

Impact Report

Procurement Working for You

strategic

opportunities

collaboration

power of collective spend

cost savings

efficient

commitment

systemwide

category expertise

leverage

cost avoidance

expand

benefit

incentives

sustainable

partnership

Sponsor's Message



Dear Colleague,

We're playing the final quarter of FY 2014-15 and are pleased to have drafted some new players to the team! Effective April 1st Debra Almason and the Travel Management Services team, as well as Jerry Frantz, heading the Bank Card Program and Payment Efficiencies Project, have joined Procurement Services.

Travel Management Services is responsible for our university travel program "Connexus," which includes online booking tools, as well as the negotiation of contracts with agency providers, hotels, rental cars and airlines. Likewise, the Bank Card Program is responsible for soliciting and awarding systemwide providers for the varied credit card tools required to support the University's needs, e.g., Procurement Card, Travel & Expense Card, and Declining Balance Cards.

Both teams come to us with a tremendous track record of developing outstanding customer programs and delivering significant annual benefit to UC. As a combined team, we will be able to generate even more benefit by further leveraging our combined strengths in category contract management and delivery of easy to access, user friendly technology solutions.

Please join me in warmly welcoming these new 'star players' to UC Procurement Services. And look for more great news in the coming months from the team.

Very truly yours,
William M. "Bill" Cooper
Associate Vice President and Chief Procurement Officer

The following are highlights of recent UC Procurement initiatives that model the team's mission and strategic objectives *by delivering savings and efficient procurement services* to help expand opportunities for teaching, research and public service.

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Fisher First for UC

Opportunity

UC researchers spend nearly \$100M annually on Life Sciences consumables. By consolidating procurement with fewer suppliers the UC can reduce product cost while helping researchers find the products that they need more quickly and enabling the University to pay suppliers more efficiently.

Approach

The Life Sciences COE worked with campus stakeholders to understand the University's requirements and conducted a bid event for General Lab Supplies (GLS) that resulted in new, improved contracts with the most critical supplier partners. Working with the eCOE and the campuses, the team was able to develop an innovative e-commerce technique to help direct spend to the preferred channel, further reducing costs without compromising the ability of our researchers to choose the specific products they need for their research.

Result

Fisher Scientific was selected as the UC's flagship supplier for General lab Supplies. The "Fisher First for UC" program will deliver product cost savings, excellent customer service and e-commerce support to our research community, saving the UC \$13.9 million in the first year of the program.

Team

Ross Bausone, Valerie Vergara, Andrew Clark, Alex Butler, Sara Kayser, Kalyn Miller, Claire Tsai, Bill Propst, Ty Haubrich, Todd Wirsching, Jim Hine, Greg Macway, Susan Riddle, Jackie Johnson, Bill Cooper, Cindi Deegan, Terry Thun, Janice Nunes, Mike Morgan, Wayne Boney, Patrick Van Dyke, Paul Schell, John Bono, Kathleen Rogers, Jacob Godfrey, Calli Price, David Gee, David Casale, Richard Coulon, Kent Schofield, Brant Yancey, Ted Johnson, Jenn Glassman, Jason Hall, Nikki Giaquinta, Fritz Leader, Mark Ortiz, and Justin Sullivan

Potential First Year Benefit = >\$13.9M

UCSF Facilities Filters



Opportunity

UCSF Facilities required filters for their buildings. Having done a preliminary review, the team noticed that campus pricing was out of alignment with the overall market and that they buy a significant number of filters each year. Recognizing the opportunity, the UCSF Procurement team began collecting requirements and formulating a reverse auction.

Approach

Their first step was to work through the Facilities COE to solicit a bid from our prime supplier, Grainger. The goal was to reduce time and risk by leveraging our existing relationship. Unfortunately, Grainger couldn't meet the specification for exact product within the short timeline provided. As a result, the auction was executed.

Result

The auction resulted in the selection of a single supplier for the filters, Total Filtration Services. In addition to the tremendous overall savings for the customer, the team negotiated early payment terms for additional savings.

Team

Chief Engineers, UCSF Facilities
Bernadette Jimenez, UCSF Procurement

“Bernadette, this is an amazing, value-added transaction that you and your team provided to Facilities Services. On behalf of the entire team, thank you all! Nice work and job well done.”

