

Impact Report

Procurement Working for UC

Produced by
UC Procurement

power of collective spend

strategic sourcing

opportunities

commitment

collaboration

cost savings

benefit

efficient

expansion

systemwide

category expertise

cost avoidance

leverage

sustainable

incentives

partnership

UC Procurement: Maximizing Value & Optimizing Spend



Dear Colleagues,

Each year, the University of California procurement and supply chain teams help administrators, faculty and students purchase about \$9 billion in goods and services in support of our mission of teaching, research and public service.

While our teams prioritize client needs, we are also proud of our sustainable procurement practices and supply chain strategies that leverage UC's vast purchasing power to optimize spend, resulting in significant savings for the University.

Thank you for your partnership in our continued success.

William M. (Bill) Cooper

Associate Vice President & Chief Procurement Officer
University of California, Office of the President

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UC Santa Cruz: Procurement Huddles

TEAM: UC Santa Cruz Procurement Team = Lisa Dodd, Alea Lampman, Kathleen Rogers, Mike Steele, Keenan Dalton, Andrea Smith, Deb Newman, Lauren May, Yamindra Kanagasundaram, Nancy Nieblas, Blanca Fajardo, Rex Chung, Natasa Janez

Opportunity

Early in FY2020, the UCSC Procurement Team faced significant challenges. Both the Director and Assistant Director had left to pursue other opportunities. Procurement faced a backlog of nearly 400 requisitions, customers were generally unhappy with their service, and there was a 100% turnover in Business Contracts that reduced the ability to support campus clients. Additionally, prior to those key departures, Procurement had set a benefit goal of approximately \$5 million, which was 22% above the recommended goal.

As the remaining team struggled to turn things around, they were introduced to a new tool—daily Huddles. This technique brought the team together and helped members share the burden of problems rather than bearing the weight alone, and to constructively and incrementally find solutions.

Approach

The Procurement Team committed to daily Huddle meetings with a posted Huddle Board for visual problem management. These daily 10-minute meetings gave each team member the opportunity to review the previous day's activities and plan the current day. As problems arose, they were added to the Huddle Board with identified next steps toward problem resolution. This incremental, continuous improvement approach enabled the team to address the root cause of problems, reduce processing time, and gain efficiency. The UCSC team is also grateful for the extensive support provided by the Procurement Leadership Council (PLC), which they continue to rely upon in the absence of key resources.

Client Quote

“Our faculty are trying to do COVID-19 testing on campus (a high priority because there is currently no testing capability in Santa Cruz County). To do so, they needed two pieces of specialized equipment. I am thrilled to report that due to the attention and herculean effort of Procurement, the POs are already issued to suppliers. Teamwork like this makes UCSC a great place.”



Not pictured: Alea Lampman and Yamindra Kanagasundaram

Results / Benefits

- By working as a team and using daily Huddles, the team has:
- Reduced outstanding requisitions by 75%
 - Vastly improved customer satisfaction
 - Exceeded the benefit goal of \$5M by delivering over \$6.1M in savings!
 - Successfully transitioned Huddle meetings online while working remotely and shared the method with others

And, they look forward to more success in the future...

Total Benefit: Teamwork, increased customer satisfaction, 75% requisition reduction, 1M+ over benefit goal

UC Davis: Face Covering Collaboration

TEAMS: Supply Chain Management | Craft Center | Biomedical Engineering | Student Affairs | Environmental Health and Safety

Opportunity

In early April, as confirmed cases of COVID-19 increased at the UC Davis Medical Center, face shields — critical equipment for healthcare workers — were in short supply. In addition, on April 24, Yolo County issued a health order requiring public face coverings, meaning face coverings for Davis campus essential workers would be harder to find. Responding to this rapidly rising demand, UC Davis set out to provide all campus workers with three reusable face coverings, free of charge to those in need.

Approach

With face shields and coverings in high demand and difficult to procure, we determined that purchasing these items would be more expensive and difficult than manufacturing them in-house. Student employees — most of whom were not working due to suspended campus operations — were recruited to create face shields and coverings at the Craft Center, using materials sourced by Supply Chain Management and the Department of Biomedical Engineering. The students were given templates for the shields and coverings and trained by Craft Center staff in how to assemble them. Students worked in shifts to adhere to social distancing guidelines and were paid regular hourly wages.

Client Quote

“Our hope was to produce 200 shields the first day, and we ended up completing 730,” said Jared Tolla, Assistant Director of the Craft Center. “Our labor force is incredible, and the Craft Center is proud to be contributing in a meaningful way.”



