



MyFloridaMarketPlace

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Introduction

In 2000, the Florida state legislature approved funding for an online e-procurement portal called MyFloridaMarketPlace. The project was overseen by Florida's Division of Management Services (DMS), which contracted with Accenture in the fall of 2002 to create and manage the portal.

The Problem

Before MyFloridaMarketPlace, Florida's procurement process involved 840 product catalogs featuring more than 70,000 items. Multiple faxes and conversations between sales representatives and state personnel were the norm. The process was slow and inefficient. After reviewing North Carolina's and Virginia's success with online procurement portals, Florida officials realized the potential benefits of such a system.

The Solution

Five team members at Accenture began working on the project in the fall of 2002. Since this type of project is commonplace in the private sector, there was already software, called Ariba, designed for e-procurement.

The site began registering vendors in March 2003 and was launched to buyers in July. With vendors offering over 70,000 products and services, MyFloridaMarketPlace generates more than \$500 million in transactions with 29 state agencies. Accenture helped DMS cut order processing and delivery time by automating transactions, contracts, approvals and payments.

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MyFloridaMarketPlace

By consolidating all procurement online, DMS reduces paperwork and speeds order processing time. These timesaving tools result in lower costs for state entities due to reduced overhead. By eliminating the need for paper, printing, supplies, postage, mail and delivery services, vendors and the state realize significant savings.

MyFloridaMarketPlace centralizes and simplifies the purchasing process. Once a purchase order is produced, the portal automatically sends an e-mail and fax of the approved purchase order to the vendor. This saves time and money by eliminating manual faxing and additional correspondence between vendors and state agencies. Once an order is processed, MyFloridaMarketPlace helps ensure timely payment to vendors through an interface with the state government financial system. This link allows the portal to trigger payments from the state to vendors. The interconnected system has generated economic opportunity for large and small businesses alike.

MyFloridaMarketPlace streamlined the requisition-to-purchase order and invoice-to-check cycles. In the first quarter of 2004, average requisition to purchase order cycle time was 8 days; by the second quarter of 2005 it had been reduced to 4.7 days. Average invoice to check time was 32 days in 2004 and dropped to 8.7 days in 2005 . This new process created a user-friendly system for vendors and buyers to trade goods and services. Vendors can register, post product descriptions, receive bid information and obtain purchase orders online, while buyers can quickly browse listings of goods and services from the portal's online catalogs.

The team at Accenture integrated their Ariba procurement application with PeopleSoft software to accelerate vendor payment and ensure a smooth monetary transition.

All funds transfers, for approximately 106,000 purchase orders totaling about \$780 million, are done online. Currently, there are 59,000 participating vendors, up from just under 54,000 in 2005.

Almost one-third of the vendors are minority and woman-owned businesses . Technology within the MyFloridaMarketPlace helps state entities to flag minority and women-owned businesses, which helps the state meet minority-purchasing goals.

These advances come with no direct cost to the state operating budget. The e-procurement system and its 50-member support staff are funded from a 1 percent transaction fee to state entities on purchases made on MyFloridaMarketPlace. In all, Florida taxpayers save \$7.7 million annually from MyFloridaMarketPlace.

Relevance to Massachusetts

The Commonwealth has its own online procurement system to automate transactions between vendors and Massachusetts public and quasi-public entities. Instituted in 1996 under Governor William Weld, the Comm-Pass.com Procurement Access and Solicitation System has streamlined a once paper-filled process and consolidated it into a single website. The software was designed internally and is currently managed by the Massachusetts Operational Services Department (OSD), which charges vendors for use of the website and maintains the portal . For an annual fee of \$275, vendors have access to over \$1.2 billion in state contracts . The fee provides vendors with e-mail notification of new contracts that match their company profile. OSD uses the fees to maintain the Comm-Pass website and enhance the system through improved online tracking of orders. The website is updated regularly to ensure that state entities purchase from vendors who are registered with Comm-Pass.

According to Michael Evers at the Comm-Pass help desk, there are 1,150 vendors and over 200 participating state, municipal, and quasi-public entities. Comm-Pass assists these potential buyers by helping them find vendors that provide good quality and competitive pricing by maximizing vendor competition.

In addition to giving buyers a forum to navigate available products and services, vendors get enhanced access to the state market. By personalizing their account, vendors can target relevant goods and services to a particular public entity, make bids, and track them in real-time. Vendors receive e-mail notification of the results of awarded contracts.

Prior to Comm-Pass, vendors in Massachusetts had to submit five paper copies and a floppy disk copy of a bid to be considered for a contract. Currently, Comm-Pass allows state agencies to provide registered vendors access to procurement information and past records. In the future, OSD anticipates an online bidder conference pilot program that will create online forums for bidders, plus online bid response to supplement online bid submissions.

Even though the Comm-Pass procurement access and solicitation system is already used in Massachusetts, there is still much to be learned and adopted from MyFloridaMarketPlace. Much of Florida's savings is the result of reverse auctions. These are buyers' auctions where sellers compete for purchases by driving their selling prices down, reducing costs for Florida taxpayers. An office supplies reverse auction won by Office Depot is estimated to have saved Florida \$18 million over three years, for a 30 percent reduction in costs. Another, for a maintenance and operating goods contract, saved \$3.4 million.

Conclusion

Massachusetts can learn from the flagging tools that Florida uses to alert potential buyers of recycled and environmentally friendly goods along with those offered by minority and female-owned businesses. The reverse auction concept also shows promise. By using technology to better leverage the Commonwealth's immense buying power, we can continue to improve the state's procurement system in ways that benefit taxpayers, vendors, and public entities.

