



PROCUREMENT SERVICES BRAG BOOK NOVEMBER 2014

A Message from the Chief Procurement Officer...



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.

I am pleased to be able to share a sampling of our success stories from the first quarter of fiscal year 2015. They are the result of 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 by working smarter together.

Very truly yours,

William M. "Bill" Cooper

Associate Vice President and Chief Procurement Officer

In Support of the University's Core Missions...

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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Working Smarter P200 Challenge:

\$200 Million in annual savings to teaching, research, and public service

UC Pension Administration System

Client: UC Human Resources

Opportunity

UC has an aging set of applications that supports the administration of the UC Pension System. The 25-year-old system needs to be replaced with advanced technology capable of managing the increasingly complex, multi-level pension system. Procurement Services was engaged by Human Resources to drive the RFP and vendor selection process and support the system replacement project which includes software, system design, customization for UC, and implementation.

Results

- The multi-faceted award will provide streamlined pension administration and ease of use by all current and future UC retirees
- Five bids were received, and negotiations produced a benefit of more than **\$10 million**



The Team

UCOP: Esther Cheung Hill, Human Resources
Michael Baptista, Human Resources
Dianne Yoder, Procurement Services

Strategic Partnerships

Power of Collective Spend

Cost Savings

Systemwide Janitorial Supplies Distribution Services

Clients: Custodial Teams (Facilities, Housing, Dining, Athletics, Recreation Centers)

Opportunity

UC spends more than \$12 million on janitorial supplies each year. Nearly one-half of that spend is for sanitary paper products. The team developed a plan to leverage UC's collective purchasing power to negotiate pricing with a sanitary paper manufacturer. Using a reverse auction, they were then able to lock in the discounts and establish a single distributor to manage all of UC's janitorial supply needs.

Results

- Collaboration across campus teams to identify shared requirements and address unique needs
- Contract supports LEED and UC sustainability goals, cost reductions, and improved efficiency
- Projected savings of **\$9.5 million (15%)** over the five-year contract term



The Team

| | |
|-------|------------------------------|
| UCB: | Dave Munson, Procurement |
| UCD: | John Hester, Housing |
| UCI: | Aaron Uresti, Facilities |
| UCLA: | Nurit Katz, Sustainability |
| UCM: | Eddie Vilciauskas, Housing |
| UCR: | Gustavo Plascencia, Dining |
| UCSD: | Jenny Hindmarsh, Procurement |
| UCSB: | Byron Sandoval, Facilities |
| UCSC: | George Valerga, Facilities |
| UCOP: | David Houghton, Procurement |

Power of Collective Spend

Sustainability

Strategic Partnerships

Systemwide Internet 2 Box Agreement

Clients: UC IT Organizations

Opportunity

Several campuses were looking to provide cloud storage solutions for their campus community and many had independently made the decision to accept the Box Cloud Services solution offered through I2. The Cloud Services Working Group, comprised of procurement and campus IT representatives, was established with the goal of defining shared requirements and assessing UC systemwide needs. Through their collaborative effort, the team was able to establish a UC agreement with I2 which also addressed data security and risk issues.

Results

- Made the Box Solution available systemwide
- Established UC agreement for data security and privacy considerations
- Provided a sole source approval and risk management guidance to all campuses



The Team

Cloud Services Working Group

| | |
|---------------------------|---------------------|
| UCD: Gabe Youtsey | UCM: Gabe Edwards |
| UCOP: Dave Rusting | UCSD: Bret Pollack |
| UCOP: Dianne Yoder | UCSF: John Arbolino |
| UCSF: Dave Pendergast | UCI: Isaac Straley |
| UCLAMC: Marti Arvin | UCLA: Tom Trappler |
| OGC: Kathleen Quenneville | |

Collaboration

Power of Collective Spend

Cost Savings

Customer Relationship Management Tool (SalesForce)

Clients: Campus Community (UCSD)

Opportunity

The procure-to-pay services teams were managing the same customers separately with each group maintaining separate points of contact in various applications. This created a disjointed day-to-day experience for clients and did not provide the procurement, supply management, and payables groups a holistic view of customer satisfaction metrics. The P2P teams launched an integrated Customer Relationship Management (CRM) strategy implemented through use of the SalesForce platform that now enables UCSD faculty and staff to ask questions, request a service, or report an issue through a centralized interface.

