ADMINISTRATIVE REVIEW:
STRATEGIC PROCUREMENT

STRATEGIC SOURCING INITIATIVE :

PROCUREMENT CARD

Core Team Initial Meeting
June 18, 2013

University of Maine System
ThinkMissionExcellence.maine.edu
1. Introductions
2. Admin Review Findings Overview
3. Initiative Goals
4. Strategic Sourcing Process
5. Team Structure / Roles and Responsibilities
6. Opportunities and Challenges
7. Proposed Approach
8. Timing
9. Next Steps
Introductions

• Core Team Introductions
• Current Job Functions
• What will success look like one year from now?
Administrative Review Findings

**UMS Current State**
- Fragmented spend that does not leverage University buying power
- Resource intensive manual paper-based processes
- Inconsistent standards for program administration
- Seller controls purchase terms and conditions
- Limited visibility into Pcard spend and inconsistent data across business units

**Higher Education Best Practices**
- Pcard is part of a comprehensive procurement strategy with integrated eProcurement
- Unified Pcard administration
- Consistent enterprise-wide training, policies, and support
- Pcard (or Travel Card) integrated with the travel and expense process
Pcard Initiative Goals

Deliver University-wide Pcard services at a lower cost with improved transaction processes by implementing the following Administrative Review recommendations:

A. DELIVER SYSTEM-WIDE PCARD SERVICE, SUPPORT AND TRAINING for all locations as part of a comprehensive support strategy for all procurement platforms (i.e., Pcard, MaineStreet Marketplace (MSM), and Travel & Expense)

B. ESTABLISH BENCHMARKS AND STANDARDS for Pcard issuance and approvals to be administered consistently across the University system.

C. RE-BID PCARD SERVICES following a competitive public process to better meet Pcard user requirements and administration, and include Travel & Expense management.

D. ESTABLISH UNIFIED PCARD ADMINISTRATION as part of a comprehensive University system-wide procurement strategy to provide consistent policies and services for all locations with a dedicated support structure. Staff would be located at both campus and system offices with emphasis on ensuring campus-based presence.

Core Team Focus Area
Strategic Procurement Methodology

Analyse

Plan

Design

Strategy

Source

Contract

Use

Vendor

Manage

Analysis framework will help identify, size and prioritize spend categories for Sourcing

Understand supply chain dynamics, total cost of ownership factors and begin developing a sourcing strategy

Select vendor(s), RFx process, establish SLA, KPI, governance and execute contract

Implement contract, utilize products and services, and measure results

Manage vendor(s) holistically for continuous improvement and mutual benefit

Administrative Review Strategic Procurement Report: Pages 25 - 26
Strategic Sourcing Process

• Select Core Team / Subject Matter Experts (SMEs)
• Document Requirements
• Identify Supplier Pool
• Determine Evaluation Criteria and Weights
• Draft and Issue Request for Proposal (RFP)
• Evaluate RFP Responses
• Identify top-rated RFP Responses for Further Evaluation
• Conduct Supplier Presentations, Reference Checks
• Select Final Supplier(s) and Facilitate Contract Process

After Contract
• Implement Solution(s) and Establish Governance Process
• Track and Manage Performance
Team Structure: Roles and Responsibilities

Initiative Sponsor
- Approve Recommendations
- Sign Contracts

Core Team
- Compile User Requirements
- Evaluate Supplier Submissions
- Recommend Solutions

Subject Matter Experts
- User Requirements
  - Faculty
  - Administrative
  - Research
  - Small / Large Campus
  - System Office

Subject Matter Experts
- Admin Requirements
  - Legal
  - Technology
  - Risk
  - Grant Restrictions
  - Finance / IRS
  - Board of Trustee

User Perspective
- Suggest / Review Requirements
- Review Proposed Solutions

Policy Perspective
- Suggest / Review Requirements
- Review Proposed Solutions
Team Structure: Pcard Initiative

