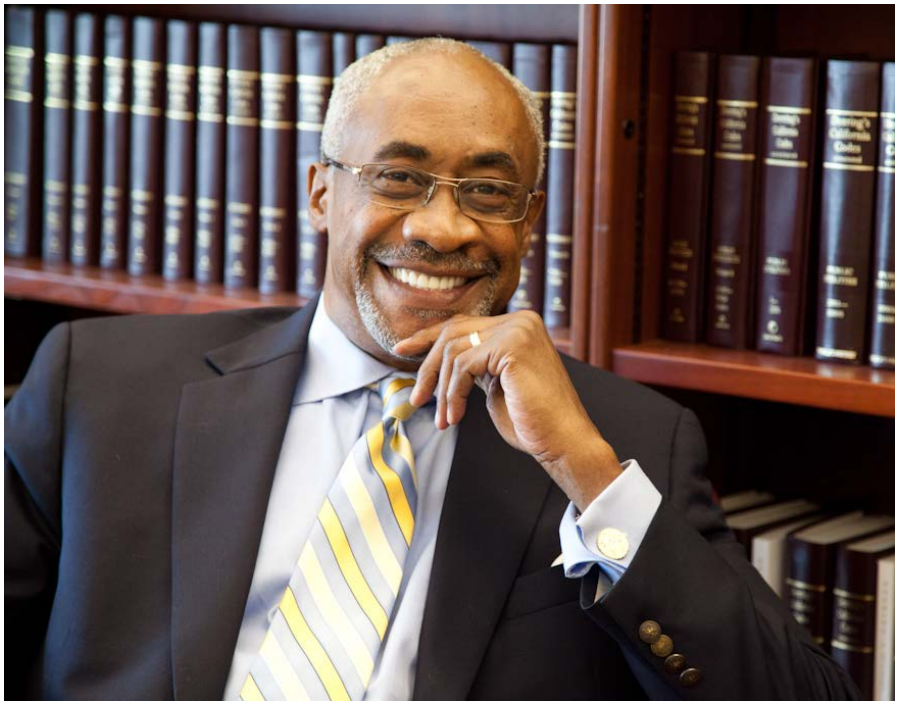
BENEFIT BANK TRAINING

UNIVERSITY
OF
CALIFORNIA

Introduction

- Thank you for joining today's training!
- Opening comments
- Today's Agenda



Associate Vice President, Chief Procurement Officer

BILL COOPER

Benefit Bank training

The purpose of this session is to familiarize you with how to use the Benefit Bank.

- Today's agenda includes:
  - **Background**
  - **Changes from the previous process**
  - **About the Benefit Bank**
  - **Demo**
  - **What you need to know**

- After this session, you'll know….

  ….how to use the tool
  ….where to go for support
  ….how to get started

?

Questions can be submitted **in ReadyTalk** using the chat feature

Background

- Last November, a new methodology was rolled out for tracking Procurement Benefit across the UC system
- An interim tool was launched that involved the use of SharePoint and Excel worksheets

A new tool is now ready that make the process of tracking easier and faster.

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Changes from Previous Process

Several improvements have been made over the previous process.

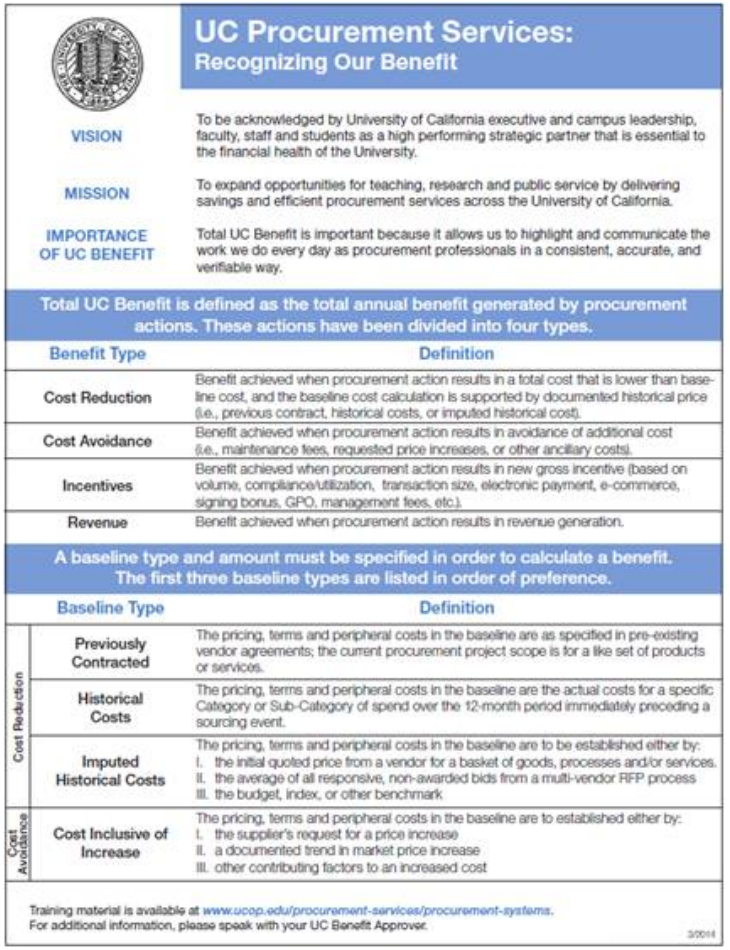
Action	Old Process	Benefit Bank
Benefit data entry	Involved managing multiple Excel spreadsheets	Entirely done within the tool
Submittal timing	Once a month	Real time submittal within the tool
Benefit review	Coordinated over email	Automatically routed to your approver
Increased visibility	Campus Benefit totals not easily available	Benefit totals updated and viewable upon approval

What's Not Changing

Despite changes to the way you'll track benefit, the methodology will remain the same.

- All aspects of the benefit methodology remain the same, including:
  - Benefit definitions
  - Baseline definitions
  - Calculations

- Importantly, these aspects also remain the same:
  - All Procurement Benefit needs to be logged
  - Any Benefit >$1,000 needs supporting documentation
  - Approval of Benefits by campus and COE leadership



UC Procurement Services:
Recognizing Our Benefit

VISION	To be acknowledged by University of California executive and campus leadership, faculty, staff and students as a high performing strategic partner that is essential to the financial health of the University.
MISSION	To expand opportunities for teaching, research and public service by delivering savings and efficient procurement services across the University of California.
IMPORTANCE OF UC BENEFIT	Total UC Benefit is important because it allows us to highlight and communicate the work we do every day as procurement professionals in a consistent, accurate, and verifiable way.

