

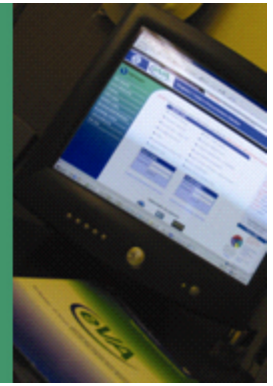


www.eva.virginia.gov

VIRGINIA'S
ENTERPRISE ELECTRONIC
PROCUREMENT SYSTEM

Benefits and Savings

Department of General Services
Serving Government. Serving Virginians



INTRODUCTION

Virginia is the equivalent of a Fortune 300 Corporation transacting \$5 Billion annually in procurement spend by 171 agencies and institutions of higher education and another \$5 Billion by local governments. Prior to CY2001, Virginia's procurement process was highly fragmented and this disparate environment gave the state virtually no enterprise visibility over its annual procurement budget and required vendors doing business with the state to interact multiple times with different technology or manual process scenarios. Agencies, institutions of higher education and local governments were investing millions to replace or implement multiple technology systems of the same function. For example, the Auditor of Public Accounts issued a report in CY2001 that stated over a five year period agencies and institutions of higher education spent or budgeted to spend in excess of \$556 million dollars to replace or implement new independent financial systems.

eVA, the Commonwealth's Electronic Procurement System Program, was initiated in CY2000 as the first real effort to transform procurement technology and establish an enterprise procurement program. The electronic procurement program was approved by Governor Gilmore under Executive Order 65(00) and the General Assembly. Governors Mark Warner and Tim Kaine and successive General Assemblies continued the vision and support for the electronic procurement program enabling the successes achieved to date.

BENEFITS AND SAVINGS

- ★ **Purchase Transparency and Commonwealth Accountability—\$20 Billion in Purchases Visible to General Public**
The transparency and accountability being advocated by the current President and Congress and Virginia Governor and General Assembly was an original objective of eVA ten years ago. eVA provides the public visibility over most purchases by agencies and institutions of higher education in the Commonwealth and eliminates bureaucracy previously associated with getting this information. Public visibility increases public trust in the integrity of the Commonwealth's procurement processes and assurance that taxpayer and parent tuition dollars are spent wisely. **As one small supplier put it, "It no longer takes an act of Congress to obtain information on state purchases."**
- ★ **Leveraged Buying Power—\$30 Million Savings/Year**
Using data from the eVA purchasing data warehouse provides an enterprise look at the \$5 billion being purchased in goods and services. Using this data Virginia has been able to leverage its

buying power and collaborate across all agencies and institutions. This has resulted in over 90 new cooperative contracts with agencies, institutions of higher education, and local governments saving the Commonwealth an estimated \$30 million annually.

- ★ **Increased Administrative Efficiency—\$11 Million Savings/Year** A CY2003 report on e-Procurement issued by the IBM Endowment for The Business of Government in CY2003 shows a typical manual purchase costs a minimum of \$125 to process. This cost can be reduced to \$10—\$15 through electronic processing. Using eVA Virginia processes almost 400,000 purchases and a cost reduction of even 25% of what the studies show results in savings of about \$11 million annually.

- ★ **Reduced Cost of Goods and Services—\$278 Million Savings So Far** In Fiscal Year '09 alone savings by state agencies and institutions was an estimated \$30 million. Since the beginning of eVA in FY01, cumulative savings are over \$278 million. Increased supplier access to business opportunities is increasing competition and reducing prices.

- ★ **Increased Competition—200% Increase in Vendors** Analysis of eVA data indicates a 200% increase in supplier commodity registrations and significant increases in the numbers of suppliers submitting bids since CY2001. There are over 41,000 suppliers registered on eVA and over 14,000 are Department of Minority Business Enterprises certified small, women-owned, and/or minority-owned businesses. eVA reaches 30 times more suppliers than traditional purchasing methods and ensures all interested vendors have access to state business opportunities.

- ★ **Improved Access to Business Opportunities and Procurement Information—67% Increase in Posted Opportunities** Suppliers are able to register one time on eVA and, as a result, be visible to all state agencies and institutions and able to compete for business opportunities across the state. By placing their product catalogs in eVA's electronic storefront (eVA eMail) suppliers can instantaneously market to over 171 agencies and institutions and 575 local governments through one internet web site, thereby saving time and money. These suppliers can be found by agency buyers who are looking for sources of supply. eVA can notify these suppliers electronically of business opportunities. eVA has increased the number of publicly posted bid opportunities by 67%.

