

ADMINISTRATIVE REVIEW:
STRATEGIC PROCUREMENT

STRATEGIC SOURCING INITIATIVE :

TRAVEL SERVICES

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

- Diverse traveler requirements
- Complex, paper-based, inconsistent processes
- Inconsistent standards for bookings, travel suppliers, fees, payment process, travel policies, training, spend management, compliance
- High reliance and burden on Traveler to know travel policies
- Limited visibility into travel spend by sub-category

Higher Education Best Practices

- Travel services solutions which address the diversity of requirements
- Contracted Travel Management Company
- Unified booking tool (agent-assisted, on-line, mobile)
- Paper-less travel expense management system (with work-flow)
- Savings through Sourcing of travel spend sub-categories
- Flexibility for unique travel requirements

Travel Services Initiative Goals

Deliver University-wide travel services at a **lower cost** with an **improved traveler experience** by implementing the following Administrative Review recommendations:

A. CONDUCT A COMPREHENSIVE ASSESSMENT to document the travel service requirements for all traveler groups and locations.

➔ B. SECURE TRAVEL MANAGEMENT COMPANY(S) and ELECTRONIC TRAVEL REIMBURSEMENT SYSTEM through a competitive public process to provide unified on-line and agent assisted travel services that are integrated with a paperless travel reimbursement system.

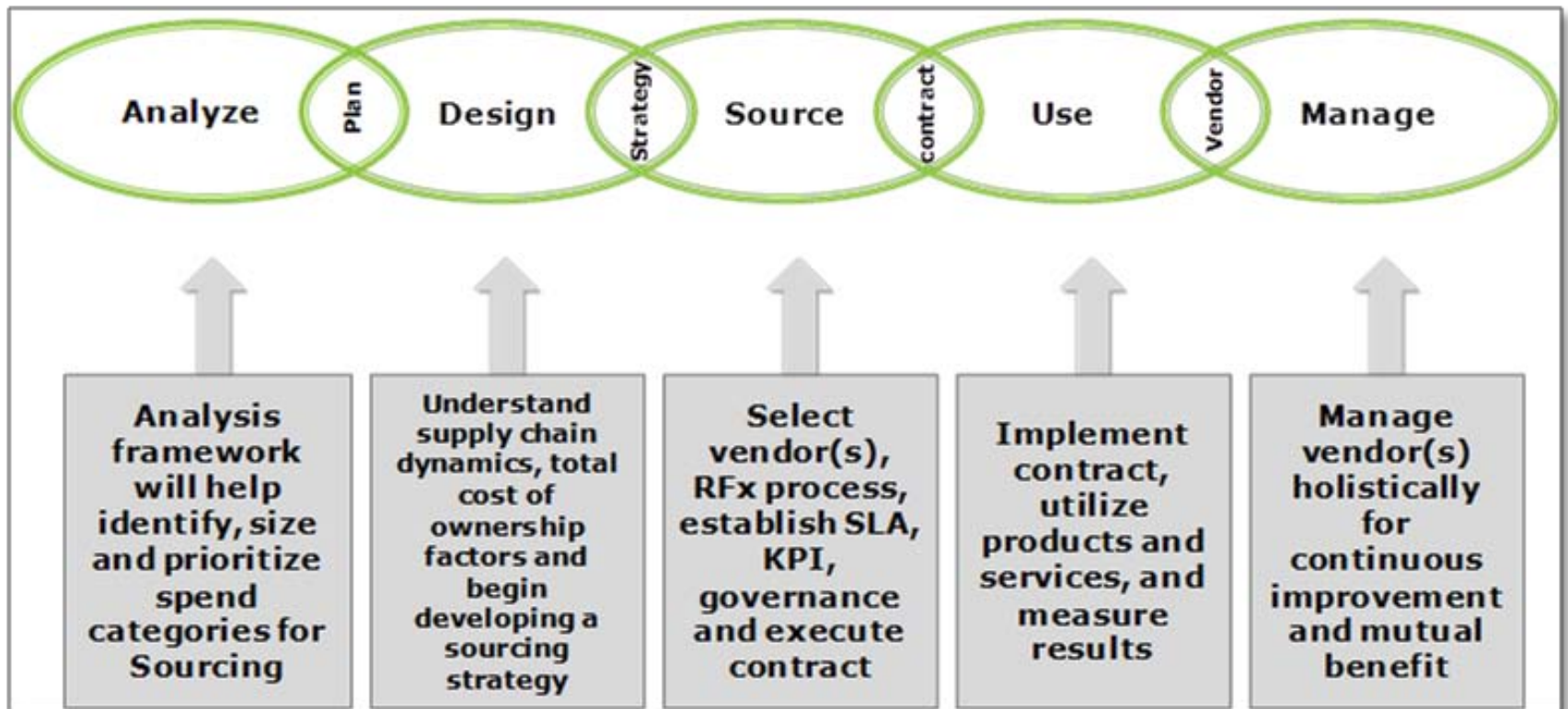
C. CONTRACT WITH PREFERRED PROVIDERS for favorable pricing and service guarantees for transportation, airfare, and lodging to the extent practicable in the context of the specific needs of University travelers.

