

# Impact Report

Procurement Working for You

partnership

systemwide

efficient

category expertise

collaboration

leverage

power of collective spend

cost avoidance

expand

commitment

benefit

sustainable

opportunities

cost savings

strategic

incentives



# Sponsor's Message

Dear Colleague,

Each year, our 230 University of California procurement professionals partner with fellow administrators, faculty and students to purchase nearly \$7 billion in goods and services in support of our institution's missions of teaching, research and public service. While the procurement team's mission begins with ***meeting the needs of our clients***, we also strive to deepen our relationships and expertise to serve as a high performing strategic partner. We aim to ***expand opportunities*** for the University by leveraging the power of our collective spend and lowering total cost of ownership to redirect savings in support of the University's core missions.

Join me in recognizing our clients and team members who model the way every day with their spirit of service, collaboration, and strategic problem solving to deliver great results and value.

On behalf of all of our team members, we thank you for your engagement and partnership and look forward to our continued success.

*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 services.

<b>UCSD MyPayments</b>	<b>page 3</b>
<b>UCSD track&amp;ship</b>	<b>page 4</b>
<b>UCM Solar Energy Panels</b>	<b>page 5</b>
<b>UCM Next Generation Network</b>	<b>page 6</b>
<b>UCI Upgrading Irrigation Systems</b>	<b>page 7</b>
<b>UCB Flower Sales</b>	<b>page 8</b>
<b>UCSB Davidson Library Collection Move</b>	<b>page 9</b>
<b>UCSB Materials Research Lab</b>	<b>page 10</b>
<b>UCI Police Department Interceptor Vehicles</b>	<b>page 11</b>
<b>UCP Southwest Airline Contract</b>	<b>page 12</b>

# UCSD MyPayments

**Team:** Ellen Sanders, Robin Posner & Faye McCullough of Integrated Procure-to-Pay Solutions  
Tim Morse, Allen Linker & Bill Sweetman of Administrative Computing and Telecommunications

## Opportunity

The UC San Diego Payment Authorization process was used to handle a wide variety of requests for personal reimbursements and direct payment to non-purchase order transactions. Unfortunately, this system provided limited guidance to the user. As a result, Payment Authorization users often experienced delays with reimbursements and payments because of incorrect submissions, missing information or incomplete documentation.

## Approach

Through collaboration between Integrated Procure-to-Pay Solutions and Administrative Computing and Telecommunications, MyPayments was developed with the goal of creating a streamlined and intuitive application that could be used by a wide-range of employees. Using dynamic HTML, the application walks the preparer through policy-related questions and guides them through a step by step process on how to correctly request payments or reimbursements. It incorporates document retention, mitigates risk with audit/internal control features, and contains tax review and approval workflow. The approval process also provides campus with visibility into the document approval status.



## Benefits

- The estimated cost reduction is a result of time savings for both the process owners and the campus which includes document preparation, research, approvals, documentation, and workflow
- MyPayments supports 41 different payment types including subscriptions, honorariums, scholarships, rent, and visa fees
- MyPayments eliminates paper routing, copying, and physical storage

**Total Benefit \$373K**

Team: Gisella Falossi and Robbie Jacobs of Integrated Procure-to-Pay Solutions

## Opportunity

UC San Diego's Integrated Procure-to-Pay Solutions (IPPS) frequently received questions about tracking incoming package status by the campus community. Once a package arrived at the campus receiving location, departments wanted access to the delivery information, occasionally including the name of the person in their office or lab who ultimately signed for the package. This required a cumbersome investigation into the package status.

If the package had not yet arrived at campus receiving, the customer was redirected to contact the supplier for the tracking information. This created a disjointed experience for campus, and sometimes resulted in hours of time spent on multiple phone calls.

## Approach

After an analysis of commercially available tracking systems, IPPS selected Neopost's cloud-based Web Tracking System (WTS) to improve and replace the old application and processes that received and distributed packages across the campus. track&ship pulls in customer data from SciQuest and the campus directory since it has the ability to integrate with other campus applications. It sends automated email notifications to customers when a package arrives at campus receiving and when it is delivered to the location on the package. Campus can also sign for deliveries on handheld devices, which captures signatures and delivery time.



## Benefits

- The implementation of track&ship estimates a \$22K cost reduction as a result of time savings for the process owners
- track&ship significantly reduces customer service inquiries for package delivery and prevents mis-deliveries making for a more efficient process

**Total Benefit \$22K**

# UCM Solar Energy Panels

**Team:** Denise Garcia, UCM Commodity Manager; Zuhair Mased, Director, Energy & Sustainability; Allison Costa, Building Services Manager; Sara Mitchel; Steve Roach, Chief Inspector & Deputy Building Official; Leon Waller, Senior Project Director

## Opportunity

In an effort to save money on costs and increase energy and power to the campus, the Director of Energy suggested putting solar panels on campus building rooftops. Solar energy is an environmentally sustainable, cost-saving commodity which provides the most sound and cost effective method of providing additional energy for the campus.

