

SURVEY REPORT

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2012 NIGP Compensation Report

Public Procurement Compensation Series

IN COLLABORATION WITH: The Public Procurement Research Center (PPRC)

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As the foremost authority in public procurement, NIGP is unique for the wealth and depth of services offered to its members. Through premier educational and research programs, professional support and technical services, and time-saving resources, agencies reap the benefits of improved operating efficiency and expanded organizational capacity.

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Introduction

Purpose:	Understanding the developments in compensation structures within any profession is critical when constructing a strategic framework for the field's future. The significant changes in the nature of governance of the last decade have imposed additional and increasingly more complex demands on public procurement specialists. Whether these increased demands are reflected in the levels of compensation could in large part dictate the pool of talent that local and federal governments will have available in terms of selecting their workforce. The research presented here is part of the popular Public Procurement Compensation Series and investigates, from an organizational perspective, the most recent compensation levels within the profession. The two-fold purpose of this research is to offer a snap shot of the compensation benchmarks.
Conducted by:	NIGP: The Institute for Public Procurement through the Public Procurement Research Center (PPRC) at Florida Atlantic University (FAU).
	NIGP – Developing, supporting and promoting public procurement practitioners through premier educational and research programs, technical services and advocacy initiatives since 1944. With over 2,500 member agencies representing over 15,000 professionals across the United States, Canada and countries outside of North America, the Institute is international in its reach. The goal of the NIGP is simple: recognition and esteem for the government procurement profession and its dedicated practitioners.
	PPRC – Assisting the public procurement profession by providing applied research, training, education and scholarly publications since 1999. The center's purpose is to build a professional community of scholars and practitioners devoted to improved efficiency, equality and transparency in public procurement.
Survey Funded by:	NIGP and PPRC



Part One:

An Organizational Perspective



Executive Summary Part One Organizational Perspective

NIGP: The Institute for Public Procurement is pleased to offer its sixth biennial *Compensation Survey Report*. This represents a detailed, organizational level, analysis of the positions and remuneration within public procurement. For purposes of improved comparisons, the results from the most recent survey are juxtaposed with the data from previous editions.

NIGP provided its first *Compensation Survey Report* in 2003. The original study was repeated in 2005, 2007, 2009, 2011 and most recently in the last quarter of 2012. Traditionally NIGP has used two survey instruments for the purposes of benchmarking – an Agency Level Survey (presented here) and an Individual Level Survey (to appear in the second part of this report). For the first time, however, the results are presented separately. As such, part of the results will be adjusted once individual level information becomes available. This decision has been motivated by two considerations. First, it allows NIGP to provide its members with the much needed information in a timelier manner. Second, this manner of presentation provides an increased flexibility and detail in terms of the type of information being used.

The Agency Level Survey asked agency representatives to report on the number of individuals employed in a given position and their respective salaries for 2011 and 2012. The main results are categorized by positions as follows: eleven (11) public procurement positions; four (4) position types related to stores, warehouse and assets management; and two (2) support type positions. Although sufficient responses were received for most categories, in several cases the number of responses did not reach levels that would warrant broad generalizations. As a result, any large scale generalizations should be made with caution.

A total of 319 American and Canadian agencies have participated in this edition of the survey. Based on their responses three primary trends were identified. First, bonuses have not been a prevalent part of compensation in 2011 or 2012; however, in 2012 agencies were more likely to offer bonuses to their employees. Second, after an accentuated dip from 2008-2010, salaries for most positions have been experiencing a recovering trend. Outside a small number of exceptions, reported compensation levels have not reached their previous peaks. Finally, a large proportion of agencies are asking their procurement specialists to work overtime without additional pay.



Overview and Background

Knowing the trends in the position structures and compensation levels within a profession is telling and useful in several critical ways. First, such an analysis enables the profession as a whole to evaluate which positions are becoming more predominant and which are in less demand within current governance. Second, although the compensation level for a certain position is not a flawless estimator, it is an adequate indicator of the value and demand placed on the specific type of work. Third, a holistic evaluation of compensation rates within a profession allows for large scale comparisons with other closely related professions. Finally, for purposes of long term strategic marketing developments and talent nurturing within a profession, it is fairly useful to gauge the dynamics and trends within compensation levels across different positions.

