Joint Legislative Oversight Committee on General Government

Division of Purchase & Contract:

eProcurement Update

March 8, 2022

NC DOA
Department of Administration
Purchase & Contract

WHAT IS NC ePROCUREMENT?

NC ePROCUREMENT IS THE STATEWIDE PURCHASING SYSTEM, WHICH PROVIDES THE TOOLS TO IMPROVE THE WAY THE STATE OF NORTH CAROLINA PURCHASES GOODS AND SERVICES.

NC eProcurement…

*Offers an **innovative**, **cost-saving**, and **efficient** method of purchasing.*

- Was initiated through a creative public private partnership between Accenture and the State that started in 2001
- To date, all costs, including the implementation services, hardware, and software for the system, as well as ongoing operations have been fully funded through the eProcurement Fee
- The eProcurement Fee was set in 2001 at 1.75% of the value of goods purchases only, assessed to the Vendors supplying the goods
- The 1.75% eProcurement Fee now provides the State with an ongoing source of revenue to support procurement more broadly, in addition to continuing to fund the eProcurement System operation

BENEFITS TO STATE, COLLEGES & SCHOOLS

- Eliminates manual and paper-based purchasing processes
- Purchases online against negotiated contracts and catalogs
- Electronically routes orders for approval and allows users to track status
- Enhances compliance monitoring and auditing
- Bid documents centralized and easily accessible
- Provides centrally maintained database of vendor information
- Manages contract lifecycle with templates, internal/external collaboration, contract storage, and expiration reminders
- Improves availability of purchasing information for users and the public

BENEFITS TO VENDORS

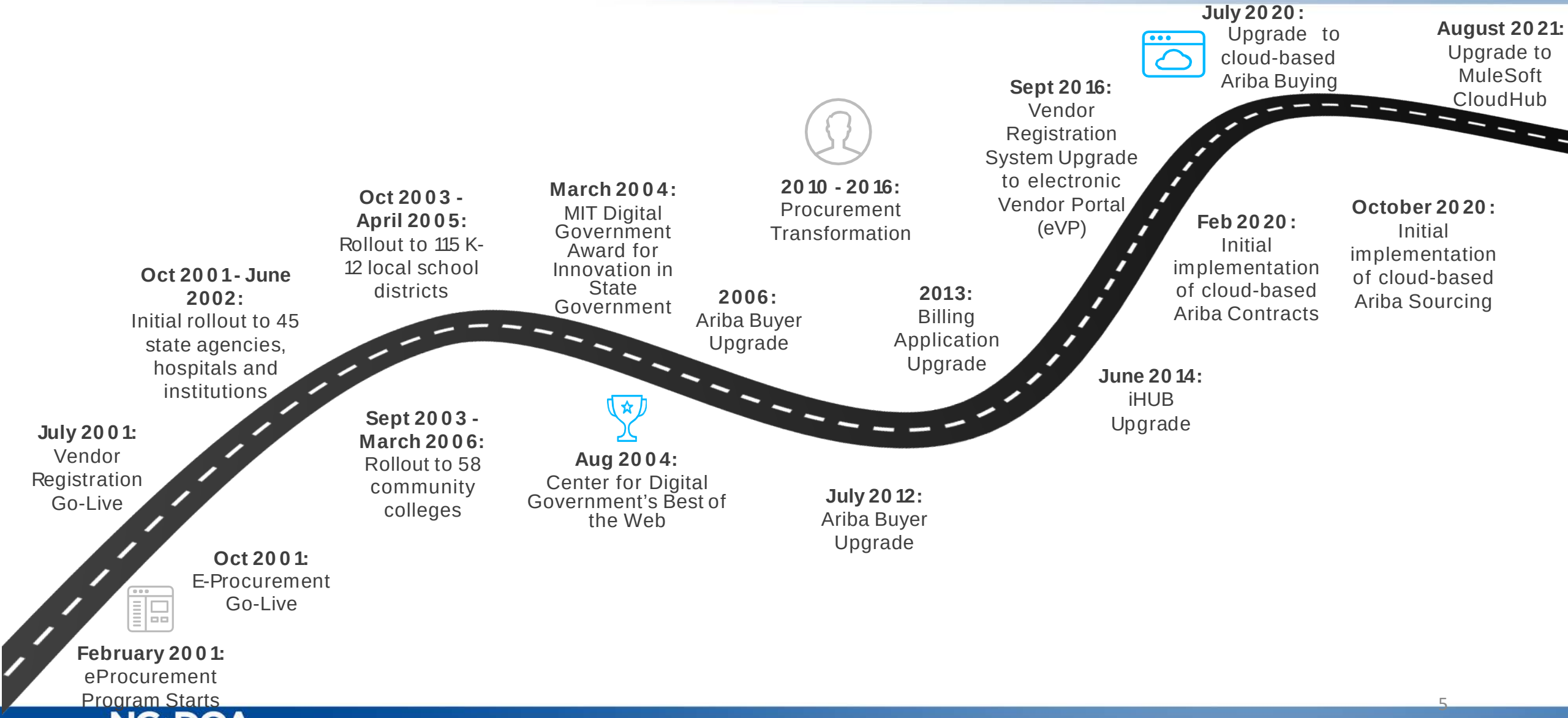
- Consolidated point of procurement access to State Entities
- More effective channel for selling
- Improves access to bid opportunities
- Levels the playing field for small and minority-owned businesses
- Receive more consistent and accurate order information
- Reduces manual work associated with offline and paper-based documents