## Approach

Solar energy saves money but the development of the RFP provided a means for selecting a supplier who can provide the energy for the best overall cost for the 20 year term of the resulting agreements. The RFP was issued with information and specifications provided by the campus Energy Management personnel. A pre-bid meeting was held to provide details of the project as well as an opportunity to submit questions. Comments and questions from the potential suppliers helped to further define the specifications in the RFP. As a result, the RFP was fine-tuned and provided concise specifications that all bidders could use to provide their best bids. This provided the University with the information needed to make a confident selection for the best solution.



## Benefits

- This resulted in a forward-thinking collaboration between Procurement Services, Facilities and UCOP
- Using solar energy is a progressive approach to sustaining future energy needs of the campus. Not only will it save on energy costs, but it has a more positive impact on the environment unlike many other forms of power. With successful implementation, UCM can serve as a role model to other campuses, institutions and companies.

**Total Benefit \$27,714,285 over 20 years (\$1,385,714 annually)**

# UCM Next Generation Network

**Team:** Meagan Torres, Commodity Manager; Ann Kovalchick, CIO; Dean Lawson, Network Engineer; Nick Dugan, Chief Information Security Officer; Brian Court, Affiliate

## Opportunity

UCM's original network infrastructure was outdated, and aging equipment such as routers, switches and wireless access points hindered accessibility, speed and reliability for campus users. Maintaining this archaic system combined with the inability to support a growing population proved costly.

## Approach

An RFI was issued so that the technical team could specify equipment needed to grow and sustain the research needs of UCM. A complex RFP was issued thereafter which allowed for specifications of a cutting edge "Next Generation Network." This new system will help UCM prepare for the continuing influx of students, business and research needs anticipated with the 2020 Project.



## Benefits

- This resulted in a collaboration between Procurement Services and IT
- The cost savings represents the ability to provide a stable and robust infrastructure at a set discount for five years with up to two annual extensions at the option of the University. The cost savings also allows for leading edge equipment to be purchased to allow UCM to drive innovation, research and development.

**Total Benefit \$747,934 over 5 years (\$149,587 annually)**

# UCI Upgrading Irrigation Systems

**Team:** Kent Schofield, Manager of Strategic Sourcing and Laryea Odamttan, Project Analyst for Housing Administration Services

## Opportunity

Five housing communities at UCI were tasked with updating, upgrading and standardizing their irrigation systems. A contractor was required to provide and install equipment necessary for the requirement.

## Approach

The Buyer helped make sure that the scope of work was specifically written to allow for a competitive bid. The Buyer conducted the Request for Proposal (RFP) and ultimately, six bidders responded to the RFP. By utilizing the RFP process, UCI was able to secure a high level of quality for the job.



## Benefits

- The RFP resulted in a winning bid that was \$43,446 less than the \$230,000 that was budgeted
- By utilizing the RFP process, the Buyer was able to obtain payment terms of 2% net 10, yielding a \$3,731 benefit

**Total Benefit \$47,177**

# UCB Flower Sales

**Team:** Cal Performances, ASUC, Business Contracts, Departments, Legal Affairs, Police, University Relations

## Opportunity

Every year, the University holds commencement day and graduation ceremonies during a week in the spring. Approximately 30,000 students and family members attend over 40 graduation and commencement ceremonies across campus in May. In the past, each department was solely responsible for arranging all stage decorations and all opportunities for florists to vend on campus. The free-for-all approach led to safety problems, legal disputes with florists, uneven customer service, higher costs for students, and added work for the business contracts and legal affairs office managing dozens of contracts each year. Additionally, some departments received revenue while other departments received none. Flowers at ceremonies were often costly and florists were changing displays between department ceremonies rather than reusing them for back to back ceremonies, creating waste on campus.

## Approach

Campus Counsel kicked off the project by calling the departments together to discuss graduation services and recommended that departments work together to identify one or more preferred providers to manage the risk to the campus and improve customer service. Supply Chain led a sourcing initiative to find one or more suppliers with experience providing flowers for university ceremonies and selling on campuses. SCM met with venue facility managers and departments to gather their requirements. Business Contracts provided summaries of past contracts to build a baseline. Volunteers were gathered to sponsor the project, define business requirements, and work on the evaluation team. Cal Performances served as project sponsor and distributed funds to the departments.