- Jon Giacomi, Director Facilities Services - Operations

Annual Benefit \$240k

UCI Anesthesiology Billing Services



Opportunity

Existing agreement for billing services provided to the UCI Dept. of Anesthesiology and Perioperative Care is set to expire at the end of FY 2015. Services from the current provider were deemed inadequate.

Approach

Buyer suggested a lowest cost per quality point evaluation would allow for obtaining a service provider that would deliver improved service levels. Six bidders accessed the RFP. Three responded. The three bids were scored for quality points.

Result

Success was obtained via the unparalleled cooperation and participation of the end users with the Buyer – not only in the creation of the RFP but during the negotiation process. There was mutual agreement in identifying and respecting the activities of, and observing the professional boundaries of both the client and the purchasing process.

Team

Dr. Zeev Kain, Professor and Chair/Associate Dean for Clinical Operations

Maura Hofstadter, Associate Chair, Anesthesiology & Perioperative Care

Kent Schofield, Lead Strategic Buyer, UCI Purchasing and Risk Services

Annual Benefit \$128k

UCSD Juniper Firewall



Opportunity

One year ago, we conducted an evaluation of firewall hardware technology. Procurement then conducted an RFP for the selected platform, and the initial phase hardware was purchased from the winning proposer. UCSD needed to purchase the phase two hardware.

Approach

Since the hardware specifications were identical to phase one, the original RFP results were leveraged, and updated quotes obtained.

Result

We just completed the second phase of the upgrade, purchasing a total of Six SRX5400's, two each for the ADCOM upgrade, the COLO upgrade and the Campus upgrade. Each of the three purchases was able to record a benefit of \$71,451 and our network is that much of a safer place to be.

Team

Bryan Hurley, Procurement and Contracts
San Diego Super Computer Center

Total Benefit \$215k

Bankcard Payment Efficiency



Opportunity

The University of California has had a Purchase Card Program in place for over ten years. However, the early program was not designed to take advantage of potential efficiency gains and revenue streams from using single use cards as a payment tool.

Approach

US Bank's "Payment Plus" program enables payment efficiencies. UCSF's Procurement Card volume of nearly 15k annual transactions was added to that program in Q3.

Result

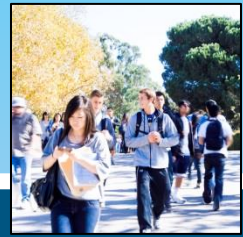
Benefit of over \$65k will be generated from payment cost reductions. Additionally, the volume will generate an incentive of over \$200k. All this with no impact to card users and no disruption of services.

Team

Jerry Frantz, UC Procurement Services

Annual Benefit = \$265k

Commercial Truck Rental Agreement



Opportunity

Travel Management Services manages the Connexus systemwide travel program, which includes a nine year partnership with Enterprise. The team approached the supplier about a commercial truck rental program.

Result

Travel Management Services negotiated a 15-20% rental discount on commercial trucks and cargo vans through Enterprise resulting in a first-of-its-kind master agreement, combining services of its car and commercial truck divisions.

Approach

Through its support of UC campuses, including UC Athletics, Travel Management Services was keenly aware of the high demand for box truck and cargo van rentals. Discounting these vehicle rentals would generate significant benefits in terms of savings and liability insurance coverage.

Team

Debra Almason, Director UC Travel Management Services
Giesel Velez, Information Analyst
Debra Stevens, Technology Systems Project Manager
Yasmin Sidi, Faculty Program Manager

Annual Benefit \$105k

UCSD Triton Shared Computer Cluster



Opportunity

A previous award for the TSCC was to HP. But service problems and hardware concerns caused UCSD conduct a new RFP.

Approach

UCSD opened the new RFP up to Tier One and White Box suppliers. As a result, Advanced HPC beat out Dell, HP and Cray to take the award and save the University a lot of money.

Result

- Awarded to a small business vendor
- Very high performance system
- Superior customer service
- Lower cost then expected

Team

Bryan Hurley, Procurement and Contracts
San Diego Super Computer Center

Total Benefit \$261k

Thank You

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