Total UC Benefit is defined as the total annual benefit generated by procurement actions. These actions have been divided into four types.

Benefit Type	Definition
Cost Reduction	Benefit achieved when procurement action results in a total cost that is lower than baseline cost, and the baseline cost calculation is supported by documented historical price (i.e., previous contract, historical costs, or imputed historical cost).
Cost Avoidance	Benefit achieved when procurement action results in avoidance of additional cost (i.e., maintenance fees, requested price increases, or other ancillary costs).
Incentives	Benefit achieved when procurement action results in new gross incentive (based on volume, compliance/utilization, transaction size, electronic payment, e-commerce, signing bonus, GPO, management fees, etc.).
Revenue	Benefit achieved when procurement action results in revenue generation.

A baseline type and amount must be specified in order to calculate a benefit. The first three baseline types are listed in order of preference.

	Baseline Type	Definition
Cost Reduction	Previously Contracted	The pricing, terms and peripheral costs in the baseline are as specified in pre-existing vendor agreements; the current procurement project scope is for a like set of products or services.
Cost Reduction	Historical Costs	The pricing, terms and peripheral costs in the baseline are the actual costs for a specific Category or Sub-Category of spend over the 12-month period immediately preceding a sourcing event.
Cost Reduction	Imputed Historical Costs	The pricing, terms and peripheral costs in the baseline are to be established either by: I. the initial quoted price from a vendor for a basket of goods, processes and/or services. II. the average of all responsive, non-awarded bids from a multi-vendor RFP process III. the budget, index, or other benchmark
Cost Avoidance	Cost Inclusive of Increase	The pricing, terms and peripheral costs in the baseline are to established either by: I. the supplier's request for a price increase II. a documented trend in market price increase III. other contributing factors to an increased cost

Training material is available at www.ucop.edu/procurement-services/procurement-systems.
For additional information, please speak with your UC Benefit Approver.

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About the Benefit Bank

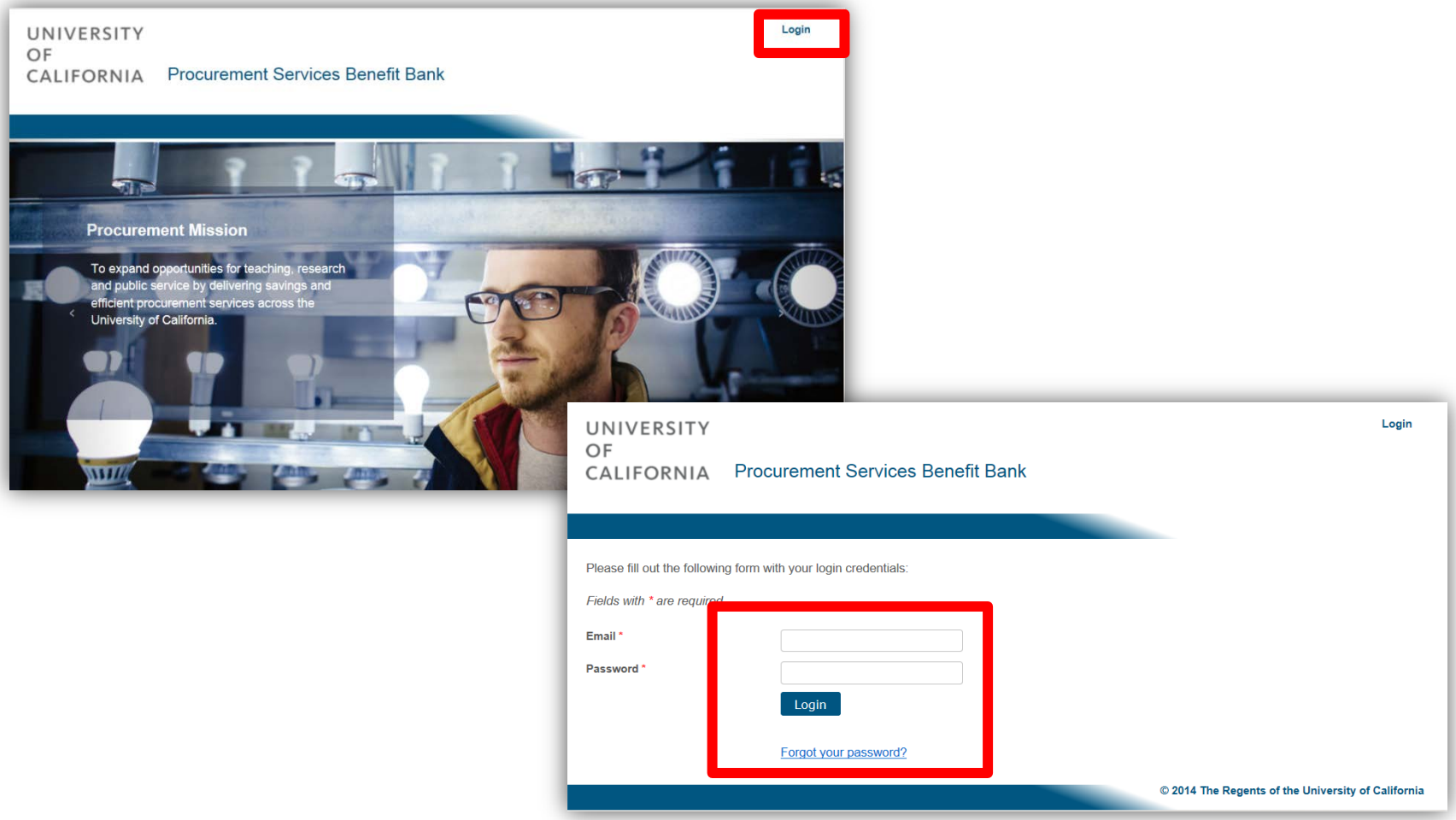
- What is it?
  - The Benefit Bank is a web-based application designed to track, validate and report Benefits from Procurement activity across the UC system

- How does it work?
  - Anytime a purchase is made or a sourcing event is completed that results in a cost reduction, cost avoidance, incentive, or revenue, **an entry should be logged** into the Benefit Bank

