

NIGP Consulting Services

Centralizing procurement and improving productivity for the Raleigh-Durham Airport Authority

RESULTS: **STREAMLINED** processes by establishing central Procurement Department ■ **IMPROVED** procurement cycle time with heightened approval levels ■ **GENERATED** cost savings by implementing spend analysis tools ■ **ENHANCED** transparency through effective contract management capabilities ■ **INCREASED** productivity through organizational restructuring ■ **ADVANCED** procurement knowledge and certifications of Authority staff ■ **ADDED** value by reinstating updated policies and procedures



- An excessive number of suppliers had similar needs to be met.
- Contract administrators did not fully understand the procurement process and had too much responsibility over it compared to organizations following best practices.
- Procurement and Contract Administration personnel did not receive the proper training and credentials needed to effectively manage high-dollar, high-risk acquisitions.
- RDU fell short in spend analysis reporting capabilities and both knowledge and usage of cooperative and blanket purchasing agreements, which led to lost opportunities for supplier consolidation and savings on operating costs.

SOLUTIONS

- A team of three NIGP consultants gathered abundant feedback from approximately 50 personnel via interviews, small focus groups, and production of data to review. Key areas included in the scope of the project were: Business Process; Organizational Structure and Staffing; Policies, Procedures, and Practices; Source Documents; and, Staff Development.
- All purchasing functions were integrated into a single, concise Procurement Department.
- A purchasing card ("P-card") program was implemented to manage the volume and totals of all spend transactions.
- Organizational restructuring was conducted to manage procurement, which entailed hiring a Procurement Department Manager and assigning a Purchasing Officer for the "volume" business, a Contracting Officer for the "complex" business, and a Procurement Associate for support and management of the P-card program.
- The competitive procurement processes were redesigned based on contract value.
- Purchasing approval levels were increased across all organizational levels and widely communicated.
- Updated policies and procedures manuals were drafted.
- In-depth training was provided for both new and existing Procurement and Contract Administration personnel and vendors on the new policies and procedures, tools, and capabilities.

"The NIGP consultants did an excellent job of analyzing our particular situation and making clear, actionable recommendations for change. NIGP provided a 'desired state' blueprint of the future in the areas of organization/staffing, training, process, policy and procedural change that we are executing on and continue to implement successfully."

— Joe Styres
Deputy Director of Finance, Business & Administration
Raleigh-Durham Airport Authority

PROBLEMS

- The procurement process at the Raleigh-Durham Airport Authority (RDU) was deeply fragmented with purchasing functions disbursed along multiple routes across multiple departments.
- An overwhelming number of approvers and purchase order requestors and a lack of delegation of authority for purchase approvals caused an unnecessary portion of staff involved in high-volume activities and misunderstanding by employees, which made for an overall sluggish procurement cycle.
- RDU did not have standardized RFP and contract templates or a centralized repository for storing solicitations and contracts, resulting in overlooked automatic contract renewal terms.
- There was a staggering amount of small-dollar purchases with 80% of all transactions totaling less than \$1,000 each.