued, for example.

Afraid to get caught over- or under-spending when the business cycle is changing, they would rather plan ahead and align their current bidding activity to future revenue as they see it coming.

TESTING THIS HYPOTHESIS

To explore this dynamic, our research team went ahead and compared growth in total SLED bids over the last five years (around 120,000 per quarter) to the ups and downs of the stock market using the Dow Jones Industrial Average. We found a high correlation, which supported the hypothesis that decisions about whether to issue extra bids or delay bids are affected by speculative perceptions of where the economy is headed. We also tested correlations with the current economy, such as jobs and GDP, but these were not nearly as strong.

"The general outlook of growth will depend on the economy; should the stock market go down and prices increase, then our growth will decrease." *— Clerk at a city*

"Our outlook is tenuous at best. We're worried about the overall country's economy. Gas prices and interest rates are on the rise. Construction prices have hit all-time highs."

— Department manager who specifies products/services for a city

"The outlook is variable as always… The availability of funds dictates what can be done and if we are being proactive or trying to play catch-up."

— Specialist buyer at state agency

CONTRACTOR PERSPECTIVE

Businesses selling to the government should keep in mind that the volume of bids will often be sensitive to expectations about where the economy is headed rather than where it currently is. These may arise from stock market trends or quarterly economic forecasts developed at the state level and shared to other agencies, for example. By the time the business cycle actually changes, chances are the purchasing outlook or mentality by agencies will have already been affected - shifting either higher or lower.

So it makes sense to watch the markets, track the confidence, and assume that government leaders will notice and be proactive rather than wait for a major business cycle change (i.e. boom to bust, or bust to boom) to happen.

MORE AGENCIES ARE FAILING TO ATTRACT ENOUGH BIDDERS

Driven by the over-heated construction sector, more than half of all agencies surveyed are now reporting having difficulties gaining enough interest in their bids and RFPs from contractors – up 15% from last year.

PROCUREMENT PERSPECTIVE

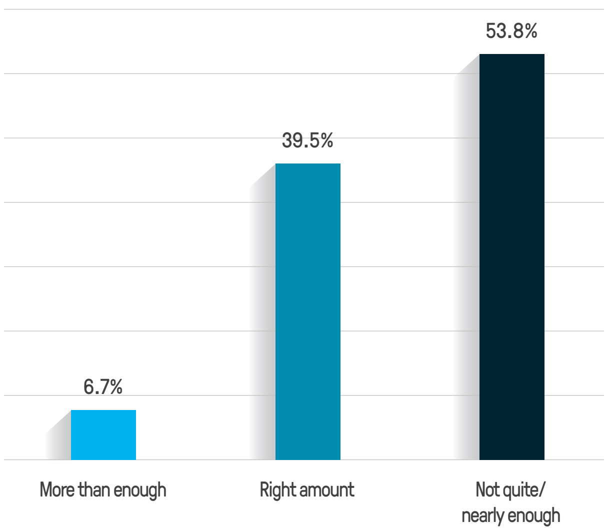
More than half (54%) of agency respondents indicate that they are failing to attract enough interest among vendors and contractors to their competitive solicitations.

The #4 top challenge for procurement (cited by 30% of those surveyed) was “Getting enough participation from vendors.” It would appear that the recent spike can be traced to a unique industry situation among construction-related companies.

