Dear Colleague,

Each year, our 240 University of California procurement professionals partner with fellow administrators, faculty and students to purchase over $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, redirecting resultant savings to support 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.

- UCI Student Information System (page 3)
- UCSF Inbound Freight Program (page 4)
- UCSD Research Vessel Dry-Docking (page 5)
- UC Systemwide Energy Efficient ULT Freezer Program (page 6)
- UCB Service Awards (page 7)
- UCSB Pest Management (page 8)
- UCSB Saving Honey Bees, One Hive at a Time (page 9)
- UCSB Cryofree Dilution Refrigerator (page 10)
- UCSB Brand Identity Platform & Website (page 11)
Opportunity

UCI had a variety of antiquated system applications for maintaining student information in Undergraduate Admissions, Registrar, Financial Aid, Student Financials, Summer Session and Graduate Division. These systems which had been developed over 40 years contained obsolete language, architecture and databases. There was a great need to integrate these applications into a single Student Information System (SIS) to better serve campus needs in the modern day.

Approach

Due to the project’s vast scope, UCI’s Strategic Sourcing team was brought in to assist in selecting the best supplier for UCI. Strategic Sourcing partnered with UCI’s Office of Information Technology (OIT), Deloitte Consulting, and John Selbak, an attorney specializing in Software and Service, to create a comprehensive RFP that would meet the various needs of the campus. This project will deliver a central database with integrated real-time data, introduce a common development environment which will offer enhanced features, critical data modeling and forecasting capabilities and a more sustainable platform. The group’s efficiency resulted in a launch date earlier than anticipated.

Results

- **Total Cost Savings** - $11.5 Million savings through RFP process
- **System Efficiencies** - New system allows UCI to grow and develop more efficient systems and processes for staff, faculty and students
- **Collaboration** - The entire process fostered a more collaborative approach between stakeholders, Strategic Sourcing, and OIT

Total Benefit: $11.5 Million
Opportunity

Inbound Freight Management is a hard dollar cost-reduction program focused on reducing the freight costs associated with incoming parcels. Currently, goods ordered by the University are shipped using rates and strategies prescribed by our vendors. Using an Inbound Freight Management Program, the University can apply UC negotiated third-party carrier rates (UPS and FedEx) to pre-pay and add inbound packages, reducing parcel freight charges by 40 percent.

Approach

The Supply Chain Management team utilized a UC Strategically Sourced agreement with Vantage Point Logistics (VPL), a freight management company, to apply the University negotiated rates and match freight charges back to PO distributions (reconciling).

Client Quote

“This transition has been virtually seamless, with little impact on customer needs or our help desk. Calls and ongoing support have been minimal. It’s a win-win.”

- Vanessa Wong, SCM Solutions Director

Results

- **Cost reduction** - Since program inception March 1, 2013, there has been a $2.1MM reduction in freight costs (Over 90,000 packages@ 40% discounted freight)
- **Program maturity** - UCSF/UCB has grown this program to include 1,000+ suppliers
- **Program adoption at other campuses** - The program has been launched at UC San Diego and is in the implementation phase at UC Riverside.

Total Benefit: $2.1 Million
UC San Diego Research Vessel Dry-Docking

Team:  Bryan Hurley and Mary Chiu, Integrated Procure-to-Pay Solutions and the UC San Diego Scripps Institution of Oceanography (Nimitz Marine Facility)

Opportunity

UC San Diego’s new research vessel, the R/V Sally Ride, needed to be dry-docked, which required construction and customization. Based on the potential size and high costs of the project, and their familiarity with UC San Diego’s competitive bidding requirements, the Scripps Institution of Oceanography (SIO), Nimitz Marine Facility, contacted the Integrated Procure-to-Pay Solutions’ (IPPS) Strategic Procurement unit early in the process.

