*NC E-Procurement @ Your Service*

# An E-Procurement Overview

Department of Administration

*Division of Purchase and Contract*

Presented to

**House Select Committee on E-Procurement**

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Sam Byassee
State Purchasing Officer
Direct line: 807-4533
sam.byassee@doa.nc.gov

# E-Procurement Statutory Authority

**§ 143-48.3.  Electronic procurement.**

- **Electronic procurement system mandate**
- **Co-operation of ITS**
- **University and Community College opt-out until May 2003**

**§ 66-58.12.  Agencies may provide access to services through electronic and digital transactions; fees authorized.**

- **Fees approved by OSBM**
- **Revenue into agency reserve account**
- **Use only for e-commerce initiatives and projects, with approval of State CIO and consult. With Joint IT Oversight**

# Electronic Procurement System:

The technology that supports the services

- **Ariba Buyer (electronic purchase orders)**

- **e-Quote marketplace**

- **Vendor Registration**

- **IPS (Interactive Purchasing System) – RFP/IFB posting**

# e-Procurement Operation Timeline

Initial implementation

Contract amendment (resolve $ loss due to underuse)

Contract amendment (fixed fee)

Upgrade

Expiration

*Oct. 2001*       *Jun. 2004*              *Oct. 2009*    *Jul. 2012*       *Dec. 2012*

# System Usage

- **234** different NC entities now use E-Procurement

  - **30** state agencies

  - **16** institutions and hospitals

  - **58** community colleges

  - **115** K-12 local school systems (LEAs)

  - **15** local governments

- More than **14,000** total users

- More than **45,000** registered vendors

# NC E-Procurement Spend FY08-FY11

- 🟦 NCAS State Agencies
- 🟥 Dept. of Transportation
- 🟩 Community Colleges
- 🟪 K-12 Local School Systems (LEAs)
- 🟦 Local Governments
- 🟧 Universities/Colleges



Pie chart: 41%, 26%, 10%, 23%, 0%, 0%

- NCAS
- SAP
- Community Colleges
- LEAs  (4)

*Total of 178*

**Supporting Applications**

**Ariba**

**Interfaces**

- IPS
- eQuote
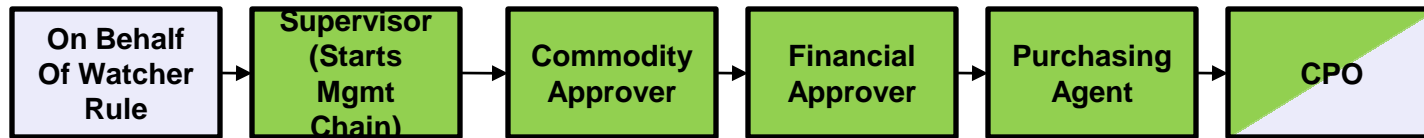- Vendor Registration
- Reporting

# Procurement Functions

- **Vendor search**

- **eRequisitions**

- **Catalog search**

- **Approval flow**

- **eQuote**

# Management Functions

- **Vendor registration**

- **Workflow management**

- **Compliance and accountability**

- **Data aggregation and reporting**

| On Behalf Of Watcher Rule | → | Supervisor (Starts Mgmt Chain) | → | Commodity Approver | → | Financial Approver | → | Purchasing Agent | → | CPO |

