

# Department of Administrative Services



Market Research

# Agenda

- 01** Oregon Forward & Market Research
- 02** Why Market Research?
- 03** Market Research Tools
- 04** Specifications
- 05** What does Market Research look like?



# Oregon Forward and Market Research



# Oregon Forward & Statewide Price Agreements



## Buy Decision Priority


Agencies must consider Oregon Forward Contractors as part of the Buy Decision before going out to the open market

OAR 125-247-0200

### **ORS 190 Agreement**

(IAA/IGA/ISA may be used at any point in this process.)

OAR 125-246-0365

Priority Order		Reason for not selecting
1	<b>Surplus Property</b> ORS 279A.250, OAR 125-050-0100	
2	 <b>Oregon Forward (FKA QRF)</b> ORS 279.835-855, OAR 125-055-0005 - 0045	
3	<b>Inmate Labor</b> Oregon Constitution, Article I, Section 41 (11)	
4	<b>Statewide Price Agreements</b> ORS 279A.140, OAR 125-247-0296	
<i>If steps 1-4 of the Buy Decision do not yield results, proceed to step 5.</i>		
5	<b>Open Market</b> ORS 200.035, OAR 125-247-0200(4), 246 & 247	

# How to Process Oregon Forward Procurements



- Agencies must make their Buy Decision in the priority order specified in administrative rule (OAR 125-247-0200).
- The Oregon Forward Program is the second priority source, and an agency may not elect to procure through a lower priority source, unless it is determined that the procurement need cannot be met due to factors such as inability to meet quantity, quality or delivery.
- Agencies may not develop overly restrictive specifications in an effort to avoid use of OFC products and services.





## Buy Decision Priority Checklist (OAR125-247-0200(1)(2))

Refer to OAR 125-247-0200 for complete Buy Decision requirements or visit the [Oregon Procurement Manual](#) for guidance. Use this checklist to document the agency decision and justification in the procurement file.

☐ **ORS 190 Agreement**  
[ORS 190 Agreements](#)  
IAA/IGA/ISA may be used at any point in this process.  
OAR125-246-0365

Priority order	Reason for not selecting
<input type="checkbox"/> <b>1. Surplus Property</b> <a href="#">Surplus</a> ORS279A.250 OAR125-050-0100	
<input type="checkbox"/> <b>2. Oregon Forward Program</b> <a href="#">Oregon Forward</a> ORS279.835-855 OAR125-055-0005 — 0045	
<input type="checkbox"/> <b>3. Adults in Custody (Inmate Labor)</b> <a href="#">Oregon Corrections Enterprises</a> Oregon Constitution, Article I, Section 41(11), Inmate work shall be used as much as possible...	
<input type="checkbox"/> <b>4. DAS Statewide Price Agreements</b> <a href="#">OregonBuy</a> ORS279A.140 OAR125-247-0296	
<i>If steps 1-4 of the Buy Decision do not yield results, proceed to step 5.</i>	
<input type="checkbox"/> <b>5. Open market</b> ORS200.035, OAR125-247-0200(4), 246 & 247	

Note: The Buy Decision priority checklist outlines the priority order set forth in OAR 125-247-0200(2)(a)-(d). If a higher priority source satisfies a procurement need, and law requires the use of that source, the agency must procure through that higher priority source and may not elect to procure through a lower priority source.

Agency Name:	Buyer Name:	
Item/Services Needed:	Amount:	Start Date:
Selected Process:	Reason/Justification:	



# Oregon Procurement Manual

## Department of Administrative Services

Home > Oregon Procurement Manual > Oregon Forward (formerly QRF)

