

# Strategic Procurement Transformation

## Status Report for June 2013 Activity

Report Issued July 2013

### I. Administrative Review Recommendations

### II. Status Report: Past 30 Days

### III. Implementation Time Line

### IV. Key Milestones - Thru FY2014

### V. Attachments:

- Revised Strategic Procurement Organization Chart
- Travel Services Initiative: Core Team and Subject Matter Experts (SMEs)
- Travel Services Initiative: SME Roles and Responsibilities
- Procurement Card (Pcard) Initiative: Core Team

**I. Recommendations**

**1. Procurement of Specific Goods and Services  
a. Travel and Expense Management**

- 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 Travel 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.

**1. Procurement of Specific Goods and Services  
b. Other Commodities and Services (Strategic Sourcing)**

- A. Establish Multi-Campus Advisory Groups** with expertise in products and services being considered for competitive public bid.
- B. Develop Spend Analytics Methodology/Tools** to better identify products and services where the University system would save money and add value from a competitive public bid process.
- C. Implement Contract Management Process** to better manage suppliers, ensure consistent contract terms across the University system, eliminate redundant agreements, and identify opportunities for competitive public bids / re-bids.
- D. Conduct Competitive Public Bids** for key products and services such as electricity, IT hardware (in coordination with IT administrative review), promotional materials, custodial paper goods, scientific equipment, commercial print, temporary employment, books/periodicals, vehicle services and parts, and prospect lists.
- E. Expand the Breadth of Products** available with favorable pricing and contract Terms by increasing **MaineStreet Marketplace (MSM)** catalog suppliers and migrating procurement activity from procurement card (Pcard) to MSM as appropriate.

**2. Procurement Card (Pcard) Administration**

- A. Deliver System-Wide Pcard Service, Support and Training** for all locations as part a comprehensive support strategy for all procurement platforms (i.e., Pcard, MaineStreet Marketplace (MSM), 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 effective campus-based presence.

**3. Structural Resources and Efficiencies (Procurement Organization Structure)**

- A. Transition to a Unified Strategic Procurement Organization** operating as a shared system-wide service reporting to the Chancellor or the Chancellor's designee and advised by the Shared Services Advisory Council and the President's Council. The organization would consist of three functional units: Procurement Operations, Procurement Services, and Strategic Sourcing with staff located at both campus and system offices with emphasis on ensuring effective campus-based presence.
- B. Create a Procurement Operations Unit** within the unified strategic procurement organization responsible for accounts payable, travel and Pcard administration, procurement systems administration, and management of procurement related data.
- C. Create a Procurement Services Unit** within the unified strategic procurement organization to provide consistent, system-wide training and support, coordinate procurement activity for individual campuses, oversee quality assurance and compliance, and conduct special projects as required by legislative and regulatory mandates.
- D. Create a Strategic Sourcing Unit** within the unified strategic procurement organization to facilitate public competitive bids, analyze spend data, develop research and reporting methodologies, establish campus-based advisory groups, monitor supplier performance, and manage contract activity.
- E. Establish Assessment Process** for each unit defining evaluation criteria and review process for achieving service, efficiency, and expense reduction goals.
- F. Improve Mechanisms for Exception Process and Feedback** that provide flexibility for unique requirements and create a better process for incorporating suggestions from shoppers about goods or services where they believe additional savings could be obtained.

<b>Period Covered This Report:</b>	FY 2013 - 4th Quarter: JUNE
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<b>Overall Project Status:</b>	<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span>
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Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Structure	
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Status:	<span style="background-color: yellow; width: 20px; height: 10px; display: inline-block;"></span>
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<b>Key Accomplishments</b>	
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- Updates provided for Shared Services Advisory Committee.
- CFOs calls/visits to discuss Strategic Procurement transformation completed for all campuses.
- Procurement Employee on-site visits completed for all campuses. Provided updated Strategic Procurement Org Chart (revised org chart included as attachment to this monthly report).
- HR letter outlining transition process sent to all impacted Procurement employees.
- HR Hiring Process:
  - > Recruiting for new structure underway. Positions posted: Pcard Administrator, Accounting Support Specialist CL3.