The financial constraints that public sector has been operating under since 2008 have led to many public agencies suspending hiring or even reducing the number of their employees. Available data suggests that compensation levels have also been visibly affected. The results from the 2012 surveys are encouraging in the sense that they suggest compensation levels in the profession are beginning to recover across most positions after the notable recent dip.

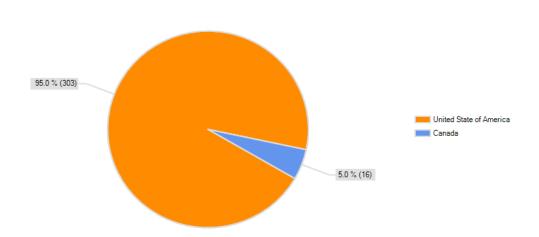


Findings and Results

General Demographics and Benchmarks

Respondents by Country

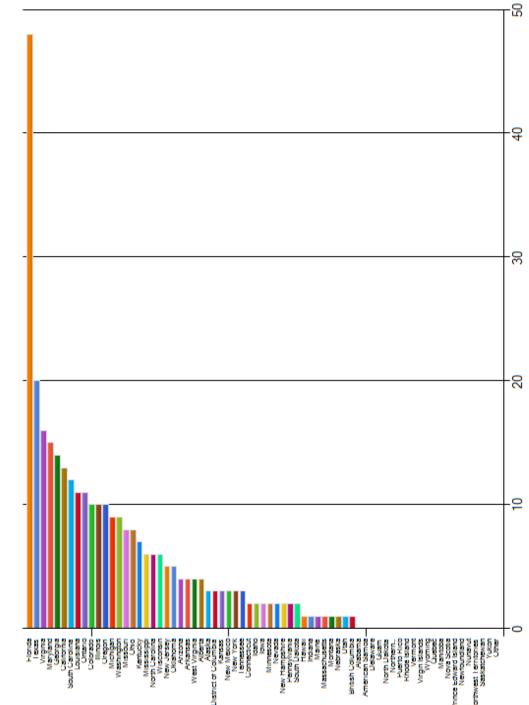
A total of 319 American and Canadian agencies have participated in the survey.





Representation by State and Region

Florida, Texas, Virginia, Maryland, Georgia, California, South Carolina, Louisiana, Ontario and Colorado each had more than 10 agencies participate in the survey. All other states and regions had 10 or fewer agencies participate in this edition of the survey.

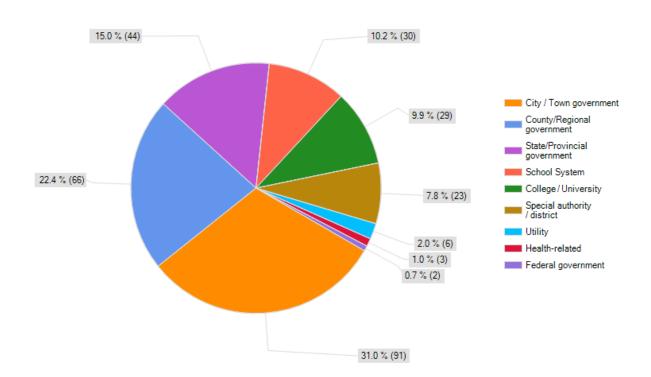


State/Province/Territory



Types of Participating Agencies

Most of the agencies that have participated in the survey represented local governments. City/town and county/regional governments make up for more than half of the respondents.



Centralization of Purchasing Authority

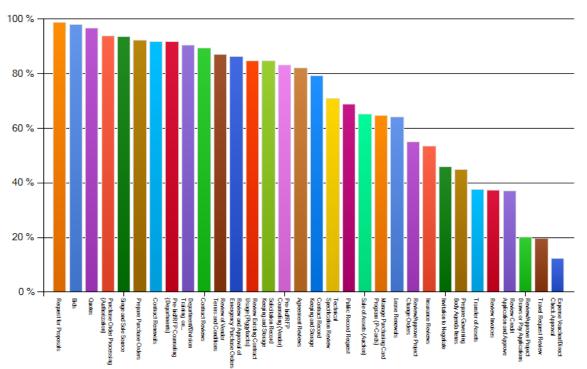
Most participating agencies reported that their purchasing authority is primarily centralized, but some purchasing authority is delegated. Depending on dollar amounts, which vary across agencies and states, the majority of public agencies delegate purchasing authority.

