

Business Consulting



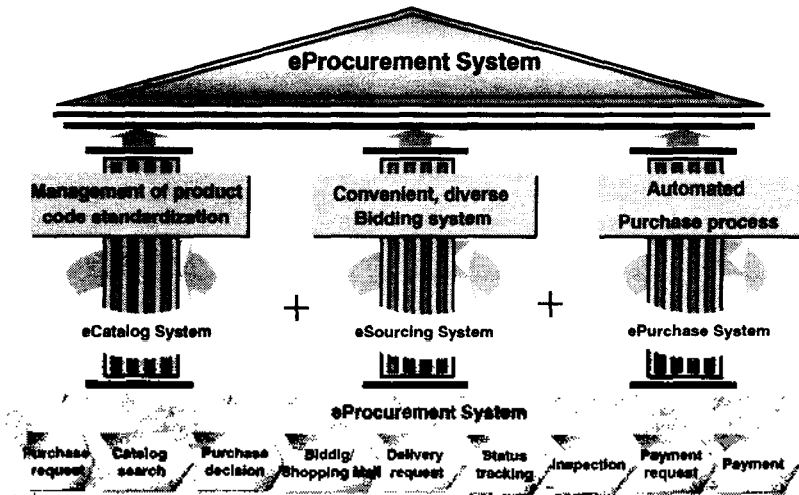
eProcurement System Implementation Cases & G2B Innovation Scheme

New Trends of e-procurement and the Future

August, 2001

The Goal of eProcurement System

eProcurement System is for the improvement of costs and productivity, and consists of eCatalog, eSourcing supporting the supplier selection, and ePurchase system supporting purchase request, approval, and PO.



USA - Key Government EC Initiatives

- **Government Paperwork Elimination Act**
- **Electronic Certificates**
- **Access America for Students**
- **Access America for Seniors**
- **Electronic Catalogs**
- **Electronic Posting System**
- **Electronic Grants**
- **WebGov**
- **Environmental Electronic Commerce**

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Case Study - govWorks.com

Background

- Founded in 1998, govWorks, Inc. is a leading US private company working with the public sector to build Internet-based applications that enable the delivery of government services online.
- govWorks also owns and operates the www.govworks.com portal for citizens and businesses--a leading destination for interacting with government online. It provides an on-line store, procurement and auction facilities.

Benefits to government

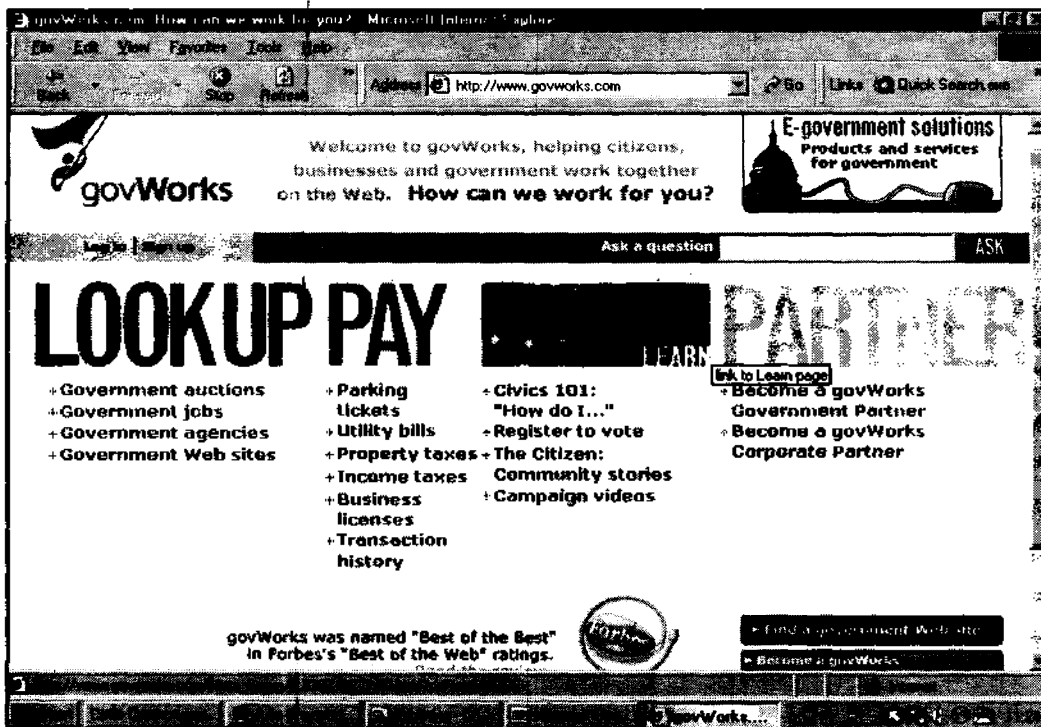
- Less paperwork.
- Faster receipt of payments.
- Reduced operational costs.
- An increase in existing revenue streams.
- Over time, freed-up resources.
- Pre-built, customisable online payment system.

