

ADMINISTRATIVE REVIEW:
STRATEGIC PROCUREMENT

STRATEGIC SOURCING INITIATIVE :

PROCUREMENT CARD

Core Team Initial Meeting
June 18, 2013

University of Maine System

ThinkMissionExcellence.maine.edu

Agenda

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)

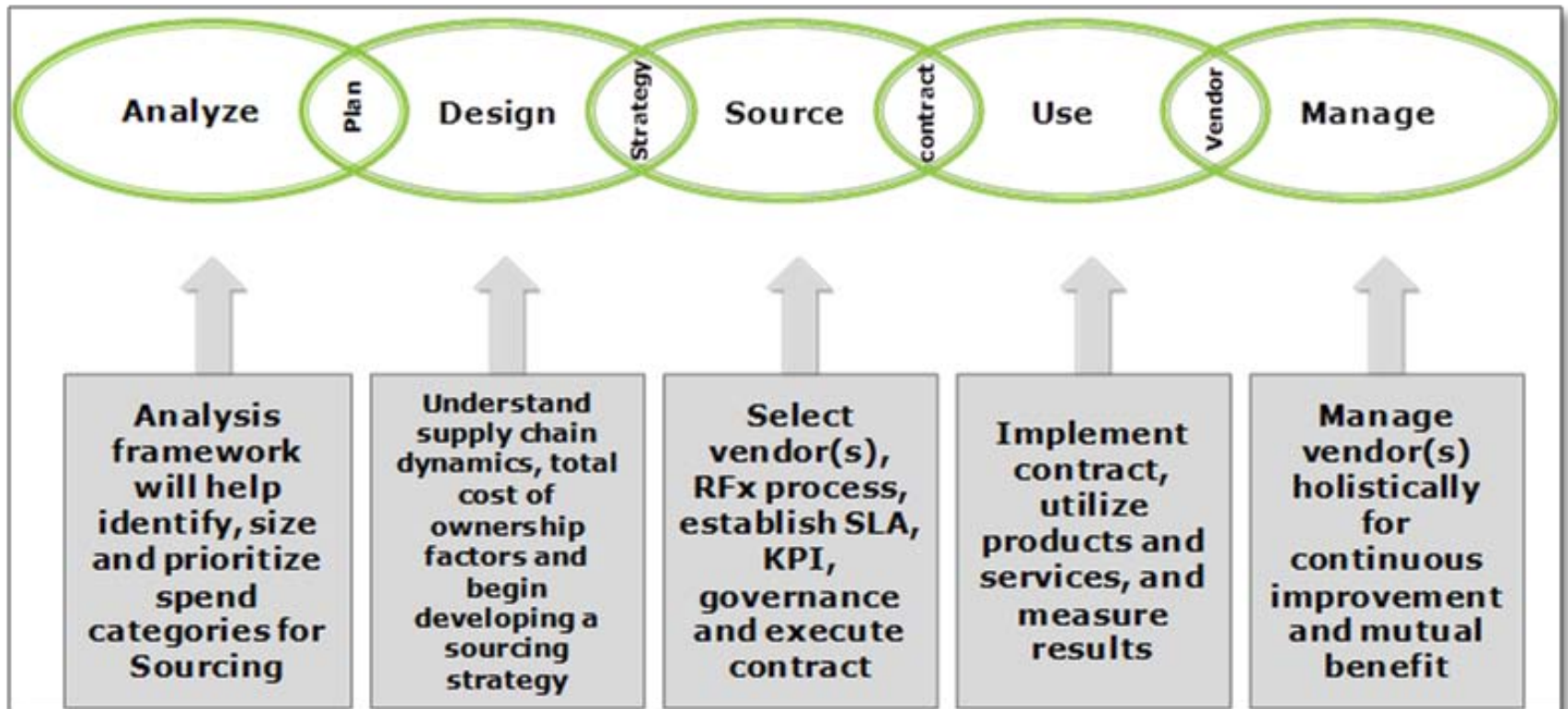
B. ESTABLISH BENCHMARKS AND STANDARDS for Pcard issuance and approvals to be administered consistently across the University system.

