



Utilities reap benefits of online standards manual

How would you like to reduce transaction costs, develop interactive networking and enhance supply chain management? Several Florida utilities are already experiencing these benefits in their online purchasing. They have used the technology and services of Advanced Utility Resources and Supply Inc. (AURSI) to upload their material standards manual online for fully automated bidding, updating and cross-reference interfacing with other utilities regarding inventory and supplies.

The story begins with the good old material standards manual – the utility procurement officer's bible, a coded list of approved materials, engineering standards, product numbers and vital statistics as defined by each utility. Checking and rechecking the material standards manual can be a time-consuming part of the day for buyers and suppliers, who must make sure orders are consistent with the latest issue of the standards. Doing so can be a complicated, time-consuming process that calls for a skilled purchasing agent.

Putting "the bible" online

It only makes sense that these once paper-based manuals could be uploaded and kept up-to-date more easily via computer. But, several years ago, the upstart Florida company AURSI went even further, finding a way to get material standards manuals online, thereby speeding up and simplifying the bidding process, as well as circumventing problems associated with updating the standards. AURSI's original online manual and quotation system were first tested and adopted for use in 1995 at Clay Electric Co-op in Keystone Heights, Fla.

The company started out slowly and deliberately from its home base in Alachua, Fla., at first attracting various suppliers and 13 Florida utilities to its online service. But more than 23 new clients have signed up in the past year alone. Now AURSI is ready to spread out nationwide.

"We saw a specific need in the utility industry for utilities to automate their practices and reduce their overall costs," says John Tingue, AURSI's chairman. Tingue and his partner, CEO Chris Staggers, both of whom have utility purchasing and supply chain experience, heavily researched the project over a period of 10 years before design and implementation, Staggers says. As the Internet evolved and high-speed access became available, they saw the stage being set. The server side script they used allowed AURSI to develop a software that would run on an Internet browser, so that anyone could access information at anytime, Staggers continues.

The latest version of the AURSI System implements a fully automated material standards manual that allows utilities to perform instant updates. It also allows utilities to share designs and information by cross-referencing the various utility codes so one utility can communicate with another simply, thereby assuring utilities are on the same page when discussing materials.

"From the original concept [of getting the material standards manual online], we have built a virtual community where utilities can go to maintain their material standards manual online. Suppliers are able to

Executive Summary

Utility: Orlando Utility Commission (OUC) is a municipally owned utility providing water and electric service to Orlando and adjoining portions of Orange County. It is the second-largest locally owned electric utility in Florida and the 16th largest in the nation. It owns the Curtis H. Stanton Energy Center and portions of other power plants in Florida as well as eight water plants. The utility serves more than 190,000 customers.

Topic: The utility material standards manual can be uploaded online for fully automated bidding, updating, and cross-reference interfacing with other utilities regarding inventory and supplies. OUC signed on as a client of Advanced Utility Resources and Supply Inc. (AURSI) in 2001 and says the utility would never go back to the old paper methods.

go in and look at that material standards manual and submit new products through our system to the utility for approval," Staggers explains.

"Utilities also can go there and cross-reference from one utility to another in order to source and share material." They can use the system for bidding and purchasing material as well. The system renders the paper-driven process obsolete.

OUC values ease of use

Orlando Utilities Commission (OUC) joined AURSI about a year ago and uses the system for its electric distribution materials, but utility leaders would like to be able to use it for more of its purchasing requirements. However, OUC's services are not in the manual and are still purchased in the utility's old paper system. Items under long-term contract also are not part of the electronic process at OUC.

OUC saw value in having the ability to quickly update its standards manual and having the up-to-date contents viewable by suppliers and manufacturers. "Before, when we bid, we relied on the suppliers having an updated [OUC] paper catalog, and the paper catalog wasn't always up to date," says Harvey Lippa, OUC purchasing manager.

The biggest benefit of the system, Lippa continues, is how easy it makes the process of putting together bids. "It gives us our sealed portion; in other words the bids are controlled. We can't see the bids, or the [bidder's] response, until the point in time that we've designated an opening. [Bidders] can make changes in the bid all the way up to the opening point of time." Prior to the system, non-local bidders had to mail or overnight their bids to OUC prior to opening time, "so basically they lost a day."

Lippa notes that any office employee can perform the simple operations required to place a bid. No new spreadsheets are needed; they are provided by the system. It saves time and the use of a higher-paid employee to do the work.

Once the spreadsheet from the AURSI system is pulled, "it goes back to our old system, because we have to enter it into our system and create the purchase order. It helps us in the sense of making sure the catalogs are up to date. I don't have to worry that people are quoting on approved or non-approved material. I don't have to worry about faxing it out or mailing out the quote."

OUC pays a yearly fee to maintain the electronic catalog.

To use the system "we go to their Web site," Lippa explains. "The only thing we found of any difficulty was that if something wasn't in the catalog we couldn't bid it, and we would have to go back to the old method. [However, AURSI] put in a module for me and others so that we can create a fictitious catalog number and put it in electronically in order to continue with the bid."

