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Press Release

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[MTA Headquarters](#)

IMMEDIATE

MTA Office Supply Costs Fall 17.5% Through New Procurement Process

MTA Seeks to Extend E-Procurement Pilot Program

The Metropolitan Transportation Authority (MTA) today announced that its pilot program to encourage the use of real-time online bidding by suppliers has reduced expenses for office supplies, paper and toner by 17.5%, or \$4 million over the next five years.

Since May, when the MTA board authorized the agency to explore "e-procurement," a form of real-time online reverse auctions that are becoming more popular in the private sector, the MTA has awarded three contracts. The W.B. Mason Co. won two contracts, for office supplies and paper, and a third contract, for toner, was won by Crystal InfoSystems.

"Real-time, online competition between vendors has helped us obtain lower prices than traditional procurement processes would have," said Charles Monheim, the MTA's Director of Strategic Initiatives. "This pilot shows that the MTA can obtain real savings by examining how it does even seemingly mundane things like buying office supplies."

As a result of this successful first outing, the MTA proposes to extend the pilot program and select a permanent e-procurement vendor through a competitive RFP process in mid-2012.

E-procurement is a competitive process for soliciting and receiving proposals electronically, competitively negotiating in real-time, on-line with vendors competing for a contract, and then awarding the contract. Widely used by private industry and some governmental agencies in the United States to obtain bottom-line savings and procurement efficiencies, e-procurement has gained popularity with the emergence of internet-based software. Some advantages of e-procurement include: lower prices through real-time online competition among multiple vendors; administrative cost savings through paperless electronic bidding, and instantaneous price analysis.