	Response Percent	Response Count
Purchasing is centralized but some purchasing authority is delegated based on dollar amounts	47.0%	125
Purchasing is centralized except where departments/divisions have been granted authority to purchase	18.4%	49
Purchasing function is decentralized but authorization occurs at a centralized level	13.5%	36
Purchasing is fully centralized (No delegation of authority)	9.4%	25
Purchasing function is fully decentralized and the central purchasing office's authority is to make sure that service departments/agencies comply with purchasing regulations	7.9%	21
Other	3.8%	10



Typical Functions Performed by Procurement Departments/Divisions

It is most common (reported by more than 90% of respondents) for procurement departments/divisions to oversee bids, request for proposals, quotes, single and sole source, purchase orders (prepare and process) and pre-bid/request for proposal counseling for internal customers. Handling expense vouchers/direct check approvals currently appear to be the least common function across procurement department/divisions.



Functions performed by procurement departments/divisions

Procurement Spend by Participating Agencies

The average procurement spend for participating agencies was of \$234,306,596. The minimum value was reported at \$20,000 while the maximum reported spend was \$16,000,000,000.

Capital Projects

Approximately 75% (217) of agencies indicated that they handle capital projects on regular basis.

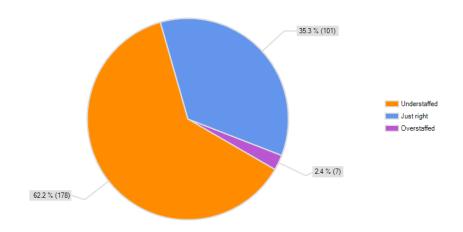
Number of Staff in Purchasing Units

The average number of staff in the purchasing unit for participating agencies is approximately 7 individuals. Many agencies indicated that there is only one individual in the purchasing unit. The largest staff number was reported at 75.



Staffing of Procurement Departments/Divisions

When asked about whether they believe that the purchasing functions were under or overstaffed, the majority of respondents believed that their procurement departments/divisions were mainly understaffed. Close to two-thirds of participating agencies have indicated that they could benefit from extra full time positions dedicated to procurement functions.



Expected Changes

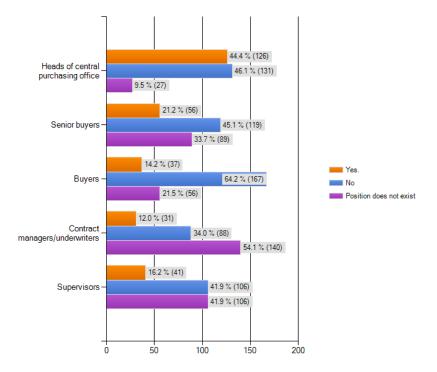
Still, regardless of what appears to be an overall sentiment of "understaffing," the majority of the respondents do not expect that there will be any changes in terms of number of full time positions dedicated to procurement. A total of 209 agencies suggested that they do not foresee any upcoming changes in terms of the number of individuals employed in procurement related positions.

Change in the number of procurement related positions in the next 12 months	Response Percent	Response Count
No. I expect no changes in the number of procurement related positions.	71.8%	209
Yes. I expect that the agency will acquire/create additional procurement related positions.	11.7%	34
Yes. I expect that the agency will reduce/consolidate the number of procurement related positions.	4.5%	13
Not sure	12.0%	35



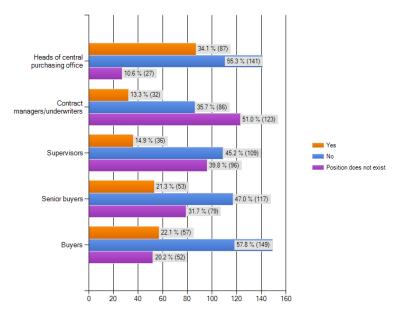
Certification Requirements AT THE TIME of Application

Outside of the heads of a central purchasing office, a relatively small percentage of agencies currently require public procurement specialists to hold a professional certification AT THE TIME of application.



Certification Requirements within a CERTAIN PERIOD of Initial Hire

In large part, the head of a central purchasing office is the position that most agencies have professional certification requirements within a CERTAIN PERIOD of employment. For other positions such requirement appears to be less common.

