



## 2009 Outstanding Program Awards

### Application Form

Program Title: One-stop Public Purchasing e-Procurement System

If applicable, identify Partner: BidSync, formerly RFP Depot.

Submitted by: Paul F. Mash

Title: Purchasing Manager

Department or Corporation: Department of Administrative Services, Division of Purchasing & General Services

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### Application Process

When preparing and entering your submission, please follow these guidelines:

1. The application form is available online at [www.nasca.org](http://www.nasca.org).
2. All applications must **be** submitted electronically at [nasca@csg.org](mailto:nasca@csg.org). If you have any questions, contact NASCA staff by email at [nasca@csg.org](mailto:nasca@csg.org) or by phone at **859-244-8181**.
3. Adobe Acrobat (PDF) documents will be accepted.
4. More than one program may be submitted from the same entity.
5. Deadline: All submissions must be received by **March 6, 2009**.

### Program Questions

Please provide a one (1)-page summary of the program. Provide a narrative answer for each question listed below. You are limited to two (2) pages, based on regular 8 by 11 inch paper, single spaced in 12 point font. The two page limit does not include the one-page summary. Do not send supporting documentation.

1. How long has the program been operational?
2. What was the program's start-up cost? Provide detailed information about specific purchases for this program, including staffing needs and other expenditures, as well as existing materials, technology and staff already in place.
3. What are the program's operational costs?
4. How is the program funded?
5. How do you calculate actual savings, i.e., short-term and/or long-term?
6. How do you measure this program's success? Provide quantitative benefits realized by service recipients, taxpayers and/or state agencies?
7. How has the program grown or changed since its implementation?
8. Describe the program's applicability to other states/local/federal governments?

### Deadline - **March 6, 2009**

The application package must be received no later than **March 6, 2009** for consideration.

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Send Submission(s) to: [nasca@csg.org](mailto:nasca@csg.org) or [mstone@csg.org](mailto:mstone@csg.org).

# Utah Statewide Web-based ASP<sup>1</sup>-hosted Electronic Procurement System

## PROGRAM SUMMARY

The One-Stop Utah Statewide Web-based ASP-hosted Electronic Procurement System is the culmination of efforts to realize a specific vision of how to efficiently and effectively conduct public procurement in an electronic environment. Specifically, the electronic procurement system was designed to provide Utah's public entities with a one-stop web site where all public procurement opportunities would reside while addressing the public policy goals enumerated in the Utah Procurement Code.

The Utah Procurement Code, makes clear that as a matter of public policy, the public procurement process, across all levels of government, should: (1) provide fair and equitable treatment to all of those who wish to do business with the governments of the State of Utah; (2) be transparent; (3) foster effective broad-based competition within the free enterprise system, and (4) increase economies in public procurement activities.

The Statewide Electronic Procurement System's one-stop vision makes it unique among the many electronic procurement systems that provide "cradle-to-grave" electronic processing, publishing, and receipt of bids and proposals. Not only is the system used by the Department of Administrative Services for all state agencies, the system is available at no cost to all the political subdivisions of the State of Utah including counties, cities and towns, public education, institutions of higher education, and special service districts. The adoption rate of the system by these other public purchasing entities has exceeded initial expectations and the supplier community has access at one location to view the available procurement opportunities.

Utah's one-stop electronic procurement system was developed around three basic concepts. First, any prospective supplier or business desiring to do business with public procurement units would not have to spend valuable time searching multiple agencies' websites for possible opportunities to conduct business with government; Second, the government entities would be able to have vision into what other entities were seeking and perhaps join together to leverage the volume of spend and receive the benefits of economy-of-scale transactions; and Third, greater efficiency and cost savings could be realized transversely within the entire procurement process, e.g. through reduced staff involvement, greater competition, and even savings realized through less hardcopy material to archive. Developing the system along these lines has resulted in an electronic procurement system that is truly representative of the objective of what the citizens of the State of Utah have said are the most important elements of public procurement.