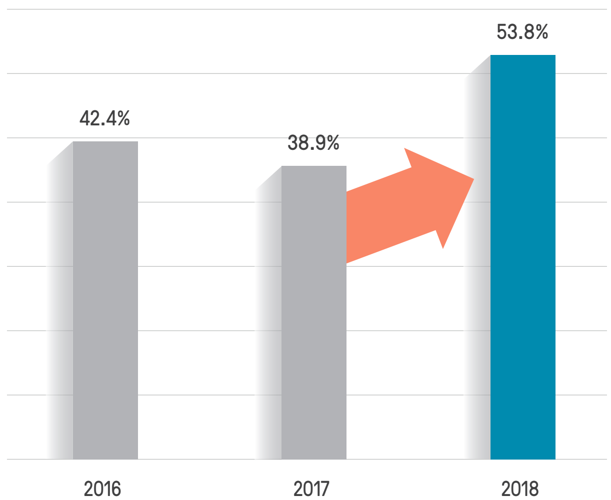
The topic of agencies having trouble recruiting construction companies due to the strong corporate and housing real estate sectors was covered in our Q1 2018 Q uarterly Procurement Snapshot report.

Since last year there has been a large uptick in the share of agency staff indicating they did not receive enough interest in bids and RFPs (39% up to 54%). With this difference well exceeding the margin of error of the study, this provides clear evidence of a change in the marketplace – best explained by the general shortage of available construction firms to work on public projects.

SUFFICIENT RESPONSES TO BIDS/RFPS



NOT QUITE/NEARLY ENOUGH



CONTRACTOR PERSPECTIVE

This finding first of all points to more opportunity for AEC companies to present their best ideas and solutions and end up highly ranked even if they are not currently working with that agency or have lower visibility. Higher value projects can then be prioritized. With nearly 40 percent still failing to attract bidders last year, it is safe to assume that vendors from the other industry sectors still have plenty of opportunity if they are aware of the bids and do adequate research first. As one vendor explained,

“Our biggest issue is retrieving the bid and then researching to find out who won it before and what products had been awarded.” *–Food services vendor*

SLED AGENCY SPENDING IS BROADLY DISTRIBUTED BY CONTRACTING METHOD

Spending relating to single-buyer, competitive bids & RFPs is only 41%, as agencies focus on more efficient procurement methods.

PROCUREMENT PERSPECTIVE

We asked agency procurement staff to estimate the share of their total spend falling into four major categories. Considering that part of the 40.5% related to competitive bids and RFPs can still be considered “non-traditional” (such as IDIQ or flexible multi-vendor contracts that are not “statewide”), a fairly small minority of SLED purchasing actually fits into the typical government “bid” model.

While this may surprise some businesses getting started in government contracting, it is simply the way of life of time-constrained SLED agencies, who face pressure to get more work done in less time, satisfy users wanting more flexibility and faster delivery, be as frugal as possible with public funds, and tap into expertise and proven solutions from other agencies or co-ops.

“The trend has been to find more co-ops over the past year because of our workload.”

— Procurement assistant at a city

We will continue to push more expenditure towards state and cooperative contracts as our purchasing volume continues to increase.”

— Purchasing manager at a city

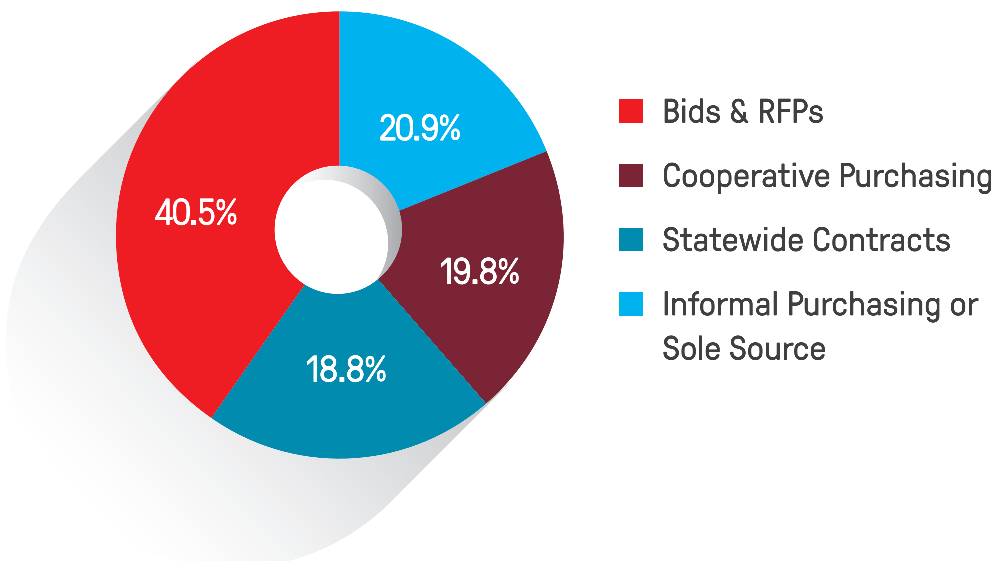
“We’re trying to piggyback off other agency bids and cooperatives as much as possible since we’re a small county and larger agencies probably have better pricing.”