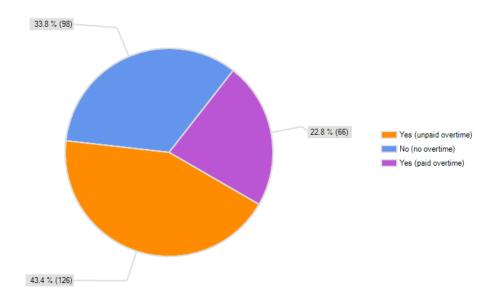




Overtime, Bonuses and Average Salaries

Overtime

Approximately two-thirds of the agencies have indicated that procurement professionals regularly work overtime (paid and unpaid).



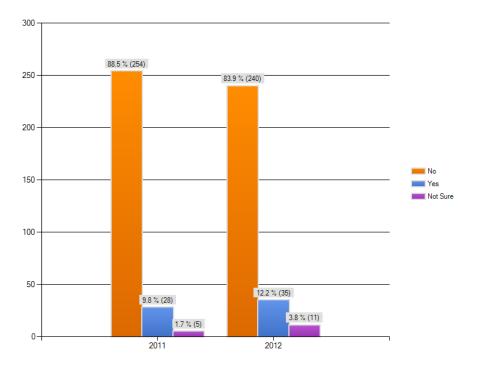
In instances when agencies indicated that they were short-staffed they were more likely to indicate that public procurement specialist work non-paid overtime. A total of 93 agencies, which suggested to be understaffed, indicated that employees regularly work unpaid overtime.

Overtime	Understaffed	Overstaffed	Just right	Response Count	Response Percent
No (no overtime)	38 (21.5%)	3 (42.9%)	54 (53.5%)	95	33.3%
Yes (paid overtime)	46 (26.0%)	1 (14.3%)	19 (18.8%)	66	23.2%
Yes (unpaid overtime)	93 (52.5%)	3 (42.9%)	28 (27.7%)	124	43.5%



Bonuses

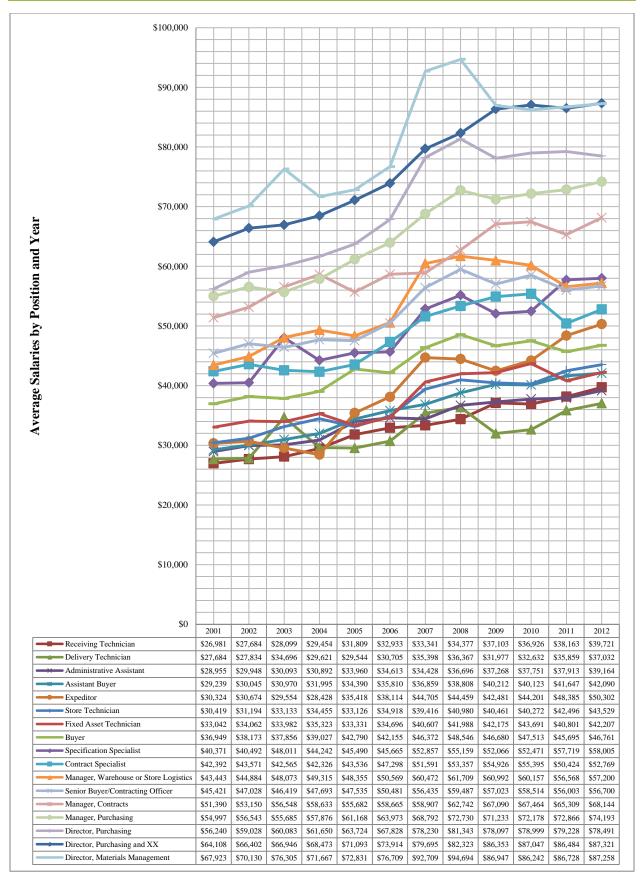
By a large margin, most agencies have not offered bonuses in 2011 and did not intend to do so for 2012. The number for agency reporting bonuses for 2012, however, is slightly higher than that for 2011.



Salaries: A Modest Rise after Decline

Data collected through previous editions of this survey indicated that there was a notable dip in average salaries across positions in the period from 2008-2009. Based on the available data for 2012, it can be deduced that most salaries, especially for lower paid procurement positions, have recovered to levels that are comparable to their pre 2008-2009 standings. However, this is not the case for all positions.