## Benefits

- UCB received a variable commission rate of 25-30% (\$17,369) and represented a 26% increase over the 2014 flower revenue.
- University Relations received a 5% increase from the 2015 negotiated price
- ASUC received a new revenue of 15% due to 4 new locations
- Revenue was increased as a result of more sales booth locations. Revenue was split by graduate headcounts (10-15% of sales) and shared across all departments.
- 90% of venues received stage decorations at no charge
- UC established important small business connections with Ashby (local business) and Kahuna (California business)

**Total Benefit \$64,925**



# UCSB Davidson Library Collection Move

**Team:** Gary Johnson, Associate University Librarian; Dave Kujan, Building Operations Manager & Project Coordinator; Janet Martorana, Librarian; Daniel Sweeney, UCSB Procurement Services

## Opportunity

In late-2011, UCSB moved collections materials, shelving, and furniture from its Davidson Library and its University Art Museum to off-campus storage facilities in connection with major renovation and construction undertaken at the Davidson Library. With the completion of this renovation and construction in mid-2015, UCSB required the return of these materials to its new library facilities. The materials to be returned included approximately 80,000 linear feet of books and publications, nearly 250 microform cabinets, over 300 hundred shelving units, and approximately 10,000 linear feet of special collections materials.

## Approach

UCSB's Procurement Services worked with campus stakeholders to prepare a relocation plan. This plan included detailed figures and illustrations describing the items to be moved and identifying their current and final locations. This plan was made a part of the RFP issued by Procurement Services.



## Benefits

- Projected cost savings of at least \$34,000 which represents nearly 8% of the total project cost
- The detailed relocation plan included in the RFP resulted from a collaborative effort between the UCSB Procurement Services team and the UCSB Davidson Library team
- UCSB contracted with one of the leading service providers in the specialized field of library collections relocations

**Total Benefit \$34,286**

# UCSB Materials Research Lab

**Team:** TJ Bloominger & Calli Price of UCSB Purchasing; Youli Li, UCSB Materials Research Lab

## Opportunity

Widely recognized as one of the top five materials research facilities in the world, the UCSB MRL serves as the innovation engine for discoveries in new materials. The facility is home to a scientific and engineering community that creates new collective knowledge and fosters the next generation of scientific leaders. To further MRL's research endeavor, they were in need of a solid-state hybrid pixel detector, the Dectris Eiger R 4M. As this is a high dollar piece of equipment its procurement required using the bid process.

## Approach

Procurement Services worked with the department in order to determine their needs for issuing a bid. The specifications were compiled and used to process a bid through Procurement Services' new electronic bidding system (SRS).



## Benefits

- Substantial savings were secured for the department as a result of using the SRS bidding process
- This provided a quick turnaround in acquiring the equipment for the department

**Total Benefit \$6,957**

# UCI Police Department Interceptor Vehicles

**Team:** Ralph Kupcha, UCI Commodity Manager and Marla Purcell, UCI Police Department

## Opportunity

The Police Department sent over a requisition to buy four Ford Explorer Police Interceptor Vehicles. A quote was attached with a price of \$28,086.73.

## Approach

The Buyer attempted to find competition by bidding several of the local Ford dealers using Procurement Services' electronic bidding tool (known as SRS). Without using SRS, there would have been no benefit gained.



## Benefits

- The unit cost was lowered from \$28,087 to \$27,487 which resulted in a savings of \$600 per unit
- The savings was a result of the Buyer and the Client working together and leveraging the SRS bidding tool technology

**Total Benefit \$2,592**

# UCP Southwest Airline Contract

Team: Debra Almason, UC Travel Management Services

## Opportunity

UC Travel Management Services renegotiated and renewed the Southwest Airline contract. UC Travel Management Services saw an opportunity to increase Southwest Airline discounts to UC employees, contractors and guests which will realize greater savings for travelers who book Southwest through the Connexus travel program.

The UC managed travel program's systemwide utilizations is currently at 46%, meaning there is still significant growth potential based on taking advantage of the discount offering. This will not only maximize savings potential, but leverage the growth to increase the existing discount configuration.

## Approach

During the past year, UC Travel Management Services identified opportunities to increase utilization which included collaborating with Los Alamos and Lawrence Livermore Labs in order to leverage the ticket purchase growth to negotiate better discounts.



## Benefits

- 12% off Business Select and Anytime airfare which are the most flexible tickets and represent 61% of UC's purchase of Southwest tickets
- 8% off Select "Wanna Get Away" airfare which are more restrictive and require purchasing in advance. 39% of UC's purchase of Southwest tickets are from this category
- Travelers receive 250 extra Rapid Rewards points per one-way trip when booking through SWABIZ in the Connexus portal
- Total cost savings estimated as a result of this new contract is \$599,944, increasing savings potential by \$222,849 or 37%

**Total Benefit \$599,944**

# Thank You

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