**The Value of Centralized Public Procurement in the State of Maine**

When functioning properly, a central procurement program reduces the cost of government by:

* Eliminating inconsistent practices and procedures that confuse vendors and discourage them from competing.
* Reducing the need for duplicative resources by developing capability and expertise that most other agencies cannot afford to develop.
* Inspiring public confidence in government by placing someone in charge of a system that spends vast amounts of public funds.
* Serving as the government's meaningful link to the business community.

Central purchasing programs such as the Maine Division of Purchases generate substantial savings for all of a state's public entities by reducing administrative costs and lowering prices. Costs are lowered by leveraging the consolidated needs of all state public entities and allowing industry to benefit from the accompanying economies of scale. The State’s overall administrative costs are lowered by reducing the number of competitive processes conducted. The savings that result should substantially exceed what any individual entity could achieve, but success depends both on an agency's commitment to use these contracts and on active participation in their development.

In addition, a strong central procurement office facilitates participation in a competitive process (public or private) that often involves a significant financial investment on behalf of the private sector. The business community's willingness to risk that investment depends on its confidence in the fairness of a competitive process that stems largely from a well-developed set of rules administered by a strong central procurement entity.