Results

- 52,844 cases submitted
- Quantifiable, real-time and actionable data
- Point of service satisfaction surveys at the close of a reported question/issue with 33% response rate



The Team

Ted Johnson, Jenn Glassman, Kevin Meston, Martin Krolik, Steven Higgins, Kacy Marume, Mike Morganson, Kelsey Moon, Tu McClurg, LaWana Richmond

Meeting Client Needs

Collaboration

Cost Savings

Small Business Return On Investment (ROI) Dashboard

Clients: San Diego Small Business Supplier Community (UCSD)

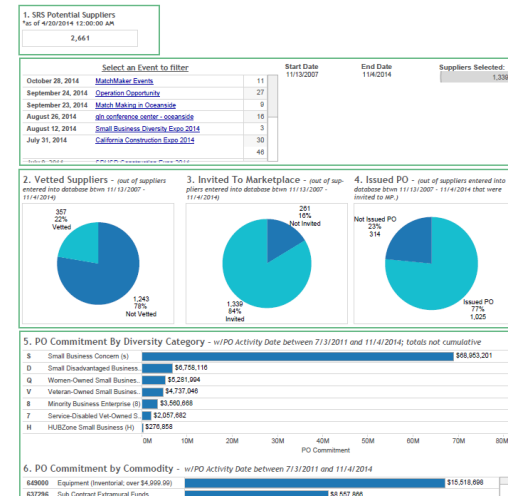
Opportunity

The UC San Diego Small Business Development Office (SBDO) holds capability meetings and outreach events with small, diverse, and local businesses from the San Diego County, aimed at creating procurement opportunities for small businesses. After these meetings and events there was no way to see if they had any tangible effects on the amount of spend being directed to these suppliers. A dashboard was created to increase visibility and measure how successful the SBDO meetings and events were in directing purchase order opportunities for small businesses.

Results

- From July 2014 to October 2014, a total of **\$8.7 million** in purchase orders were committed to small and diverse suppliers that participated in an outreach event or were vetted by SBDO

Small Business Development Office ROI Dashboard



The Team

Ted Johnson, Gayle Ta, Anthony Singleton, Sandra Lopez, Tim Wheeler, Joshua Karpen, Katherine Hang

Strategic Partnerships

Collaboration

Sustainability

UCSB Pouring Rights Contract

Clients: Housing & Residential Services, University Center (UCEN), Athletics

Opportunity

UC Santa Barbara's Housing, UCEN, and Athletics departments were nearing expiration of the existing beverage Pouring Rights contract. Focusing their collective needs, the UCSB Procurement Services team submitted an RFQ based on lowest total cost and minimum mandatory requirements. Following receipt and evaluation of quotes, a contract was awarded to the supplier with the most competitive offer that also met the client requirements.

Results

- Generated benefit of more than **\$700,000 (14%)** over the ten-year term of the agreement
- **\$2.2 million** in sponsorship income, including a \$25,000 bonus to support Sustainability programs
- **\$3.3 million** in estimated commissions and rebates
- Total benefit of more than **\$6 million**



The Team

Calli Price, Procurement Services
Rick Kelly, Housing & Residential Services
Sue Hawkins, UCEN Dining Services
Tom Hastings, Athletics

Collaboration

Cost Savings

Meeting Client Needs

UCSB Waste Disposal Services Contract

Clients: Facilities Management, Housing, University Center (UCEN)

Opportunity

UCSB's Facilities, Housing, and UCEN groups are some of the busiest departments on campus and recently needed a new Waste Management agreement. To comply with State requirements, Procurement Services managed a competitive bid process and in collaboration with the campus departments used a cost per quality point analysis to forge a "fixed rate" contract with a long-time service provider.

Results

- **\$630,000** in revenue share from recyclable-rich material, including baled cardboard
- **\$48,000** in supplier support for two student interns to learn smart waste disposal and "next generation" sustainability practices
- **\$118,667** income from Patronage rebates
- Nearly **\$800,000** in total benefit for the term of the contract



The Team

Procurement: Calli Price, Monica Yamasaki

Physical Facilities: Matthew O'Carroll, Jon Cook

Housing & UCEN: Mark Rousseau

Collaboration

Power of Collective Spend

Sustainability

UCSB Laundry Services

Client: Housing & Residential Operations

Opportunity

The UCSB Housing Department required a complete overhaul of all the laundry machines in campus dorms as well as in the Family Student housing units. Procurement and Housing worked together on a bid to contract for a revenue-sharing and incentive program. After several months of negotiation and presentations, an agreement was awarded to the incumbent supplier with a higher revenue share and all new machine replacement.