ePROCUREMENT STATISTICS AT A GLANCE

- 43 State Agencies, Hospitals & Institutions
- 58 Community Colleges
- 35 Local Education Agencies (K-12 school systems) including 1 Charter School
- 1 Local Government
- > 48,000 Vendors; > 8,000 State Users
- $3.0 - $7.8B purchased annually; over $55B purchased life-to-date
- ~250K POs annually; over 6.6M life-to-date

NC ePROCUREMENT HISTORY

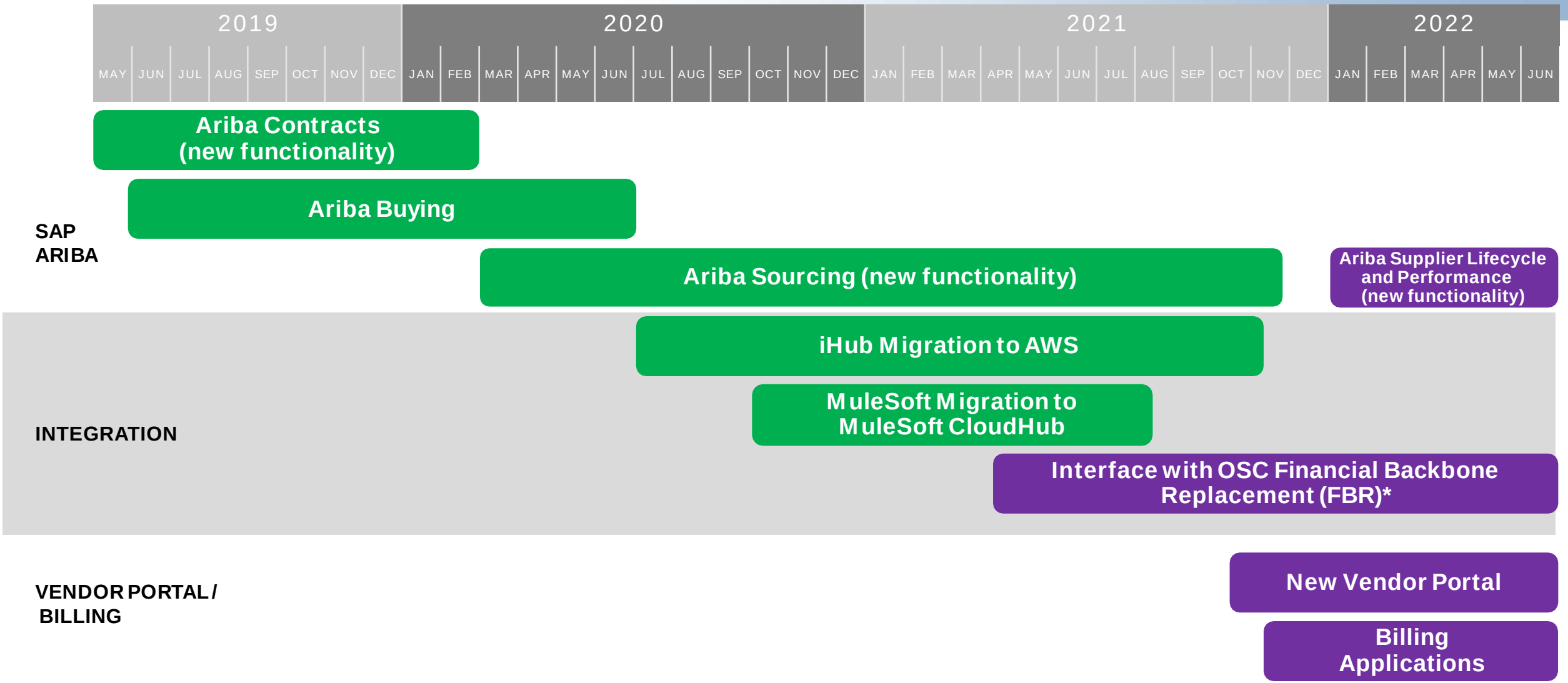
NC EPROCUREMENT HAS BEEN A SUCCESSFUL AND TRULY ENTERPRISE INITIATIVE FOR THE STATE.



