

With the NIGP Code, it is easier to...



Organize and identify suppliers' products and services



Create a system of measures, perform comprehensive measurements and provide feedback on the execution of your strategic sourcing plan



Retrieve the information needed to satisfy auditing, reporting and legal discovery requirements



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Manage suppliers to ensure adequate competition

Track spending to measure against diversity goals and identify areas that would benefit from increased recruitment of disadvantaged business entities

Conduct a quick, in-depth analysis of spend to inform sourcing strategies and improve buying efficiency

A Better Way to Classify Commodities an Services in Public Procurement

The NIGP Commodity/Services Code is the standard taxonomy for classifying commodities and services in the public sector. It is commonly used to classify suppliers and track data for strategic sourcing and spend analysis.

"The NIGP Coding system allows us to improve our inventory process, and that is a critical component to materials management." — Calvin Wells, Purchasing Agent, City of Houston

Did You Know?

The NIGP Code can also be cross-walked to other coding systems such as the Merchant Classification Code (MCC), United Nations Standard Products and Services Code (UNSPSC) and North American Industry Classification System (NAICS)

What You Gain With NIGP Code

The NIGP Code services team will help you unlock key information about purchasing, materials management and supplier management. Services include existing classification review, coding, code usage reviews, inventory rationalization, "crosswalk" implementation, spend analysis, and project management.

Tools to Assist With Your Procurement Transformation

Supplier Management

- Comprehensive supplier organization tools
- Supplier availability/recruitment
- Supplier competition and diversification

Requisition

- Consolidation of requisitions
- Workflow facilitation based on commodity
- Standardized product/service descriptions

Sourcing

- Supplier identification, price evaluation and control
- Competitive bidding through spend rollup at item level
- Consistent sourcing with standardized descriptions

PO/Contract Management

- Volume discount recognition through PO consolidation
- Commodity/service-based workflow
- Purchasing controls with commodity code organization

Spend Analysis

- Automatic spend tracking by commodity/service code
- Cross-indexing of spend data against supplier categories or MBE/WBE classifications
- "Green" spend tracking

Content Management

- Simplified catalog searching
- Simplified product/service comparisons across catalogs

Inventory

- Standardized product numbering and descriptions
- Supplier-independent item numbers
- Elimination of product duplication

NIGP Code Structure

- 227 Commodity and 55 Service Classes totaling 282 Classes
- Generate periodic expenditure history by department for fiscal planning, budget execution and accounting
- 9,138+ descriptions
- Automate bidder selection
- Produce no-bid response reports, supplier performance reports, and minority business and HUB reports.
- Capture purchase history



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Expert Tip:

Coupling the NIGP Commodity/Services Code with the right eProcurement solution will help you achieve the highest levels of order and efficiency across every one of your procurement processes.