Growth Rates in Average Reported Salaries

The overall dip in compensation during the period of 2008-2009 was accompanied by a similar decrease in annual growth rates. Although the 2012 growth rates are not comparable to pre 2008-2009 levels, they are sufficiently close to those observed in 2002.

Position	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Receiving Technician	2.61%	1.50%	4.82%	8.00%	3.53%	1.24%	3.11%	7.93%	-0.48%	3.35%	4.08%
Delivery Technician	0.54%	24.65%	-14.63%	-0.26%	3.93%	15.28%	2.74%	-12.07%	2.05%	9.89%	3.27%
Administrative Assistant	3.43%	0.48%	2.66%	9.93%	1.92%	-0.53%	6.59%	1.56%	1.30%	0.43%	3.30%
Assistant Buyer	2.76%	3.08%	3.31%	7.49%	4.13%	2.93%	5.29%	3.62%	-0.22%	3.80%	1.06%
Expeditor	1.15%	-3.65%	-3.81%	24.59%	7.61%	17.29%	-0.55%	-4.45%	4.05%	9.47%	3.96%
Store Technician	2.55%	6.22%	3.99%	-3.86%	5.41%	12.88%	3.97%	-1.27%	-0.47%	5.52%	2.43%
Fixed Asset Technician	3.09%	-0.23%	3.95%	-5.64%	4.10%	17.04%	3.40%	0.45%	3.59%	-6.61%	3.45%
Buyer	3.31%	-0.83%	3.09%	9.64%	-1.48%	10.00%	4.69%	-3.84%	1.78%	-3.83%	2.33%
Specification Specialists	0.30%	18.57%	-7.85%	2.82%	0.38%	15.75%	4.36%	-5.61%	0.78%	10.00%	0.50%
Contract Specialist	2.78%	-2.31%	-0.56%	2.86%	8.64%	9.08%	3.42%	2.94%	0.85%	-8.97%	4.65%
Manager, Warehouse or Store Logistics	3.32%	7.10%	2.58%	-1.95%	4.58%	19.58%	2.05%	-1.16%	-1.37%	-5.97%	1.12%
Senior Buyer/Contracting Officer	3.54%	-1.29%	2.74%	-0.33%	6.20%	11.79%	5.41%	-4.14%	2.61%	-4.29%	1.24%
Manager, Contracts	3.42%	6.39%	3.69%	-5.03%	5.36%	0.41%	6.51%	6.93%	0.56%	-3.19%	4.34%
Manager, Purchasing	2.81%	-1.52%	3.93%	5.69%	4.59%	7.53%	5.72%	-2.06%	1.33%	0.95%	1.82%
Director, Purchasing	4.96%	1.79%	2.61%	3.36%	6.44%	15.34%	3.98%	-3.99%	1.15%	0.29%	-0.93%
Director, Purchasing and XX	3.58%	0.82%	2.28%	3.83%	3.97%	7.82%	3.30%	4.90%	0.80%	-0.65%	0.97%
Director, Materials Management	3.25%	8.81%	-6.08%	1.62%	5.32%	20.86%	2.14%	-8.18%	-0.81%	0.56%	0.61%
Averages in Growth Rates	2.79%	4.09%	0.40%	3.69%	4.39%	10.84%	3.89%	-1.09%	1.03%	0.63%	2.25%



Conclusion Part One Organizational Perspective

Similar to the case of other professions, the economic recession and budget constraints might have affected the compensation in the field. The data collected in this research suggests, however, that the compensation levels for most positions is recovering and settling at levels close to pre 2008-2009 period.

Due to the number of responses, any generalization and decision using the data provided here should be made with caution and by cross-supplementing with extant data from other NIGP resources. Although the information presented here is a valuable and adequate estimator of compensation levels in the field, it should be understood that there is also much variety that this data might not capture. Data triangulation should be used when important compensation or benchmarking decisions are undertaken.