<b>Areas of Concern</b>	
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- Hiring process approximately 8 weeks behind schedule in part to provide time to complete campus visits with impacted employees before jobs are posted. Substantial process is expected and required in July to address this concern.

<b>Key Next Steps</b>	
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- As of July 1st, from a GL perspective, current full 1.0 FTE Procurement Positions will map to the new Strategic Procurement Organization. There will be no broad-based change in job functions on that date.
- Complete initial wave of job descriptions and postings as necessary including Chief Procurement Officer (CPO), Director of Strategic Sourcing, Director of Procurement Support.
- Complete current round of discussions with CFOs and/or designees to define transition process and ensure continuity of service and address functional concerns.

Procurement: Travel and Expense	
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Status:	<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span>
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<b>Key Accomplishments</b>	
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- Established Travel Services initiative Core Team and held first meeting.
- Established meeting schedule, project time-lines, participant roles and responsibilities.
- Identified and confirmed campus-based Subject Matter Experts (SMEs) to help guide and advise the initiative (Core Team and SME list, and SME role included as attachment to this report).
- Began compiling suggestions for preliminary APL update.
- Engaged Huron consulting to conduct interviews with SMEs and Core Team and draft Travel Services requirements for RFP (per Administrative Review Recommendation 1.a.a).

<b>Areas of Concern</b>	
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- Tight time frame and potential issues with resource availability during the summer.

<b>Key Next Steps</b>	
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- Establish Travel Services interview questions, interviewee list, complete interviews and draft RFP requirements.
- Compile Travel Services Supplier list for RFP distribution, including incumbent Travel Agencies used by campuses.
- Release RFP
- Draft and release APL Update to address some of the T&E findings of the Admin Review Process.

Procurement: Strategic Sourcing	
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Status:	<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span>
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<b>Key Accomplishments</b>	
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- Energy Management / Electricity: Initiative leadership and Core Team in place, RFQ being prepared.

<b>Areas of Concern</b>	
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- Resource availability to support emerging RFPs and Sourcing Initiatives at same time as end of Fiscal Year activity.
- Resource availability for Strategic Sourcing while the new Strategic Sourcing team is being formed.

<b>Key Next Steps</b>	
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- Energy Management / Electricity: Hold first Core Team meeting; compile energy management requirements for campuses not currently covered by an agreement. Identify and pursue electricity pilot initiative as part of overall effort.

Procurement Card	
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Status:	<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span>
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<b>Key Accomplishments</b>	
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- Revised Pcard Milestone timing to accommodate end of fiscal year resource constraints, project still on track with Admin Review estimated project timing.
- Established Pcard initiative Core Team and held first meeting (Core team listing included as an attachment to this report).
- Established meeting schedule, project time-lines, participant roles and responsibilities.

<b>Areas of Concern</b>	
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- Tight time frame and potential issues with resource availability during the summer.

<b>Key Next Steps</b>	
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- Establish Subject Matter Experts (SMEs) group representing a broad representation of Pcard stakeholders to advise the core team.
- Consider APL update to address some of the Pcard findings of the Admin Review Process