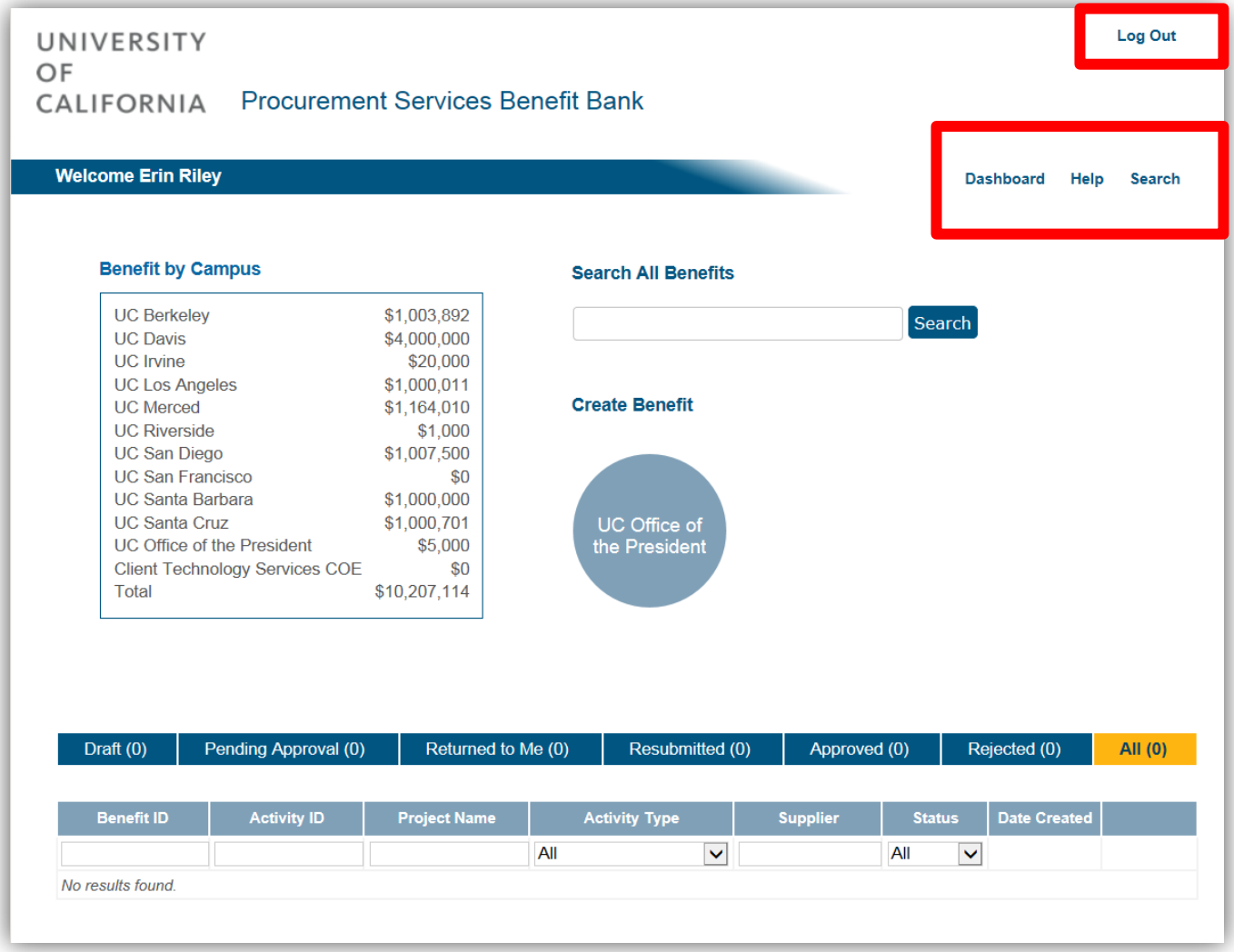
  - The Benefit Bank keeps track of **when Benefit is submitted**, **Benefit duration**, which **campus**(es) are impacted, and how UC is doing **compared to P200 Benefit goals**

- Who will use it?
  - Everyone in campus Procurement/Materiel Management organizations who execute purchases or sourcing events

Benefit Bank Homepage



Benefit Bank Dashboard



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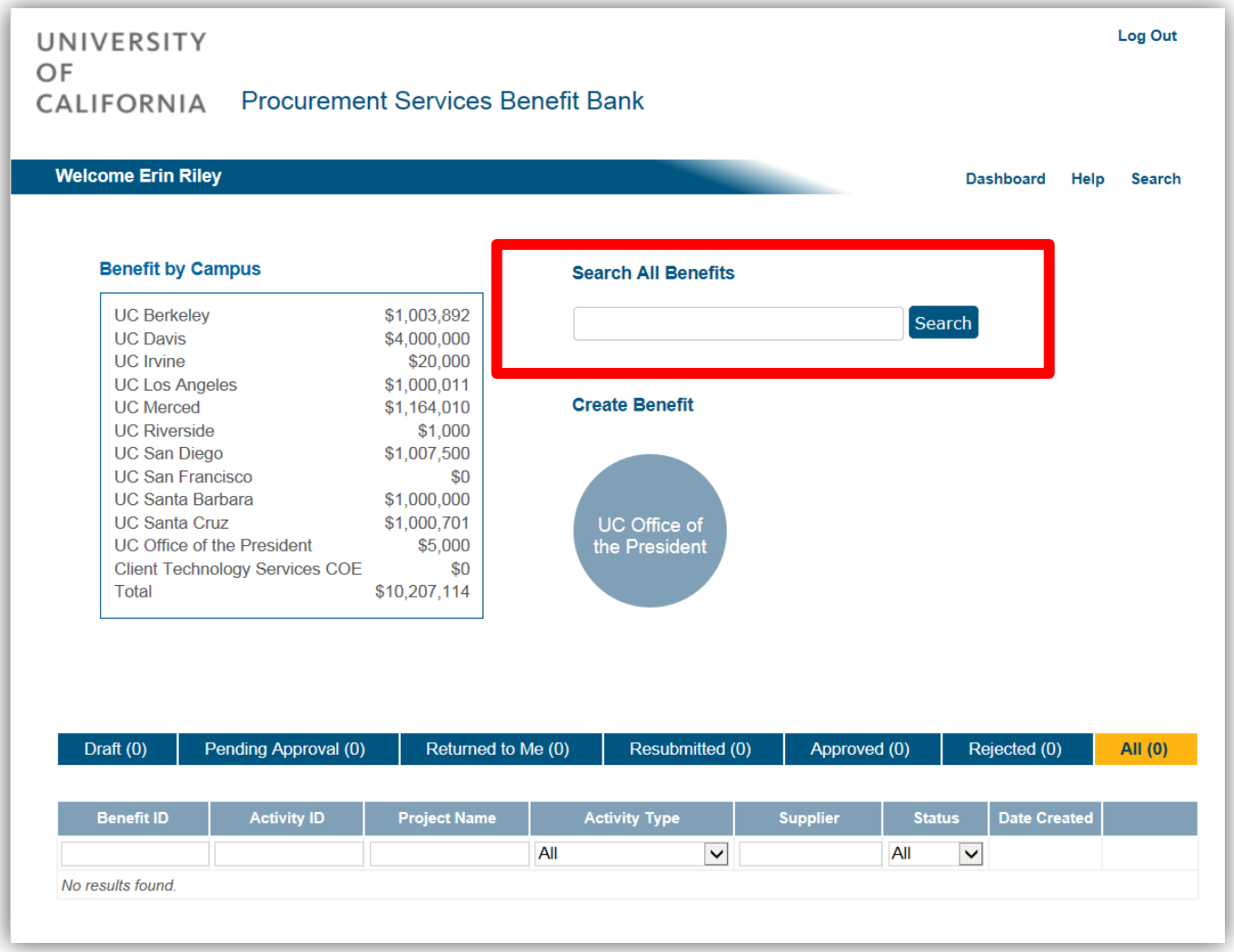

