

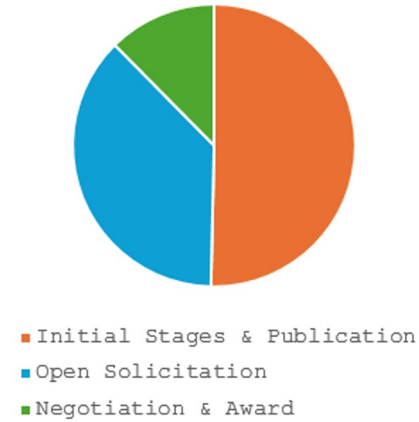
HOW MUCH DOES IT COST TO CONDUCT A BID OR REQUEST FOR PROPOSAL PROCESS?

The RFP Tracking Project, sponsored by the National Cooperative Procurement Partners Association (NCPP), aims to quantify the personnel expenses involved in solicitations, known as Invitation to Bid (Bid) and Request for Proposals (RFP) across different entities - 70 volunteered to participate; 39 completed and submitted tracking spreadsheets

Phases of Process:

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).

Average time spent by phase



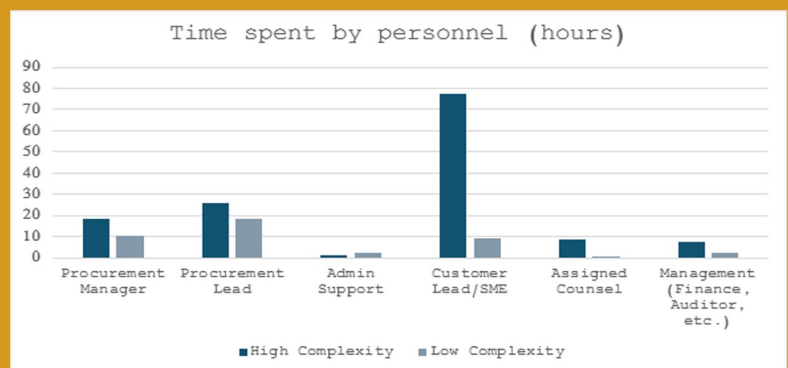
The report benefits include:

- Increase knowledge of the actual costs of conducting a Bid or RFP process.
- Assist in determining if issuing a solicitation is the best option or if other contracting options should be explored.
- Help justify resources such as personnel, automation or additional support for procurement.
- Educate policymakers and government management teams on budgetary expenses related to procurement activities.

Personnel:

For complex projects: Highest number of combined personnel hours were attributed to the category of Customer Lead/SME.

For low complex projects: Procurement takes the lead and performs most duties, so Procurement Lead hours rank highest for those projects.



Costs:

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.

Individual results for each entity may be higher or lower than these average costs.

Average hourly costs
across all spreadsheets

Complex

\$17,419

Non-Complex

\$1,682

CONCLUSIONS:

Time- Intensive Phases

The phases that take the most personnel resources are Initial Stages and Publication, followed by Open Solicitation. 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 their processes and determine ways to streamline them. It may be more advantageous to leverage less resource intensive contracting options to drive efficiencies.

Cost to Procure

It takes time and personnel resources – real costs – to issue and manage a solicitation process for a resulting contract.

Conclusion: A government team should 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.

Advertising Costs

Most entities did not record any advertising costs, however for those who recorded advertising dollars, there was a wide range of costs.

Conclusion: Overall, advertising costs are diminishing as procurement teams move online to publicize contracting opportunities. For those who do pay, it might be advantageous to propose a future change in policy regarding paid advertising and/or justify the integration of an eProcurement system with online postings.

The Future

As a result of this ongoing support and interest of the NCPPE RFP Tracking Project, there are upcoming plans to collaborate with Pavilion, an NCPPE 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.

Reach out to partnerships@withpavilion.com to be notified when the calculator is launched!

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a copy of the Full Report at** | ▶

NCPPEAssociation.org