### Procurement of Products

Process	Description
Check availability	Visit the DAS Oregon Forward website and search the OFC Program Procurement List to locate the product.
Verify specification: quantity, quality, delivery	<p>1. Is the product available through a listed OFC?</p> <p>a. If yes, send the specification to the OFC to verify the product meets agency specifications. <b>Note:</b> Review established OFC price agreements in ORPIN. If a OFC price agreement isn't established, contact the OFC for pricing.</p> <p>b. If no, the agency should assess <a href="#">Buy Decision priority 3 - Inmate labor</a>.</p>
Evaluate responses	<p>1. Is the OFC responsive to the procurement need?</p> <p>a. If yes, evaluate the non-profit agency for compliance with local ordinances and wage, benefit, and services criteria, and select the OFC accordingly.</p> <p>b. If no, the agency should assess <a href="#">Buy Decision priority 3 - Inmate labor</a>.</p>
Conduct legal review of contracts over \$250,000	If contract value exceeds \$250,000, the agency must submit the final negotiated contract to the Attorney General for required legal sufficiency review.



# Oregon Procurement Manual

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### Procurement of Services

Process	Description
Check availability	Visit the <a href="#">DAS Oregon Forward website</a> and search the OFC Program Procurement List to locate availability of the service in the applicable county.
Verify specification: quantity, quality, delivery	<ol style="list-style-type: none"><li>1. Is the service available through a listed OFC?<ol style="list-style-type: none"><li>a. If yes, is there an existing statewide price agreement that can be purchased from directly? Otherwise, send the Statement of Work (SOW) to one or more OFCs to verify that the provided service meets the agency's specifications and obtain quotes for the service.</li><li>b. If no, the agency should assess <a href="#">Buy Decision priority 3 - Inmate labor</a>.</li></ol></li></ol>
Prepare response (OFC)	<ol style="list-style-type: none"><li>1. In certain cases, the agency may invite one or more OFCs to a site visit to review the SOW and allow them to assess the area where the service is to be provided.</li></ol>
	<ol style="list-style-type: none"><li>2. In its response to the SOW, the OFC will provide a cost workbook outlining the costs associated with providing the needed service.</li></ol>





Evaluate responses

1. The Oregon Forward Program reviews the responses to:
  - a. Verify the OFC is qualified for the service and that they are in good standing.
  - b. Review and approve the SOW or specifications, the costing workbook, and any additional information such as square feet of the area to be serviced, delivery requirements, and any other useful information to determine the cost of providing the service.
2. Are responses consistent with requirements of the Oregon Forward Program?
  - a. If yes, the agency proceeds to evaluate and select a preferred provider if more than one. **Note:** if the initial price of the OFC response exceeds its budget estimate, an agency is expected to make a good faith effort to give the OFC a chance to negotiate with the agency on the price of the service.  
An agency should coordinate with the OFC Program to assist in the evaluation of OFC capabilities relative to agency requirements if questions arise.
  - b. If no, agency to assess [Buy Decision priority 3 - Inmate labor](#).

Conduct legal review of contracts over \$250,000

If the contract value exceeds \$250,000, the agency must submit the final negotiated contract to the Attorney General for required legal sufficiency review.

# Working with OFCs



- If an agency requires a product or service not currently included on the Oregon Forward Program Procurement List, it may conduct due diligence with the OFC to determine its ability to satisfy this requirement.
- If so, the Oregon Forward Program must verify that the OFC is qualified to provide the requested product or service and that it is in good standing.
- Additionally, the OFC is required to file information to demonstrate their suitability for providing a particular product or service.
- The Program will also review and approve the cost workbook submitted.
- While this may add time to an agency's procurement, future procurements for this particular product or service will be expedited as a result of the investment in expanding the OFC products and services market.
- The legislature intends for close cooperation between the Oregon Forward Program, agencies, OFCs, and people with disabilities to efficiently realize the objectives of the Program.