- ★ **Improved Access to Business Opportunities for Small, Women-owned and Minority-owned Businesses—Reaches 30% More Suppliers** SWaM businesses have improved visibility through the use of push technology and Quick Quote, a simple procurement tool for purchases less than \$50,000, the threshold



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below which over 80% of purchases occur. The Quick Quote tool in eVA increases SWaM access to business opportunities most often missed by SWaMs. eVA Quick Quote on average reaches 30% more suppliers than traditional purchasing methods.

★ **Faster Delivery Times—Up to 25% Faster** Analysis of eVA data indicates delivery time for some suppliers has been reduced as much as 25% as a result of processing orders electronically through eVA. For example, for Fisher Scientific lab supplies delivery fluctuation was reduced from 17.5 days to 6.8 days.

★ **Conduct Business Electronically and Efficiently—Up to 70% Reduction in Solicitation to Award Time** Buyers can process purchases electronically using a number of different eVA tools that reduce purchase cycle times. Initial analysis of data is indicating as much as a 70% reduction in purchase solicitation to award times. Buyers no longer have to copy and mail solicitations to suppliers. Suppliers no longer have to mail or hand carry bids to government purchasing offices, much of the bid information is prefilled out for the supplier, and suppliers receive the information in a standard format that reduces errors. By accelerating the entire purchasing process agencies not only receive goods faster, but suppliers are also paid faster.

★ **Reduce Duplication of Systems and Unnecessary Costs—Millions Saved for State and Local Government** eVA provides a procurement system that integrates with existing financial systems and can be used by agencies, institutions of higher education and local governments. For procurement, eVA helps these public bodies avoid the costs of implementing and maintaining duplicate procurement systems. eVA currently supports 575 local government entities and provides them a ready procurement system at no cost, except for their resources committed to training.

FEES

eVA fees are assessed only when a supplier receives a purchase order. There are no fees assessed for the myriad of other tools and services provided by eVA and described elsewhere in this document. A decision was made early on by Virginia's Administration and General Assembly to reduce costs to users of eVA by spreading fees across the base of agency and vendor users. Vendors also have the opportunity to include fees in their pricing like any overhead cost of doing business. The eVA fees are among the lowest in the nation and examples are in the below table.

Organization	Fees
Virginia	1% capped at \$500 small business or \$1,500 large business. Fees only charged if an award is received
North Carolina	1.75% no cap for Goods Purchases
Florida	1% no cap
Federal General Services Administration	0.75% no cap for schedule purchases

INTERNATIONAL RECOGNITION

eVA continues to receive international recognition with the following:

- Virginia Commonwealth University - eVA is used by VCU at its remote campus in Qatar, Doha and was updated to process foreign currencies to accommodate this requirement.
- Portugal invited and paid all costs for the Commonwealth of Virginia eProcurement Director to be the keynote speaker at the Portugal International Conference on Procurement. The Canadian Government Treasury Board paid all costs and sought the Commonwealth's expertise, the only external source invited, to assist with their work to transform their Administrative functions.
- **A Government of Canada Treasury Board Secretariat member e-mailed, "The Government of Canada is currently evaluating options to implement an e-Procurement solution. Our counterparts in the United Kingdom indicated that the Commonwealth of Virginia is a pioneer in this field, and suggested that studying your experience with eVA would provide significant insight."**

AWARDS AND HONORS

- In 2009, DGS and eVA earned a fifth National Achievement of Excellence in Procurement Award, which is presented by seven public, education, and private sector purchasing associations based on innovation, professionalism, productivity, e-procurement, and leadership attributes. **Virginia achieved the highest state score in 2005/2007.**
- Other awards include:
 - ⇒ Federal General Services Administration and Coalition for Government Procurement, 2007 Excellence in Partnership Award for Best Use of Cooperative Purchasing
 - ⇒ Innovation in Government Award from the Virginia Commonwealth University, L. Douglas Wilder School of Government and Public Affairs 2007
 - ⇒ Center for Digital Government, July 2002, ranked eVA and Virginia first in the country in Electronic Commerce
 - ⇒ eGov Magazine's Government Services Administration 2003 Technology Trailblazer Award
 - ⇒ Massachusetts Institute of Technology/Accenture, Inc. 2003 State Government Innovator Award
 - ⇒ National Electronic Commerce Coordinating Council 2003 Cost Effectiveness Through Government Award
 - ⇒ The National Association of State Procurement Professionals 2003 and 2004 Gold and Silver Awards for Electronic Procurement and Strategic Sourcing.

INFORMATION

More information on the eVA System can be found at www.eva.virginia.gov under **eVA FACTS** or by contracting the Director, Division of Purchases and Supply/DGS at 804.786.3846

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