Some of the suppliers "who were once screaming and hollering" about the site are now fans. As far as OUC is concerned, "I wouldn't go back [to the old way]. I would expand it to try to get more of my material on it."

Most of the utility's money is spent on services, but they are not part of the material standards manual. "From an inventory point of view, the power plant has the largest quantity of items that are not on the AURSI system. It would take our people time to enter them electronically and then set up the bid. And these suppliers for the power plant would have to pay a fee, which is OK if you're doing a lot of business through several utilities, but the power plant is doing 'onesies' and 'twosies.'" So for now it would not be feasible for this sector to go online.

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11/27/02
2:11 PM EST

Harvey Lippa

Approved Materials Manual

Utility Stock Number 012-56024

Revision Date
Revised By AURSI

Viewable By All Stock Item Number Yes

Description
TERMINAL BRONZE TIN PLATED, 4 HOLE NEMA PAD WITH
SIDE ROD FOR TRANSFORMER EYEBOLT

Specs/Remarks
Transformer tap adapter allows multiple taps with
compression or bolted terminal lugs. Tin plated high strength
bronze alloy NEMA spacing on bolt holes.

Spec Sheets None Selected

Picture << Show >>

OUC Approved Manufacturers | 012-56024

| Manufacturer | Catalog Number |
|--------------|----------------|
| BLACKBURN | BTT-4 |
| BURNDY | FCB63-4N |
| PENN UNION | FT-4-075 |

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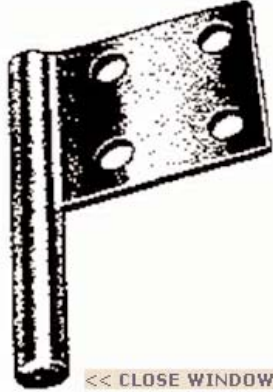
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Picture Page - Microsoft Internet Expl...

Category Transformer

Picture Name Transformer Tap Adapters



Picture

<< CLOSE WINDOW >>

AURSI's Web-based purchasing solution includes an online materials standards manual for each utility.
Source: AURSI

OUC works with two of the larger Florida public utilities, Jacksonville Electric Authority (JEA) and Gainesville Regional Utilities (GRU) for joint bidding.


"We put a bid together jointly and go out to the marketplace with it. This is new to all of us and it creates a lot of issues." Because utility standards vary so much, only about 10% to 20% of the products can be bid jointly. "My gut feeling is that things will slowly standardize to a degree, but they will never be fully standardized."

Utility needs drive design

The AURSI system has grown to meet the needs of its clients, and the utilities continue to contribute to the end product. OUC has offered several suggestions that were turned into new options on the site, according to Lippa.

In one case, the utility was having a problem with rush orders. "Everything was set up on a long-term basis, but there are times when I need something in a rush. So they put in a 'quick bid' [option] which tells suppliers that I'm not looking as much for price but for lead time and how fast the delivery

Address <http://www.auris.net/demo/> Go

Clay Electric Cooperative, Inc. 

Betty Nadeau

Event # **RFQ-2-9/3/2002-BN - ASAP**

Creation Date 9/3/2002

Due Date

Description

Event Notes

Boiler Plates None in the System

Stock Number

Quantity

Notes

Allow Alternate

1 of 1

| | Stock Number | Quantity | Alternates | Notes |
|---|----------------------------------|----------|------------|---|
| 1 | 05950400 CUTOUT, 25KV, 100A | 100 | NO | <input type="button" value="Edit"/> <input type="button" value="Remove"/> |
| 2 | 85140090 Transformer,PAD,75kV | 20 | NO | <input type="button" value="Edit"/> <input type="button" value="Remove"/> |
| 3 | 05650350 LIGHT, HPS 250W, TYP | 50 | NO | <input type="button" value="Edit"/> <input type="button" value="Remove"/> |

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The AURSI system allows a utility to easily put out standardized bidding opportunities.

Source: AURSI.

can be made. So [suppliers] will show me what they have to offer and once I've got something I like I can press the 'OK' button and everything will pop up, whereas before it could not pop up before a specific date and time."

Lippa adds that AURSI is developing a function that will allow utilities to work together.

"They also have surplus material. In theory I can go into anybody else's catalog and look at what they have. When I pull up an item for OUC, I ought to automatically know that that item is in someone else's catalog. So if I'm out of material I could call that company and ask for the item," Lippa explains.

This could lead to "a virtual inventory" so that "if I place an order for 100 [particular items] I could be picking out items from another utility's excess inventory."

In addition, "during emergencies, we would know what each utility has available."

AURSI is now ready to roll across the country with the system and is introducing new initiatives the first part of 2003. The company is working with groups such as Florida Municipal Power Association and Florida Municipal Electric Association to possibly pave the way for more joint purchasing. AURSI is marketing the system to all utilities, including public, cooperatives and IOUs.