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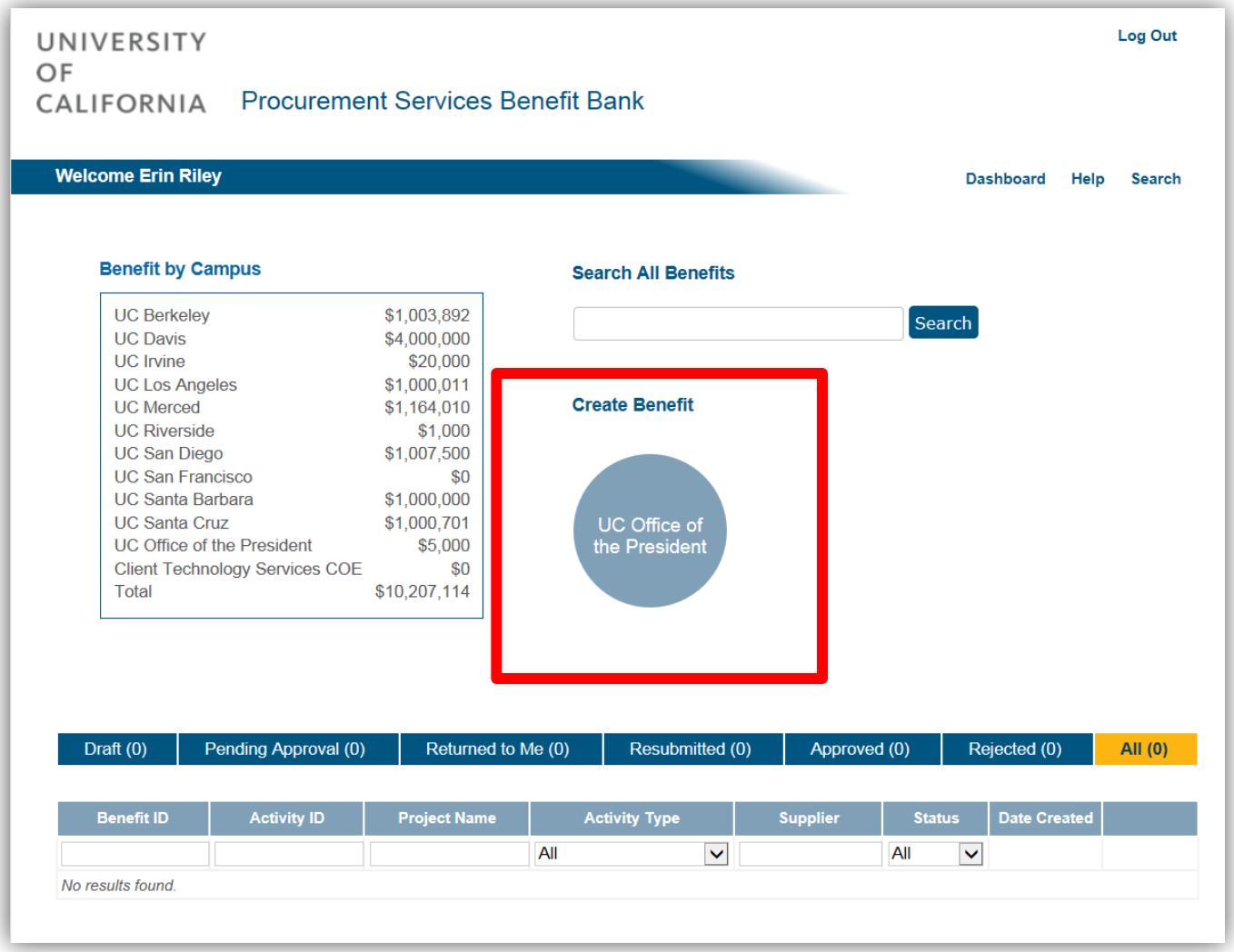
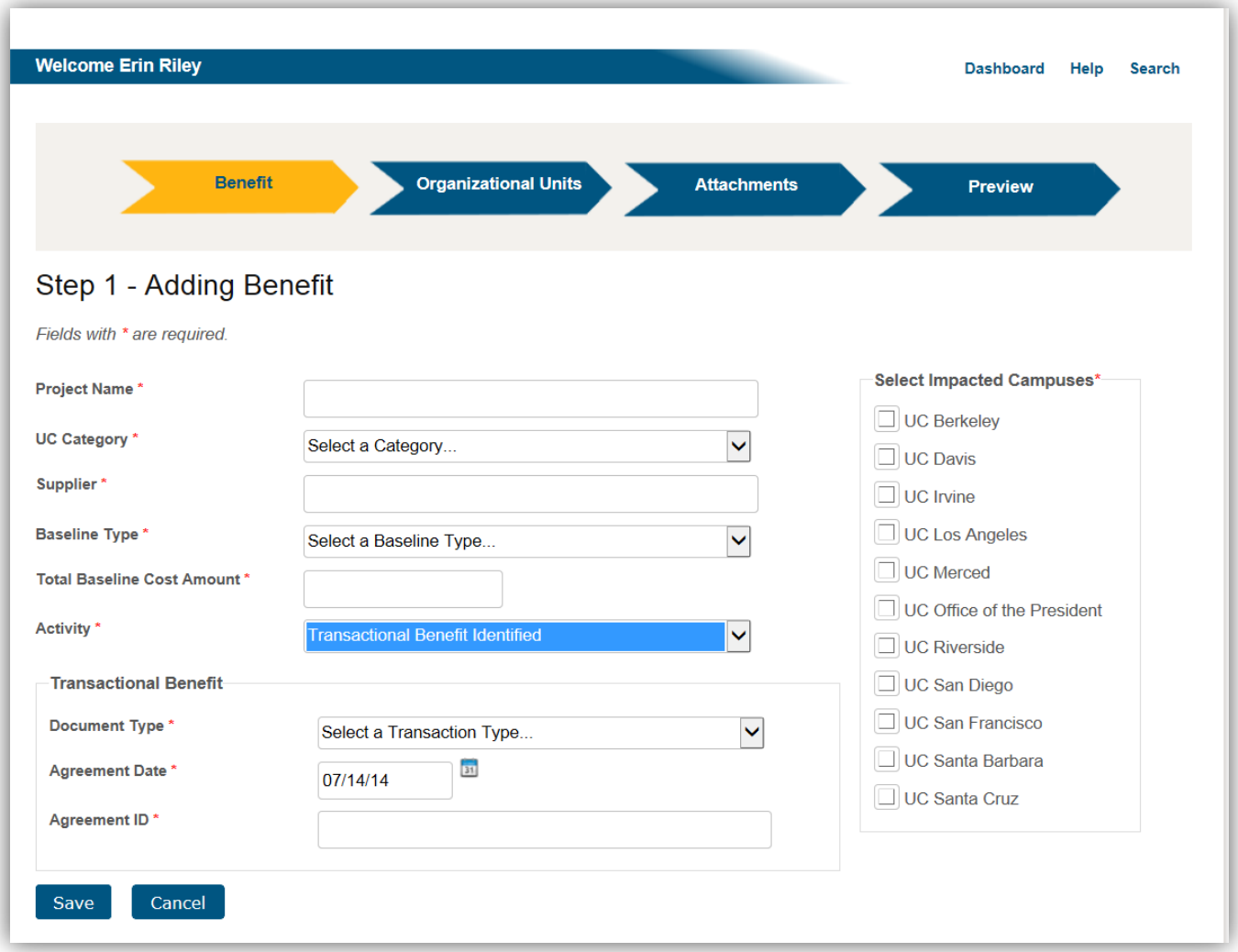
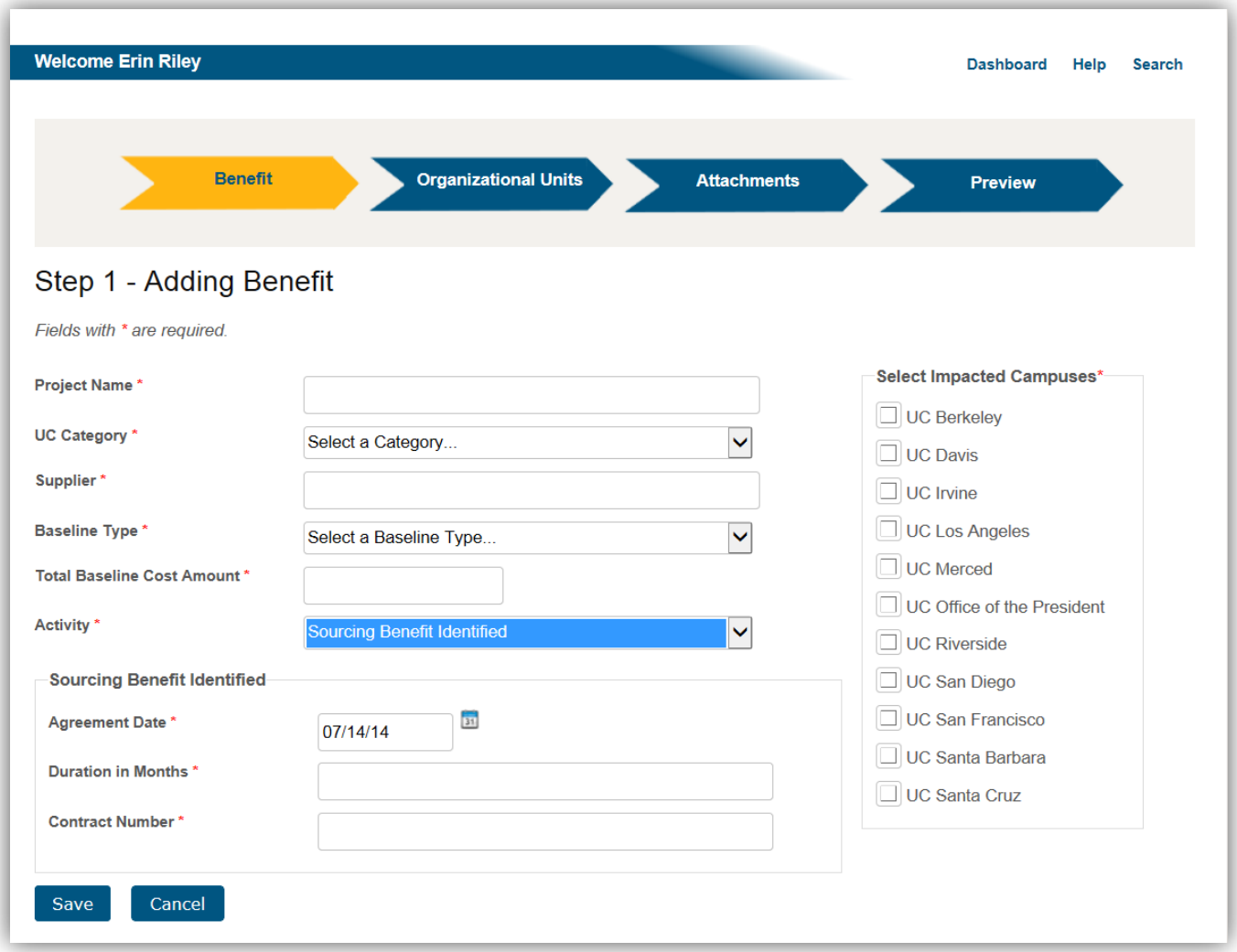


