



# Procurement Excellence Template Series

## Essential Procurement Performance Metrics to Track Regularly

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This tool suggests common key performance indicators used by purchasing offices to take a data-driven approach to improve procurement operations. If you are new to using data to track and assess your procurement operations, we recommend starting by reading this [\*\*how-to guide\*\*](#) as a primer.

## 1. Introduction

This document suggests common key performance indicators (KPIs) used by purchasing offices to take a data-driven approach to improve procurement operations.

Each KPI can be categorized according to several different criteria:

- **Strategy:** The Government Performance Lab's Procurement Excellence Framework is a set of strategies designed to help governments use procurement and contracting to achieve better outcomes for residents. In this Framework, there are four pillars of procurement excellence; the GPL believes that excellent procurement systems are:
  - *Efficient and fair:* Metrics that measure whether the procurement process is efficient, inviting, and transparent;
  - *Results-driven:* Metrics that measure whether contracted programs, products, or services deliver desired outcomes;
  - *Equitable:* Metrics that measure whether procurement advances economic mobility for historically marginalized groups and delivers high quality services for all; and
  - *Strategic:* Metrics that measure whether procurement is elevated and resourced as a strategic function within government.

For a thorough overview of these pillars and how to apply them in your jurisdiction, see the GPL's publication [What is Procurement Excellence?](#)

- **Rating:** The GPL's guide to procurement excellence linked above provides a rubric to identify where your government may be on a maturity scale of procurement excellence. In this template we use the following criteria to identify KPIs:
  - *Beginner:* We recommend starting with the beginner metrics for governments that are new to data-driven approaches within their procurement shop. Beginner goals aim to improve procurement in foundational ways, and the corresponding KPIs track processes. For most governments, these KPIs are feasible to track with existing data, though they may require some require limited data manipulation.
  - *Intermediate:* Intermediate goals build on the beginning goals, and aim to improve the outputs of the procurement process and reform efforts. It may be possible to track some corresponding KPIs using existing data systems, though data manipulation is likely required. Other KPIs may require setting up simple new tools for data collection, such as routine surveys with staff and vendors.



- *Advanced:* Advanced goals build on intermediate goals, and aim to improve the impact or outcomes of the government's procurement system. The corresponding KPIs can be nuanced to measure, have longer time horizons, and for most governments, will require more than routine administrative data.
- **Cycle Time:** Each of these metrics can be applied at particular points during the procurement process:
  - *Draft:* the government defines their needs, drafts solicitation (e.g., Request for Proposal or Invitation to Bid) materials, and reviews and approves materials that will be posted publicly.
  - *Open:* the solicitation is open for prospective vendors to respond.
  - *Evaluation & Award:* responses are evaluated by the government to make a selection, and that decision is approved by the required authorities.
  - *Contracting:* a contract is formalized and signed with the awarded vendor.

# Procurement KPIs: Beginner

Strategy	Goal	Key Performance Indicator (KPI)	Common Data Sources	Rating
Efficient & Fair	Reduce cycle times	<b>Cycle time:</b> average number of days per procurement stage, per solicitation	eProcurement Software, or other procurement records with time stamps (excel logs, paper records, etc.)	Beginner
		<b>Cancellations:</b> percentage of solicitations that don't result in a contract	eProcurement Software, or other procurement records with time stamps (excel logs, paper records, etc.)	Beginner
		<b>Rebids:</b> frequency of solicitation cycle repetitions due to cancellations or failed solicitations	eProcurement Software, or other procurement records with time stamps (excel logs, paper records, etc.)	Beginner
Results-Driven	Get more or better responses to solicitations	<b>Response rate:</b> average number of responses (proposals or bids received) per solicitation	eProcurement Software, or other procurement records (excel logs, paper records, etc.)	Beginner
		<b>Rate of competitive solicitations:</b> percentage of solicitations getting more than a target number of responses (2+ responses, 3+ responses, etc.)	eProcurement Software, or other procurement records (excel logs, paper records, etc.)	Beginner

# Procurement KPIs: Intermediate

Consider the Beginner KPIs, plus:

