



For Immediate Release

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Local Governments Learning How to Use the Internet to Improve Competitive Bid Process

eDynaQuote Educational Programs in Demand

Erie, PA – January 15, 2007 – Since September, 2006, when legislation took effect that allows local government units to use of the Internet for the competitive bid process, eDynaQuote’s free educational programs have been in demand. eDynaQuote is the Erie-based provider of Internet-based competitive bidding services and consulting. Local government units include municipalities, school districts, authorities, Councils of Governments, etc.

“We began offering free on-line seminars – called webinars – in August,” said Doug Luthringer, Director of Client Development for eDynaQuote. “To date we have hosted four 60-minute webinars for over 50 representatives of local government units. The interest in this new tool has been very high, and we expect participation at up-coming webinars to increase now that new budgets are in place.”

New webinars are scheduled for January 23rd, February 22nd, and March 20th. Interested participants may register at the eDynaQuote website, www.edynaquote.com.

In addition, Luthringer has presented programs on the topic to such organizations as the County Commissioners Association of Pennsylvania, the Lawrence County Council of Governments, the Pennsylvania Municipal Authorities Association, the Business Managers of the Intermediate Unit 5, the Governor’s Aviation Advisory Committee, and the City of Hermitage.

“Now we are beginning to see some of our ‘graduates’ take the next step and try an online reverse auction, and the results have been amazing,” added Luthringer.

In November, Fairview Township in Erie County used the Internet-based reverse auction to take bids on a generator. As a result of using the new bid process, the township estimates it will pay approximately 10 – 15% less than it had expected.

“As the auction progressed, I was able to literally watch the savings materialize,” said Township Supervisor David Carner.

In December, DELCORA, the municipal authority that provides wastewater management services for Delaware County, used two reverse auctions on the same day to purchase chemicals, and saved over \$87,000.

"I know we could never have saved this much with the old paper bid process. Having the vendors able to reduce their bids immediately made a world of difference for us," said Sue Hart, DELCORA Procurement Coordinator.

"Sue participated in one of the first webinars and contacted us shortly after that to arrange for the auction," said Luthringer.

An Internet-based reverse auction is a real-time online competitive bidding event in which bidders compete to sell the requested product or service to the buying organization. The process enables bidders to know immediately where their bids rank, and to alter their bids immediately if they choose.

Prior to an auction, local government units are required to pass a resolution authorizing use of the competitive electronic auction bidding (reverse auction) process. They then issue and advertise the bid notices in the usual manner. If they choose eDynaQuote as their service provider, the bid specifications and other relevant information are also posted on the eDynaQuote website. Normally a government unit has to make paper copies of bid specifications and mail them to interested bidders. Using the Internet eliminates the need for paper copies.

Because all of the bid information is posted on the Internet, bidders have easy access to the information they need to formulate a bid. And instead of submitting sealed bids on paper, they simply register with eDynaQuote and sign in to the secure site on the announced day and time of the auction.

With a non-electronic sealed bid process, the bids are opened on a designated day at a specific time, and the low bidder is announced. Vendors do not have an opportunity to submit new, lower bids. The reverse auction process, however, allows vendors to know immediately where their bids fit with respect to their competition, and they can then lower their bids accordingly.

"Businesses and organizations that use reverse auctions usually experience significant savings, and these events were no exception," commented Luthringer. "But that's not all they save. The process allows them to save resources – such as paper and postage – and time by creating a more streamlined procedure. These two government units achieved both the significant cash savings as well as the savings in resources."

Fairview Township was also impressed with the ease and accuracy of the post-auction process. Normally post-competitive bid reports must be compiled manually from all available materials. With the electronic process, they can be generated from the website.

"All I had to do was download the final report from the eDynaQuote website, print and post," noted Barbara Partchev, the Fairview Township Secretary. "Not only was it easy, but I could

count on it being 100% accurate. There was no need to retype the data, and therefore no chance for human error.”

The right for Pennsylvania local government units – municipalities, school districts, councils of government, authorities, etc. – to use the Internet in the competitive bidding process was made possible by the passage last summer of the Local Government Unit Electronic Bidding Act, PA Act 88 2006. The act allows Pennsylvania local government units to use the Internet in their competitive bidding process and take advantage of the significant potential for saving time and money.

eDynaQuote, headquartered in Erie, PA, offers Internet-based competitive bidding services and consulting for businesses, organizations, and governments. For additional information, visit <http://www.edynaquote.com>.



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