



## ***For Immediate Release***

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### **City of Erie School District Saves \$29,000**

**Using Reverse Auction to Purchase Video Security Equipment**

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Erie, PA – February 9, 2007 – The City of Erie School District put orders for video security equipment out to bid on February 1 and saved \$29,000. The savings resulted from the use of an Internet-based reverse auction instead of the usual sealed paper bid process. The auction was conducted by eDynaQuote, a provider of Internet-based competitive bidding services headquartered in Erie.

The school district purchased seven separate components of a total video security package, including cables, plugs, cameras, brackets, etc. Bids were submitted separately for each component.

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. In the Erie School District auction, six companies participated, and a total of 106 bids were submitted before the auction ended. With each bid, a company lowered its price from the previous lowest bid.

“This was the first time we had used a reverse auction. On the whole, I am happy with both the results and with how easy the entire process was,” said Patrick Malone, Purchasing Supervisor for the City of Erie School District. “The entire auction lasted an hour – much less than the time it takes to open and evaluate paper bids. And because the vendors were able to reduce their bids immediately, we not only saved money, but will be working with vendors who really want and appreciate our business.”

The City of Erie School District has twenty-one schools and over 13,000 students. The equipment purchased will equip approximately five schools.



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Originally the Erie School District had advertised to purchase the video security equipment using traditional paper bids. When the results of that effort did not meet the District's expectations, those bids were discarded and the District re-advertised the event, this time as an online reverse auction.

"When I first learned about this new option for Internet-based purchasing, we had already advertised the video equipment," commented Malone. "So when those bids were unacceptable, we decided to give this new system a chance."

Prior to the auction, City of Erie School District passed a resolution authorizing use of competitive electronic auction bidding (reverse auction), then issued and advertised the bid notices in the usual manner. The bid specifications and other relevant information were posted on the eDynaQuote website. Normally a government unit must 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 was posted on the Internet, bidders had easy access to the information they needed to formulate a bid. And instead of submitting sealed bids on paper, they simply registered with eDynaQuote and signed 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.

"In addition to a lower price for the equipment, the District also saved resources – such as paper and postage – and time by taking advantage of this more streamlined procedure," said Doug Luthringer, Client Development Manager for eDynaQuote. "The online event also attracted more bidders because eDynaQuote maintains a database of prospective vendors. By notifying all video equipment vendors in our database, we secured additional bidders who would not have known about the opportunity otherwise."

The ability of 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>.