Electronic approval flow facilitates an effective procurement approval process for the State.  It allows procurement professionals to focus on more critical strategic initiatives, while it facilitates the proper authorizations before goods and/or services are purchased.
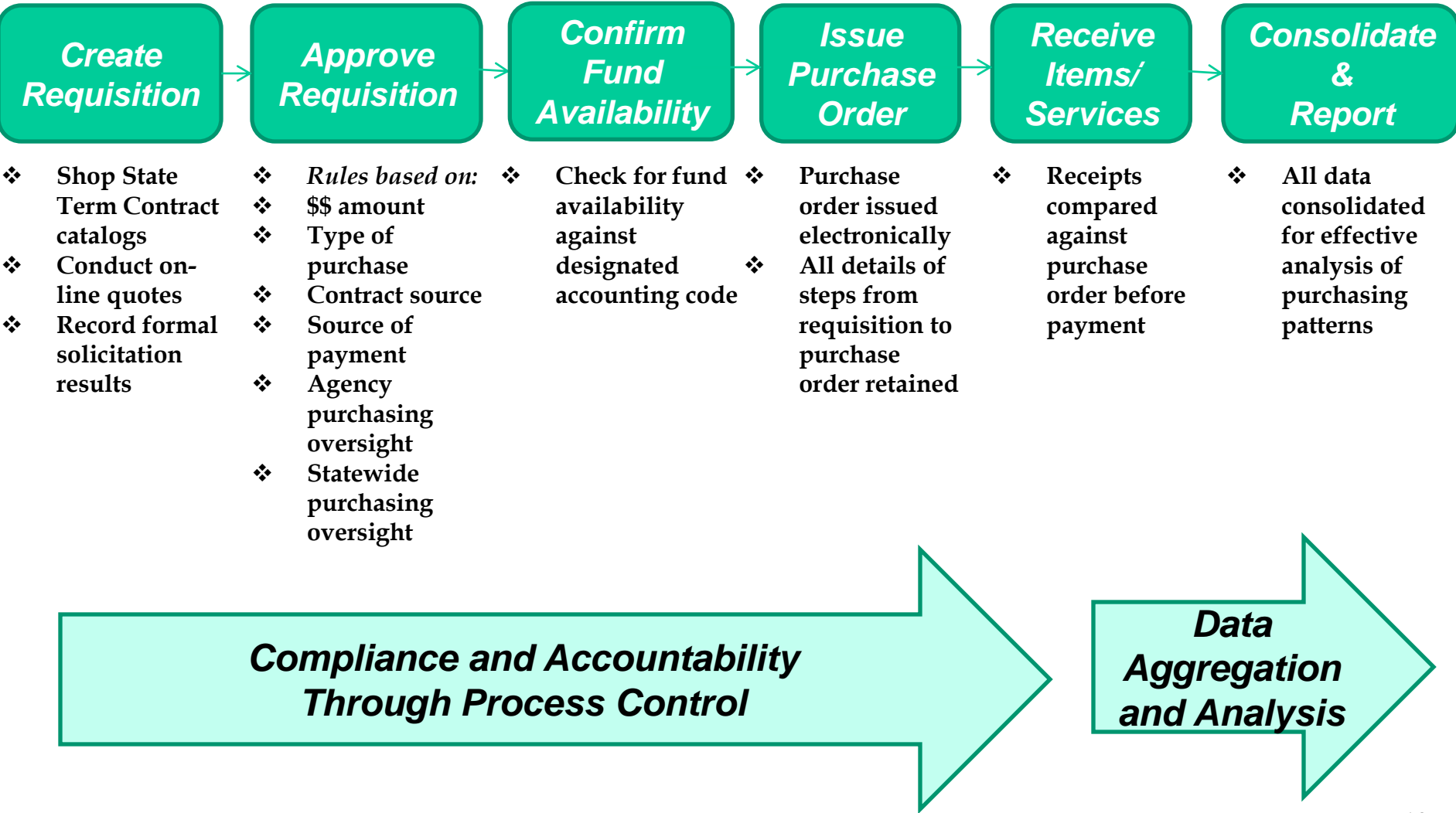
# Compliance and Accountability

- procurement method field requires justification at the line item level of basis for purchase (from designated vendor at designated price) e.g., State Term Contract, agency bid, eQuote, sole source, etc…

- Approval process automatically generated from Agency rules (based on dollar thresholds, agency management structure, commodities, and State oversight rules)