Recommendation Focus Areas	FY2013				FY2014				FY2015				FY2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1 Procurement of Specific Goods &amp; Services</b>																
<b>A Travel and Expense</b>																
a Comprehensive Assessment			Blue	Blue	Blue											
b1 Travel Management Company				Orange	Orange	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
b2 Travel & Expense Reimbursement System				Orange	Orange	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
c Contracts with Preferred Providers								Orange	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
d Update T&E APL Practice Letter				Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
e Unified Travel Administration				Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
<b>B Other Commodities and Services / Strategic Sourcing</b>																
a Multi-Campus Advisory Groups			Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
b Spend Analytics Methodology/Tools						Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
c Contract Management System / Process									Blue	Blue	Green	Green	Green	Green	Green	Green
<b>d Competitive Public Bids:</b>																
d1 Electricity				Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
d2 IT Hardware					Orange	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
d3 Custodial Paper Good							Orange	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d4 Scientific Equipment							Orange	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d5 Commercial Print							Orange	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d6 Temporary Employment							Orange	Yellow	Blue	Green	Green	Green	Green	Green	Green	Green
d7 Books / Periodicals											Orange	Blue	Green	Green	Green	Green
d8 Vehicle Services and Parts										Orange	Orange	Blue	Green	Green	Green	Green
d9 Prospect Lists										Orange	Orange	Blue	Green	Green	Green	Green
d10 Vehicles							Orange	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d11 Shipping			Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
d12 Sourcing Other Opportunities					Orange	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
e Expand MaineStreet Market Place	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
<b>2 Procurement Card (Pcard) Administration</b>																
a System-Wide Pcard Service, Support, Training							Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
b Pcard Benchmarks and Standards							Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
c Re-bid Pcard Services							Orange	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
d Unified Pcard Administration				Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
<b>3 Structural Resources and Efficiencies (Org Structure)</b>																
a Unified Strategic Procurement Org				Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
b Procurement Operations Unit					Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
c Procurement Service Unit					Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d Strategic Sourcing Unit					Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
e Assessment Process					Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green
f Exception and Feedback Process					Blue	Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green

**Legend**

Orange	Public Competitive Bid Process	Green	Bid / Contract process ongoing
Yellow	Implementation Activity	Light Green	Continuous Improvement
Blue	Transition Activity		
Light Green	New System / Process in Place		

IV. Key Milestones

Key Activity	FY13 Q4		
	April	May	June
<b>Structure / Organization</b>  (3A-F)*	<ul style="list-style-type: none"> <li>- Interim Leadership Task Assignments</li> </ul>	<ul style="list-style-type: none"> <li>- Presidents / CFOs Briefed</li> <li>- Meet w/ Current Procure Staff</li> <li>- Continue Interim Task Assignments</li> <li>- CPO Position Posted</li> </ul>	<ul style="list-style-type: none"> <li>- Current Procure Positions: &gt; Continued Communications</li> </ul>
<b>Procurement:</b>  Travel & Expense (1a A-E, 3F)*		<ul style="list-style-type: none"> <li>- Kick off: Travel &amp; Expense RFP</li> </ul>	<ul style="list-style-type: none"> <li>- Preliminary Travel Policy Update (APL)</li> </ul>
Strategic Sourcing (1b A-E, 3F)*	<ul style="list-style-type: none"> <li>- Sourcing Contracts in place: &gt; Shipping &gt; Added MaineSt Market suppliers: Lowe's, FW Webb</li> </ul>	<ul style="list-style-type: none"> <li>- Sourcing Kick-off: Electricity / Energy Management</li> </ul>	
<b>Procurement Card</b>  (2A-D, 3F)*			<ul style="list-style-type: none"> <li>- Kick off: Pcard/Travel Card RFP</li> </ul>
<b>Key Communications</b>  (3F)*	Presidents Council: 4/10 SSAC: 4/1	Presidents Council: 5/8  BoT Finance/Facilities: 05/16 BoT: 05/19-20  Campus Visits: TBD ~05/13-17	SSAC: 6/10  ~Admin Review Mthly Rpt: 06/03  <b>Time Period Covered In This Report</b>