— Purchasing director at a county

“We are being asked to use more cooperative contracts rather then doing our own.”

— Purchasing manager at a city

SHARE OF PROCUREMENT SPEND



SLED AGENCY SPENDING IS BROADLY DISTRIBUTED BY CONTRACTING METHOD, CONTINUED

Agency purchasing by type/method tends to align well with the mix of SLED revenue in our 2018 Survey of Government Contractor Sales Expectations.

CONTRACTOR PERSPECTIVE

When we asked the same set of questions of businesses in our latest 2018 contractor survey (focusing only on their SLED revenue), the answers were fairly close to those of agencies, once the share reported for sub-contracting was removed and the results re-computed. The only category to show a noticeable difference was cooperative purchasing, with vendors generally seeing less of their business in this area on average. The reason has to do with the fact that many large multi-year co-op contracts tend to be awarded to a few very large, well-established firms that can offer flexibility in scheduling, very competitive pricing, and a large enough distribution network to accommodate national orders at any one time off of that single contract. Commodities or highly standardized services also tend to be better represented among co-op purchases. While there are many opportunities for smaller vendors with the regional co-ops, many firms are not yet aware or do not think they would qualify due to their company size or type of good or service they sell.

SHARE OF PROCUREMENT SPEND

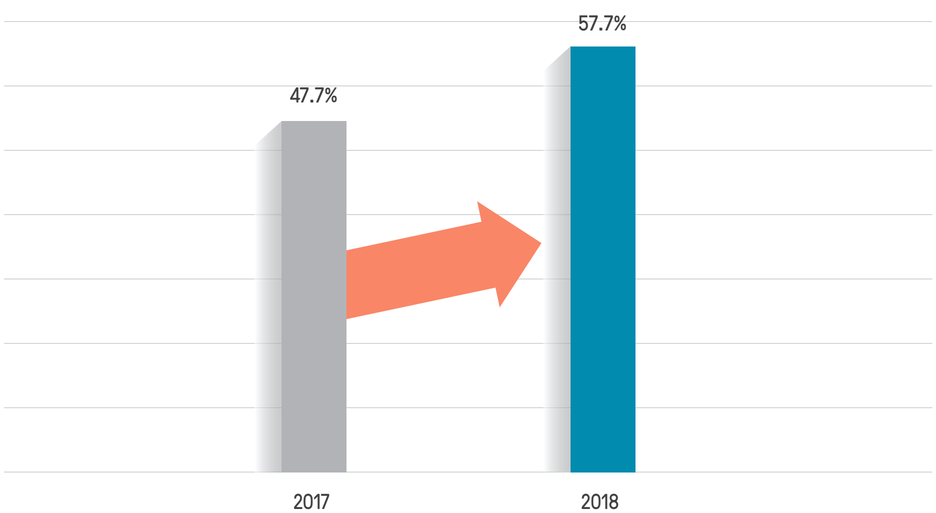
DEMAND FOR E-PROCUREMENT SYSTEMS GROWS

58% of agency staff surveyed indicated their agency used an e-Procurement system—up 10% from last year.

