NC E-Procurement @ Your Service

Joint Legislative Oversight Committee on Information Technology

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The system, which went live in October 2001, is comprised of the Ariba Buyer web-based software product with public sector extensions, a Statewide Vendor Registration application, and a marketplace for performing informal quotes electronically.

E-Procurement is an effort to transform the way the State of North Carolina purchases goods and services, as follows:

- It is an enterprise e-procurement system that allows government entities to aggregate their purchases to obtain better prices from their suppliers.

- Users are empowered to use online requisitioning through the Internet with direct access to state term contracts.

- Entities can choose to decentralize the purchasing process.

- The eQuote tool allows users to submit requests for quotes to specific vendors for items below the sealed bid and advertising requirement, replacing more manual quoting processes. Responses (quotes) are submitted and evaluated electronically.

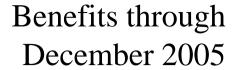- Orders and approvals are routed electronically.

- NC E-Procurement program is an enterprise-wide initiative enabling electronic buying and selling between the State of North Carolina and its vendors

  <u>General Statistics from October 2001 - December 2006</u>
  - Over $7.75 Billion in Spend through System
  - Over 50,000 Vendors Registered
  - Over 14,000 State of North Carolina Users
  - Over 1.4 Million Purchase Orders Issued
  - 241 Entities Using E-Procurement
    - 30 State agencies
    - 19 Institutions and Hospitals
    - 115 K-12 local school systems
    - 58 Community colleges
    - 23 Local governments and colleges
  - 145 Statewide Term Contracts and 469 Catalogs available online

- In reaction to staffing and budget constraints, the State leveraged E-Procurement to spend its dollars more efficiently and manage the procurement function more effectively.

$ 347 million in savings attributable to E-Procurement

- First-class purchasing system implemented and maintained with no State funds expended.

- Cost savings of $347 M as a result of 6% decrease in prices based on a business case analysis for which an independent third party established a baseline. Savings were measured by cross-government E-Procurement Advisory Committee.

- No State appropriated funds are required to implement and operate the program for a full 9-year period

- Vendors are assessed a 1.75% fee on purchase orders for goods that are processed through the E-Procurement system

- The 1.75% fee collected is used to cover the cost to implement and operate the program, including all system support, help desk support, training, and hardware and software

- At the end of the 9-year contract term, the State has a license to the system and has access to a maximized revenue stream through continued program operation

- The NC E-Procurement has been widely recognized for its effectiveness and innovation
  - 2006 National Purchasing Institute's Achievement of Excellence in Procurement
  - 2004 MIT Digital Government Award for Innovation in State Government
  - 2004 Best of the Web Award – 1st Place for Government to Government category
  - 2004 IT Cronin Award – Honorable Mention from National Association of State Procurement Officials

- Expanding NC E-Procurement to the universities with a pilot planned for ECU

- Working with Office of the State Controller to examine the incorporation of procurement card functionality

- Implementing SAS tools for increased statewide reporting and analysis capabilities