# Negotiating with OFCs

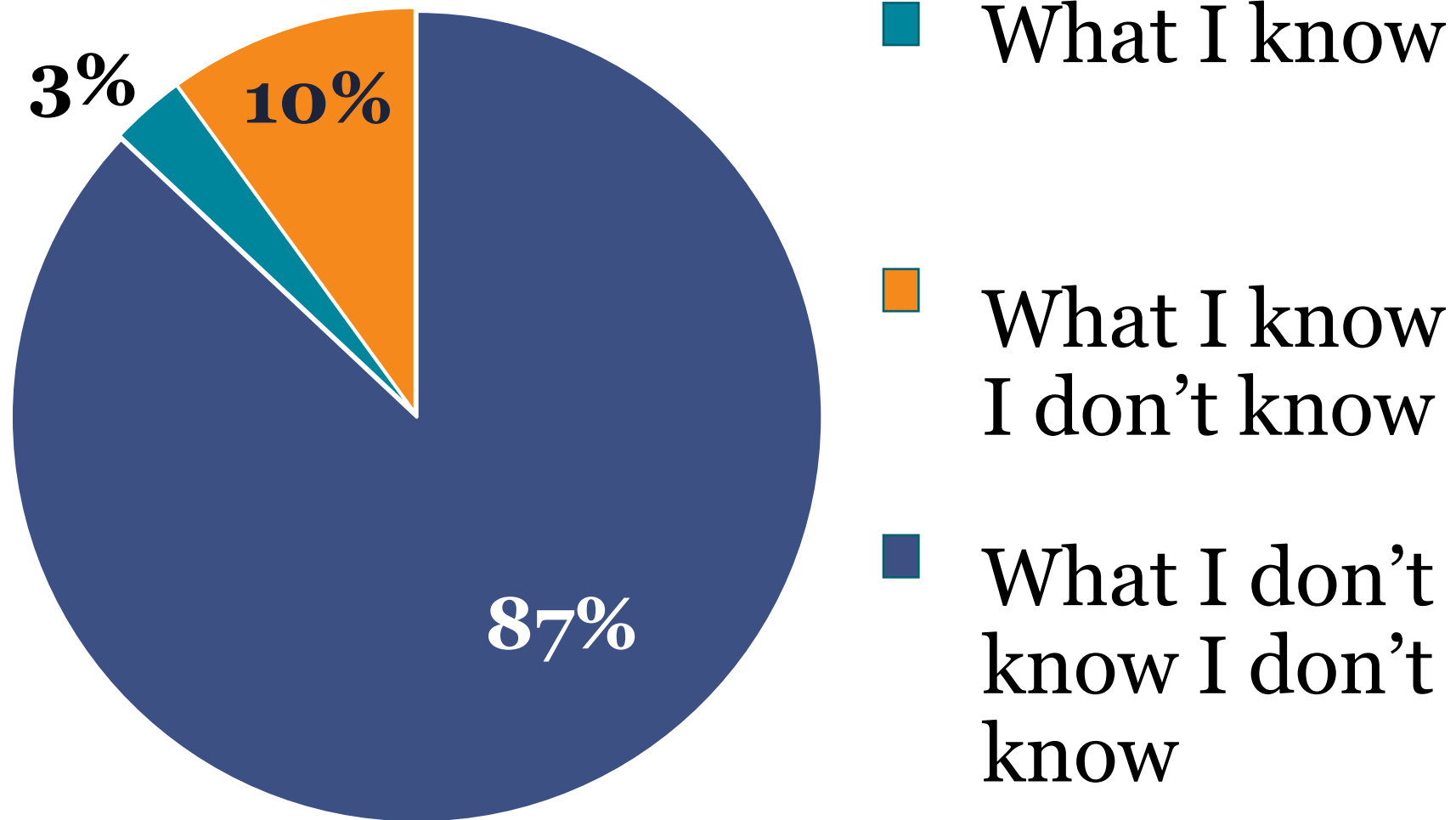


- If the initial price of the OFC response exceeds an agency's budget estimate, it should make a good faith effort to give the ofc a chance to negotiate on the price of the product or service.
- The OFC could have a misunderstanding about an agency's requirements or might have made a mistake somewhere in their price calculation.
- It could also be that the agency specifications exceed the allotted procurement project budget.
- When the agency and OFC have reached a negotiated agreement on price, the OFC and the agency must submit that price to DAS on an approved form for final determination.
- Note: DAS may be invited by either the agency or the OFC to facilitate any negotiations.