Results / Benefits

Between April 2 and June 2, about **80 student employees produced 6,983 face shields and 6,668 cloth face coverings**. The shields were donated to the UC Davis Medical Center and the face coverings continue to be provided to campus workers through Central Funding from Finance, Operations and Administration.

In addition to meeting a demand for critical supplies, many students expressed gratitude for the opportunity to do something important in the fight against COVID-19, as well as the chance to continue working during suspended operations.

Total Benefit: Cost savings and reliable sourcing achieved by manufacturing in-house versus purchasing

UC Davis: PPE Demand Management

TEAMS: Mike Kuhner, Eduardo Montes, Edwin Tiedge-Arnold (Supply Chain Management) | Environmental Health & Safety

Opportunity

Early in the pandemic, demand skyrocketed for Personal Protective Equipment (PPE) like masks, gloves and surface sanitizer. To effectively manage this demand, we needed a means to determine the PPE we already had on hand and the PPE that would be needed in the future.

This was especially challenging in our highly decentralized environment and after most campus units had already suspended operations. At the same time, we had to maintain a steady supply for critical units like those conducting COVID-19 research or caring for human and animal patients.

Approach

To meet this need, our team created an online [PPE Registration Form](#) and asked each department to assign a single representative responsibility for completing the form.

The form requests each department to assess the amount of currently available PPE, PPE already on order, and their estimated weekly usage. To date, more than 300 units/departments have completed the form.

Because demand is dynamic as the campus moves from suspended operations to reduced operations, departments update this information every other week. Data from the form, along with inventory and order tracking from our storehouses, is analyzed every two weeks and used to determine current and upcoming demand.



Results / Benefits

- **Valuable data collection** to help manage demand for critical supplies in a dynamic and difficult market.
- **Provides hard-to-find real-time information** in a decentralized environment (contacts for specific units/labs, listing of currently operating units, and number of FTEs currently on campus, etc.).
- **Key tool for cost avoidance** – consistently updated information on available PPE and projected need for PPE helps avoid unnecessary purchasing of hard to procure items with potentially inflated prices.

Total Benefit: Cost avoidance from managing unnecessary purchase of items with inflated prices

UC Davis: E-Form for Carve Outs to Policy 5402

TEAMS: Supply Chain Management | Finance & Business | Employee & Labor Relations

Opportunity

Along with the University's implementation of **Regents Policy 5402: Policy Generally Prohibiting Contracting Out for Services** came a need for determining a process for using the carve outs in the policy to contract for covered services at UC Davis.

Davis requires multiple levels of signatures to justify using a carve out. For expediency, record keeping, and logistics purposes (especially during a time of suspended campus operations), Davis determined that an electronic form with automatic routing would be the most efficient way to process these requests.

Approach

To ensure that a request for a carve out to 5402 is justified, the client must first consult with a UC Davis Strategic Sourcing team member to determine that all attempts to perform the service in-house have been exhausted and that the request meets one of the six provisions allowed for contracting out.

Next, the client must complete a DocuSign form with a detailed account of the qualifying circumstances and provide documentation showing efforts to in-source the service.

Depending on the expected contract value, the form will route for review and signature starting with the client's Department Vice Chancellor/Dean and ending with either the Chief Procurement Officer or the Vice Chancellor of Finance, Operations and Administration.



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Regents Policy 5402: Policy Generally Prohibiting Contracting for Services

Approved November 14, 2019
Amended January 23, 2020

Related Resources

[Back to Regents Policies index](#)

Upcoming Meetings

Past Meetings
Public Comment

Minutes

POLICY SUMMARY/GUIDING VALUES AND PRINCIPLES

There shall be a general prohibition on contracting out for services and functions that can be performed by University staff. Under exigent and limited circumstances when an outside contract is a solution of last resort, the following shall apply:

Results / Benefits

- **Streamlines the carve out process for the client** – time from initiation of the form to completion averages 2-7 days
- **Provides extensive documentation throughout process** – tracks which signatures have been completed, signatures still needed and recipients of copies of the form.