Approach

One of the requirements was that the vessel be dry-docked in the United States at a West Coast shipyard. Commodity Manager Bryan Hurley worked in conjunction with Sourcing Process Specialist, Mary Chiu, to issue an RFP to US-based, West Coast shipyards only. Having been engaged from an early stage, IPPS was able to control the process, avoiding many of the commonplace mistakes that can occur during the RFP process. As such, IPPS received the shipyard quotes and awarded the work in four weeks, to the Dakota Creek Shipyard in Washington State.

Results

- **Cost savings**: $1.5 million direct cost savings due to competitive bidding
- **Vessel relocation savings**: By dry-docking in Washington where the ship was undergoing sea trials, UC San Diego avoided the $40K per day cost to relocate the ship to a different shipyard, saving an additional $80K total
- **Increased collaboration**: IPPS Strategic Procurement staff increased their collaboration with the SIO Nimitz Facility, demonstrating efficiency and significant savings, which will encourage future engagement

**Total Benefit: $1,580,000**
Opportunity
Conventional research ultra-low temperature (-80°C ULT) freezers can consume, on average, 19 kWh/day (similar to a single-family home) and over 30 kWh after several years of use. Large UC campuses have approximately 1,000 ULT freezers at any given time. Each of these freezers costs the University an estimated $700-$1000 a year in energy consumption.

Two energy-efficient ULT models have come on the market in recent years, each using less than 9 kWh/day energy consumption. Despite availability, it has been difficult to increase the number of energy-efficient units on campus due to up-front freezer expense, lack of awareness among researchers, and uneven project coordination efforts.

Approach
UC Procurement Services, campus Sustainability and campus Facilities teamed up and negotiated a special UC price for new ThermoFisher Scientific energy efficient freezers including free hauling of old freezers. ThermoFisher Scientific worked with procurement and campuses to market these specially priced freezers during a 3-month promotion.

Results
- **Cost Benefits**- An estimated benefit of $689k includes price reduction, reduced energy consumption over an average 10-year lifespan, transportation and decommission cost avoidance, and rebate incentives
- **Promoting Sustainability**- 71 energy-efficient, ultra-low temperature freezers were purchased replacing high energy consuming freezers across 9 campuses, which help meet UC’s goal of carbon neutrality by 2025
- **Increased Collaboration**- UC systemwide, campus and supplier collaboration during the promotion was essential to the outcome

**Total Benefit:** $689,000
Opportunity
Looking to recognize faculty and staff in a way that reflected their loyalty and service as well as the greatness of the institution, UC Berkeley’s Human Resources Department began an effort, two years ago, to revamp the campus awards program. HR spent hours of time packaging and distributing awards and needed a more cost-effective solution.

Approach
Through a competitive bidding process, UCB garnered an eager supplier at a reduced price. Laurina Ashby of Supply Chain Management met with HR and the manufacturer to ensure a flawless process from development to distribution. By reviewing internal processes, the group identified the non-value added activities and moved to a turnkey solution. In the end, the Supplier agreed to handle all aspects of the process saving HR over 300 hours of staff time.

Client Quote
“Laurina was an absolute wonder. She went out of her way to get it done correctly. Her personal insight helped contribute to the overall success of the program.”
- Dan Hrabosky, HR Project Manager

Results
- **Cost Savings**- Saves almost $59,000 annually equaling $176,550 over three years. These savings are a result of lower cost per retirement award and reduction in labor costs.
- **Administrative Savings**- Saves more than 300 UC staff hours every year in Human Resources since Supplier handles the packaging and shipping
- **Cost Avoidance**- Supplier purchased a special printer for $40K so UCB could print on embossed cards

Total Benefit: $216,550 over three years
Opportunity

UCSB’s prior contract for pest/insect management was up for renewal, and our team agreed it was best to split the RFP into pest-specific modules. For example, some companies are experts in general pest control such as ants, termites, and bed bugs, while others are experts in bird exclusion. Some companies have the ability to perform both of these services, but ultimately something is likely to get missed. The team determined that we could create the most comprehensive and effective pest control program for the campus by allowing vendors to bid on their areas of expertise.