Why  
Market  
Research?



# All of the knowledge in the world.....







## Statute...

**ORS 279A.015 Policy.** It is the policy of the State of Oregon, ... that a sound and responsive public contracting system should:

- (1) ... have practices that reflect **marketplace and industry standards**
- (2) ... instill public confidence
- (3) ...promote efficient use of state and local government resources
- (5) ...Allow impartial and open competition ...by evaluation of performance factors and other aspects of service and product quality, as well as pricing, in arriving at best value.

2

because it aids in...

- ✓ Developing the solicitation document (scope, specs)
- ✓ Understanding price/cost structure and other associated costs.
- ✓ Leveraging suppliers – negotiations
- ✓ Identifying expenditure patterns to recognize cost savings.
- ✓ Determining source selection method
- ✓ Identifying alternative solutions
- ✓ Recognizing market volatility and recommended timeframes
- ✓ Decisions on contract type

# Some questions can't be addressed without Market Research

## Sample questions: See Market Research Sample Questions

What can I expect to pay?

Are there alternatives to open market?

What's the best sourcing method for this?

What's the best contract type for this?

Who are some of my potential suppliers?

How can I achieve sustainability or socioeconomic priorities in this procurement?

What specifications should I include? (Product, Vendor Quals, Timing, Delivery)

What risks should be considered?

What industry trends/emerging technologies should I be aware of?

What are the end user needs/expectations?

Are there any rules/regulations/standards I should be aware of?

Job Aid:  
Market  
Research  
Sample  
Questions





## “Defining the Need”

Templates may assist. Ask the requestor to justify the ask and provide some basic information.

Inquire about frequency of procurement

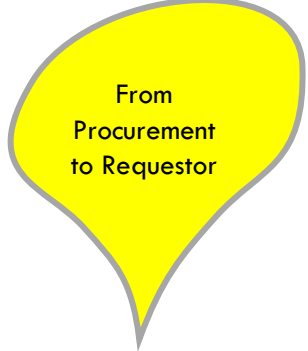
- 1 time purchase
- Long term contract?

Are there any known suppliers?

What market research have they already done?

Are there opportunities for cost savings with this procurement?

Are there any patterns for past expenditures?



From  
Procurement  
to Requestor



## Start with what is already known about the product or service

- ✓ What is its usage, and the agency needs?
- ✓ Is this a new product or service the agency is needing?
- ✓ Why is it needed?
- ✓ Has it ever been done in an agency before?

Usage Study  
Job Aid

## Investigate the critical business need:

- ✓ Define what the critical business need is.
- ✓ Does it align with agency or management direction?
- ✓ Will the proposed solution actually work?
- ✓ Does a solution already exist?

## Manage Expectations

- ✓ What are the absolute must haves?
- ✓ What would be nice to have?
- ✓ What can be done without?





# Additional pointers for Defining Need

1. Verify that Budgetary resources are available.
2. Verify that the procurement is absolutely **necessary**
3. Does the decision to purchase demonstrate prudent political and fiscal stewardship of public resources?
4. Work with a team for complex procurements
5. Invest in a strong working relationship with the requestor/client.