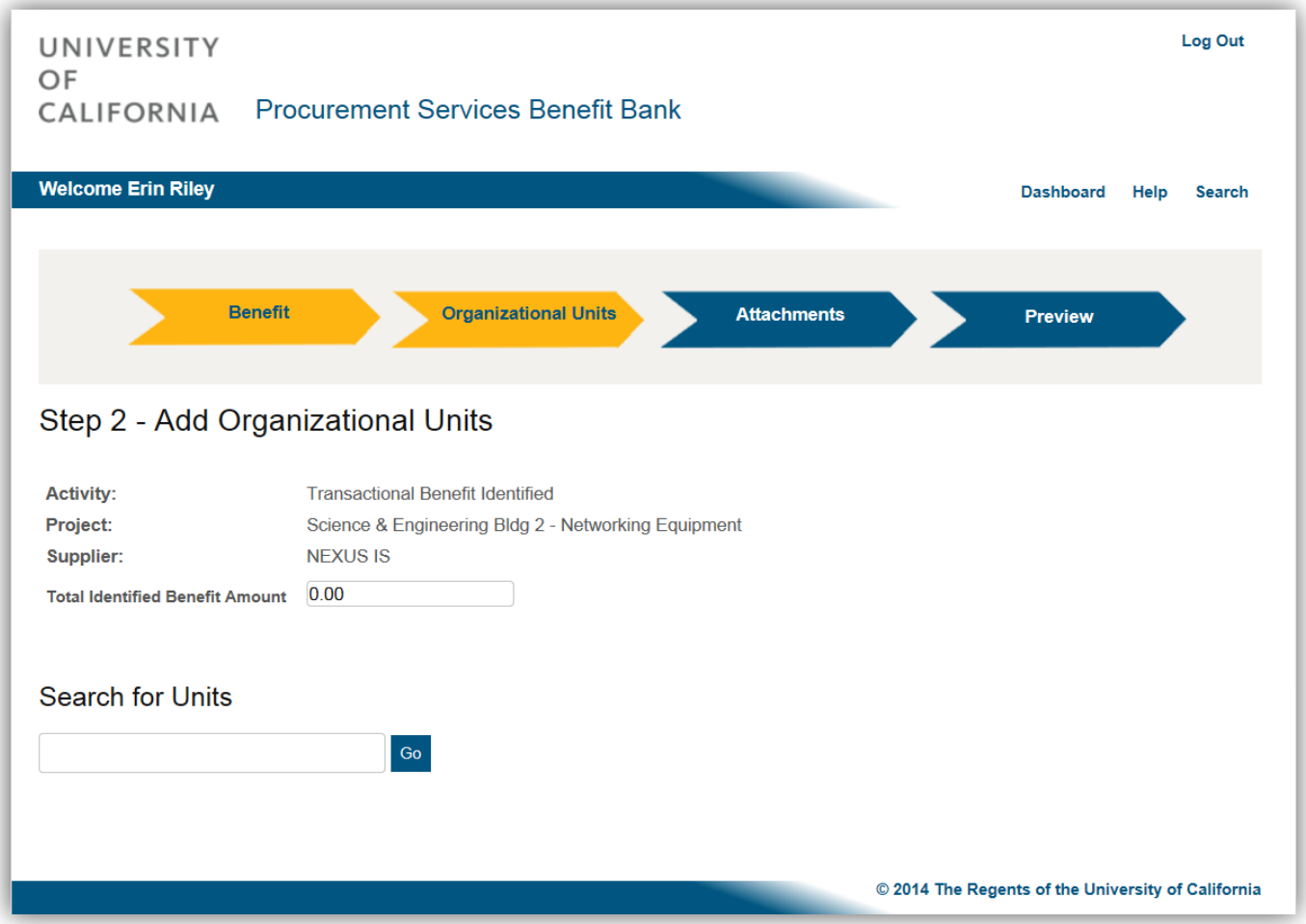
Benefit Bank Step 1 – Add a Benefit (Transactional)



