

eB Underway

The Naval Supply Systems Command (NAVSUP) conducted the first on-line reverse auction in the Federal government on Friday, May 5, 2000, in which companies competed online for a federal contract. The Naval Inventory Control Point, NAVSUP's largest field activity, received offers via the Internet from three potential suppliers for components of ejection seats in the B-1, F-15, F-16, and F-117 aircraft.

Using secured Internet-based technology, bidders were allowed to compete in real time for the contract by lowering their prices as they saw other suppliers' offers. In this instance, the Navy estimates that it achieved savings of 28.9% over the historical price for these items.

The auction lasted 51 minutes, and the contract was awarded within an hour of the reverse auction closing. In contrast, standard procurement contracts are awarded on the basis of written sealed bids or competitive proposals that can take weeks. The reverse auction frees resources for higher priorities. Subsequent to this landmark event, NAVSUP has conducted several additional reverse auctions, each producing similar savings and shortened contract award cycle times.



eB Mission, Vision, and Guiding Principles

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Mission

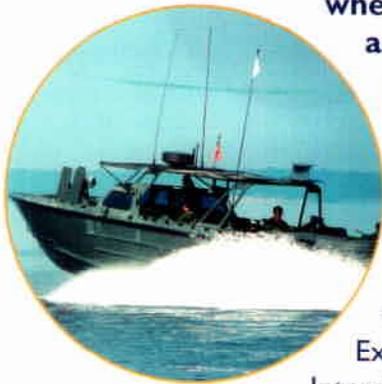
Implement business process reengineering and eB best practices through the infusion of technologies and best commercial business practices into existing DON business processes

Using commercially available technology and commercial best practices, we will automate the generation, processing, coordination, distribution, and reconciliation of every functional transaction. However, we intend to do more than automate manual processes and eliminate paper transactions. Through business process reengineering, our efforts will achieve fundamental changes to the way our business units operate and organizational change management will be key to our success. Information Technology (IT) is the multiplier to improve operating efficiencies and mission effectiveness. However, the infusion of IT alone will not yield the required improvements...

Basic business processes must change!

Vision

An environment throughout DON, both afloat and ashore, where eB-enabling technologies, best business practices and web-enabled applications facilitate end-to-end eB operations, resulting in far greater efficiencies in accomplishing every warfighter and mission support function



eB is a philosophy for conducting business in an integrated and automated paperless information environment. Its software and hardware tools include Extensible Markup Language (XML), Electronic Data Interchange (EDI), E-mail, Electronic Funds Transfer (EFT), Navy Marine Corps Intranet (NMCI), Smart Card, and other web technologies. Both DoD and DON seek to apply these technologies in high-payoff areas to improve processes and reduce total resource expenditures. When used properly, eB is a source of significant strategic advantage that will transform business relationships as we know them both within the Defense community and among DoD, other government agencies and commercial entities. After improving our business processes through reengineering and adoption of best business practices, applying these technologies with an objective to web-enable every application is crucial to achieving the efficiencies possible.

Guiding Principles

The Department of the Navy will:

- Reengineer business processes as a precursor to applying eB technology solutions
- Advocate using commercial eB concepts, technologies, and best business practices to improve our business processes
- Support and promote, with other DoD agencies, an efficient, flexible, reliable, cost-effective eB infrastructure
- Use commercial applications, standards, and practices as much as possible
- Employ web-enabled solutions to transform our enterprise
- Develop and maintain eB-literate teams throughout all of its functional areas

