

**The Competitive Edge on Managing Competitive Bids**

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## **Presentation Abstract**

*The University of Alabama has implemented a Vendor Bid System to manage the competitive bid process. This custom in-house developed system tracks all bids internally while posting relevant information to the university website. This presentation will show how the system meets the business needs of the purchasing department.*

## **Introduction of the Organization**

Founded in 1831 as Alabama's first public college, The University of Alabama is dedicated to excellence in teaching, research and service. We provide a creative, nurturing campus environment where our students can become the best individuals possible, can learn from the best and brightest faculty, and can make a positive difference in the community, the state and the world.

Enrollment at The University of Alabama reached a record high of 28,807 for fall 2009. The entering freshman class, at 5,207 students, is the largest in UA history.

The University of Alabama is ranked among the top 50 public universities in the nation for the ninth consecutive year in *U.S. News and World Report's* annual college rankings, fall 2009.

The University of Alabama's graduates and students include 15 Rhodes Scholars, 29 Goldwater Scholars, 12 Truman Scholars, 13 Hollings Scholars, two Javits Fellows, one Udall Scholar and one Portz Scholar.

The University of Alabama has a dramatic impact on the economy of Alabama, returning three dollars for every one dollar invested in the University by the State. UA each year contributes \$1.8 billion to the state's economy.

## **Problem**

The University of Alabama had been using a mainframe-based bid system that was badly outdated not only functionally but also from a hardware standpoint. So when the old mainframe was on its way out the door, it was the perfect opportunity to create a more efficient and effective bid system that would actually meet the business needs of its users.

## **Problem**

This project was a joint effort between the Purchasing department and the Financial Affairs Information Systems Support group. In the initial planning meetings the legacy bid system was reviewed and a wish list of desired functionality was created. It was determined that the primary components needed were:

1. Bid Maintenance. The old system required a user to go through a cumbersome series of screens to create the basic bid. This needed to be simplified but still capture all the necessary information. By designing a database that reflected the workflow, it was possible to build a system that flowed seamlessly throughout the bid life cycle.
2. Vendor database. The vendor file on the old system was cluttered with obsolete and duplicate records, partly due to the ineffective search capabilities of that system. A major cleanup was an essential part of the conversion, and the new system was designed to maximize the user's ability to find the right vendor right when they need it.
3. Bid Announcements. Communication to vendors when a bid is posted that is relevant to them is crucial to successfully gathering responses, as well as complying with state bid laws. The system was designed to track each vendor's commodity types. When a bid is created and assigned a commodity, bid announcements are automatically generated and sent to each vendor that provides that commodity.
4. Bid Awards. The various stages of a bid were defined and the screens designed to capture relevant data as it worked its way thru preparation, responses, evaluation, and award.
5. Web interface. While the system is primarily utilized in-house, certain information needs to be made readily available to vendors. Previously a separate system was maintained whereby purchasing staff would post to the web all of the pending bids, standing contracts, and bid statuses. Not surprisingly, this often resulted in inconsistencies. So we designed this function into the new bid system. The results? 1) No more dual maintenance, and 2) Better, more timely published information.
6. Reporting. In addition to the onscreen query and filtering capabilities several reports were developed to aid in reviewing and managing bid activity.

## **Implementation**

The go-live date was scheduled in advance of the removal of the mainframe in order to allow for query of the old system if needed. An ample amount of historical data was converted and loaded into the new system, but even so the entire database was archived prior to removal of the hardware. The cleanup of the vendor file was completed ahead of time, the data conversion was done on a Friday afternoon to minimize user down-time, and the new system was ready for business on Monday morning.

## **Benefits**

The purchasing staff is very pleased with the results they get from the new Vendor Bid System. It is easy for them to maintain bids and to find any item thru the extensive search capabilities, and the reports show them summaries and analyses by buyer, requestor, vendor, etc. Vendors are able to see more information online, whereas previously they may have to call a buyer and perhaps wait for an email or a fax. Also, any university employee needing to make a purchase can easily check the website for standing contracts and instructions and web links to make those purchases. And since this system was developed in-house, any special requests can be easily accommodated, such as tracking minority vendor activity when the university started a minority-focused bid initiative.

## **Retrospect**

Often there is a gap between what an ERP system provides and the needs of a specific segment of an organization. Third-party software applications, if available, may or may not do the trick, and customization from a software vendor can be quite costly. Sometimes the best solution is to build it yourself, designing the system to your own specifications. With a system that works for its users, its users can work more effectively for the University.