

# E-procurement Implementation

Improving State Operations



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*Office of Management and Enterprise Services*  
*Information Services*  
**State of Oklahoma**



Project Initiation: January 2012  
Project Completion: October 2013

## Executive Summary

To provide better transparency, standardization and instant access to information, the State of Oklahoma utilized its enterprise resource planning system, PeopleSoft, to implement an e-procurement module across state agencies. Information Services, a division of Oklahoma's Office of Management and Enterprise Services, was the first to embrace the initiative launched in 2012 at the behest of Oklahoma House Bill 1304, which mandates the state's chief information officer to review IT purchases and spending.

With the success of the IT implementation, OMES Central Purchasing further expanded e-procurement for all state purchases.

Before implementation of e-procurement, paper forms were completed and routed for approvals within agencies and externally to the appropriate approving authorities. It was time consuming, inefficient and lacked an electronic means for tracking and quick reconciliation of requisitions.

Since implementation of the e-procurement module, interagency communication has increased along with several other improvements:

- Paperless requisition process saves time and money.
- Easily source to purchase order.
- Improves tracking of approvals.
- Electronic document storage.
- Overall efficiency.
- Transparency with feedback simplifying audit compliance.
- Built in security for approvals.

# Business Problem and Solution

## The Problem

HB 1304 charged the state chief information officer with changing the way state agencies purchase IT in order to save money and create efficiencies. At the time, IT purchasing was disjointed, decentralized, overly complicated and had an underdeveloped framework without the insight for reporting on IT spending throughout the state. HB 1304 allowed OMES to innovate and optimize purchasing for all state agencies. OMES had to make creative decisions while keeping a delicate balance between achieving agencies' business goals and providing structure and transparency for the State of Oklahoma's IT.

Workflow administration would also pose a challenge. Most agencies have different purchase approval methods with varying multiple internal checkpoints as well as distinct external approval process depending on the type of purchase. E-procurement had to be configured to meet the different needs of all agencies.

With the number of users affected, implementing and training would also need to be addressed. OMES Information Services procurement, Enterprise Business Services and Central Purchasing partnered together to develop a plan for the project to succeed.

## The Solution

Project leads configured the e-procurement process for the State of Oklahoma. The system shows a transparent requisition life cycle: requisition, purchase order, receiving, invoice and payment. The solution helped meet the need of the chief information officer by offering approving authority while saving time and money.

A sophisticated workflow approval system was implemented that offered approvals anytime, anyplace. The e-procurement module has the flexibility to issue approvals from work computers, home computers and mobile devices. Electronic notifications alert users to approve or complete requests, which can be accessed on the Web. Gone are the days of having to locate a piece of paper and track down personnel in the office for signatures. The time to complete the approval process has dramatically improved.

E-procurement was initially configured in early 2012. Employees were provided training manuals. OMES disseminated best-use practices for e-procurement to assist agencies in becoming more efficient with the new processes. The training included four hours of lectures for requestors and two hours of lectures for approvers. An open lab was also set up for procurement personnel to provide hands-on assistance. Because PeopleSoft

was new, OMES made additional configurations, updated the training manual and published answers to frequently asked questions.

In September 2013, OMES prepared online PeopleSoft training for convenient, on-demand training of new users and refresher options for existing users. The online course was announced via email to 2,000 to 3,000 individuals. The video is viewable on desktop and laptop computers as well as most mobile devices

## Significance

### **Project Significance: Improved Government**

OMES trained 327 people in 139 agencies from mid-March through August 2012. The come-and-go lab opened throughout September and October.

Since its implementation, all requests have been made through the e-procurement system, helping the State of Oklahoma to go green by going paperless with the requisition process. During 2012, OMES Information Services procurement processed 6,377 paper requisitions. From January to October 2013, the e-procurement system reduced that number to 185 paper requisitions.

The improvements help Oklahomans, as procurement gets goods and services into the right hands, whether it is medical supplies for the health department or the computers essential for workers jobs.

The purchasing process is inherently complex and assurances must be made that all purchasing processes comply with State of Oklahoma statutes and policies. This positive change was the result of the hard work and dedication of the e-procurement OMES team.

### **Strategic & NASCIO Priority Alignment**

This project aligns with the NASCIO state chief information officer priorities by consolidating and optimizing purchasing for the State of Oklahoma and creating internal and external operational efficiencies. The OMES IT consolidation plan enhances the value of state information through IT tools and increases collaboration and data analysis. The implementation of the e-procurement also furthers collaborative efforts between Oklahoma agencies and the public they serve.

## Benefits

Implementation has streamlined procurement. E-procurement gives the state an official method for storing and retrieving electronic documents. It has eliminated the use of paper by 97 percent compared to the last year with paper forms. It also saves time and resources.

E-procurement provides a step-by-step functionality that leaves little room for misinterpretation and increases validity and reliability. Other benefits include:

- A paperless requisition process that saves time and money.
- Easily source to purchase order.
- Improved tracking of approvals.
- Electronic document storage.
- Overall efficiency.
- Transparency, with feedback simplifying audit compliance.
- Built in security for approvals.

This process provides an avenue for people to track the process of procurement throughout the requisition life cycle. Collaboration was essential to the success of the project, which then opened the door for other projects and communications to eliminate the duplication of information and efforts.