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<sup>1</sup> Application Service Provider

## PROGRAM QUESTIONS

1. How long has the program been operational?

The One-stop Statewide Web-based ASP-hosted Electronic Procurement System was first initiated as a pilot program in 2005 to test the response of the vendor/supplier community, to validate the cost-savings and/or efficiencies that could be realized if the visionary concept was implemented. Upon completion of the pilot, the success of the program was evaluated, staff and suppliers were surveyed and the program was deemed a success. The Department, through the Division of Purchasing & General Services, issued a formal Request for Proposals to solicit offers from responsive, responsible, and qualified firms to provide a system that met the need of a requirements analysis, albeit offerors had the discretion to propose more innovative solutions to the requirements and needs of the State of Utah. After an extensive evaluation of all offers received in response to the solicitation RFP Depot (now known as BidSync) was selected and awarded a five year contract with a five year renewal option March 9, 2007. The contract was immediately made available to all public purchasing entities throughout the State of Utah.

2. What was the program's start-up cost? Provide detailed information about specific purchases for this program, including staffing needs and other expenditures, as well as existing materials, technology and staff already in place.

No actual hard start-up costs were required of either the Department of Administrative Services or any public entity desiring to use the system. The Department required that the system to be (1) web-based, and (2) developed by and hosted by the selected contractor, in order to avoid information technology development costs and mainframe or other technology associated costs, including system maintenance. The Department, through the published cost model contained in the solicitation documents, required that all costs, including start-up, maintenance, *and* system modifications (including customizations and enhancements) be included in a fixed per transaction cost.

Sunk costs, such as training time (which was minimal as the requirements of the system had to be user-friendly and intuitive), electronic notification to suppliers and prospective suppliers, alteration of forms, etc. were not tracked though costs were considered to be minimal and were a part of the normal conduct of business.

3. What are the program's operational costs?

Currently, the Department of Administrative Services pays an average of \$6,000.00 - \$7,000.00 per month for the One-stop Statewide Web-based ASP-hosted Electronic Procurement System. The Department does not charge any fee to the public procurement units of the state that utilize the system. Additionally, vendors are not charged to register, submit bids and offers, nor are they charged a fee or percentage if awarded a contract or purchase order.

4. How is the program funded?

The program is funded through dedicated credits received by the Department of Administrative Services, and through rebates provided to the Division of Purchasing & General Services for other *e*-procurement activities. There is no general fund appropriation to operate this program and provide this service.

**5.** How do you calculate actual savings, i.e., short-term and/or long-term?

Savings for this program is calculated in several ways. Over the past three years more than three vacant positions have been eliminated. On-going savings have been realized through increased visibility and direct notice to prospective bidders of purchasing opportunities resulting in increased competition for goods, services, and construction that result in overall lower costs. Through the 'Copy Bid' element of the system, instead of reinventing the wheel for procurements of like goods, services, and construction, a simple click of the mouse and some minor modifications, an entire solicitation can be done based upon a previous project by another entity.

**6.** How do you measure this program's success? Provide quantitative benefits realized by service recipients, taxpayers and/or state agencies?

The program's success has been measured by the voluntary adoption rate of political subdivisions and other public procurement authorities. The consistent on-going increase in usage and new public entity subscribers to the program validates the value of the program. Taxpayers and citizens can see what is being procured by the State of Utah, their school districts, and their local communities providing them a transparent into their government's spending; and, purchasing professionals are being more efficient.

**7.** How has the program grown or changed since its implementation?

The program has grown from use by the Department of Administrative Services only, to use by over 35 political subdivisions and the program continues to expand. Additionally, of great advantage to the Department has been, through our initial award of such an innovative contract, additional awards made by other states that have allowed the Department to take advantage of best practices and system enhancements found to be beneficial to those outside our borders.

**8.** Describe the program's applicability to other states/local/federal governments?

The model developed and maintained by the Utah Department of Administrative Services represents what could easily be adopted as an archetypal method of transparent and accountable public procurement regardless of entity size, volume of spend, or staffing resources available.