

# Sealed Electronic Bid Information Management *solution*

***AN UNBIASED VIEW FOR EVALUATING AND SELECTING AN  
ELECTRONIC BIDDING SYSTEM (EBS)***

By: J. Michael Shaffer, Principal  
Apex PM *solutions*  
jshaffer@apexpmsolutions.com

# Sealed Electronic Bid Information Management *solution*

## ***AN UNBIASED VIEW FOR EVALUATING AND SELECTING ELECTRONIC BIDDING SYSTEM (EBS)***

Few business enabling technologies have provided potential for immediate, tangible and sustainable savings as using the power of the internet for electronic document management, bid solicitation and purchasing. Studies and surveys validate that moving from a paper based to electronic bid information management system reduces overall acquisition costs by up to 6% across many business sectors. However, for businesses who wish to enter this realm as a way to manage sealed bids, which typically involves many pages of documentation, drawings, addenda, and communications management, selecting a high value-add system that meets operational and financial objectives can be quite confusing. All too often surprises are only discovered after legal agreements have been finalized.

Some time ago, a client asked that an electronic bid management system (EBS) be evaluated and implemented for their business. As consultants skilled in project and contract management advancement, this request was a natural fit. The purpose of this paper is to share our experience and help establish a process foundation to evaluate and implement the best-valued EBS solution into your business.

***Electronic bidding systems are certainly not created equally. Selecting the best EBS for your business starts with a methodology and game plan.***

## Background and Starting Point

- 20 Electronic Document and Bid Management Systems were evaluated
- Evaluation included more than 50 objective and subjective elements
- All EBS systems were advertised as project or document-centric

This evaluation and recommendation process is somewhat unique because Apex PM *solutions* does not market, sell, or have affiliation with any EBS system provider. Focusing on a best-valued solution allows a full product evaluation without preferential bias or pressure of a sale. During the initial dialog with representatives of each EBS system, virtually all maintained that their product was the “right” solution. In reality only two systems moved forward and were recommended for our client’s use. What happened to the other 18? Ah, read on.

## Evaluation Methodology, Criteria, and Elements

In order to provide a fair and balanced approach for evaluation, the “Gates and Weights” methodology was used to compare each system. Basically, Gates are objective needs and Weights are subjective wants.

Before the internet searches and phone calls to EBS providers, taking time to understand end-user needs and their relationship with other business processes is critical. As with most products, the system selected for use should balance critical-to-success business needs and wants with true system capabilities and limitations. Walking through your bidding and procurement process with individuals involved in end-to-end activities, listing everything that the system must and should do is time very well spent.

***Moving away from paper based document and bid management to an electronic system is all about adding tangible and sustainable value***

Taking a second pass through the list, this time identifying the relative importance of each item, produces a **Weighted Listing**; the cornerstone for moving forward. Templates and specific questions have been developed by Apex PM *solutions* that, through discussion and review of the procurement process, establish the importance of various EBS system aspects relative to business objectives. When working with clients, this technique helps narrow the choices to just a few EBS providers who best match operational and

financial objectives. Our list of evaluation criterion contains over 50 distinct elements comprised within six groups. The entire progression to this point can be determined in just one or two short working sessions.

**The Elements of Need** — From working with the stakeholders, six subjective evaluation criterion elements have been identified. These areas have little wiggle room for interpretation; the EBS provider either meets the requirement or they do not. Examples include data and file security along with assuring transparency and record of transactions. EBS providers who truly utilize certified encryption technology did not hesitate to provide proof. As far as data and information security, asking about the EBS policy on information harvesting and reselling of data could be enlightening and should be evaluated against your company's other policies. Having interfaced extensively with contractors and vendors, protecting any information that could be perceived as a competitive advantage is an area of great sensitivity.

**The Elements of Want** — This is where the creative EBS salesperson earns his or her keep. EBS providers routinely highlight areas of strength as a means to offset product or capability shortcomings. (Don't we all?) As the questioning and evaluation progresses, more than likely during a product demo, referring back to the Weighted List will help keep all parties on track.

In the electronic bid management world, many perspective bidders wait until the last minute to register with the EBS provider. Inevitably, one or two will have questions or difficulty. What type of initial and on-going support does the EBS provider offer for both the bidding agency and the bidders?

How about tabulating and analyzing the incoming data? This can be an area of significant value-gained (or lost), especially for bid proposals with both line item and lump sum pricing or if more than just a few bidders are involved. Many hours can be saved with each bid cycle if tabulation and analysis of data is a demonstrated strength of the selected EBS provider.

Regardless of the EBS provider, there are Service and Use agreements that must be finalized. Understanding these agreements and including them as part of the decision analysis could eliminate future problematic issues. As an example, some S & U agreements were deemed too restrictive by our clients as they conflicted with other business processes or would actually reduce the competitiveness from the bidding community.

Understanding pricing structures has its own set of challenges as at least six different models are currently used. System costs can be very different than end-of-day value. Having awareness of the positive and negative effects of fees and costs on all involved stakeholders, as related to overall procurement value, must be closely evaluated. As mentioned, our evaluation list has 50 discrete elements; eleven involve pricing models and fee structures.

Moving away from paper based document and bid management to an electronic system is all about adding value through tangible and sustainable reduction of internal costs and stronger external RFQ pricing. Although there are many areas of intuitive value such as the elimination of paper handling and expanded bidder pools, having a well thought out and deliberate evaluation and assessment plan that dives well below the surface, sets the stage for reaping the highest rewards from this enabling technology.

For additional information regarding evaluating and selecting an electronic bid management system, including product reviews on specific EBS systems and the entire list of assessment criterion elements, contact us at [info@ApexPMsolutions.com](mailto:info@ApexPMsolutions.com) or [jshaffer@apexpmsolutions.com](mailto:jshaffer@apexpmsolutions.com)

---

Related Articles:

### **Sealed Electronic Bid Management *solutions***

*A VALUE PROPOSITION FOR PRODUCT AND SERVICE PROCUREMENT*

### **Sealed Electronic Bid Management *solutions***

*MULTIPLYING VALUE THROUGH COLLABORATIVE PROGRAMS (TO BE PUBLISHED 5/20)*

---

J. Michael Shaffer is a Principal at Apex PM *solutions*, a Pennsylvania based consultancy dedicated to identifying and implementing high ROI solutions along the Project and Contract Management value-chain for private and public businesses. With more than 25 years operational and leadership experience within Fortune Companies, Mr. Shaffer is recognizing for applying value-based solutions across many business sectors