Total Benefit: Streamlines 5402 carve out process and provides extensive documentation

UCLA: Grease Duct Cleaning

TEAMS: Cathy Gooderham (Strategic Sourcing) | Jeff Hall, John Stephenson, William Herrera, Jesse Alberti, Jeff Brown, James Samler, Jared Meyer, Rafael Pineda (Housing & Hospitality Services) | Michael Lasley, Jeffrey Smith (OMNIA Partners)

Opportunity

Kitchen exhaust (or grease duct) cleaning removes accumulated grease from ducts, hoods, fans and vents of commercial kitchen exhaust systems. Left uncleaned, these ducts can accumulate enough grease to become extreme fire hazards. Exhaust systems must be inspected and cleaned regularly and the work is highly technical and requires certification, so it represents a significant amount of spend.

UCLA's grease duct cleaning services were last competitively bid over 10 years ago. Based on input from campus clients, Strategic Sourcing determined that a competitive selection process was imperative to streamline the vendor base and obtain the best value in today's marketplace.

Approach

In collaboration with UCLA Housing & Hospitality subject matter experts, along with OMNIA Partners, UCLA Strategic Sourcing initiated an exhaustive RFP process. The RFP scope included 12 kitchen sites with 66 kitchen exhaust systems at dining halls throughout the UCLA campus. The approach included weekly team meetings to delve into research, job specifications and scope of work, potential bidders' lists, job walk requirements and evaluation criteria.

A total of 10 service providers were invited to bid on the RFP issued within the CalUsource portal. Four invitees attended the mandatory job walk, and two valid responses were received, evaluated, and tabulated with one award.



Results / Benefits

The successful bidder – Medical Air – was awarded a three-year contract with an optional five-year extension, based on the lowest bid that met specifications.

This Agreement offers UCLA these advantages:

- Projected three-year benefit of \$1,660,190
- 'One-stop-shop' convenience and speed of service due to a single agreement and dedicated sales representative
- Revenue stream from OMNIA Partnership incentives resulting from secondary contracts nationwide.

Total Benefit: \$1,660,190

UC San Diego: COVID-19 PPE Store

TEAMS: Greg Muller, Todd Adams, Martha Rosegay, Silvia Rivera (IPPS Procurement) | Robbie Jacob, Tu McClurg, Kristen Weidler, Chris Parish (IPPS Logistics) | Ivy Deane (IPPS Technology)

Opportunity

To ensure the supply of personal protective equipment (PPE) essential to UC San Diego's Return to Research initiative, the Procurement and Logistics teams of Integrated Procure-to-Pay Solutions (IPPS) collaborated to maintain an inventory of PPE during a time of extreme market volatility.

Approach

Procurement analyzed historical purchasing data to determine potential PPE needs. The teams worked closely with suppliers to review inventory on an item-by-item basis and proactively engaged campus stakeholders and strategic partners to identify and secure supply from multiple sources.

Logistics reallocated resources at the central receiving and distribution hub to house PPE. As labs return to campus, departments can order essential PPE via UC San Diego's eProcurement site (Oracle Financials Cloud). Logistics' essential staff have worked to maintain delivery of operational and research products to campus units that have needed to stay open. With these teams onsite, they can quickly fulfill and deliver PPE orders from the distribution hub.

An [interactive dashboard](#) developed by Logistics' Financial Analyst Kristen Weidler is used to track PPE distribution and forecast future PPE needs based on the number of researchers returning to campus. Access to this data in real-time helps Procurement maintain inventory, which is essential as additional campus units reopen in the fall.



Results / Benefits

- Plays a critical role in reopening the campus
- Maintains consistent supply of essential PPE
- Reduces the risk of lab closures due to inadequate PPE supply
- Strengthens partnerships with strategic suppliers
- Fosters collaboration across business units
- Repurposes and reallocates existing resources

Total Benefit: Mitigates delays in advancing scientific research

UCSF: Financial Operation Business Transformation

TEAM: Vanessa Wong, Melissa Gee, Gilbert Ortega, Roscelle Arceo, Rudolfo De La Rosa, Lian Sussmann and Stephanie Shang
(UCSF Supply Chain Management Financial Operations)

Opportunity

“Never Let a Good Crisis Go to Waste,” a phrase popularized by Rahm Emanuel, has been embraced by UCSF Supply Chain Management during the COVID-19 crisis. With a critical need to maintain support of campus business needs under severe budget cuts, UCSF has embarked on a Financial Operations Business Transformation Plan with a hardline approach. The goal is to establish a new, modernized Accounts Payable (AP) and Disbursements operating model to operate effectively under limited staffing while preparing for a recovery phase.