Initiative Sponsors
- Chip Gavin; Interim CPO
- Rebecca Wyke; Vice Chancellor

Core Team
- Susan Cota, USM
- Lisa Fournier, UMFK
- Kim Moody, UMA
- TBD, UM

Strategic Sourcing
- Kevin Carr, Rudy Gabrielson

Approve Recommendations
Sign Contracts

Compile User Requirements
Evaluate Supplier Submissions
Recommend Solutions

User Perspective
- Suggest / Review Requirements
- Review Proposed Solutions

SME: User Requirements
- SME listing in Process

SME: Admin Requirements
- SME Listing in Process

Policy Perspective
- Suggest / Review Requirements
- Review Proposed Solutions
Opportunities / Challenges

Opportunities

• Significant annual Pcard spend:
  • Projected FY2014 Goods/Services $6.6MM (E&G $3.6MM, Restricted $3.0MM)
  • Projected FY2014 Travel $3.5MM (E&G $1.8MM, Restricted $1.7MM)
• Balance use of Pcard within overall procurement strategy (spend on Pcard, in MSM, etc.)
• Improved management with new Pcard provider/platform
• Marketplace is highly competitive (products, services, incentives)
• Ability to streamline processes, reduce manual/paper steps, approval workflow
• Ability to generate improved reporting and data analysis

Challenges

• Variance in use and reliance on Pcard from campus to campus
• Balancing ease of use with appropriate oversight
• Overall process overhead is largely transparent to average cardholder
• Perceived mixed messages over proper role of Pcard
• Implementation, training, and support challenges
Proposed Pcard Sourcing Approach

- Identify stakeholder groups / SMEs
- Compile Pcard/travel card requirements
- RFP – Reflecting requirements
- Issue RFP
- Evaluation – create listing top-rated Suppliers
- Pcard Vendor Presentations
- Final Selection
- Pilot Site and Phased Roll-out approach.
## Pcard Initiative Timing

<table>
<thead>
<tr>
<th>Key Initiative Tasks</th>
<th>FY13 Q4</th>
<th>FY14 Q1</th>
<th>FY14 Q2</th>
<th>FY14 Q3</th>
<th>FY14 Q4</th>
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<td>May</td>
<td>June</td>
<td>July</td>
<td>Aug</td>
<td>Sept</td>
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<td>- Develop Pcard RFP</td>
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<td>- Preliminary Pcard Policy Update (APL)</td>
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<td>- New Pcard RFP Released</td>
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<td>- Pcard Services Supplier Evaluations</td>
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<td>&gt; RFP response scoring</td>
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<td>&gt; Short-listed Supplier Evaluations</td>
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<td>- Enterprise Contract:</td>
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<td>&gt; Pcard, Travel Card</td>
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<td>- New Pcard / Travel Card:</td>
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<td>&gt; New Card Policy Available (APL)</td>
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<td>&gt; Training Available</td>
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<tr>
<td>- New Pcard/Travel Card Implementation</td>
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<td>&gt; Roll-out Begins</td>
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**Core Team Activity:**
## Next Steps

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<tr>
<th>Task</th>
<th>Responsibility</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Schedule Weekly ½ Hour Meeting</td>
<td>Kevin Carr</td>
<td>June 18, 2013</td>
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<tr>
<td>Confirm Meeting Technology Availability</td>
<td>Rudy Gabrielson</td>
<td>June 18, 2013</td>
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<tr>
<td>Confirm SME list and Engage</td>
<td>Kevin Carr</td>
<td>June 21, 2013</td>
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<tr>
<td>Complete Pcard Requirements</td>
<td>Core Team</td>
<td>July 19, 2013</td>
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<tr>
<td>Draft RFP for Review</td>
<td>Core Team</td>
<td>July 26, 2013</td>
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<tr>
<td>Review RFP and Comments</td>
<td>Core Team</td>
<td>August 8, 2013</td>
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<tr>
<td>Release RFP</td>
<td>Kevin Carr</td>
<td>August, 15 2013</td>
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