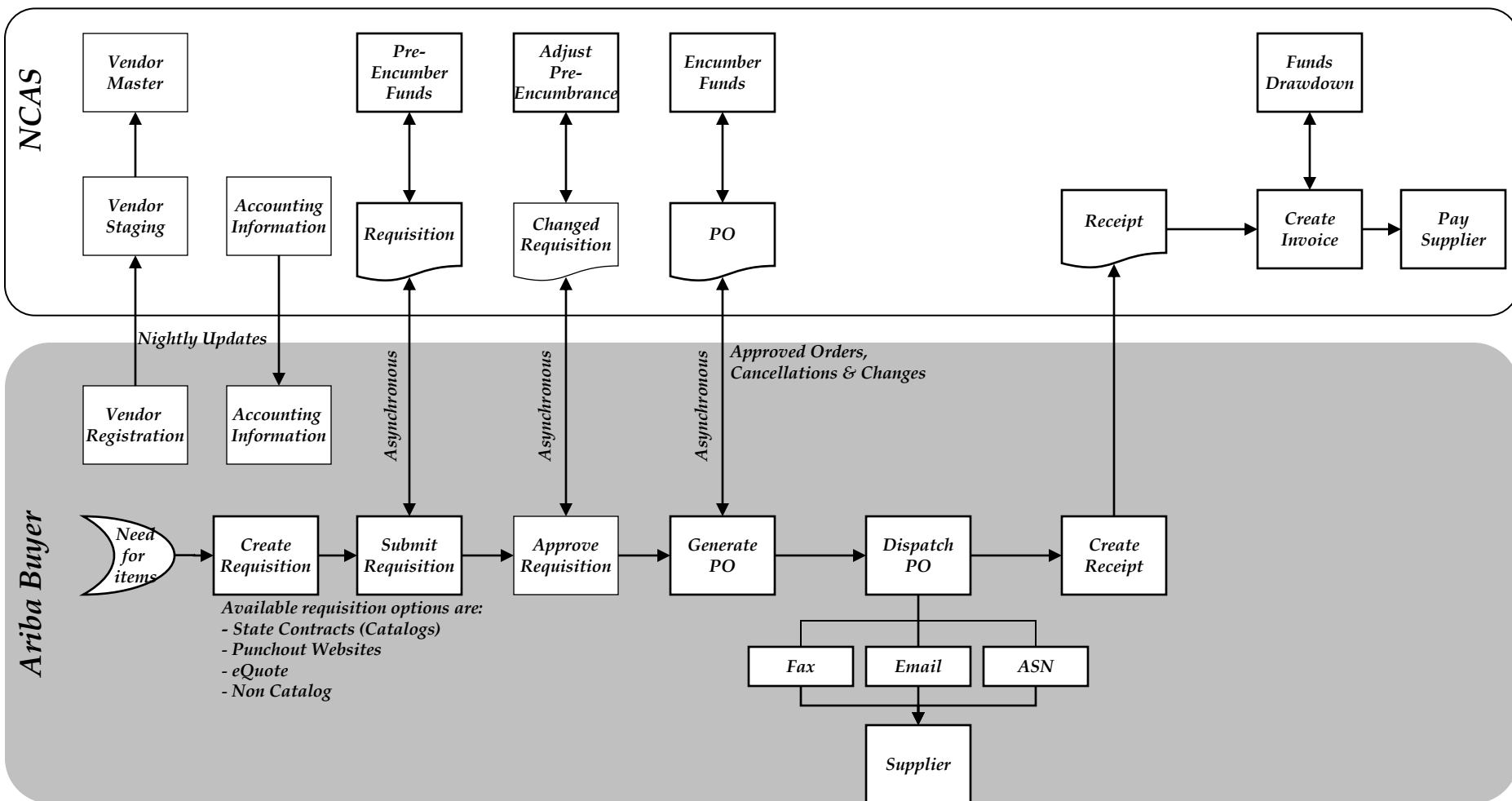- audit trail (what is changed about any requisition by whom and at what time
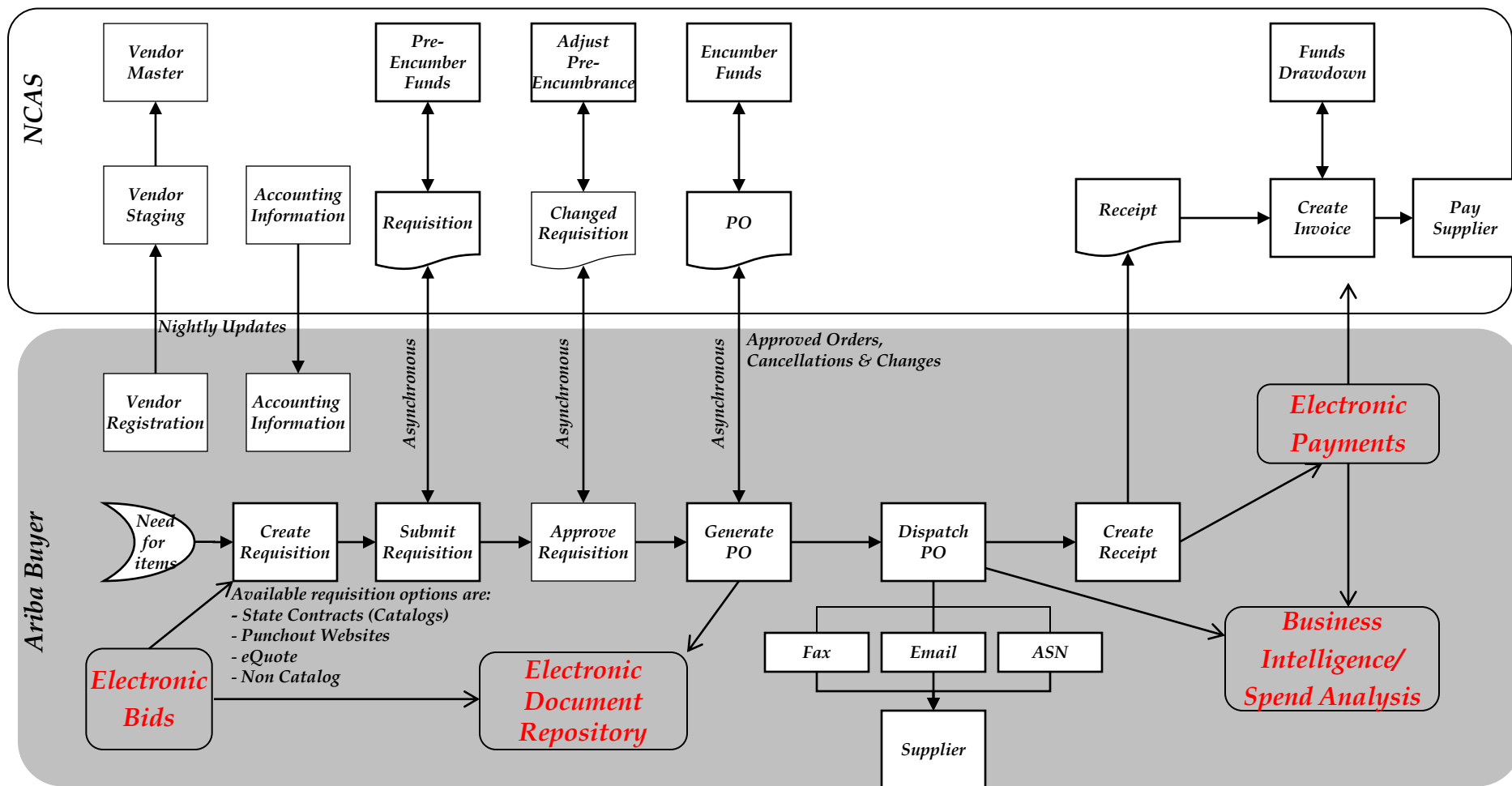
# High Level Purchasing Flow

| Create Requisition | Approve Requisition | Confirm Fund Availability | Issue Purchase Order | Receive Items/Services | Consolidate & Report |
|---|---|---|---|---|---|

**Create Requisition**
- ❖ Shop State Term Contract catalogs
- ❖ Conduct on-line quotes
- ❖ Record formal solicitation results

**Approve Requisition**
- ❖ *Rules based on:*
- ❖ $$ amount
- ❖ Type of purchase
- ❖ Contract source
- ❖ Source of payment
- ❖ Agency purchasing oversight
- ❖ Statewide purchasing oversight

**Confirm Fund Availability**
- ❖ Check for fund availability against designated accounting code

**Issue Purchase Order**
- ❖ Purchase order issued electronically
- ❖ All details of steps from requisition to purchase order retained

**Receive Items/Services**
- ❖ Receipts compared against purchase order before payment

**Consolidate & Report**
- ❖ All data consolidated for effective analysis of purchasing patterns

**Compliance and Accountability Through Process Control**

**Data Aggregation and Analysis**

# *Ariba Buyer / NCAS Data Transfer*

NC E-Procurement
your service
www.ncgov.com

# *Ariba Buyer / NCAS Data Transfer*

# *System Demo*