Benefits to constituents

- govWorks products and services allow citizens and businesses to interact with government online, around the clock -- including the ability to make secure payments over the Internet using credit cards, debit cards and cheque accounts.

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Case Study - Buyers.gov

Background

- Buyers.Gov is an operational pilot that will implement auctioning and aggregation capabilities within the Government.
- Buyers.Gov consists of three eGovernment procurement tools or strategies:
 - **Private Auctions** - is typically referred to as a reverse auction, where the goal is to drive prices to natural market levels rather than drive prices up.
 - **eFAST** - provides the capability of aggregating government purchasing power for commonly purchased products. The price of the product will be posted, and will decrease as more buyers purchase the product.
 - **Quick Quote** - offers the capability to issue a Request For Quote (RFQ) and receive quotes from selected sources of supply. Quick Quote is more of a full service store where the buyers can purchase as little or as many commodities as necessary.

Benefits

- the first Buyers.Gov online reverse private auction took place Sept. 22. In this auction, the Defense Finance and Accounting Services (DFAS) paid \$2.2 million less than the \$10 million independent government cost estimate for a large-volume information technology purchase.

Source: www.Buyers.gov





Case study – Canada

PWGSC - MERX

MERX

MERX is an on-line service that advertises government contracting opportunities to potential bidders. It is owned and operated by Cebra Inc. which provides the service to the federal government under contract.

Departments must use MERX for requirements subject to any of the trade agreements.

PWGSC also uses MERX to advertise requirements for printing services estimated at \$10,000 or above, most goods and services estimated at \$25,000 or above, and communications services worth \$50,000 or more. It advertises requirements estimated at \$60,000 or above for realty, leasing and maintenance services. It also advertises requirements estimated at \$90,900 or above for architectural and engineering consulting.

Public Works and Government Services Canada's (PWGSC)

PWGSC has exclusive authority and responsibility for buying certain services. For example, advertising and public opinion research services must be bought through PWGSC.

Buying goods costing more than \$5,000 is PWGSC's responsibility. But, standing offers allow departments to buy goods costing more than \$5,000, up to certain limits that are stipulated in each offer. Recently, PWGSC has offered to departments the authority to buy goods of up to \$25,000, depending on acceptance of certain conditions. Several departments have accepted. Consult your manager to find out if your department has accepted, or will be accepting this offer.

Canada - MERX

Government of Canada / Gouvernement du Canada

Contracts Canada / Contrats Canada

MERX™ - The Electronic Tendering Service

MERX is an on-line service that advertises government contracting opportunities to potential bidders. It is owned and operated by Cebsa Inc. which provides the service to the federal government under contract.