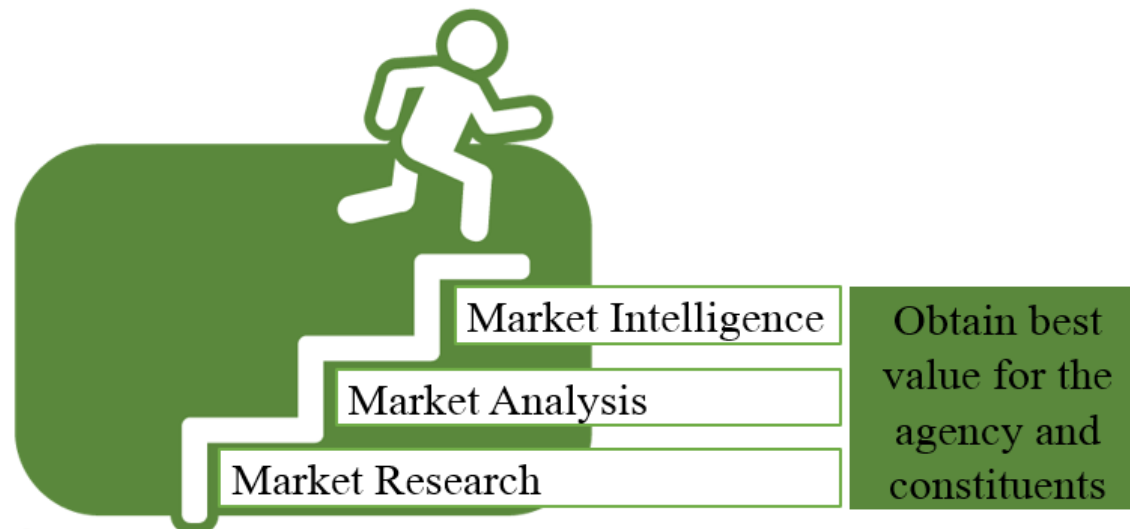
Job Aid:  
Working  
with  
Procurement  
Teams



# Market Research Tools



No matter where you are in the procurement process, there is an easy market research tool to help you in your quest for best value.



# Use varied Market Research Strategies to find answers



Catalogs

Research Providers-Gartner, ProcurementIQ

Thomas.net

Product/service literature

Usage studies

Trade magazines

Internal database

Consumer ratings

eProcurement – to find suppliers

Pre-solicitation conferences

Price agreements

State transparency web-site

Existing purchasing consortiums

Manufacturer spec sheets

Trade shows/conferences/symposia

General Service

SMEs

Bureau of Labor and Statistics CPI  
and PPI data. [www.bls.gov/data](http://www.bls.gov/data)

Vendor/customer site visits

Other agencies –  
what were their “lessons learned”

Secretary of State Audit Reports

Google – Reviews, Ratings,  
Experience

Industry Associations



Your  
procurement  
tools



# Specifications

In Oregon, statute defines a specification as...

“any description of the physical or functional characteristics of, or of the nature of, goods or services to be procured by a contracting agency. “Specification” may include a description of any requirement for inspecting, testing or preparing goods or services for delivery.”

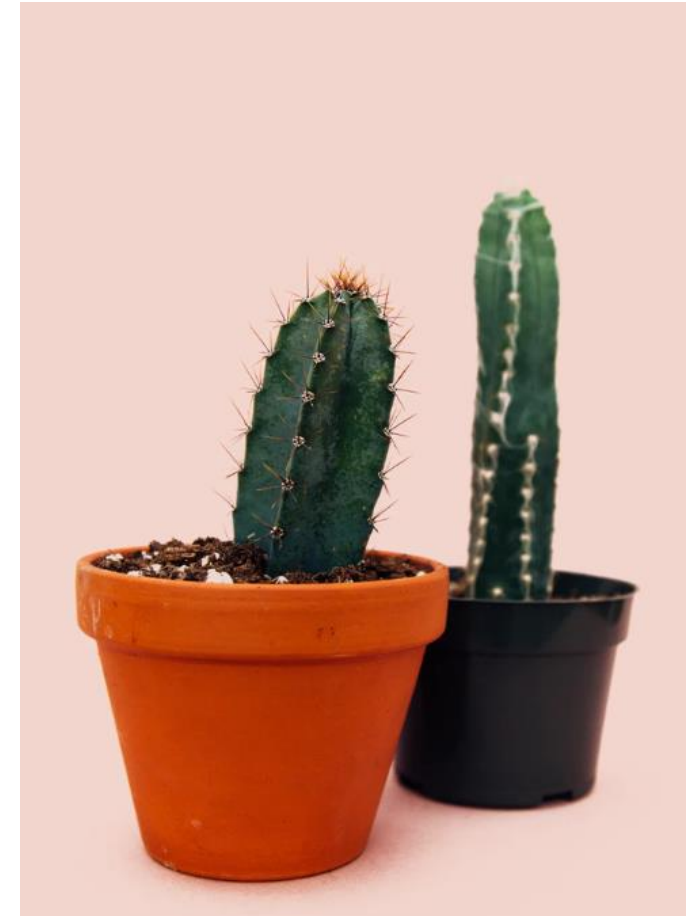
(ORS.279B)

Verify your specs through market research

Did you include 3 kinds of specs?

