

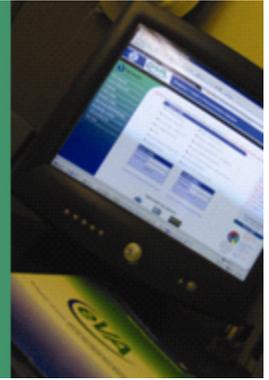
I N F O R M A T I O N A B O U T



VIRGINIA'S ENTERPRISE ELECTRONIC PROCUREMENT SYSTEM

Before & After eVA

Department of General Services
Serving Government. Serving Virginians



BEFORE IMPLEMENTING EVA

eVA, the Commonwealth's Electronic Procurement System, was launched in Calendar Year 2001 to enable the state's procurement process through the use of technology, to improve efficiency and effectiveness, and to promote transparency and accountability of the purchasing process. The decentralized procurement model of the Commonwealth of Virginia hampered the Commonwealth's ability to conduct smart business as an enterprise.

If you were a supplier who wanted to sell office supplies to the Commonwealth, in order to market your goods to possible buyers, you had to first figure out the locations of 170+ agency and university purchasing offices, not to mention local governments. You had to travel to these offices to register as a vendor and to find what business opportunities were available. If you could afford the \$75 annual subscription, you could subscribe to a periodic paper publication of solicitations—but it listed only the opportunities valued at over \$30,000, so the small opportunities that could help you build your business weren't apparent. The mail delivery of the paper publication often lagged, so you could be late in responding to solicitations or if you hand carried the response you had to allow time to get through the security.

If you were able to respond timely to a solicitation and win the contract, then sending out your paper catalog to the possible buyers was another expensive proposition. And if your prices on a particular good dropped, you had to send out price sheet updates to these 170+ offices and your sales reps had to perpetually make certain buyers used the correct price sheets to ensure compliance with contract terms.

When you received purchase orders, the format and information always varied among purchasing offices, so it was easy to make mistakes in determining what an agency was ordering. There were frequent returns and corrections on orders. Because the whole process was conducted on paper, you couldn't automate your internal business processes. All of the rework and back-and-forth communication had the potential for significant delays in supplying agencies with what they needed—and then you had to wait for agency finance offices to match paper copies of purchase orders and receiving to your invoice to get paid.

If you were a buyer in a state agency trying to purchase supplies for your unit, you also had a difficult experience. You faced a multitude of price lists, returns for errors in product or pricing and

time-consuming paper-based processes. As a buyer you knew every agency had its own purchasing office, and you had a sneaking suspicion others were buying the same items. You were confident a better price for all buyers could be obtained if purchases could be combined, but you had no visibility of this purchasing information.

Overall, as a buyer your buying patterns were characterized by a lack of knowledge; not knowing all of the items available in the multitude of paper contracts and catalogs, not knowing whether the vendor next door was the best supplier for your good or service, not knowing if another agency had found a better way to make purchases or if they had obtained a better price.

This situation produced a dependence on the personal relationship with suppliers—they sold only to offices they knew, slowing the growth of their businesses, and it limited market access for small, woman-owned or minority-owned businesses if they didn't have the staff resources to build a broad set of personal relationships. Each purchasing office also operated as its own business, even down to the different satellite offices of a single agency—making it impossible to leverage buying power or utilize the best practices of these organizations effectively. The inefficiencies and missed opportunities embedded in this old archaic way of doing business cost the Commonwealth of Virginia too much time and too much money. It harmed suppliers, particularly the growth of small, woman-owned or minority-owned businesses. This situation had to change, and a new way of doing business through a single electronic procurement system for the state was envisioned as the solution.

AFTER IMPLEMENTING EVA

Fundamentally, the eVA Program is an end-to-end, government-to-business network that standardizes and streamlines the Commonwealth's purchasing processes and creates a virtual enterprise-wide procurement system. It provides electronic purchasing through a web site for all Commonwealth of Virginia agencies, institutions of higher education, and local governments. eVA funnels purchasing through a single electronic portal capable of managing the unique needs of a diverse group of state and local agencies and suppliers. eVA succeeds by automating workflow; utilizing common, auditable business rules that apply to all users, while also supporting



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unique rules for each buying organization; providing data capture and aggregation for procurement information and activity; and securely transmitting transactions and data and making the accounts payable process more efficient with on-line access to purchase orders and receiving.