NC ePROCUREMENT MODULES

SAP Ariba Buying	Single, enterprise-wide, web-based purchasing system that offers electronic purchase order processing and enhanced administrative functions to buyers and suppliers, resulting in operational efficiencies, cost savings, and strategic procurement information
SAP Ariba Contracts	Supports the creation, execution, and management of contractual agreements negotiated by State agencies
SAP Ariba Sourcing	Allows State agencies to electronically create, manage, and award sourcing events

MAKING NC ePROCUREMENT MORE CUSTOMER FRIENDLY



* OSC FBR Project schedule reflects Jan 2023 interface go-live

FY 2022-2023 BUDGETED PROJECTS

New Vendor Portal	Consolidation and replacement of Interactive Purchasing System (IPS) and electronic Vendor Portal (eVP) with SaaS solution for vendor registration and bid notifications
Transition Billing and BillPrep applications to cloud	Transition the Oracle E-Business Suite (EBS) billing application and custom BillPrep applications that manage the billing and collection of eProcurement fee to the cloud
Ariba Supplier Lifecycle and Performance (SLP)	Implementation of SAP Ariba Supplier Lifecycle and Performance (SLP) module to interface with new Vendor Portal to capture vendor qualifications
Interface with OSC Financial Backbone Replacement	Design, develop, test and implement the interface between NC eProcurement and the new Financial Backbone Replacement (FBR) system

Session Law 2021-180

29	**E-Procurement Interface with Financial Backbone Replacement** **Fund Code: 2514** Provides funds to add capability for the E-Procurement system to interface with the new State financial backbone system.	Requirements	$ 2,750,000	NR	$ -
		Less: Receipts	$ -		$ -
		Net Change	$ 2,750,000		$ -
		FTE	-		-
30	**E-Procurement Vendor Portal** **Fund Code: 2514** Provides funds for the consolidation and replacement of the Interactive Purchasing System and electronic Vendor Portal. The new system will use a software as a service solution for vendor registration and bid notifications.	Requirements	$ 2,000,000	NR	$ -
		Less: Receipts	$ -		$ -
		Net Change	$ 2,000,000		$ -
		FTE	-		-
31	**E-Procurement Performance Management Module** **Fund Code: 2514** Provides funds to implement a supplier performance management module within the E-Procurement system.	Requirements	$ 1,500,000	NR	$ -
		Less: Receipts	$ -		$ -
		Net Change	$ 1,500,000		$ -
		FTE	-		-
32	**E-Procurement Billing Applications** **Fund Code: 2514** Provides funds to update billing applications within the E-Procurement system.	Requirements	$ 1,500,000	NR	$ -
		Less: Receipts	$ -		$ -
		Net Change	$ 1,500,000		$ -
		FTE	-		-

CHALLENGES

In order to cover ongoing subscription costs and license fees for these projects, DOA needs a Recurring appropriation of $800,000 from Fund 2514 (Receipts).

QUESTIONS

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