Departments must use MERX for requirements subject to any of the following agreements. Some are using it as well for other purchases. PWGSC uses MERX to advertise requirements for printing services estimated at \$1 million or above, most goods and services estimated at \$25,000 or above, and communications services worth \$50,000 or more. It advertises requirements estimated at \$50,000 or above for realty, leasing and maintenance and also advertises requirements estimated at \$80,900 or above for architectural and engineering consulting.

More and more of the Government of Canada's requirements are advertised on MERX, about \$5 billion annually.

MERX is accessible from any location in Canada. You have free access to the notices of opportunities on the Internet and you pay a subscription fee for additional services.

[Go to the MERX database.](#)

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Case study – U.K

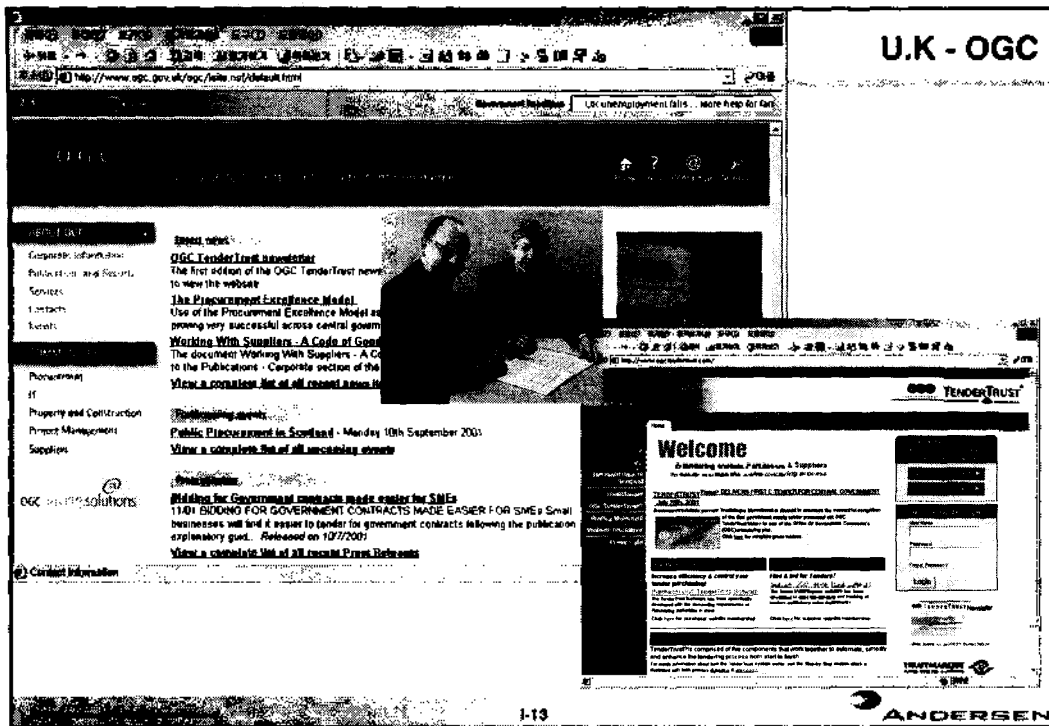
OGC - Office of Government Commerce

OGC is an independent Office of the Treasury with its own Chief Executive appointed at Permanent Secretary level.