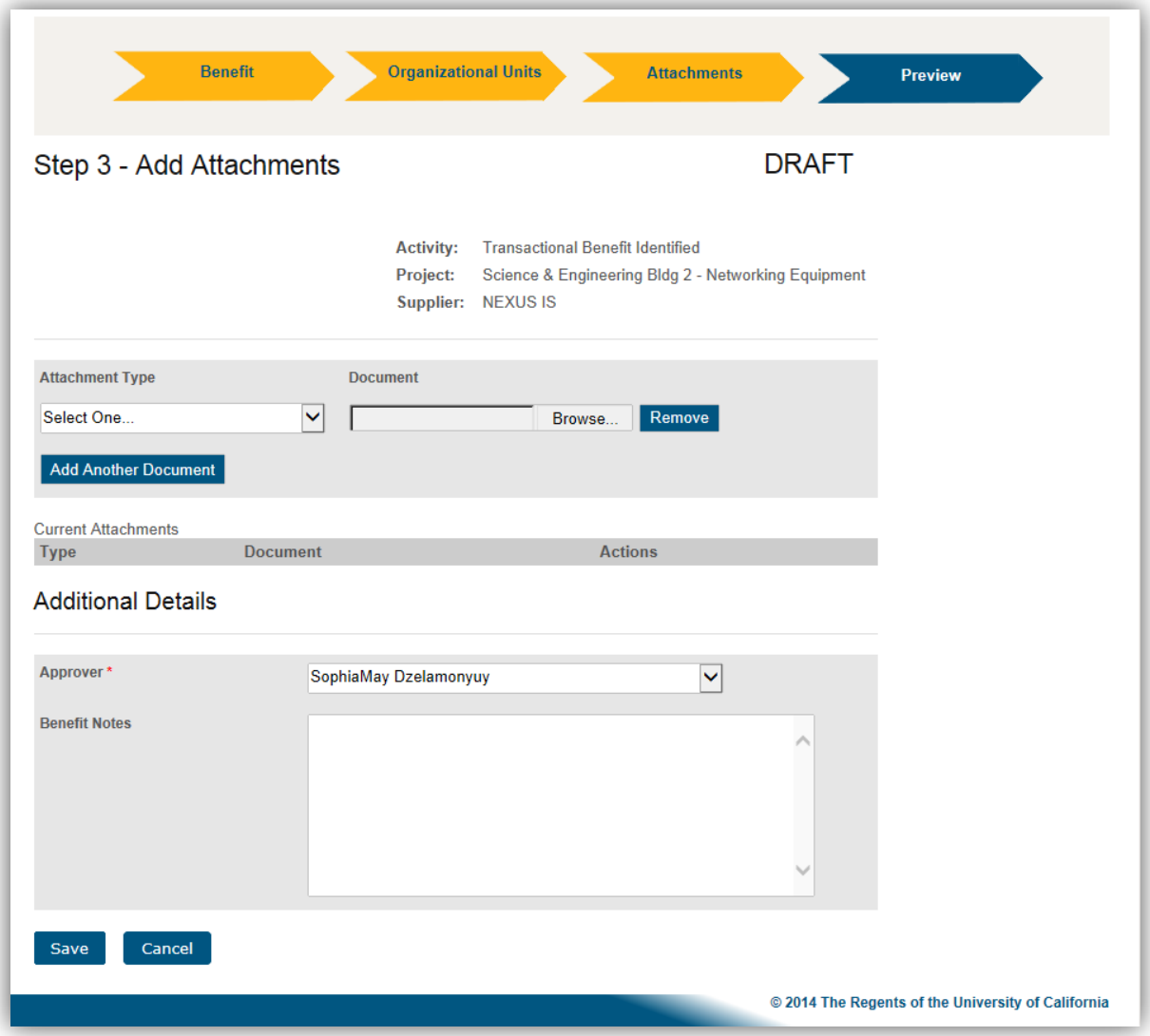
Benefit Bank Step 1 – Add a Benefit (Sourcing)