\* Specific Recommendations from Admin Review Report

## IV. Key Milestones

Key Activity	FY14 Q1		
	July	August	September
<b>Structure / Organization</b>  (3A-F)*	- Current Procure Positions: > Same broad-based job duties > Continued Communications	- 1st Wave New Positions in Place: > CPO and others - Procurement Operations: > AP Efficiency Module Install Begins	
<b>Procurement:</b>  Travel & Expense (1a A-E, 3F)*	- Travel & Expense RFP Released		
Strategic Sourcing (1b A-E, 3F)*		- Sourcing Kick-off: IT Hardware  - Engage 3rd Party to assist in developing Performance Assessment and Savings Reporting Methodology	- Identify Additional Sourcing Opportunities
<b>Procurement Card</b>  (2A-D, 3F)*		- Preliminary Pcard Policy Update (APL) - New Pcard RFP Released	
<b>Key Communications</b>  (3F)*	BoT: 07/15	SSAC: 8/12	BoT: 09/23

IV. Key Milestones

Key Activity	FY14 Q2		
	October	November	December
<b>Structure / Organization</b>  (3A-F)*	<ul style="list-style-type: none"> <li>- 2nd Wave New Positions in Place:</li> <li>- Dept Management Tools in place:               <ul style="list-style-type: none"> <li>&gt; Performance Assessment Methodology</li> <li>&gt; Communication and Feedback Plan</li> </ul> </li> <li>- FY2015 Budget Allocation Planning</li> </ul>		<ul style="list-style-type: none"> <li>- FY2015 Budget Allocation Methodology in place</li> </ul>
<b>Procurement:</b>  Travel & Expense (1a A-E, 3F)*	<ul style="list-style-type: none"> <li>- Enterprise Contracts:               <ul style="list-style-type: none"> <li>&gt;Travel Management Company</li> <li>&gt;Travel Reimbursement System</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- New Travel:               <ul style="list-style-type: none"> <li>&gt; Roll-out Plan Developed</li> <li>&gt; Training Available</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- New Travel:               <ul style="list-style-type: none"> <li>&gt; Pilot Group Implemented</li> <li>&gt; New Travel Policy Available (APL)</li> </ul> </li> </ul>
Strategic Sourcing (1b A-E, 3F)*	<ul style="list-style-type: none"> <li>- Spend Analysis Kick-off:               <ul style="list-style-type: none"> <li>&gt; Establish Multi-year Sourcing Strategy</li> </ul> </li> <li>- Sourcing Kick-off: Temp Agencies</li> <li>- Enterprise Contract: IT Hardware</li> </ul>	<ul style="list-style-type: none"> <li>- Sourcing Kick-offs:               <ul style="list-style-type: none"> <li>&gt; Commercial Print</li> <li>&gt; Vehicles</li> </ul> </li> </ul>	
<b>Procurement Card</b>  (2A-D, 3F)*		<ul style="list-style-type: none"> <li>- Enterprise Contract:               <ul style="list-style-type: none"> <li>&gt; Pcard, Travel Card</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- New Pcard / Travel Card:               <ul style="list-style-type: none"> <li>&gt; New Card Policy Available (APL)</li> <li>&gt; Training Available</li> </ul> </li> </ul>
<b>Key Communications</b>  (3F)*	SSAC: 10/7	SSAC: 11/4  BoT: 11/17-18	

IV. Key Milestones

Key Activity	FY14 Q3		
	January	February	March
<b>Structure / Organization</b>  (3A-F)*	- 3rd Wave New Positions in Place		
<b>Procurement:</b>  Travel & Expense (1a A-E, 3F)*	- New Travel: Full Roll-out Begins - Implement new travel Policy (APL) as part of roll-out	- New Travel: Roll-out Continued	- New Travel: Roll-out Continued
Strategic Sourcing (1b A-E, 3F)*	- Completed: Spend Analysis Multi-year Sourcing Strategy Established  -Sourcing Kick-off: Custodial Paper - Enterprise Contract: Temp Agencies	-Sourcing Kick-off: Science Equip	- Enterprise Contract: Vehicles
<b>Procurement Card</b>  (2A-D, 3F)*	- New Pcard/Travel Card > Roll-out Begins > Release new Card Policy (APL)	- New Pcard/Travel Card > Roll-out Continues	- New Pcard/Travel Card > Roll-out Continues
<b>Key Communications</b>  (3F)*	BoT: 01/27		BoT: 03/24



