



University of Maine System – Strategic Procurement

Savings Validation

October 10, 2014

This document contains the results of the validation of savings Huron performed on behalf of UMS for FY2014. In order to perform the validation, UMS Procurement provided documentation related to each project. Huron tested each methodology and calculated the savings associated with each project.

This document contains:

- UMS FY2014 Savings Results
 - Strategic Sourcing Savings (Validated)
 - Pcard Spend Reduction
 - Check to Electronic Payments
 - New MSM Vendors (Catalog)
 - Pcard Rebate
 - ePayables Rebate
 - MSM Rebate (Existing Suppliers)
 - Strategic Sourcing Savings (Non-E&G Validated)
 - Strategic Sourcing Savings (Un-validated)

UMS FY2014 Savings Results

Validation of Savings

Huron Consulting Group validated \$385K (E&G) in savings for FY2014 across UMS. The table below shows key components of savings by campus as well as comparison to savings objectives. Non-E&G validated strategic sourcing savings account for an additional \$119K.

	UM	UMA	UMF	UMFK	UMM	UMPI	USM	TOTAL
<i>Allocation</i>	55.9%	5.0%	4.8%	2.0%	2.2%	3.0%	27.1%	100.0%
Strategic Sourcing (Validated)	\$ 4,169	\$ 15	\$ 15	\$ 6	\$ 8,367	\$ 9	\$ 7,619	\$ 20,200
Pcard Spend Reduction	\$ 3,602	\$ 322	\$ 309	\$ 129	\$ 142	\$ 193	\$ 1,746	\$ 6,444
Check to electronic payments	\$ 2,388	\$ 214	\$ 205	\$ 85	\$ 94	\$ 128	\$ 1,158	\$ 4,272
New MSM Vendors (catalog)	\$ 20,585	\$ 1,841	\$ 1,768	\$ 737	\$ 810	\$ 1,105	\$ 9,980	\$ 36,825
Pcard Rebates	\$ 41,269	\$ 3,691	\$ 3,544	\$ 1,477	\$ 1,624	\$ 2,215	\$ 20,007	\$ 73,827
ePayable Rebates	\$ 46,729	\$ 4,180	\$ 4,013	\$ 1,672	\$ 1,839	\$ 2,508	\$ 22,654	\$ 83,594
MSM Rebates (existing vendors)	\$ 35,403	\$ 3,167	\$ 3,040	\$ 1,267	\$ 1,393	\$ 1,900	\$ 17,163	\$ 63,332
HR Savings	\$ 53,868	\$ 4,818	\$ 4,626	\$ 1,927	\$ 2,120	\$ 2,891	\$ 26,115	\$ 96,366
Total	\$ 208,014	\$ 18,248	\$ 17,518	\$ 7,299	\$ 16,390	\$ 10,949	\$ 106,442	\$ 384,860
Savings Objective	\$ 104,391	\$ 9,337	\$ 8,964	\$ 3,735	\$ 4,108	\$ 5,602	\$ 50,608	\$ 186,746
Delta	\$ 103,623	\$ 8,911	\$ 8,554	\$ 3,564	\$ 12,281	\$ 5,346	\$ 55,834	\$ 198,114
Strategic Sourcing (Non-E&G)	\$ 66,731	\$ 5,915	\$ 5,678	\$ 2,366	\$ 2,603	\$ 3,549	\$ 32,238	\$ 119,079
Strategic Sourcing (Unvalidated)	\$ 83,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,147