

A Peter D'Education Group Publication

APR 2006

SCHOOL

Planning & Management

CONSTRUCTION • FACILITIES • BUSINESS • TECHNOLOGY

www.webspm.com

**Special Supplement:
Green Schools**

**Modular and
Precast Construction**

**Instant Classrooms
Attractive Options**

**Outsourcing and
Service Contracts**

**Adaptive Reuse
Is Ultimate in
Sustainability**

Using Technology to Improve Procurement

Technology permeates most aspects of education, yet school districts do not often leverage their power to improve the procurement process; procurement remains largely a paper-based process. But several districts are using technology to answer their business needs and challenges.

Internet-Based Bidding

Detroit Public Schools, which educates 153,000 students and has an annual operating budget of \$2.4 billion, reaps real rewards from using online bidding for most of its purchasing. The district saved more than \$300,000 on a single purchase of textbooks last year using that method.

Detroit Public Schools has been using the DemandStar system from Onvia since April 2001 "because it significantly reduces [its] administrative workload," according to Hildred Pepper, Jr., CPPO, CPM, the district's chief contracting officer. "We don't have to print out copies of solicitations anymore. In fact, [vendors] can't even pick up documents in our office anymore. They have to go online to get the solicitation."

Several services aggregate government purchasing information on behalf of businesses that provide products and services to government agencies. These companies publicly announce open solicitations, aggregate responders to those solicitations and improve the transfer of information between the respondent and the agency. Almost all of those services are free for public agencies.

On the Intranet

The 19 schools that compose the York County (Virginia) School Division sit but a cannon's shot from Colonial Williamsburg. The district has roughly 12,800 students and an annual operating budget of \$94.7 million.

Purchasing for the division is handled by the county's central purchasing department. T.W. Sawyer, CPPO, CPPB, is the purchasing agent for both the county and the school district.

To help respond to the countless "What is the status of my purchase request?" inquiries that all purchasing departments face, the county purchasing department scans in an image of every important page from each request it maintains. Those images are stored via an online digital imaging solution. Internal customers can check the status of their procurement requests with the click of the

mouse. A similar site provides information about available bids and can be accessed by the public through the Internet. The site gets more than 3,000 hits a month. That's a lot of incoming phone calls that the central purchasing department can avoid each month.

Paperless Procurement

The School District of Philadelphia's 217,000 students make it the seventh largest district in the nation. It has an annual operating budget of \$1.9 billion and operates 273 public schools. Until recently, its procurement department kept hard-copy records for every one of its more than 200 annual public bids.

Kimberly Sangster, CPPO, CPPB, senior vice president for procurement services, realized that those hard-copy records held quite a bit of valuable information that could be used to speed up the procurement process, increase the district's purchasing power and ensure compliance with laws and regulations.

The school district hired Freerain Systems, Inc., to oversee the document-scanning process for every paper file covering the last year of procurement (130,000 individual pages of information). The company also populated a database with key information from each bid, including commodity code, product description, vendor name, contract date and amount awarded. The district's buyers can now search this database.

All information in the procurement process is stored electronically and accessed through a secure Internet-based Webpage. The stored information includes images of every vendor response, as well as the Microsoft Word and Excel files that are used by the procurement department and other file types that might accompany a specialized bid. The result is a complete, secure, online accessible bid record.

Researching and retrieving information from the paper-based documents used to take hours or days (if the searches were possible at all). Now, retrieving information is nothing more than a couple of mouse clicks away. **SPM**

Josh Karp is the founder and CEO of Freerain Systems, Inc., a Chicago-based software company that focuses on using technology to improve procurement. This column is reprinted with permission of the Association of School Business Officers International (ASBO).