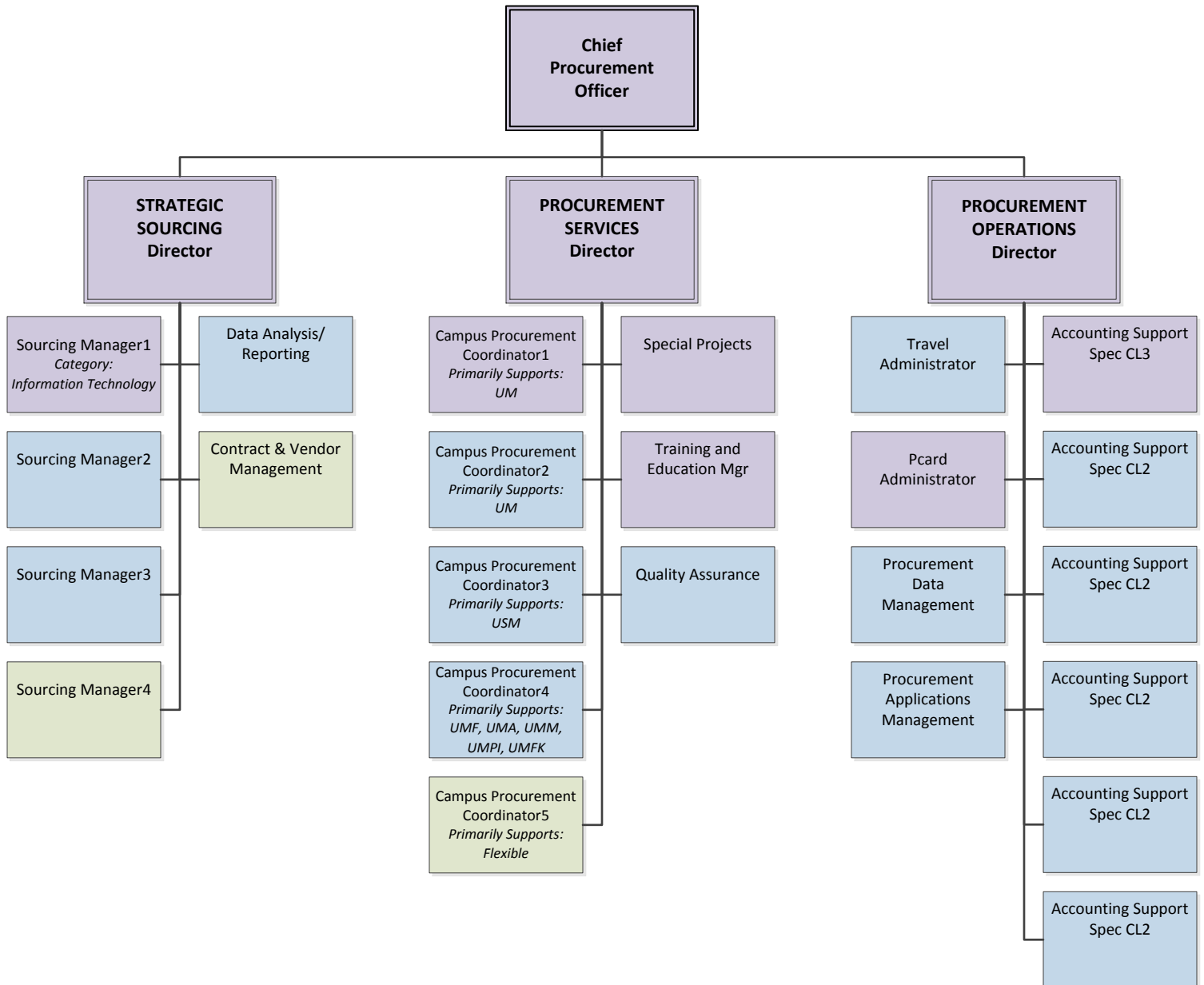
## IV. Key Milestones

Key Activity	FY14 Q4		
	April	May	June
<b>Structure / Organization</b>  (3A-F)*	- Final Wave New Positions in Place		- Compile Performance Assessment Report
<b>Procurement:</b>  Travel & Expense (1a A-E, 3F)*	- New Travel: Roll-out Continued - Enterprise Contracts: > Travel Services (Air, Car, Hotel)	- New Travel: Roll-out Continued	- New Travel: Roll-out Continued
Strategic Sourcing (1b A-E, 3F)*	-Enterprise Contract: Custodial Paper	- Enterprise Contracts: > Commercial Print > Science Equip	- Enterprise Contracts: TBD
<b>Procurement Card</b>  (2A-D, 3F)*			
<b>Key Communications</b>  (3F)*		BoT: 05/18-19	

# Strategic Procurement Staffing Plan

Detail of Chart 14, Page 46 of Administrative Review Report

<http://thinkmissionexcellence.maine.edu/strategic-procurement/>



Estimated Timing for Filling Positions	
	Wave 1: FY2014, 1st-2nd Quarter
	Wave 2: FY2014, 2nd-3rd Quarter
	Wave 3: FY2014, 3rd-4th Quarter

**TRAVEL SERVICES INITIATIVE  
Core Team / Subject Matter Experts (SMEs)**

Name	Campus
<b>Core Team</b>	
Gregg Allen	USM
Margaret Dyer	UMM
Stephanie LeBlanc	UMF
Beth Morin	UM
Nina Adams	SWS
Kevin Carr - Strategic Sourcing	SWS
Alison Cox - ITS Project Manager	SWS
<b>Subject Matter Expert (SME)</b>	
Peter Watson	USM
Marjorie Jarry	USM
Vanessa Pearson	UMPI
Jamie Beaudoin	UMF
Joyce Blanchard	UMA
Emmanuel Boss	UM
John Mahon	UM
Patti McPheters	UM
Sue Randall	UM
Bill Kelley	SWS
Tracy Elliott	SWS
Ellen Doughty	SWS
John Brown	SWS

<b>Strategic Sourcing Initiative: TRAVEL SERVICES</b>	
<b>Traveler Subject Matter Experts(SMEs) Roles and Responsibilities</b>	