Appendix: Method

Survey method:	SurveyMonkey.com on-line survey
Target group:	Public sector agencies in the NIGP database
Email invitations sent:	2,259 on November 19, 2012
Reminder sent:	December 5, December 31 and January 14
Survey closed:	January 21, 2013
Number of responses:	319(257 complete)



Part Two:

An Individual Perspective



Executive Summary Part Two Individual Perspective

This report represents a detailed analysis of the positions and remuneration within public procurement on the individual level. NIGP provided its first Compensation Survey Report in 2003. The original study was repeated in 2005, 2007, 2009, 2011 and most recently in the last quarter of 2012. Traditionally NIGP has used two survey instruments for the purposes of benchmarking - an Agency Level Survey (presented elsewhere) and an Individual Level Survey (presented here). For the first time, however, the results are discussed separately.

The Individual Level Survey asked public procurement specialists to report on their positions and their respective salaries for 2011 and 2012. The main results are broken down by position and year. Although sufficient responses were received for most categories, in several cases the number of responses did not reach levels that would warrant broad generalizations. As a result, any large scale conclusions should be made with caution.

A total of 305 American and Canadian public procurement specialists have participated in this edition of the survey. Based on their responses several primary trends have been identified. First, bonuses have not been a prevalent part of compensation in 2011 or 2012. In fact only 20 individuals reported receiving a bonus in 2011, and only 27 individuals reported bonuses for 2012. Second, modest pay raises can be noted in most positions. Finally, the majority of procurement professionals benefit from some form of employer provided program.



Overview and Background

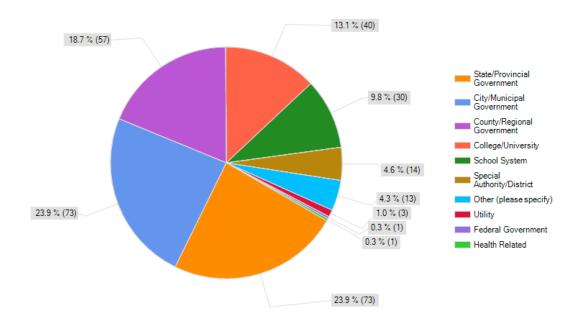
Knowing the trends in the position structures and compensation levels within a profession is telling and useful in several critical ways. First, such an analysis enables the profession as a whole to evaluate which positions are becoming more predominant and which are in less demand within current governance. Second, although the compensation level for a certain position is not a flawless estimator, it is a rather adequate indicator of the value and demand placed on the specific type of work. Third, a holistic evaluation of compensation rates within a profession allows for large scale comparisons with other closely related professions. Finally, for purposes of long term strategic marketing developments and talent nurturing within a profession, it is fairly useful to gauge the dynamics and trends within compensation levels across different positions.



Findings and Results

Respondents by Agency

A total of 305 individuals participated in the survey. Most of them were employed by city/municipal (23.9%) or state/provincial (23.9%) governments.



Respondents by Country

Overall, 94% of respondents were American, while the remaining 6% were Canadian professionals.

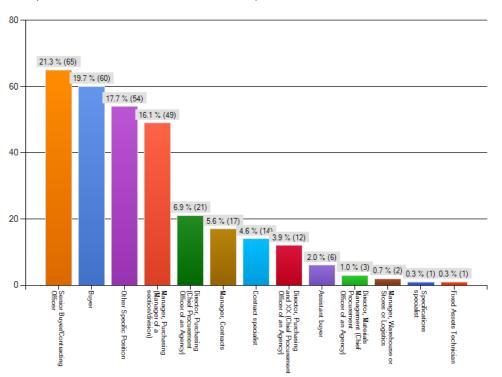
Respondents by Gender

The majority of the respondents were women (62%).



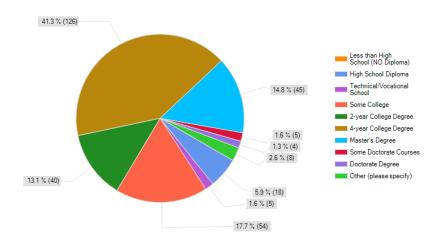
Respondents by Position

Over 40% of the respondents were employed either as a Senior Buyer/Contracting Officer (21.3%) or as a Buyer (19.7%). None of the respondents were employed as a Specifications Specialist, Stores Technician, Receiving Technician, Delivery Technician, Fixed Assets Technician, Expediter or Administrative Assistant.



