**Market Analysis and Procurement Strategy**

**DATE:** <Insert Date>

**AGENCY:** <Insert Name>

**PROCUREMENT OFFICER:**  <Insert Name>

**SOLICITATION**: <Insert Title> - Market Analysis and Procurement Strategy

**Background**

This section should state the purpose of the solicitation, how these commodities or services are currently procured, or if this will be a new procurement. This section should also include information about the current vendor(s) such as name(s), term, etc. Include additional details if there is a legislative mandate, grant funding and/or sourcing requirements, or other special requirements associated with the project.

**Customer Information**

This section should focus on stakeholders. It should address:

* Who controls the requirements, specs, etc.?
* Who are the subject matter experts and where are they located?
* Who are the eligible users? What are eligible users buying now, and what do they anticipate purchasing in the future?
* Tables and Charts may be helpful to include in this section.

**Customer Experience**

This section should document customer needs, specific requests, feedback gathered from customer surveys, focus groups, the contract summary form, purchasing director’s meetings, email inquiries, etc.

**The Industry**

This section should reflect current information you are aware of in the industry. When conducting your market analysis, you will need to document all of the steps taken, surveys sent (and the results), meetings held with the supplier community, and the websites visited. Copy and include website links and screen shots showing findings. An explanation of the findings and how it influences the project (or how it influences your decisions) should also be included.

Vendor community information should include:

* Who is operating in the field now?
* Who are the major suppliers?
* Are there new and/or emerging suppliers?
* Do these vendors cover the whole market, or do they focus on a segment?

Industry information should include items such as:

* How strong is the industry, what are its influences?
* Are there any changes or trends that may affect this action?
* Are there any economic influences or trends that may effect the project in either the short or long term?
* Is there something occurring in the news or in current events that could influence the project?
* Are there any other factors effecting the industry that could influence the project?

**Spend Analysis**

This section should provide spend data from the existing contract for the previous two full fiscal years and current fiscal year to date; if the existing contract was not active during this entire period, data from the previous contract (if applicable) should also be included.

**Pricing Analysis**

The pricing analysis should include market prices from several sources and total cost of ownership, cost savings and cost avoidance for the commodities and services being procured (resell value, life span of products, product specifications, ratings, brands, etc.). The table below serves as an example only. All lines are not required; however ensure you have identified enough to have an adequate representation of the current market.

|  |  |  |
| --- | --- | --- |
| ***Source of Information***  | ***Pricing*** | ***Notations*** |
| *State of South Carolina**<Insert current contract pricing here>* | *<Insert hourly, unit, ceiling costs, % off MSRP, etc. here>* | *<Insert contract #, initial and renewal dates, # of contractors and additional information, etc. here>*  |
| *Other Individual States (GA, SC, LA, AL)* |  |  |
| *Industry Benchmarking Reports* |  |  |
| *Vendor Estimates* |  |  |
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**Risk Assessment**

This section should include any risk factors such as:

* Is there identifiable uncertainty in this action?
* Are there alternative approaches?
* What are the pros and cons associated with each element of uncertainty or alternative?
* Are there identified Organizational Conflicts of Interest? How will these be addressed? *(See guidance document from the Division of Procurement Services on OCI and incorporate information as applicable.)*
* If risks were identified when assessing the industry/market, identify those and the methods for mitigating/addressing the same.

**Special Circumstances or Other information**

This section should include any special situation or handling that applies uniquely to this project.

**Recommendation**

This section should present the recommended course of action and a proposed timeline for completion. Please identify the procurement method anticipated to be used and the reasoning for the same – IFB, FPB, RFP, etc. Provide information about multiple versus single award(s). Include any evaluation factors to consider such as pricing, technical expertise, etc.

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Approval**

**Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**