- Performance/ Function
- Design Specification
- Brand Name/Equal

And do your specs meet Quality specs, Industry Standards, Government Standards, and Agency needs?





# Specifications

Industry Standards (Differ by good/service)

Example: Excavator

US Department of Labor Occupational Safety and Health (CFR 26)

<https://www.osha.gov/laws-regs/regulations/standardnumber/1926>

Example: Tires (Uniform Tire Quality Grading Standards)

## Quality Specs

NIGP  
NAICS  
Commodity  
Codes

Find  
suppliers  
who can  
assist with  
specs

Borrow  
some specs  
from e  
Procurement

Utilize  
vendor  
published  
materials  
(Marketing  
collateral)



## STRATEGY:

## Use Vendor Published Materials



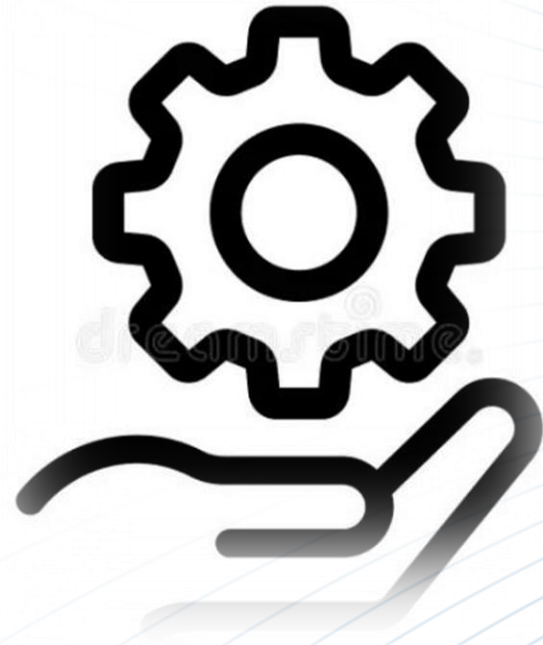
### What to do with the materials:

Don't focus on the “sparkly” marketing collateral

Focus on specifications that come from your internal needs.

Use their technical specifications to help you write your solicitation document and consider things that you or your team may not have thought about.

What does  
Market  
Research look  
like?



# What does it look like?





A woman with dark curly hair and glasses is sitting at a desk, talking on a black smartphone. She is wearing a dark blazer over a white top and a silver watch. A laptop is visible in the foreground. The background shows a window with a grid pattern and some indoor plants.

To another public entity: Can you tell me how your agency/state procured this previously?

Can I get a Usage Report.

I'm needing some more detail about this procurement request. Can you tell me ....





Network through Association  
listserves

What is the cost on Amazon?

Subscribe to trade magazines.

Have we procured this previously?

Can I see a sample RFP?

