

# Don't Budget from the Budget:

## How eProcurement can help municipalities facing budget shortfalls



Municipalities are trying to do more, but with fewer resources than ever before, particularly as they attempt to recover from the COVID-19 pandemic. These are the major contributing factors to budget shortfall, and how eProcurement can help to mitigate them!



### Wasted Time

- Consider time spent on paper-based processes, tracking, compiling comparison data, managing contracts, etc.
- Switching to eProcurement eliminates most manual tasks, saving procurement teams an average of **60 minutes** per bid submission

### CASE STUDY

By switching from a paper-based submission process to **bids&tenders**, **Sourcewell** has saved

**\$20,000/year**

on labour costs alone.

[READ FULL CASE STUDY](#)



### Lost Revenues

- **10-20%** of city-level revenue lost as a direct result of COVID-19
- Most municipalities will keep spending on goods, services, and infrastructure
- Finding efficiencies in procurement can save **10-20%** of your procurement budget to help avoid unpopular service cuts or tax increases

**100%**

**Compliant bids**  
no wasted time reviewing & rejecting non-compliant bids

**10-20%**

**Procurement Cost Savings**  
for the average **bids&tenders** client

**35%**

**Faster Procurement Cycles**  
for the average **bids&tenders** client

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## Competitive Bidding

- Increased competition on bid opportunities can reduce costs by **10-20%** overall
- eProcurement ensures opportunities are advertised to a wider network and makes it easier for those suppliers to bid, increasing competition
- Transparency around bidders encourages more aggressive supplier pricing

## Fairness & Transparency

- Manual procurement processes make audits time-consuming and expensive
- With eProcurement, documentation is tracked and stored digitally for easy retrieval and reporting
- Costs associated with storage, shipping, legal fees can be freed up for service delivery

## Local Economy

- Supporting local businesses to create thriving local economies helps municipalities recover faster
- eProcurement levels the playing field by lowering costs to bid and ensuring all submissions look the same
- Evaluation criteria can take diversity, community ties, and business size into account

## Cooperative Purchasing

- Smaller municipalities pay a premium for smaller quantities because they don't have the benefit of bulk discounts or projects at scale
- Municipalities on the same eProcurement system can post one opportunity to benefit multiple locations
- eProcurement systems give real-time visibility into spending so municipalities can aggregate opportunities and combine buying power

## What Does eProcurement Cost?

### Supplier-Pay Model

- No cost to buyer organizations
- Suppliers pay a fee, either per submission or subscription

### Buyer-Pay Model

- Municipality pays an annual fee or license fee
- No cost to suppliers to bid



## Annual Savings

Increasing the efficiency of procurement spend in government means more money is available for additional projects and increased service delivery.

## CASE STUDY

**Trillium Lakelands District School Board** achieved the same results with about **18%** less spend, leaving

**\$3-\$4M in the budget**

for additional programs.

[READ FULL CASE STUDY](#)