PROCUREMENT PERSPECTIVE

Excluding those unsure of their status, a total of 58% of procurement staff reported having some type of e-Procurement system or platform at their agency*. After removing "don't know" responses from the 2017 results, this compares to only 47.7% last year.

PERCENT OF BUYERS REPORT USE OF E-PROCUREMENT SYSTEM



A key motivation of e-Procurement for the agency is being able to handle or scale-up for more purchases without requiring a lot more staff time.

"Through automation/e-bidding, we are able to issue more solicitations with minimal impact on the purchasing team." *— Purchasing director at a county*

MEASURING DIFFERENCES

Differences by type or size of agency were often noteworthy. Agencies most likely to use these systems included state government, those serving 500,000+ population, and those with staff working extra hours.

BY TYPE OF AGENCY	2018
City or town	52.2%
County	62.3%
School district	38.1%
Special district (i.e. transportation, utilities, etc.)	52.2%
State	77.5%

BY SIZE OF POPULATION SERVED	2018
Less than 50,000 pop.	35.8%
50,000 - 499,999 pop.	63.5%
At least 500,000 pop.	76.4%

BY TYPICAL WORKLOAD OF STAFF	2018
More than enough time/right amount	54.9%
We're stretched/working extra hours	62.1%

CONCLUSIONS

SLIGHT IMPROVEMENT IN PROCUREMENT IS A POSITIVE DEVELOPMENT FOR AGENCIES AND VENDORS

Agencies appear to be making a concerted effort to improve or at least remain as competitive as possible in the midst of an environment where the constraints are not letting up. This is not an easy task given the ongoing challenges such as inadequate staffing, tight budgets, and a cumbersome bureaucratic process. For vendors, making the buying process easier, smoother, or less uncertain can help increase motivation to spend the time required to respond to a new competitive bid.

A NEW CHALLENGE: LESS AVAILABILITY BY CONSTRUCTION FIRMS

The big increase of +15% in the share of agencies having difficulty getting enough contractors to bid is consistent with a major industry trend of construction firms finding themselves so over-loaded from heavy private sector workloads that they have less interest bidding on government work. This reality can be quite motivating for agencies and helps explain the turnaround in procurement performance. Not getting enough good bids can threaten an agency's ability to consistently meet targets for quality, cost, and risk avoidance.

MOVING AHEAD WITH MODERNIZATION: RISE IN AUTOMATION

With a 10% increase in usage of e-Procurement, it can be argued that the larger and more forward-thinking agencies are catching up with the private sector in how they interact with vendors and operate their online portals and systems.

E-Procurement can assist with not only efficiency in general but also potentially with vendor interest. Many of these firms do the vast majority of their business with the private sector using the most modern, automated and streamlined tools. While contractors already have to deal with greater regulatory complexity and more lengthy proposals working with agencies on public contracts, having a more smooth, easier procurement system – in addition to good customer service, timely decisions and trust, can help – especially when market conditions make it even harder to attract enough bidders.

FAMILIAR CONSTRAINTS AND LIMITATIONS CONTINUE

Workloads – one of the consistently top rated constraints – seem to keep increasing due to the lack of backfilling jobs lost since the Great Recession. The share of agencies with overworked staff rose again slightly to 42%. Budgets appear to be perceived as "tight" since "budgets/funding" was ranked #1 out of 13 constraints this year. While the economy keeps growing, fiscal challenges remain due to high growth in health care and pension spending. This means even if an agency is growing by 5% in total dollars, it may only be able to grow its general government purchases by 3% or less.

COOPERATIVE PURCHASING AND STATEWIDE CONTRACTS HELP MEET NEEDS AND OFFSET LIMITATIONS

The other key finding was the fairly large share of current contracting spend going to non-traditional and below-threshold methods that do not require a new, advertised competitive bid for each purchase. Cooperative purchasing and statewide contracts are important tools helping drive more efficiency and address the limitation of overworked staff.

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