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## Detroit Startup H2bid Connects Water Utilities, Vendors Through E-Bidding Service

Sarah Schmid 8/4/11

Perhaps it's no surprise that the Great Lakes State is home to the world's largest online clearinghouse for water utility contract opportunities. [H2bid.com](#), believed to be the only Internet business of its kind, connects water utilities with vendors through its cloud-based e-bidding services.

The Detroit startup was founded in 2006 by Glenn Oliver, a former member of the Detroit Board of Water Commissioners and executive in former Detroit mayor Dennis Archer's administration. Oliver started the company because he believed the Internet had the potential to transform the old way of doing things, which was to take out a legal notice soliciting bids in a local newspaper or otherwise publicly post a Request For Proposals.

On H2bid, contractors compete to provide everything from desalination and distribution equipment to tanks and valves to water utilities from Indiana to India. Oliver says the site uses a reverse-auction process that is the opposite of [Ebay](#): The contractors, or sellers, bid against each other, which has the effect of keeping prices down.

Until H2bid's e-bidding services were introduced, Oliver said there was no centralized method for the global bidding process in the water industry. With hundreds of thousands of water utilities publishing bids daily, it was impossible for vendors to track open bid opportunities at all of the world's utilities. This was especially true for small vendors that were typically limited to tracking bids with their local utility only.

"We created an Internet exchange that allows all water utilities to advertise online," Oliver said. "We have made this a green, paperless process to eliminate information inefficiency. Offline, there is no way for vendors to keep track of which utilities are in need of services. But on H2bid, a vendor can search by keyword."

Oliver said H2bid doesn't only have the vendors' interests in mind—it also helps water utilities save money by increasing the field of competition for bids.

"We estimate it brings costs down for water utilities by 10 percent or higher, all without having to lay off staff or cut pensions," Oliver said.

H2bid doesn't charge water utilities to post procurement requests, Oliver said. Vendors don't pay to submit bids either, but if they win the contract they go after, they pay 1 percent of the value of the contract to H2Bid. The website charges an optional subscription fee of \$5.25 per month, which entitles users to a discounted fee of \$4.95 to purchase the complete details of a procurement request (non-subscribers pay \$7.95). Vendors can sign up for free e-mail alerts when new procurement requests are added to the site.

Despite the challenges of getting the word out about H2bid—Oliver said he's been contacting individual cities and city associations to promote his website—it has attracted some high-profile attention. In 2007, H2Bid came in second place in a nationwide business contest sponsored by *Forbes* magazine. Last year, Oliver was named a local "Champion of the New Economy" by *dbusiness* magazine.

This kind of acclaim, perhaps, shouldn't be surprising, as Oliver is the man who helped transform Detroit's infamous annual Halloween tradition of mass, citywide arson—otherwise known as Devil's Night—to Angel's Night, where a small army of volunteers takes to the streets the night before Halloween to keep neighborhoods safe. His unique Detroit experiences figure just as prominently in his company's creation story.

"Based on my time serving on the Detroit Water Board, I knew things could be done in a different way," Oliver said. "I saw the bigger picture, where this kind of business could transform the water utility industry around the world."

Oliver cites financially challenged enclave Highland Park, MI, as one municipality fully on board with H2bid. "What we're trying to do is sign up more cities like Highland Park to use our service," Oliver said. "H2bid opens a user to our database of 30,000 vendors, allowing utilities to get the best product or service for the



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