

BEFORE THE BUY: MARKET RESEARCH IN PUBLIC PROCUREMENT

*KEY CONCEPTS AND PRACTICES
FOR PUBLIC PROCUREMENT*

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PEAK
SMARTER PROCUREMENT
FOR PUBLIC GOOD

WHAT IS MARKET RESEARCH IN PUBLIC PROCUREMENT

Market research in procurement is the process of gathering and analyzing data on suppliers, pricing, and industry trends to make informed sourcing decisions.

Transactional

- Short-term/immediate operational need
- Pre-defined requirements
- Price-driven decision
- Quick turnaround, low-impact decisions
- Simple good or service (*low dollar, low complexity*)

Strategic

- Long-term objectives or strategy
- Requirements not yet defined
- Maximize competition/explore full market
- Inform solicitation method, evaluation criteria

WHY MARKET RESEARCH MATTERS

PROCUREMENT BENEFITS

Transactional

- ✓ Moves procurement request process quickly
- ✓ Rapidly identify available suppliers
- ✓ Quick comparison of goods/services and pricing
- ✓ Identify immediate constraints

Strategic

- ✓ Better competition & vendor selection
- ✓ Improves pricing leverage & strengthens negotiations
- ✓ Increased ability to achieve agency priorities
- ✓ Better informs solicitation (e.g., specs, SOW, evaluation criteria)

EFFECTIVE MARKET RESEARCH



Early Planning & Stakeholder Input

Engages end users early—before solutions are defined—to ensure alignment with business needs from the start. Leverages end-user insights as a core input, enabling more informed procurement decisions.

Market Research Process

The market research process involves gathering and analyzing data on agency needs, industry trends, and available solutions to inform decisions. It ensures agencies understand the market, identify opportunities, and select solutions that best align with business objectives. Whether short-term or long-term, market research supports informed decision-making by identifying suppliers, pricing trends, risks, and market conditions.

Common Outcomes

Provides better understanding of potential vendors, expands competition, drives better pricing, and builds a stronger procurement approach that improves overall efficiency.

MARKET RESEARCH – SOLE SOURCE

Market research plays a critical role in supporting sole source and waivers of competition procurements by documenting evidence that the approach is justified and compliant.

Validate Sole Source Justification

- Confirm there is no competition because no other vendor can meet the need (proprietary patent, exclusive distributor, sole manufacturer)

Provide data on:

- Availability of suppliers
- Pricing benchmarks
- Past procurement history
- Substantial equivalent products

Benefits

- Reduces risk of protest or audit findings
- Ensures transparency and accountability
- Strengthens justification for non-competitive procurement decisions.
- Determine fair pricing
- Verify supplier exclusivity

INFORMATION & DOCUMENTATION



Business Need Description (What & Why)

End users must provide a clear description of the business need or problem to be addressed.

Ex: Equipment failure, expiring service, urgent replacement, regulatory requirement



Functional Requirements

Functional requirements detail what the product or service is expected to accomplish.

Ex: Core performance needs, minimum acceptable features, safety minimums, compatibility needs, environmental/size/operational constraints



Supporting Documentation

Documentation should help procurement validate the need, confirm price reasonableness, and document competition (or the lack of it).

Ex: Vendor quotes, product literature, spec sheets, info from vendor websites, historical purchases, HUB search results

P&C'S GUIDE TO MARKET RESEARCH

MARKET RESEARCH

Provide explanation in row aligning with method of research used. Provide your market analysis of each technique. Sections marked with ** are required market research explanations.

1. **Acquisition history reviewed?	
2. Procurement Databases (ie. eVP, others)?	
3. **Historically Underutilized Businesses (HUB) database. How many HUB vendors are registered with commodity code? Explain why these HUB vendors are unable to provide the needed product/service.	
4. Interviewed Subject Matter Experts in industry/government?	
5. Professional Journals, Catalogs, and or Product Literature reviewed?	
6. **Reviewed Correction Enterprises, Non-Profit Centers for the Blind and Severely Disabled preferences, and existing Statewide Term Contracts?	
7. Sources Sought (RFI)?	
8. Other market research?	
Market Analysis Summary and Conclusion (Provide market research summary and conclusions, based on the findings within this report)	

REMINDERS...



Brand-Specific Requests

Brand-specific requests must include documented justification for choosing a particular brand.

Exploring Alternatives

Purchasing Entity should explore additional vendors or alternatives to ensure the best options are considered for requests.

Importance of Early Information

Providing early and complete information helps reduce delays in the procurement process, enhancing efficiency.

TAILORED EXAMPLES OF MARKET RESEARCH APPLICATIONS

MARKET RESEARCH

MARINE FISHING BOAT

Objective

Acquire a cost-effective and durable marine fishing boat to support state fisheries operations.

Research

Needs Assessment: Identify operational requirements such as capacity, fuel efficiency, and compliance with environmental regulations.

Vendor Analysis: Compare offerings from multiple boat manufacturers on price, warranty, and maintenance support.

Cost-Benefit Evaluation: Analyze lifecycle costs, including purchase price, maintenance, and fuel consumption.

Stakeholder Consultation: Engage fisheries managers and field staff to prioritize features (e.g., storage for catch, navigation systems).

Outcome

Selected a vendor offering a hybrid-powered vessel with optimized storage and safety features, long-term operational cost reduction.

MARKET RESEARCH

ELEVATOR MAINTENANCE

Objective

Ensure reliable and cost-effective elevator maintenance across multiple government facilities.

Research

Identify maintenance frequency, compliance with safety regulations, and emergency response requirements.

Vendor Benchmarking: Compare service providers on pricing, response time, certifications, and contract flexibility.

Historical Data Review: Analyze past maintenance records and downtime incidents to predict future needs.

Stakeholder Input: Gather feedback from facility managers on service quality and pain points.

Outcome

Selected a vendor offering preventive maintenance technology and 24/7 emergency support, reducing downtime by 20% and improving compliance.

Market Research: X-Ray Machine

Objective

Replace aging X-ray machine with a modern, reliable and compliant imaging system.

Needs Assessment

Improve image quality and diagnostic capabilities. Reduce downtime, maintenance costs and service interruptions.

Research & Analyze

- **Vendor Comparison** (Analyze X-Ray machine suppliers for pricing, warranty, energy ratings, and maintenance support)
- **Cost-Benefit Analysis** (Calculate lifecycle costs, including installation, maintenance, and projected energy savings)
- **Regulatory Review** (Ensure solutions meet state and federal energy efficiency guidelines)
- **Stakeholder Feedback** (Gather input from facility managers and sustainability officers on preferred features)

Outcome

Improve patient care, operational efficiency and cost savings.

MARKET RESEARCH RESOURCES

NC eVP!

GOOGLE/Industry SMEs/Professional Journals/ Product Literature

U.S. Census Bureau

Statista (free tier)

Data.gov

Requests for Information (RFI)

Consumer Price Index (CPI)/Producer Price Index (PPI)

Market Data Forecast (actionable market research reports)

Mordor Intelligence (market intelligence and advisory for various industries)

Artificial Intelligence (e.g., Copilot, ChatGPT, Claude, Perplexity, Gemini)

**Always verify AI responses*

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TO
SUPPORT
YOU!**

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Help Shape the Future of Our Statewide Term Contracts

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Getting started is easy — simply **scan the QR code** to access the surveys. Your input goes straight into shaping more responsive, effective programs designed around your needs. We greatly appreciate your time, partnership, and commitment to helping us serve you better.

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