



## ***For Immediate Release***

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### **Delaware County Regional Water Quality Control Authority Saves \$87,500 Using Reverse Auction to Purchase Chemicals**

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Chester, PA – December 13, 2006 – The Delaware County Regional Water Quality Control Authority (DELCORA) put two orders for chemicals out to bid on November 30, 2006 and saved \$87,500. The savings resulted from the use of Internet-based reverse auctions instead of the usual sealed paper bid process. The auctions were both conducted yesterday by eDynaQuote, a provider of Internet-based competitive bidding services headquartered in Erie.

DELCORA saved \$47,500 below the estimate on liquid caustic soda and \$40,000 on the purchase of liquid chlorine.

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 DELCORA liquid chlorine auction, two companies participated, and a total of 49 bids were submitted before the auction ended. In the auction for the liquid caustic soda, three companies submitted a total of 107 bids. With each bid, a company lowered its price from the previous lowest bid.

“At the end of the auction for the liquid chlorine, when we had saved \$40,000, I was pretty happy,” said Sue Hart, Procurement Coordinator of DELCORA. “Needless to say, I was even happier at the end of the second auction when we saved an additional \$47,500. 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.”

DELCORA is a municipal authority that provides wastewater management services for the businesses, industries and citizens of Delaware County, PA. It is run by a nine-member [board of directors](#) appointed by the Delaware County Council.

“The Board of Directors wanted to expand our opportunities to competitively reduce costs. The internet based reverse auction process allowed us to achieve significant savings,” said Joseph Salvucci, Executive Director of DELCORA.

Prior to the auction, DELCORA passed a resolution authorizing use of the competitive electronic auction bidding (reverse auction) process. They 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 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 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.

"Businesses and organizations that use reverse auctions usually experience significant savings, and this event was no exception," commented Doug Luthringer, Client Development Manager for eDynaQuote. "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. DELCORA achieved both the significant cash savings as well as the savings in resources."

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 bill was co-sponsored by two Delaware County State Senators, Senator Edwin "Ted" Erickson (R-26) and Senator Dominic Pileggi (R-9). 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>.