For suppliers, there is now one standard way to access business with the Commonwealth—there is now a single face to government for the supplier community that uses one electronic standard, regardless of the multiple back-end systems agencies use. Suppliers no longer have the frustration and additional cost of connecting their order management systems and business processes to government in multiple ways in order to sell goods and services to the Commonwealth. Suppliers can get paid faster since the government side now has on-line access to the documents needed to process payments.

eVA provides suppliers with a self-service tool to register across multiple government agencies. Suppliers can enter their own demographic information and confirm the accuracy of the information prior to entry—increasing the quality of the supplier data. Through vendor self-service, the duplicate time and resources needed by every agency to manage these processes is eliminated.

The eVA Program uses technology tools to share information with suppliers regarding contract opportunities, historical contract and bidding information, and government news and information. Suppliers avoid the expense of paper catalogs by placing electronic catalogs in a virtual marketplace accessible by any authorized public sector shopper. Shoppers then connect to eVA through a web browser—from there, they can access and search on-line supplier catalogs and place electronic orders for goods and services directly from their desktops.

If a solicitation is required, the documents are created through predefined libraries of information and published to the web. Recipient vendor lists are also created electronically, so as solicitations are published to the web, registered vendors are automatically sent e-mail or fax notifications of and hyper-links to the impending opportunity. Procurement documents can be distributed electronically.

Registered vendors can search the web, view, and electronically submit their bids in response to business opportunities. eVA also offers reverse auctions—vendors can anonymously post bids to an open forum, where they can compare their bid to the lowest bid submitted. Vendors can then re-submit their response at a lower bid, providing real-time competition for the buyer.

The entire bid evaluation process can now be completed electronically, from posting bids on the web to submitting, capturing, tabulating and compiling team evaluations. eVA provides the buyer with a summary of the team's evaluation, an assessment of

the vendor's responses to evaluation criteria, and an electronic bid evaluation of prices by item and by vendor. When the buyer is ready to issue an award, document delivery and publishing requirements are selected, and award results are posted to the web for public review. The entire purchasing process is now more transparent and accountable than before.

eVA supports the creation, modification, and distribution of contracts, master agreements, and purchase orders to vendors. eVA also sets the stage for automated payment processing by matching goods/services received to outstanding purchase orders and can track partial orders as well as overages. Invoices, both electronic and paper, are supported by the system. In the future, these invoices may be passed electronically to agency financial systems to allow electronic payment authorization and taking advantage of another of the Commonwealth's technology successes, the Electronic Funds Transfer (or bank-to-bank transfer).

eVA provides robust tracking and reporting capabilities for users to track and audit procurement progress, activities and history. Effectively, eVA offers management of the complete procurement life cycle to all state agencies, colleges and universities, and local governments that are part of the procurement community.

eVA has transformed the business of purchasing for the Commonwealth. It reduces paperwork and allows the Commonwealth's purchasing agents to compare prices, offers, and value. It creates a virtual enterprise community of online purchasers who can benefit from cooperative buying and volume discounts. At the same time, state agencies, institutions of higher education and local governments can retain their unique business rules, all while benefiting from economies of scale and information from an enterprise solution.

For suppliers eVA has transformed doing business with the Commonwealth. Suppliers have increased access to business opportunities that were often missed before because they simply didn't have the resources to visit every agency. Information about purchasing is readily at their fingertips, including the purchasing contacts at state and local agencies. Paperwork and travel are reduced resulting in reduced cost to do business with the Commonwealth. Suppliers are paid faster as a result of electronic ordering that standardizes purchase orders, eliminates rework, and facilitates the on-line matching of the payment documents

INFORMATION

More information on eVA System functionality and the Commonwealth's purchasing environment Before and After eVA can be found at www.eva.virginia.gov under **eVA FACTS** or by contacting the Director, Division of Purchases and Supply/DGS at 804.786.3846

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