<b>Goal</b>	Ensure that travel service products and services being considered adequately support specific travel needs and requirements of primary stakeholders.
<b>Process</b>	<p>SMEs may be asked to do one or all of the following:</p> <ul style="list-style-type: none"> <li>• Answer interview questions via phone and/or an on-line survey regarding requirements, experiences, and suggestions for Travel related products and services.</li> <li>• Review and provide comments to the <i>travel services requirements document</i> which will be included the Request for Proposal (RFP) used to solicit bids from travel service providers.</li> <li>• Review product offerings / demo's from finalists being considered for UMS travel service suppliers.</li> <li>• Participate in 1 or 2 one-hour conference calls with other SMEs and the Travel Services Initiative Core team to provide feedback and suggestions.</li> </ul>
<b>Travel</b>	No Travel is required, scheduling is flexible.
<b>Timing</b>	<p>The Travel Services selection process is targeted for completion in November 2013</p> <p>If interested, some SMEs may have an opportunity to provide suggestions and input for the Travel Services implementation and support process including reviewing roll-out plans, training materials, and on-going support strategies.</p>

**PROCUREMENT CARD (Pcard) / TRAVEL CARD INITIATIVE  
Core Team / Subject Matter Experts (SMEs)**

Administrative Review:  
Strategic Procurement

Name	Campus
<b>Core Team</b>	
Susan Cota	USM
Kim Moody	UMA
Kelly Bannen	UM
Lisa Fournier	UMFK
Kevin Carr - Strategic Sourcing	SWS
<b>Subject Matter Expert (SME)</b>	
SME list and confirmation in progress	