

Oregon E-Procurement System

An end-to-end solution for the enterprise

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| PROBLEM  Procurement services are critical to the success of state programs. The state, however, uses manual procurement processes that make it difficult to get the right goods and services at the right time in the right quantity at the right place from the right supplier at the right price.  ORPIN only automates a small part of the process. For the rest, agencies must develop their own solutions and ad hoc work-arounds. These inconsistent, fragmented approaches prevent the state from using data to make informed, strategic decisions about purchasing. | 🡪 | SOLUTION  A full service e-procurement system would automate the process from beginning to end, improving efficiency and uniformity throughout the solicitation, award, and contract administration phases.  If adopted enterprise wide, it would ensure consistency across agencies for users and vendors. Better coordination will allow the state to make informed, strategic decisions based on real-time, statewide data. The state could then foster better collaboration between agencies and maximize its buying power. This would allow the state to negotiate a lower price for a larger contract Project costs could be reduced by:   * Joint effort to define requirements * One RFP process for all participants to use * Faster time to implementation * Open contract so other agencies can sign on when ready | 🡪 | RISKS  Agencies remain in their “silos”, not willing/able to compromise on common requirements and other issues  Not enough agencies sign up to achieve economies of scale in startup costs, training costs, and license fees  Agencies drop out mid-stream and continuation of collaborative effort no longer feasible  Difficulties collaborating delays project and planned timeline cannot be met  Best product is too expensive |

**Problem:** From start to end, the procurement process for the state includes many steps. The state doesn’t currently have an electronic system that automates the entire process.

On an enterprise level, the Department of Administrative Services has a system, ORPIN, which connects potential bidders with government agencies soliciting business, but it doesn’t include all of the features available from modern e-procurement solutions (see table below).

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|  | **Feature Gap** | |
| **Feature** | **ORPIN** | **e-Procurement** |
| Vendor Registration & Communication | X | X |
| Bid Posting | X | X |
| Simple Bidding (Quick Quote) |  | X |
| Spend Analysis & Strategic Sourcing |  | X |
| Solicitation Management | X | X |
| Requisition Management |  | X |
| Online Catalog Ordering & Management |  | X |
| Supplier & Contract Management |  | X |
| Purchase Order Management  (Invoicing & A/P Integration) |  | X |
| Workflow Management | X (limited) | X (robust) |
| Vendor & Performance Management |  | X |

The state does not have a single, standard approach for the rest of the process. Agencies must develop their own systems, practices, and ad hoc work arounds. For the most part, they rely on manual, paper processes that are time consuming, error prone, difficult to track and measure, confusing and inconsistent for vendors, and not easy to integrate with other systems.

These separate solutions also don’t encourage cross-agency collaboration. They make it difficult for agencies to work together, and they cause agencies to focus on their own needs and not the needs of the enterprise as a whole.

The inconsistency and fragmentation of approaches also makes it difficult for the state to analyze purchasing data, such as spend amounts and process times. Right now, reports must be cobbled together manually from many different systems and sources, and the data is often inconsistent in level of detail and format.

Without the ability to analyze statewide data quickly and effectively, the state can’t make informed decisions about purchasing. Forecasting, performance measurement, lean activities, and other methods of process improvement require data analysis to develop meaningful metrics.

**Solution:** Real, effective change in procurement is difficult without an enterprise-wide system for managing the procurement process. E-procurement solutions available in the marketplace today provide all of the features necessary to automate the entire process from beginning to end, integrate with existing IT systems, and provide real-time accurate data.

Process automation will eliminate wasteful work arounds and paper systems, reduce errors, speed up processes, increase visibility, and allow the state to track and monitor procurements. In addition to improving the solicitation process, an end-to-end system would make it easier to administer contracts. The state would have a standard, automated way to track deliverables, schedules, and spending. This will make the entire process more consistent and less confusing for both the state and contractors.

System integration will make reconciliation with accounting and other services quicker and more accurate, ensuring better financial controls and accountability for taxpayer dollars.

Access to real-time, standardized data will allow the state to create forward looking analyses and make strategic decisions to save money, streamline and speed up work processes, and increase marketplace opportunities, especially for minority and women owned and emerging small businesses.

A single, enterprise-wide solution will also help shift mindsets from agency needs to enterprise needs and foster greater collaboration between agencies.

All of these improvements will help ensure that the state can get the right goods and services at the right time in the right quantity at the right place from the right supplier at the right price. The state will only reap the full benefits of such a solution if its use is mandatory for all agencies and fully supported by the state’s executive leadership.

**Cost Benefits:** The state would be able to negotiate a lower price for a larger contract Project costs could be reduced by:

* Joint effort to define requirements
* One RFP process for all participants to use
* Faster time to implementation
* Open contract so other agencies can sign on when ready.

**Risks:** Agencies remain in their “silos”, not willing/able to compromise on common requirements and other issues

Not enough agencies sign up to achieve economies of scale in startup costs, training costs, and license fees

Agencies drop out mid-stream and continuation of collaborative effort no longer feasible

Difficulties collaborating delays project and planned timeline cannot be met

Best product is too expensive