Results

- Projected **\$550,000** annual revenue share to UCSB based on a 68% commission rate
- Total revenue of **\$5.5 million** over the ten-year contract term
- Replacement of more than 420 washers and dryers with new Energy Star machines and Wireless Card Readers



The Team

Procurement: TJ Bloominger, Calli Price
Housing: Nestor Covarrubias, Tom Beland

Meeting Client Needs

Cost Savings

Sustainability

UCSB Solid State Lighting: Lab Substrates 2014

Clients: Solid State Lighting, Energy & Design Centers

Opportunity

The Solid State Lighting (SSL) center is a first-rate UC research and educational facility and requires high-capacity suppliers to ensure their output. To meet compliance standards, the SSL group put their lab substrate contract out to bid initially for a one-year period to assess the value and engineering capabilities of the awardee. The product was then competitively bid in the second year and was awarded a five-year, fixed-price term.

Results

- Generated benefit of **\$3.3 million** over the course of the five-year “stop gap” contract
- Contract provides for regular supply of all commonly used lab substrates and associated materials



The Team

Procurement: Monica Yamasaki
Solid State Lighting Group: Tara Owens

Strategic Partnerships

Meeting Client Needs

Cost Savings

UCSB Bulk Vehicle Supply

Client: Transportation Services

Opportunity

The UCSB Transportation Department operates a fleet of more than 200 vehicles around the clock, both for providing campus services and shuttling of goods and personnel. When the team needed a contract for Cargo Vans, they approached Procurement for the bid process. After several submissions, an agreement was awarded to a local dealer who pledged to volume pricing and free delivery on all vehicles.

Results

- Benefit of **\$2,372** from cost savings
- Single supplier ensures UCSB's needs for special equipment on vehicles will stay consistent
- Contract with local provider ensures timely, free delivery on all vehicles, as well as local servicing



The Team:

Procurement: Calli Price

Transportation Services: Douglas Hatt

Category Expertise

Meeting Client Needs

Cost Savings

UCM Leverages Cooperative Pricing for Emergency Purchase

Client: Information Technology

Opportunity

Meagan Torres, new Commodity Manager for IT and planning contracts at UCM, recently received a very large “emergency” request for the campus. With limited time or opportunity to perform a competitive bid, she was able to perform the due diligence needed and negotiated significantly lower pricing than originally quoted by leveraging WSCA cooperative purchasing pricing. The order was ultimately placed with the original company but negotiated with substantial savings from the original price.

Results

- Generated more than **\$170,000** in cost savings from original quote
- WSCA pricing provided negotiating leverage
- Met client’s urgent needs for an expedited order



The Team

Procurement: Meagan Torres

Meeting Client Needs

Cost Savings

Strategic Partnerships

UCD Growing with Sustainable Energy

Client: Construction Management

Opportunity

In support of UC Davis's established goal for the West Village project to be completely supported by sustainable energy, procurement team issued an RFP to identify a solar supplier for a large array solar farm project on the campus. As part of the bid requirements, suppliers were required to meet or improve on the campus' current WAPA power rate, reducing its overall power costs while moving to a sustainable energy source. The procurement team pre-negotiated contract terms with bidders and reissued them prior to proposal submissions.

Results

- Projected savings of more than **\$13 million** over the 20-year contract term
- Prequalification of bidders ensured only companies most likely to be successful were evaluated
- Award to low bid per KWH further encouraged aggressive pricing



The Team

Sid England, Sustainability Program

David Phillips, Utilities

Jason Robert Magness, Design & Construction Management

Steve Condrin, Real Estate Services

Kelly Gilmore, Contracting Services

Deborah Fraga-Decker, Contracting Services

Category Expertise

Sustainability

Cost Savings

Thank You

A photograph of a modern architectural courtyard. On the left, a wall is composed of large, dark blue rectangular panels. To the right, a white wall features a series of vertical, rectangular openings or columns. The ground is covered in vibrant green grass, with long, dark shadows cast across it from the left, suggesting a bright, sunny day. The overall scene is clean, minimalist, and well-lit.