

Oracle *at* Work

with the Environmental Protection Agency

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—Carrie Hager, EPA ICMS deputy program manager



Out with the Old

In 1993, the Clinton Administration pledged to reinvent the government, with an eye toward making it work more efficiently and cost-effectively. To this end, the administration mandated that government agencies would need to become Electronic Data Interchange (EDI)-compliant within one year.

The Environmental Protection Agency (EPA) successfully developed and deployed a system to meet the EDI requirement—within 90 days. The EPA’s new system uses EDI to conduct business with its suppliers—issuing requests for quotes, receiving quotes, and issuing purchase orders. At the same time, the EPA is enhancing its financial system to receive invoices and process payments for these goods and services.

Virtually everything the government purchases, from paper clips to computers, must be bid out to at least three potential suppliers, in most cases. This is designed to ensure a reasonable price for all goods and services

purchased. And given that anything under \$100,000 is considered a small purchase, any incremental cost savings can be dramatic. In response to the Clinton EDI-mandate, the EPA called upon the Oracle Government Division and consultants from its Integrated Technology Group to develop SPEDI—Small Purchase EDI—an EDI-enabled system for soliciting and receiving vendor quotes.

In with the New

SPEDI is part of the EPA’s Integrated Contract Management System (ICMS), an agency-wide network linking contracting offices, program offices, regional offices, and laboratories throughout the country to a standardized contracting system. One objective of SPEDI was to minimize paperwork and reduce data entry on either side of the EDI transaction. But more importantly, SPEDI enables the EPA to collect a significantly larger number of quotes from vendors around the country, introducing greater competition and giving the EPA a greater choice of vendors and achieving lower prices overall.

“Before, we issued RFQs to only a handful of local vendors. Now, we can broadcast an RFQ to thousands of vendors nationwide, literally with the click of a button,” says Mickey Cline, EPA ICMS program manager.

Business Profile

The Environmental Protection Agency is charged with developing and carrying out programs for the protection of natural resources within the United States.

Solution Snapshot

Primary use:

EDI-enabled system for soliciting and receiving vendor bids online

Hardware:

Compaq ProSignia-based Novell LANS and a Data General AViiON UNIX server

Oracle products:

Oracle7,[™] Oracle CASE[™]

Benefits

- Cuts application development and modification cycle dramatically
- Improves efficiency by eliminating redundant data entry and minimizing paper work
- Enables the collection of significantly more vendor quotes, introducing greater competition to optimize EPA outsourcing dollars

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Rapid Development, Rapid Deployment

The development effort for SPEDI is a success story in itself. The project was launched in June 1994, and deployed at EPA headquarters in Washington, D.C., less than three months later. By early 1996, SPEDI will be in use in all the EPA's 15 acquisition offices.

"This project is a model of government and industry working together. Using rapid application development (RAD) and joint application design (JAD) techniques, we were able to produce a system with tangible benefits in a very short time," says Paul Avery, SPEDI project manager at Oracle.

The Oracle software and consulting services were instrumental to the success of this fast-track development effort. The distributed and data replication capabilities of Oracle7 Release 7.1 provide the information management framework for the 28 EPA pilot sites.

SPEDI Process

Information is entered into the SPEDI application running on Compaq ProSignia-based Novell LANs in the regional offices and is then routed as a distributed process through a Data General AViiON UNIX server in Research Triangle Park, North Carolina. At this server, Oracle tables are transformed into the EDI X12 format using translator software from Oracle Business Alliance

Program partner Sterling Software. EDI-formatted data then travels over the Internet to Department of Defense hubs located in Columbus, Ohio and Ogden, Utah. These two hubs are the network entry points through which vendors communicate via commercial Value-Added Networks.

"This configuration makes it possible for hundreds, even thousands, of suppliers to respond with bids when we issue an RFP," Cline says.

Continuous Improvement

Oracle consultants used Oracle CASE 5.1, Oracle's life cycle development environment, first capturing important information about SPEDI requirements and data, and then generating the screens, reports, and application code for the system. "We are very pleased with how the Oracle CASE generators worked," says Carrie Hager, EPA ICMS deputy program manager. "Even as we make system enhancements, the basic structure remains intact. This is critical in providing a flexible system that doesn't impede the way our regional offices work."

To further streamline data entry, SPEDI is tied into several external information systems, including the EPA's payroll system and its financial management system. Through the payroll system, users can access the names and addresses of vendors, while the financial management system gives them access to purchase requisition

information. Now information is much more accurate and easier to enter, and procurement personnel are now flagged automatically for outstanding purchase requisitions when date thresholds are exceeded.

The EPA has made several other improvements to the SPEDI system that are designed to improve productivity and data accuracy. Among them is a module that allows the shipping and receiving department to record the receipt of goods, along with the corresponding property numbers, model numbers, serial numbers, and quantities received. Three additional projects currently under development would link SPEDI electronically with the financial management data, purchase requisition data, and the fixed asset management system. These enhancements will simplify approvals routing, eliminate redundant data entry, and augment the agency's ability to track and manage financial information.

"At EPA headquarters last year, we did almost all of our simplified purchases via SPEDI," says Cline. "With SPEDI, we're positioned to take full advantage of electronic commerce."

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9956.0296

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