 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



Administrative Review Strategic Procurement Report: Pages 25 - 26

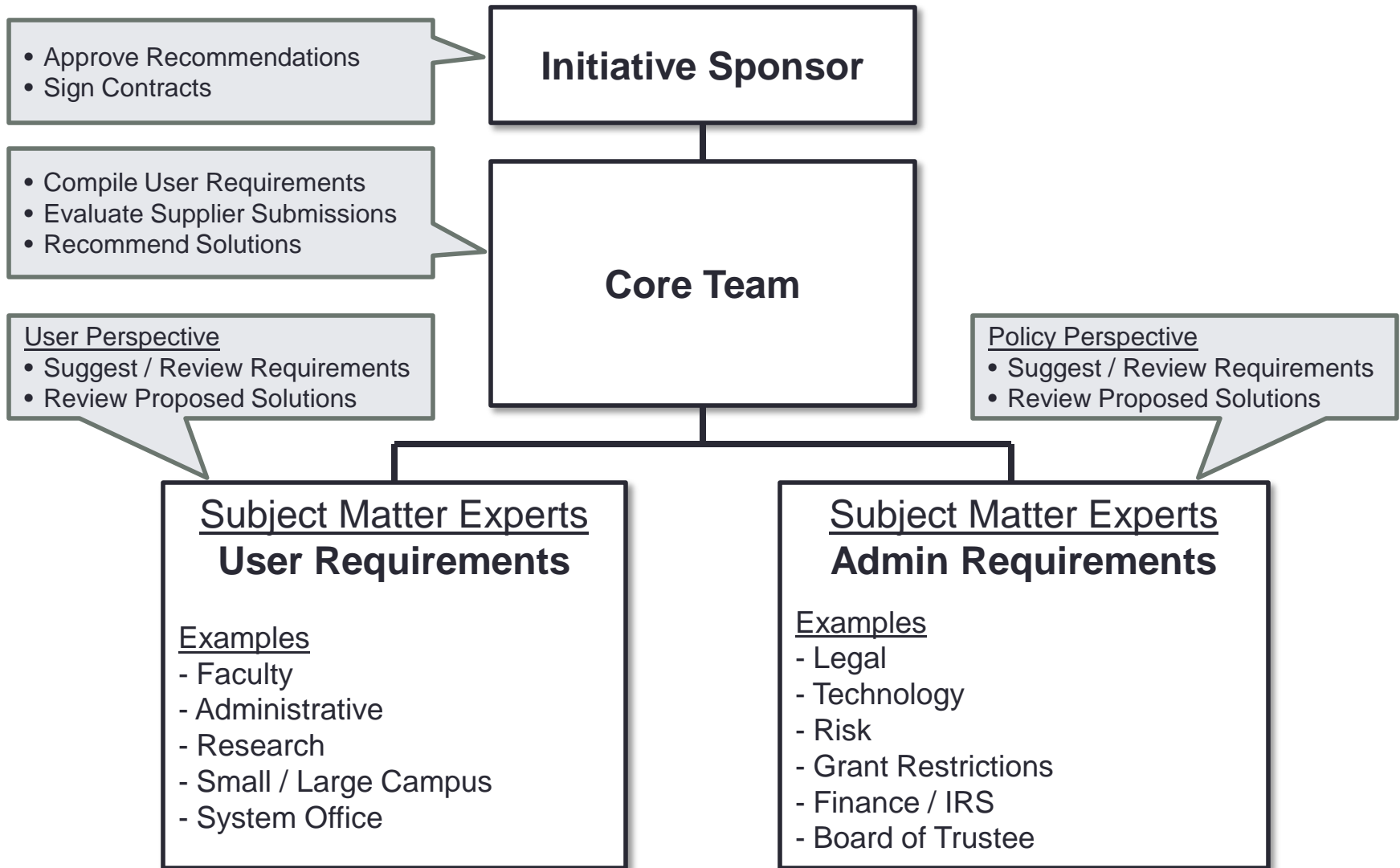
Strategic Sourcing Process

- 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

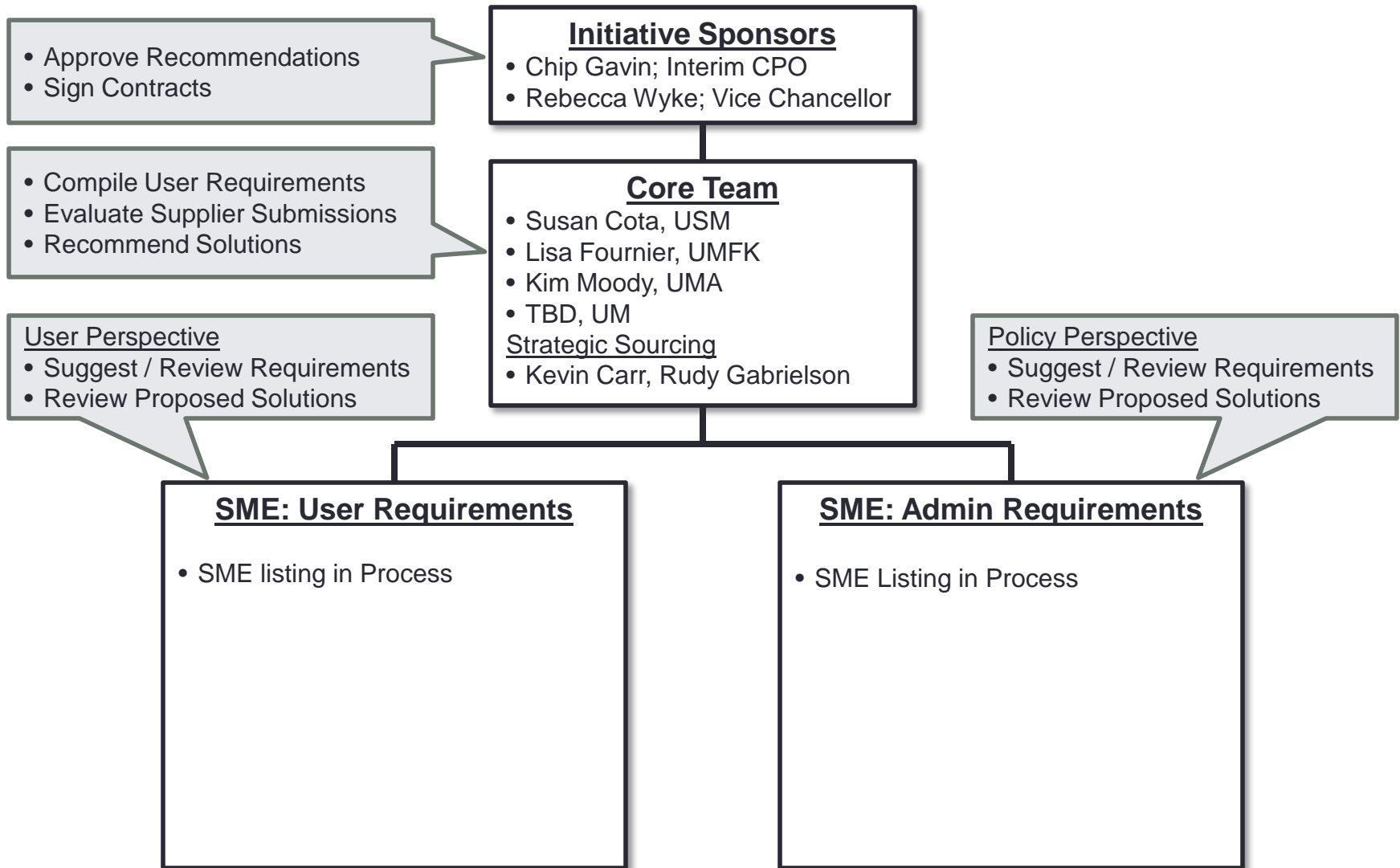
After Contract

- Implement Solution(s) and Establish Governance Process
- Track and Manage Performance

Team Structure: Roles and Responsibilities



Team Structure: Pcard Initiative



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

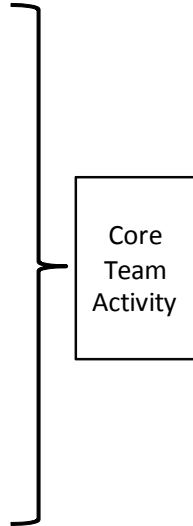
- Variance in use and reliance on Pcard from campus to campus
- Balancing ease of use with appropriate oversight
- Overall process overhead is largely transparent to average cardholder
- Perceived mixed messages over proper role of Pcard
- Implementation, training, and support challenges

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

Key Initiative Tasks	FY13 Q4		FY14 Q1			FY14 Q2			FY14 Q3			FY14 Q4		
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
- Develop Pcard RFP			■	■										
- Preliminary Pcard Policy Update (APL)				■										
- New Pcard RFP Released				■										
- Pcard Services Supplier Evaluations > RFP response scoring > Short-listed Supplier Evaluations					■	■								
- Enterprise Contract: > Pcard, Travel Card							■							
- New Pcard / Travel Card: > New Card Policy Available (APL) > Training Available								■						
- New Pcard/Travel Card Implementation > Roll-out Begins									■	■	■	■		



Next Steps

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