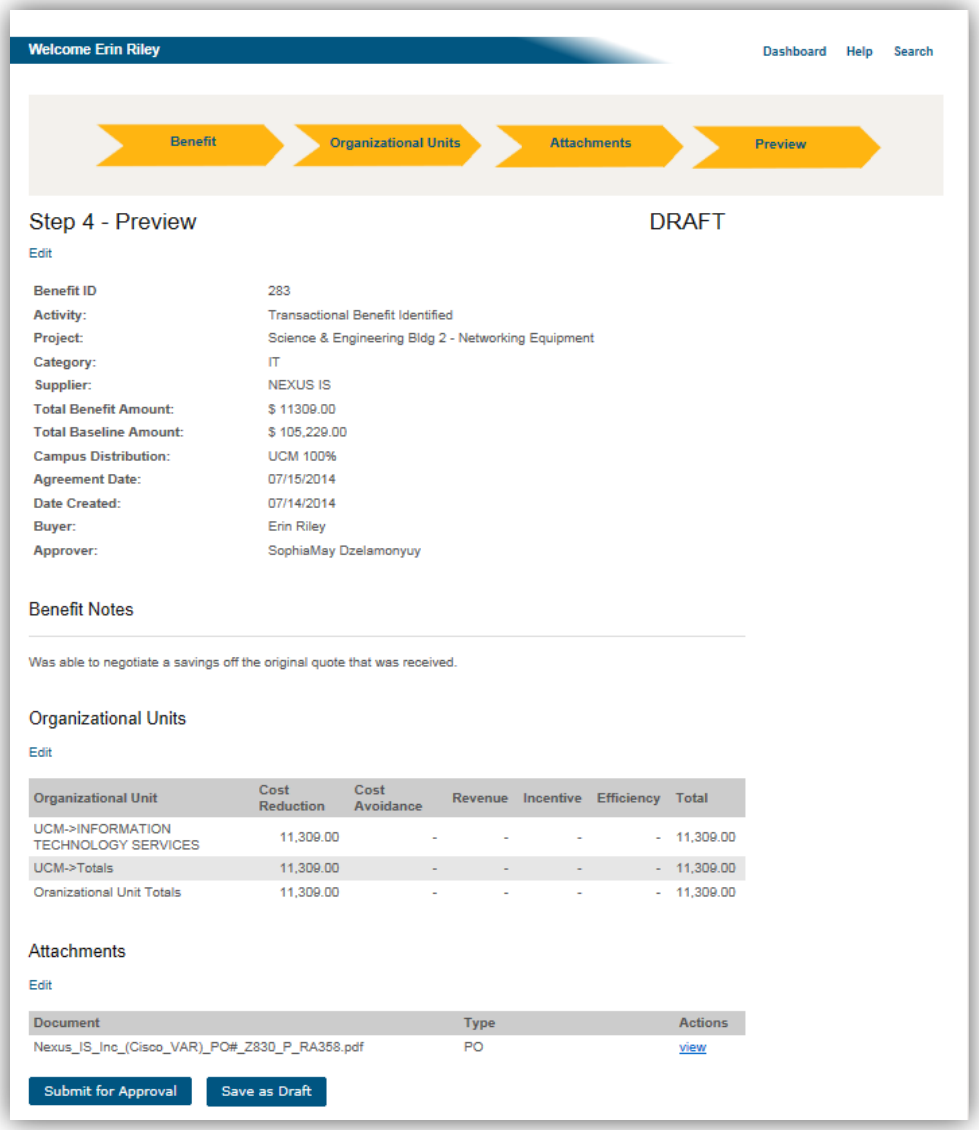
Benefit Bank Step 2 – Add Organizational Unit