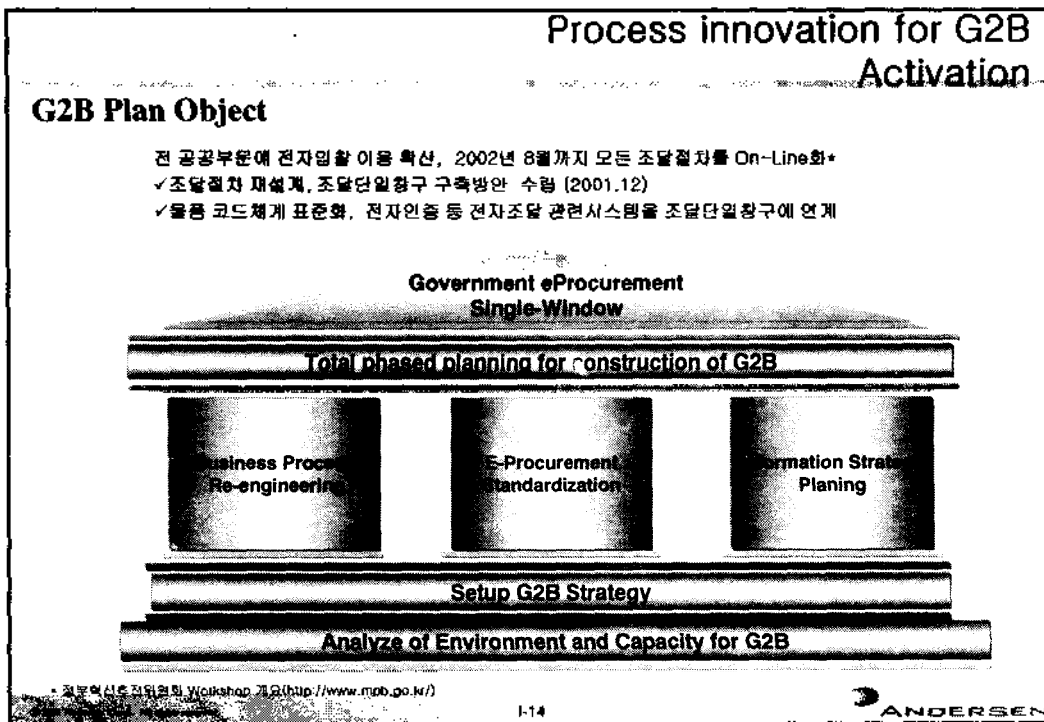
OGC reports to the Chief Secretary of the Treasury who is a member of the Cabinet. The organisation plays an important role in the Government's efficiency and modernisation agendas.

In its first year, OGC has concluded a strategic partnership with Vodafone which will save the Government over £38 million over two years. OGC (through The Buying Agency) has also negotiated the Watermark contract, an important step forward in government water consumption with the potential to deliver savings of 10 per cent a year on water services, amounting to £30 million a year for central government alone.

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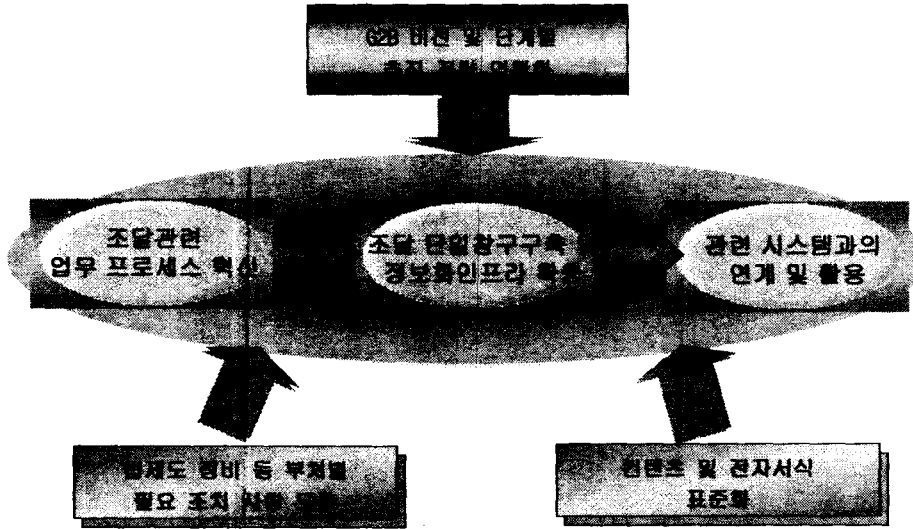


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Innovation Plan for G2B Activation



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Object Detail

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