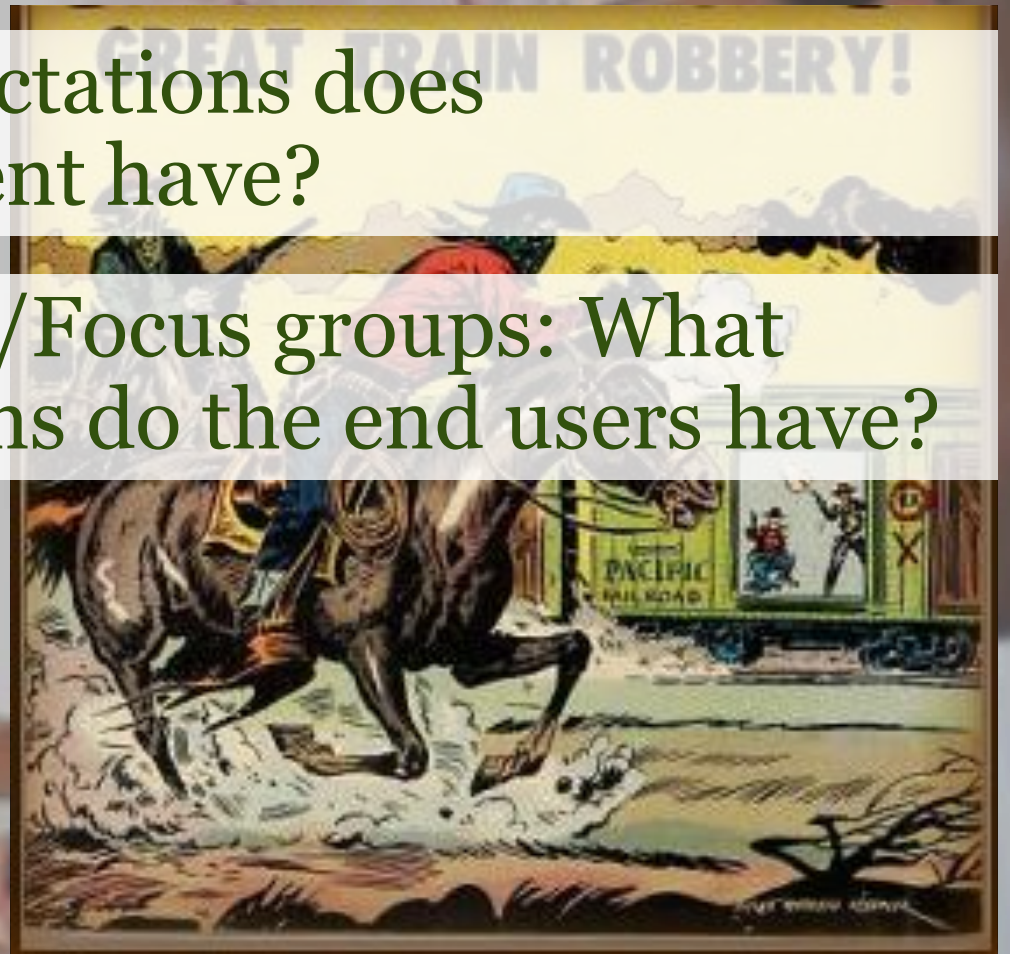
Are there vendors who have worked  
other government jobs (Federal  
GSA)

Who are the suppliers? Thomasnet  
(Find Suppliers)

Procurement team: What risks can we foresee in this procurement? (Human, natural, economic?)

What expectations does management have?

Interviews/Focus groups: What expectations do the end users have?





The background of the slide is a collage of business-related graphics. It includes a 3D bar chart with blue, orange, and green bars, a line graph with a blue line, and various spreadsheets. One spreadsheet has a 'Region' column with values like 1,718,258 and 534,389. Another has a 'Category' column with values like 4,162,346. There are also charts with axes labeled 'North' and 'West', and a chart with a y-axis ranging from 40 to 100.

Volatility?

Other market factors?

Identify Industry Leaders

Who are the suppliers? Thomasnet  
(Find Suppliers)



@ Supplier – Where can I access some of your supplier publications? Manufacturer specification sheets?

@Supplier – What is your capacity? What are your capabilities? What limitations do you have? What green initiatives are common in your industry?

Trends and innovations.

What is the life expectancy of your product?



*...gain insight into the procurement need and the market that supplies the product or service*



Product Background or history  
or is it a new procurement  
Performance requirements  
Supplier requirements  
Scheduling requirements  
Distribution requirements  
Geographic issues  
Volatile Markets  
Fluctuations in price

# Review

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- 05** What does Market Research look like?