Benefit Bank Step 3 – Add Attachments



Benefit Bank Step 4 – Preview



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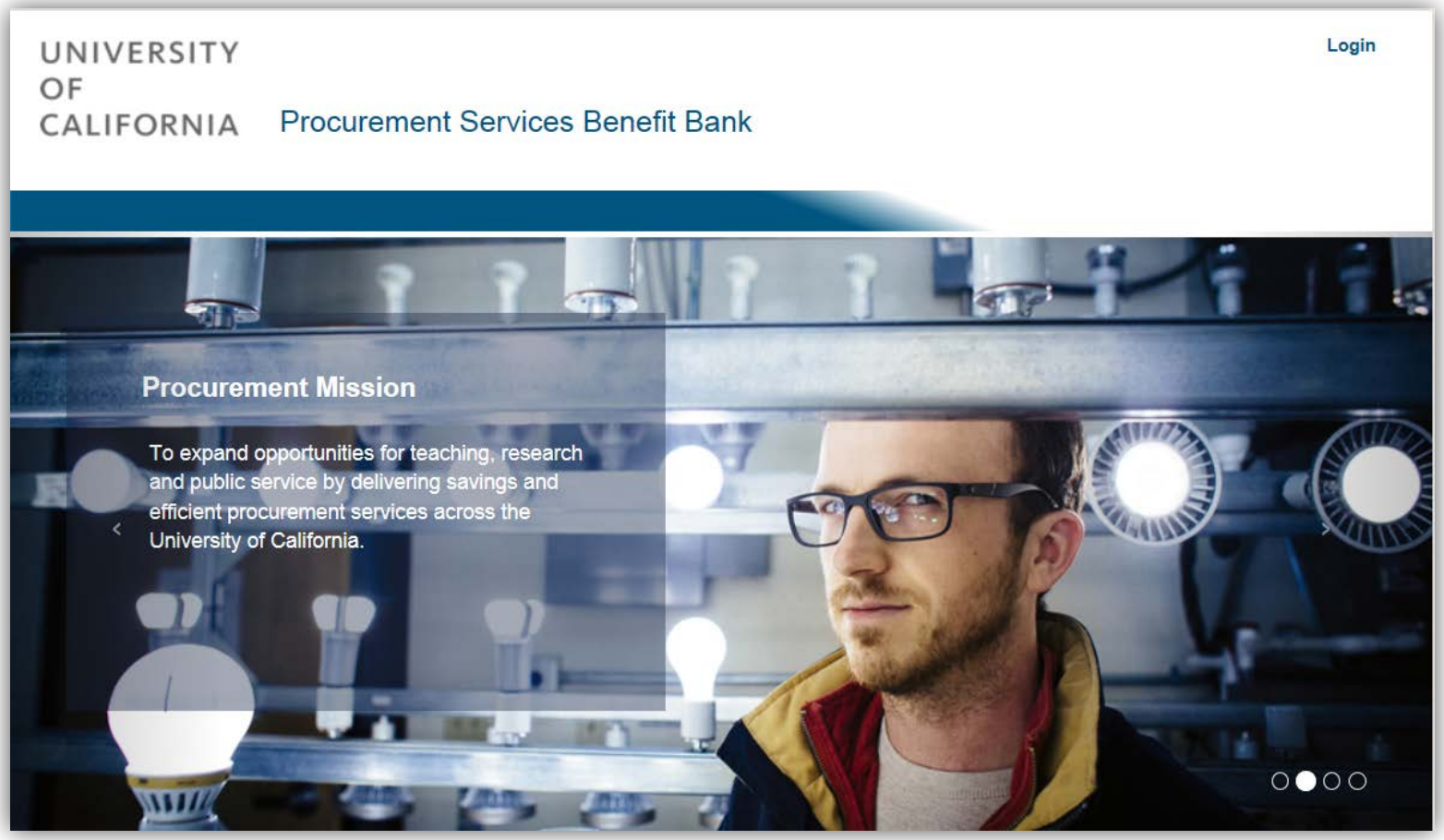
Demo



Link to UC Procurement Services Benefit Bank

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Next Steps

You'll receive an email shortly with your login information.

1. Use the link to the Benefit Bank and bookmark the URL
2. Enter your email address and click on 'Forgot Password' to update your password

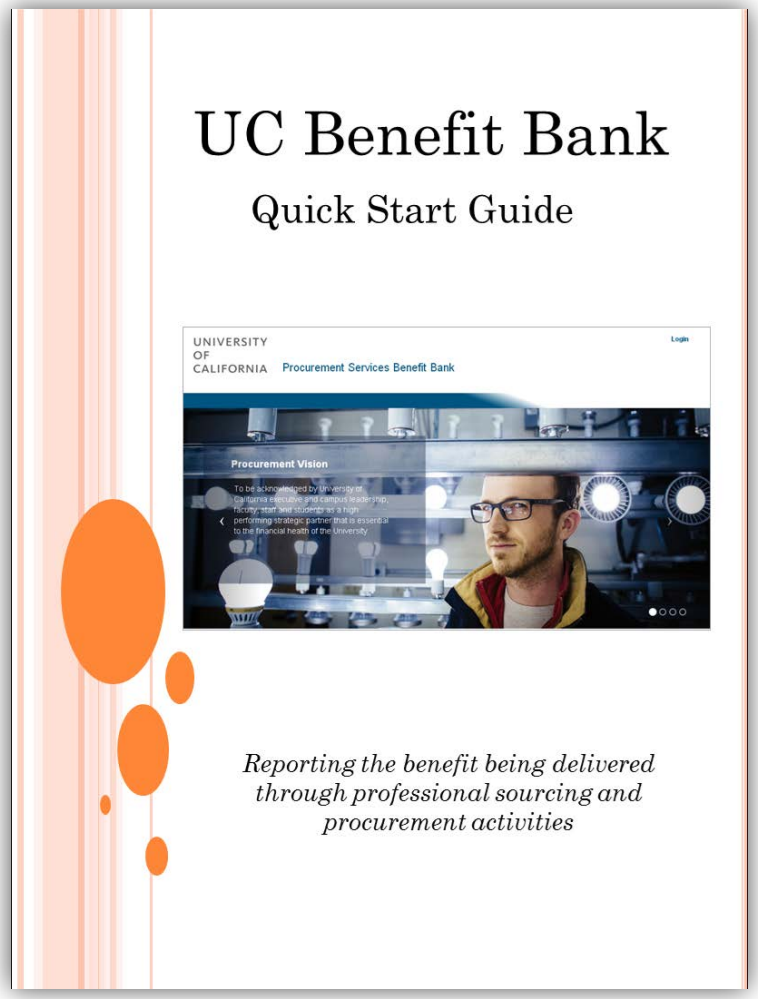
Begin logging July benefit!

What You Need to Know

- Stay tuned for further enhancements, trainings and a brief survey to get your feedback on how the tool works

- Training and support materials, including a quick start guide, can be accessed from the Help link in the tool and also found here: http://www.ucop.edu/procurement-services/procurement-systems/uc-benefit-training.html

- See your approver with questions and additional support needs



Questions?