

# E-PROCUREMENT ADVANTAGES, DISADVANTAGES AND LESSONS LEARNED

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# Green Initiatives

- ❑ RFDI Chips Imbedded in Bib



- ❑ Energy and water saving processes,
- ❑ Sustainable ingredients
- ❑ Greener packaging
- ❑ distribute their wares by biodiesel or bike



# Agenda

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- What is eProcurement
- eProcurement's Proliferation
- Advantages
- Disadvantages
- Lessons Learned
- Q&A

# What is eProcurement?

- Utilizing Web-based technology for Complete Supply Chain Management Lifecycle
  - ▣ Requisitioning/Approving
  - ▣ **Sourcing**
    - Vendor registration
    - Solicitations (formal and informal)
  - ▣ Ordering
    - Purchase Orders
    - Catalogs
  - ▣ Contract Management
    - Award
    - Administration
    - Closeout
  - ▣ Receipt/Payment Processing

# eProcurement Proliferation



Public | Purchase®

DEMANDSTAR  
by ONVIA



# Advantages

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- ❑ Quicker processing times
- ❑ Better communication
- ❑ Vendors profile maintenance
- ❑ Larger vendor pool/increased competition/lower \$
- ❑ Audit trails

# Advantages (continued)

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- ❑ Public Bid Openings
- ❑ Targeted outreach
- ❑ Better controls
- ❑ No printing/copying/mailing costs
- ❑ Data sharing

# Advantages (continued)

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- Automated bid tabulations
- Increased transparency
- Vendors obtain access to multiple agencies bidding opportunities
- Bid Templates
- Pre-acceptance of Terms & Conditions



# Disadvantages

- Learning curve
  - ▣ Contracting Officers
    - How tech savvy is your staff?
    - How well do they embrace new technology?
  - ▣ Vendors
    - How tech savvy are your suppliers?
    - How well do they embrace new technology?

# Disadvantages (continued)

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- ▣ Vendor confusion
- ▣ Public Bid Openings
- ▣ No hardcopies
- ▣ No more binders!
- ▣ Multiple eProcurement Providers
- ▣ Increased competition

# Lessons Learned

- RFP for eProcurement System
  - ▣ Research, research and research - Know the industry terms for services you are seeking
  - ▣ Be clear (and try to read from a vendor's perspective)
  - ▣ Demo system (including some of your vendors) – try to “break it”
  - ▣ Reference check – Call and talk to other users (and vendors who use the system)

# Lessons Learned (continued)

- Phased in approach (start slow)
  - ▣ Pilot system first
    - “Drive it around the block”
  - ▣ Change Management
    - Use your most computer challenged employee to test
    - Find a Champion
    - Develop a Communication Plan
    - Be prepared to review your processes and make changes to accommodate “the electronic age”

# Lessons Learned (continued)

- Training, training, training
  - ▣ Contracting Officers
  - ▣ Other internal users (Acctg/End User/Eval Team)
    - Access to system to view bid
  - ▣ Vendors
    - Communications
    - Formal training (who provides? – your agency or eProc vendor?)
    - Incorporate into any standard “vendor outreach” you perform
  - ▣ Public

# Lessons Learned (continued)

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- Use 'Generic' email account
- SPAM/Junk settings
- Don't procrastinate
  - ▣ Late bids
  - ▣ Incomplete bids

# Lessons Learned (continued)

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- Public Access to documents
- Confidential documents
- Join a User Group
  - ▣ Learn from others
  - ▣ Share ideas/tips/tricks/hints
- Crawl, walk, run, soar!!

# Recap

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- Defined eProcurement
- eProcurement's Providers
- Advantages
- Disadvantages
- Lessons Learned



# Questions/Comments/Sharing

- Questions?

- Follow up:

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- Thank you!