➔ D. UPDATE TRAVEL AND EXPENSE ADMINISTRATIVE PRACTICE LETTER (APL) with clear guidelines for areas such as tipping, per diem rates in high cost destinations, and exceptions for unique travel needs.

E. ESTABLISH UNIFIED TRAVEL 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 effective campus-based presence.

➔ *Core Team Focus Area*

Strategic Procurement Methodology



Administrative Review Strategic Procurement Report: Pages 25 - 26

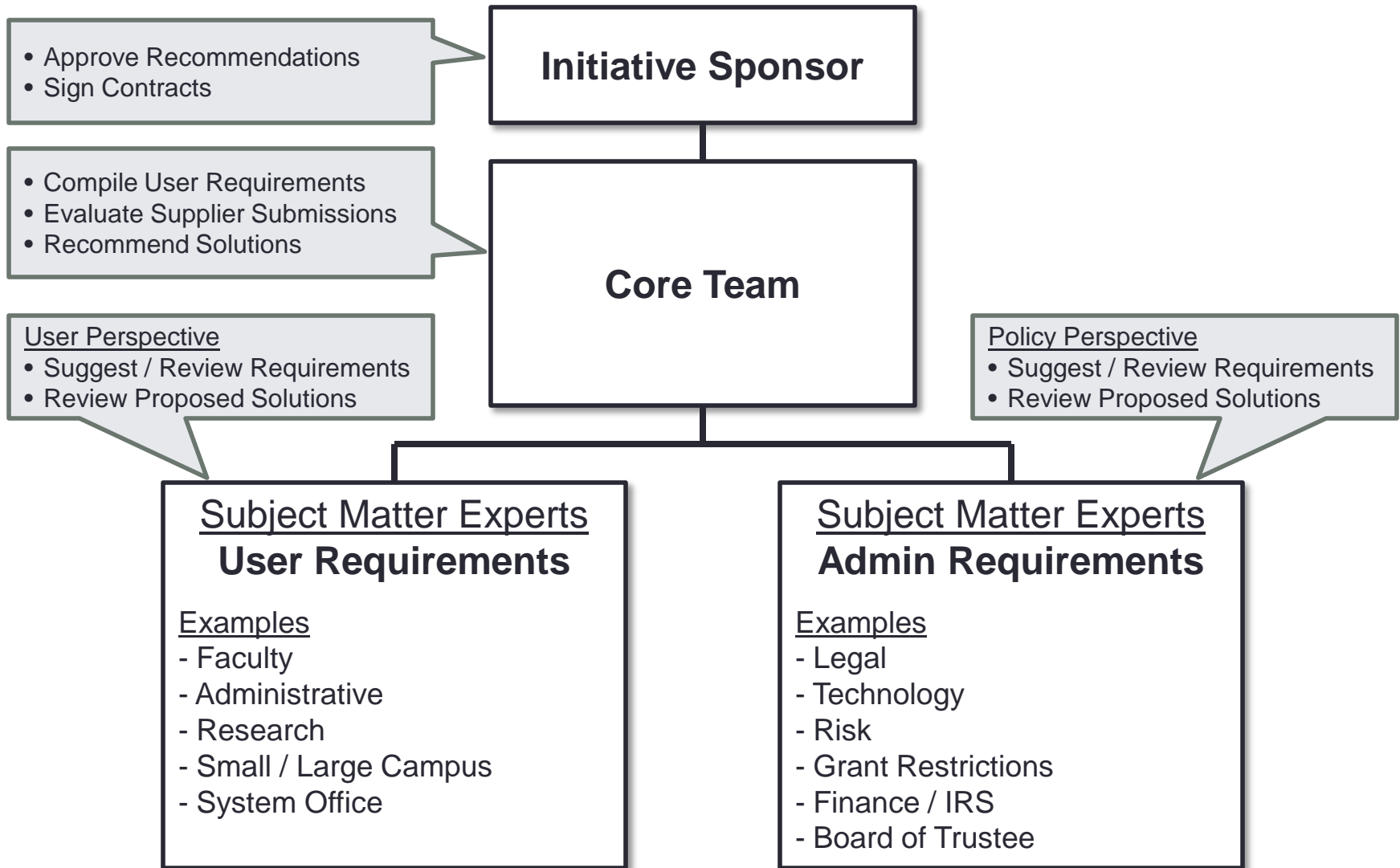
Strategic Sourcing Process

- Establish 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

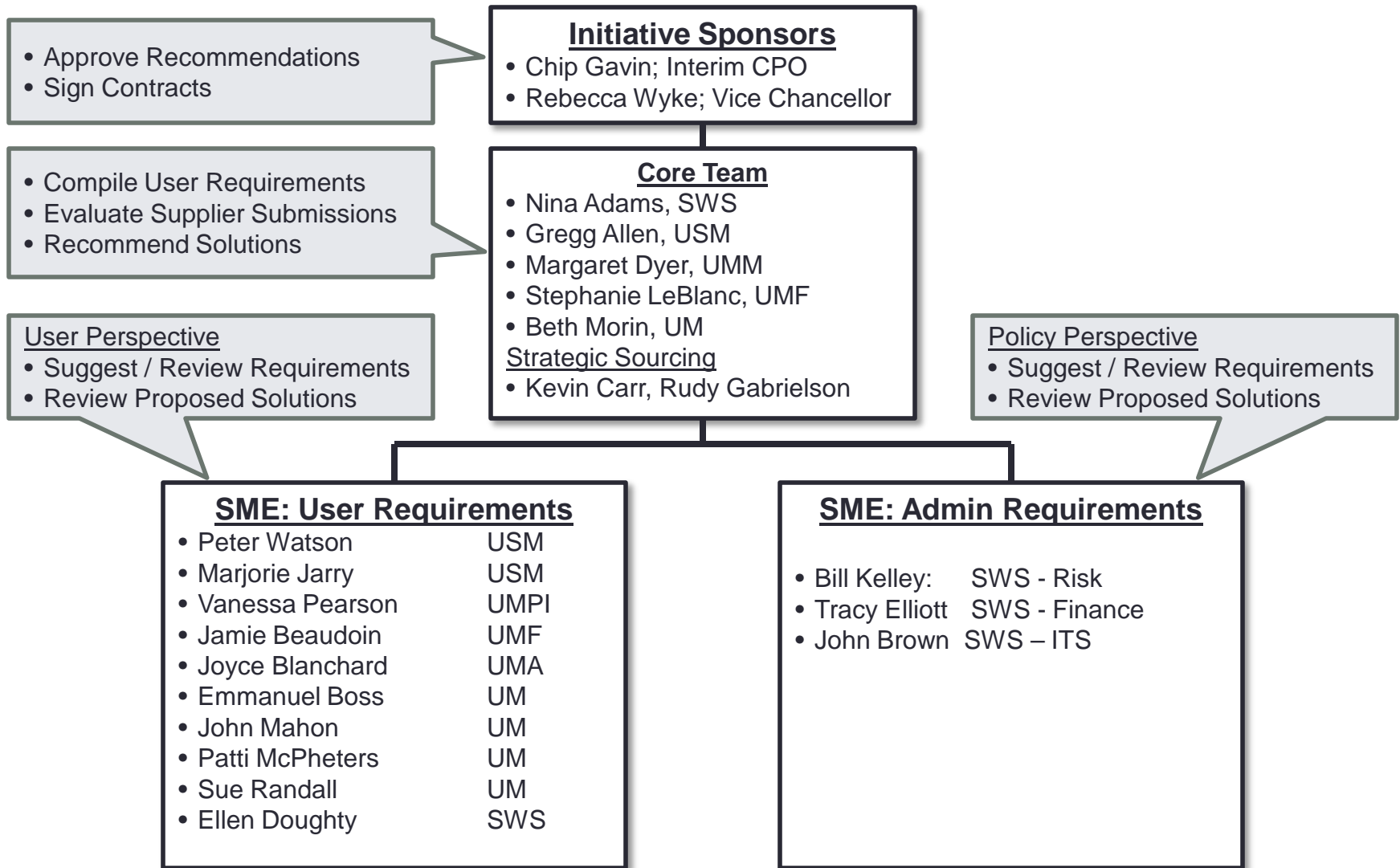
After Contract

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

Team Structure: Roles and Responsibilities



Team Structure: Travel Services Initiative



Opportunities / Challenges

Opportunities

- Significant annual expense:
 - FY 2014 Travel Budget: \$9.8MM (E&G \$6.1MM, Restricted: \$3.7MM)
- Ability to lower costs / share benefits by aggregating travel spend
- Competitive market for institutional travel services
- Major advances in travel services technology:
 - On-line bookings, mobile, integrated booking/reimbursement applications

Challenges

- Considerable diversity in travel requirements
- Limited provider pool offering completely integrated travel solution