Strategy	Goal	Key Performance Indicator (KPI)	Common Data Sources	Rating
Efficient & Fair	Improve staff or vendor experiences	<b>Staff experience:</b> percentage of staff rating procurement process as efficient, transparent, or effective	Staff survey or interviews	Intermediate
		<b>Bidder or proposer experience:</b> percentage of bidders or proposers rating procurement process as efficient, transparent, fair, or accessible	Bidder or proposer survey or interviews	Intermediate
		<b>Vendor experience:</b> percentage of current or recent vendors that would recommend working with the government	Vendor survey or interviews	Intermediate
Results-Driven	Get more or better responses to solicitations	<b>New vendors:</b> number or percentage of new vendors (who have never worked with the government) that are awarded contracts each year	eProcurement Software, or Enterprise Resource Planning (ERP) Software	Intermediate
	Write Better RFPs	<b>RFP quality:</b> percentage of RFPs released that include goals and performance metrics for vendors	Manual review of RFP content	Intermediate
		<b>Vendor understanding:</b> percentage of awarded vendors who report that the RFP was clearly written and it was clear what the government was looking for	Vendor survey or interviews	Intermediate



Strategy	Goal	Key Performance Indicator (KPI)	Common Data Sources	Rating
Equitable	Increase vendor diversity	<b>Diverse vendor participation:</b> number or percentage of small, local, or diverse businesses participating in the procurement process at each stage	eProcurement Software, or Enterprise Resource Planning (ERP) Software	Intermediate
		<b>Diverse spend:</b> dollars or percentage of contracted dollars spent with small, local, or diverse businesses	eProcurement Software, or Enterprise Resource Planning (ERP) Software	Intermediate
Strategic	Build staff capacity	<b>Staff trained:</b> number or percentage of staff trained in procurement, or trained to write RFPs that will improve the results of contracted programs or services	Training logs	Intermediate
		<b>Trainers trained:</b> number of staff equipped to train others to write RFPs that will improve the results of contracted programs or services	Training logs	Intermediate



# Procurement KPIs: Advanced

Consider the Beginner and Intermediate KPIs, plus:

Strategy	Goal	Key Performance Indicator (KPI)	Common Data Sources	Rating
Efficient & Fair	Save resources	<b>Staff time saved or reallocated</b> from a process improvement	Estimate from staff interviews or survey	Advanced
		<b>Contract dollars saved or reallocated</b> through more strategic contracting practices	Enterprise Resource Planning Software, or manual calculation	Advanced
Results-Driven	Improve the outcomes of a contracted service	<b>Contract outcomes:</b> number or percentage of priority contracts that achieve or exceed the goals outlined in the RFP	Contract management records	Advanced
		<b>On-time delivery:</b> percentage of contracted goods and services delivered on time	Contract management records	Advanced
		<b>Vendor performance:</b> number or percentage of contracts with satisfactory annual vendor performance evaluations	Vendor performance evaluation system	Advanced
Equitable	Increase equity in service delivery	<b>Equity of RFP:</b> number of priority RFPs with equity incorporated into goals and metrics	Manual review of RFP content	Advanced
		<b>Equity of outcomes:</b> number of priority contracts that achieve/exceed RFP goals for equitable service delivery	Contract management records	Advanced



Strategy	Goal	Key Performance Indicator (KPI)	Common Data Sources	Rating
Strategic	Build staff capacity	<b>Staff knowledge:</b> number of percentage of staff who pass post-training knowledge tests, or who report an increased understanding of procurement best practices	Staff survey	Advanced
		<b>Job satisfaction:</b> number of percentage of staff working in purchasing or related roles reporting job satisfaction	Staff survey	Advanced
	Elevate the status of procurement	<b>Status of procurement:</b> number or percentage of staff or senior officials who value procurement as a strategic tool	Staff survey	Advanced





The **Procurement Excellence Network** is an initiative of the Government Performance Lab designed to help public sector leaders use government procurement as a tool to improve resident outcomes and advance equity. The **Government Performance Lab**, housed at the Taubman Center for State and Local Government at the Harvard Kennedy School, conducts research on how governments can improve the results they achieve for their citizens. An important part of this research model involves providing hands-on technical assistance to state and local governments. Through this involvement, we gain insights into the barriers that governments face and the solutions that can overcome these barriers. By engaging current students and recent graduates in this effort, we are able to provide experiential learning as well.

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