Approach

Working together to document our objectives and expectations, Procurement, Facilities, and Residential Operations carved out separate modules for large vertebrate trapping and general pest control services. We invited approximately 15 vendors, and 11 attended the job walk. Ultimately, we had 17 proposals to score for the different modules, but the time was worth it. In the end, we contracted with great vendors who had specialized expertise in the areas of pest management we identified.

Results

- **Cost Savings** - Saved $106,087 over 3 years for large vertebrate trapping and $5,112 for general pest management services
- **Innovation** - Splitting the RFP into pest-specific modules provided the campus with the highest quality service

**Total Benefit: $111,200**
Opportunity
When the pest control contract expired, which covered a wide variety of species but did not allow for the tailoring of the program to the exact needs of the campus, Procurement Services recommended sustainable bee-capturing. Because bees can scare away people (especially in environments like public schools and parks), pest control companies can get called in to exterminate. There had to be a better way, one that contractually obligated sustainable and bee-friendly practices. Honeybees and other pollinators are essential to the lifecycles of plants and production of food crops, and are under multiple threats. Without honeybees, our local farm-grower community would have a difficult time producing.

Approach
Working together to document our objectives and expectations, Procurement, Facilities, and Residential Operations carved out a separate module in our Pest Management RFP just for sustainable bee capturing. UCSB is well known for promoting a culture and educational environment for sustainability. Procurement is always interested in working with the campus to uncover categories that could be redirected to sustainable alternatives. This contract resulted in a fantastic win for the campus, our bees, and the community.

Results
- **Promoting sustainability**- Implementation of new, sustainable bee-capturing practices for the campus
- **Collaboration**- Enhanced UC partnership with the Community through local growers
- **Cost savings**- Services savings of $7,950 over 3 years

**Hard Dollar Savings: $7,950 | Saving Bee Lives? Priceless**
Opportunity

The Materials department approached UCSB Procurement Services to engage in a competitive bid for their research needs. The department required a dilution refrigerator system. Only a couple of companies manufacture customizable equipment so the cost can be high.

Approach

We posted an RFQ in UBuy, and quickly received two responses, resulting in an immediate imputed savings of $100,350. Because this equipment is being used solely for research, we were able to obtain a partial tax exemption equaling $20,914. UCSB's Procurement Services worked with campus stakeholders to document UCSB's objectives and expectations. The resulting documentation was refined through a series of question and answer sessions with potential service providers and was made a part of the RFQ issued by Procurement Services.

Results

- **Cost Savings** - Equipment savings of $100,350 by going out for RFQ and partial tax savings of $20,914
- **Collaboration** - Consultations between Materials and Procurement Services to outline objectives and expectations led to competitive bidding

**Total Benefit: $121,267**
Opportunity

In response to recent reputational challenges, the UCSB Office of Public Affairs & Communications sought to assess UCSB's brand. Objectives included establishing a more unified voice, look, and feel for UCSB that built pride among the campus community; and elevating UCSB's reputation with prospective and current students, parents, faculty and staff, and UCSB alumni. Deliverables included an associated brand identity platform (e.g., UCSB logo redesign), website redesign and build.

Approach

UCSB's Procurement Services worked with campus stakeholders to document UCSB's objectives and expectations. The resulting documentation was refined through a series of question and answer sessions with potential service providers and was made a part of the RFP issued by Procurement Services.

Results

• **Cost savings**- projected savings of at least $35,000 which represents more than 7% of total project cost
• **Collaboration**- A collaborative effort between Procurement Services and the Office of Public Affairs & Communications resulted in the detailed documentation of UCSB's objectives and expectations
• **High ROI**- UCSB contracted with a leading service provider in the field at a significantly reduced price

**Total Benefit: $35,000**
Thank You