Respondents' Education

More than 55% of the procurement specialists hold either a 4-year college degree or a Master's degree.





Number of Years in Public Procurement and Workforce

On average, those who have responded to the survey have over 15 years of experience in public procurement with more than 29 years of work experience.

Position	Average Number of Years in Public Procurement	Average Number of Years in the Workforce	Average Number of Employees Under Supervision	Total Number of Responses
Assistant Buyer	14.33	27.66	0	6
Buyer	12.58	26.05	0.28	60
Contract Specialist	10.71	24	0.14	14
Director, Materials Management	23.66	30.33	19	3
Director, Purchasing	19.76	31.9	12	21
Director, Purchasing and XX	19	29.08	15.08	12
Manager, Contracts	13.11	27.7	2.94	17
Manager, Purchasing	18.04	34.51	6.73	49
Senior Buyer/Contracting Officer	17.18	29.55	0.98	65

2011 & 2012 Annual Salaries and Bonuses

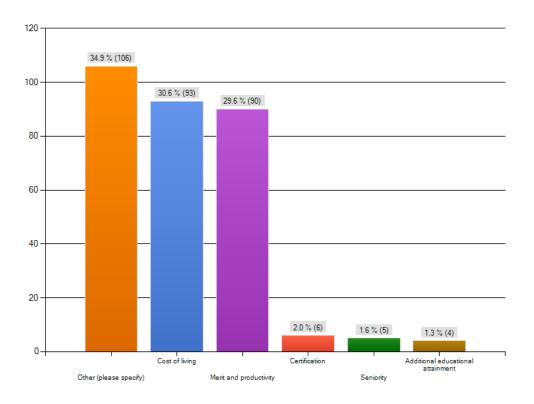
The salaries for all reported positions increased from 2011 to 2012.

Position	2011 Average Salary	2012 Average Salary	Percentage Increase	Total Number of Responses
Assistant Buyer	47,346	48,825	3.12%	6
Buyer	44,927	46,095	2.60%	60
Contract Specialist	55,318	58,163	5.14%	14
Director, Materials Management	102,000	105,333	3.27%	3
Director, Purchasing	77,371	79,843	3.19%	21
Director, Purchasing and XX	96,627	101,181	4.71%	12
Manager, Contracts	69,786	72,978	4.58%	17
Manager, Purchasing	67,870	70,573	3.98%	49
Senior Buyer/Contracting Officer	55,175	56,859	3.05%	65



Determinants of Annual Pay Raises

The responses indicated that there is no one dominant determinant of pay raises within the field. Promotion, bargained salary increases, cost of living and merit or productivity – all appear to be common determinants of pay raises.



Satisfaction with Current Salary

A total of 38.6% of respondents indicated that they were either very or somewhat dissatisfied with their current salaries; 16.5% suggested that they are neither satisfied nor dissatisfied; while 44.9% suggested that they are either satisfied or very satisfied with their pay.

Employer Provided Programs

Most employers provide a number of programs from which employees can chose.

Employer Program	Provided by Employer	Not Provided by Employer	Not Sure
Retirement Program	93.3%	6.0%	0.7%
Health Insurance	95.8%	3.8%	1.0%
Dental Insurance	90.3%	8.7%	1.0%
Disability Insurance	72.9%	23.1%	4.0%
Life Insurance	83.3%	13.7%	3.0%





Conclusions

The data captured through this survey provides some encouraging signs in terms of the compensation in the field. For those positions for which sufficient responses were received, it can be argued that salaries have at a minimum kept up with inflation levels.

Due to number of responses, any generalization and decision using the data provided here should be made with caution and by cross-supplementing with extant data from other NIGP resources. Although the information presented here is a valuable and adequate estimator of compensation levels in the field, it should be understood that there is also much variety that this data might not capture. Data triangulation should be used when important compensation or benchmarking decisions are undertaken.



Appendix: Method

Survey method:
Target group:
Email invitations sent:
Reminder sent:
Survey closed:
Number of responses:

SurveyMonkey.com on-line survey Public sector agencies in the NIGP database 2,771 on April 2, 2013 April 22 and May 6, 2013 May 28, 2013 305(276complete)



Acknowledgements

The PPRC and NIGP wish to acknowledge the procurement professionals who contributed their responses to this survey and without whom this research could not be conducted.