Approach

The guiding principles are to replace labor-intensive tasks, non-value-added activities and antiquated systems with automated processes, innovative solutions and further leveraging of existing technology. This approach improves process efficiency with greater accuracy. Success of this transformation is partially attributed to campus mandate of e-invoicing and e-payments along with simplified payment term standardization.

The plan includes broad-based campus communication, senior leadership support in campus policy change, resilience in campaigning and increased collaboration with campus departments and suppliers to establish an operating model in the new digital world. Besides efficiencies gained in AP, faster payments allow suppliers to stay in business with healthier cash flow to support our research.

Client Quote

“Your emails to suppliers and the campus sound like the sky is falling down. Sounds scary, but very much needed to move toward a more efficient and cost-effective process under this unprecedented pandemic and financial crises.” – UCSF CFO



Results / Benefits

Key successes of this business transformation include:

- Permanent cost reduction of \$455,000 per year
- Active e-invoicing of suppliers increased by 160% in last 30 days to 3,415
- Month-to-month increase in e-invoicing by 87% in June 2020 from 5,300 to 9,900, which allows redeployment of resources to value-added tasks
- Reduced paper checks by 25% with ongoing goal to reduce further
- Increased ACH e-payment to 1,300 suppliers in June
- Built stronger supplier relationships by faster invoice payments through e-invoicing and e-payment
- Increased customer satisfaction by strengthening supplier and campus relationships

Total Benefit: \$455,000

UCSF: COVID-19 Store

TEAMS: Dean Shehu, Elizabeth Lin, Kyril Panfilov, Jose Padilla, Andrew Clark, Greg Macway, Lian Sussmann, Leslie Siegmund (UCSF Supply Chain Management Procurement and Systems teams) | Doug Dresnik (UCSF EH&S)

Opportunity

In May 2020, UCSF began a gradual and cautious restart of our research operations. As a leading university dedicated exclusively to health sciences, UCSF is now a global leader in the battle against COVID-19, with many labs changing their focus to COVID-19.

Working during the pandemic requires more PPE than pre-pandemic times. With campus inventories depleted and PPE in short supply globally, UCSF needed a solution to equip staff to perform their work safely.

Approach

A cross-functional team consisting of Supply Chain Management and Environmental Health and Safety came together to solve this problem. Working with our schools, administration and lab managers we identified the essential items and quantities needed in the months ahead. Our Procurement team then sourced and stocked our warehouse with the needed supplies. Next, the systems' team created a catalog in the UCSF e-procurement system to allow researchers to view and order from the inventory. We leveraged our Logistics team to distribute the goods to campus.

Client Quotes

"We were low on surgical masks for Student Health. Our medical supplier has them on backorder with no ETA. I've placed an order for masks through the COVID Store today." – Rodelyn Montemayor, Clinic Operations Supervisor

"I've struggled with supplying our re-opened suite at Laurel Heights with hand sanitizer. [The COVID Store] is some of the best news I have heard all day. Smart idea on Supply Chains' part." – Patricia Rosenbaum, Administration Assistant



Results / Benefits

- We have assured supply for UCSF staff and researchers through the end of 2020 enabling basic science research to resume – especially work devoted to conquering COVID-19.
- To date, we have distributed:
 - 1,200 Isolation gowns
 - 1,758 Face shields
 - 609 Bottle of hand sanitizer
 - 906 boxes of gloves

Total Benefit: Ensuring UCSF researchers have essential supplies throughout 2020

UCSF: SCM Logistics Delivers During Pandemic

TEAM: Supply Chain Management Logistics

Opportunity

During this unprecedented pandemic period, UCSF SCM Logistics was deemed an essential services department to support the UCSF medical and campus community. Logistics needed to provide uninterrupted service to campus while protecting all staff involved. It had to be business as usual while prioritizing needs that were critical to helping UCSF Health and campus to meet the demands of COVID-19.

Logistics is responsible for package delivery, incoming and outgoing mail services, storage facilities, equipment receiving and delivery, gas and alcohol sales and delivery, and much more.

Approach

Logistics management secured protective equipment for the staff to safely continue their work. Contingency plans were developed for continuing critical deliveries to medical and research facilities in case of personnel shortage.

Working in support of the Emergency Operations Center (EOC), Logistics took on the added responsibility of receiving and delivery of personal protective equipment (PPE) with same-day or next-day response, in addition to maintaining all service lines.

Logistics also maintained flexibility to hold and redeliver critical packages and mail until members of UCSF community were able to return to campus.



