

## Resolution 1027

### RESOLUTION ON STRATEGIC SOURCING IN PUBLIC PROCUREMENT

**Whereas**, the combined expenditures of federal, state and local governments exceed \$700 billion on goods and services each year;

**Whereas**, procurement agencies are responsible for maximizing the value of each tax dollar spent to the maximum extent practicable through tailored sourcing strategies designed to provide the taxpayer with best value;

**Whereas**, Strategic sourcing is the *collaborative* and *structured* process of critically analyzing an organization's spend to make decisions about strategies to acquire commodities and services more effectively and efficiently;

**Whereas**, strategic sourcing aids agencies in optimizing performance, minimizing cost, maximizing achievement of socio-economic goals, evaluating total life cycle costs, and otherwise increasing the value of each dollar spent;

**Whereas**, spend and gap analysis are tools that allow the development of a comprehensive strategic sourcing plan;

**Whereas**, procurement professionals are uniquely positioned within their agencies to facilitate and encourage the use strategic sourcing;

**BE IT THEREFORE RESOLVED**, that the Board of Directors of the National Institute of Governmental Purchasing, Inc. (NIGP) endorses the following guiding principles as standard practice in the management of the purchasing and contracting function at all levels of government:

- At the beginning of each fiscal year, the Chief Procurement Officer in collaboration with head of the end user agency for each entity is encouraged to establish a strategic sourcing plan.
- The Chief Procurement Officer in collaboration with the head of the end user agency is encouraged to develop a system of measures, perform measurements and provide for feedback on the execution of the strategic sourcing plan.
- The Chief Procurement Officer is expected to communicate with the head of the end user's agency, reductions in the prices of goods and services, reductions in the cost of doing business and improvements in performance resulting from the execution of the strategic sourcing plan.

I certify that the above resolution was adopted by the Board of Directors of the National Institute of Governmental Purchasing, Inc. at its official meeting on the 21st day of October, 2006.

Rick Grimm, CPPO, CPPB  
Chief Executive Officer and Secretary