- Previous unsuccessful travel initiatives
- Very limited visibility into travel spend characteristics
- Regional loyalty to local travel service suppliers / incumbents
- Wide variance in travel procedures between campuses
- Implementation, training, and support challenges

Proposed Travel Sourcing Approach

- Identify Stakeholder Groups / Subject Matter Experts (SMEs)
- Conduct Comprehensive Requirements Assessment (Huron)
- Release Preliminary Interim Travel Administrative Policy Letter (APL) Update
 - Reflecting Admin Review findings of key traveler suggestions
- Create Travel Supplier Interested Parties List (including incumbents)
- Develop and Issue Request for Proposal (RFP) reflecting 2 bid areas:
 1. Travel Management Company
 - Integration point for applications (on-line, agent assisted, approvals, reimbursement)
 - Execute travel service supplier contracts on UMS behalf (Hotels, Cars, Airlines)
 2. Integrated Travel Management System
 - On-Line Booking Tool
 - Customized interface reflecting UMS travel policies
 - Travel Reimbursement System
- Evaluate RFP Responses: produce top-rated response
- Evaluate Top-Rated Suppliers: presentations, reference calls
- Recommend Travel Services Solution: for approval by sponsor
- Secure Contract: including pricing, savings, legal T&Cs, value-adds
- Implementation: begin with pilot, then phased roll-out approach

Travel Services 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 Travel & Expense RFP	■	■	■											
- Preliminary Travel Policy Update (APL)		■												
- Travel & Expense RFP Released			■											
- Travel Supplier Evaluations > RFP response scoring > Short-listed Supplier Evaluations				■	■									
- Enterprise Contracts: >Travel Management Company >Travel Reimbursement System						■								
- New Travel Implimentation Planning: > Roll-out Plan Developed > Training Available							■							
- New Travel Implementation Pilot: > Pilot Group Implemented > New Travel Policy Available (APL)								■						
- Implement New Travel: Full Roll-out - Implement new travel Policy (APL)									■	■	■	■	■	■
- Enterprise Contracts: > Travel Services (Air, Car, Hotel)												■		

Core Team Activity

Next Steps

Task	Responsibility	Due Date
Schedule Weekly ½ Hour Meeting	Rudy Gabrielson	June 18, 2013
Confirm Meeting Technology Availability	Rudy Gabrielson	June 18, 2013
Confirm SME list and Engage	Kevin Carr	June 21, 2013
Complete Travel Assessment	Huron	July 8, 2013
Draft RFP for Review	Core Team	July 15, 2013
Review RFP and Comments	Core Team	July 22, 2013
Release RFP	Kevin Carr	July 29, 2013