Results / Benefits

Throughout the shelter-in-place directives, Logistics staff:

- Provided pickup, storage and retrieval services in concert with medical center colleagues and Emergency Operations Center staff
- Provided medical centers and labs with indispensable medical gas cylinders
- Delivered packages to researchers studying COVID-19
- Provided uninterrupted incoming and outgoing mail services
- Delivered and installed large equipment for research
- Distributed 100 cases of donated Girl Scout cookies to frontline staff

Total Benefit: Uninterrupted and enhanced service for UCSF Health and campus

UC Systemwide: Adobe Creative Cloud Enterprise

TEAMS: Software Services Group (SSG) | UC IT Sourcing Committee (ITSC) | Matthew Linzer (UC Security) | Roshni Pratap (UC IT Strategic Sourcing (ITSS))

Opportunity

Adobe Creative Cloud is a collection of over 20 desktop and mobile apps and services used for photography, design, video, web, UX design and more.

Adobe Creative Cloud is the second most expensive Adobe product purchased by UC. Since 2015, the use of Creative Cloud has grown to over 8,700 licenses, a 280% increase over the last 3 years, making it imperative to approach this product strategically.

Approach

- The UC IT Strategic Sourcing Committee (ITSC) endorsed review of Creative Cloud purchases as a priority project at their 2/14/20 meeting.
- UC IT Strategic Sourcing led a coordinated effort with UC Software and Services Group (SSG) to understand the current practices, usage, needs and priorities to assess the most effective way forward.
- Through negotiations with Adobe, we effectively executed an amendment to the Adobe Enterprise Term License Agreement (ETLA) to include Adobe Creative Cloud at a much reduced cost to UC.
- In addition to discounted pricing, we negotiated Adobe's support and assistance for a smooth transition from a Value Incentive Plan (VIP) to the ETLA console for all UC locations.



Results / Benefits

- **Cost Reduction** – 40% discount over current price including negotiated tiered pricing enabling UC to benefit further from the aggregate volume.
- **Pre-negotiated site license pricing** – discounted site license pricing provides flexible options to campuses for which a site license is more cost effective.
- **Improved Efficiency** – single ETLA interface per location means simplified organization, management and deployment. Now, a single PO will cover annual renewal of all Adobe licenses rather than a new PO with each new license.
- **Improved Information security** terms for Creative Cloud and Acrobat DC.

Total Benefit: \$1.45M cost reduction (over 3-year term)

UC Systemwide: Mobilizing for COVID-19 and beyond...

TEAMS: Strategic Sourcing COE | Information, Analytics & Systems | Program Management Office (UC Procurement Systemwide)

Opportunity

UC Procurement is the hub of supply chain operations throughout the University of California (UC) system. From the moment pandemic-fighting supplies like Personal Protective Equipment (PPE) became scarce, this centralized role in sourcing critical items took on greater immediacy and significance. UC Procurement mobilized swiftly in response to the crisis.

Approach

The Strategic Sourcing team quickly established a daily systemwide Supply Chain status meeting with over 100 commodity managers, contract managers, data and sourcing analysts, eProcurement and communications staff across the UC system. This daily information exchange and centralized coordination allowed UC campuses to share sourcing and “spot buy” (immediate one-time purchase) opportunities to help reduce product lead times and match supplies quickly to locations where they were most needed.

Strategic Sourcing also ramped up efforts to reach suppliers and track available goods and services. As the need for PPE skyrocketed, they engaged non-UC suppliers along with current UC suppliers to source high-demand items. The communications team launched a supplier outreach campaign and created an online centralized repository to collect supplier responses and organize and track available PPE goods. An ad hoc team vetted supplier offers so commodity managers could act on offers quickly, and the Analytics team tracked back-ordered reports to monitor lead times on critical items.

As the pandemic matured, UC Procurement’s emphasis expanded to supporting campus and health center re-openings in the most safe and thoughtful manner. Daily meetings reduced to twice weekly, with one focused on strategy and contingency planning and the other on current supply chain offerings and updates.



Results / Benefits

- Transforming this crisis into an opportunity by devising new approaches and bold solutions
- Applying the same agility and heroic response to optimizing our organization and practices systemwide
- Continuing to create significant savings for the University through strategic and collaborative sourcing practices
- Further develop existing revenue-generating sources and expand into new areas
- Become a major contributor to the restoration of UC’s financial and operational stability.

Total Benefit: Transforming and streamlining the organization to help restore UC’s financial health