

Strategic Procurement Transformation

Status Report for August 2013 Activity

I. Administrative Review Recommendations

II. Status Report: Past 30 Days

III. Implementation Time Line

IV. Key Milestones - Thru FY2014

V. Attachments:

- Strategic Procurement Organization Chart with Hiring Status
- Strategic Procurement Initiatives: Core Team / Subject Matter Experts (SMEs) / Advisory Groups
- Travel Services Initiative Updated Project Timeline

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.

Period Covered This Report:	FY 2014 - 1st Quarter: August
------------------------------------	--------------------------------------

Overall Project Status:	
--------------------------------	---

Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Structure

Status:	
---------	---

Key Accomplishments

- Filled Chief Procurement Position and new CPO starting on Sept 3rd.
- Filled Accounting Support Specialist CL3 position within the Procurement Operations unit on August 26th.
- Revised hiring and recruitment strategy with HR to streamline posting and application process for internal candidates.
 - > First example of revised process is with the four (4) sourcing manager positions.
- Internal posting for four (4) Sourcing Manager positions for 4 different categories of products and services.
 - > Streamlined the internal process so one application can be used for multiple category positions as appropriate.
- Strategic Sourcing Director position on track for posting in early September.
- Held first meeting of the Restricted Funds Advisory Group and established protocols for future meetings and functions.
- Completed due diligence for procurement of AP efficiency module. Reworking project scope and focus to better align with Admin Review objectives. Adjusted milestone dates.

Areas of Concern

- Hiring Status:
 - > As stated in last month's report, the hiring process was 6-8 weeks behind.
 - > The schedule and milestones have been revised and we are still on target for FY2014 staffing objectives. Therefore, status has changed to green.
- AP Efficiency Module Install:
 - > Based on August due diligence activity, the ROI model originally put forth in the Admin Review is no longer valid.
 - > The project ROI is being reworked for a go / no go decision in September and project milestones adjusted accordingly.

Key Next Steps

- Complete hiring decisions for Procurement Card Administrator and AP Support Specialist positions.
- Begin evaluation process for internal Strategic Sourcing Manager candidates
- Prepare posting for remaining directors, campus procurement coordinator positions
- Schedule next meeting of the Restricted Funds Advisory Group
- Complete rework of ROI model for AP efficiency module and make go / no go decision

Procurement: Travel and Expense
--

Status:	
---------	---

Key Accomplishments

- Updated Travel APL presented at SSAC meeting, distributed to Travel Subject Matter Experts (SME) for review. Expected posting date September 30, 2013.
- Draft RFP presented at SSAC meeting, RFP distributed to Travel SMEs for review. Expected release date for RFP is early September.
 - > Adjusted Travel Initiative project plan accordingly (attached to this report).
- Solicited participants for RFP response evaluation team.

Areas of Concern

- In order to present the Travel Services RFP at the SSAC meeting, and allow time for feedback, the schedule and milestones have been adjusted and the status set as green.

Key Next Steps

- Release updated Travel APL
- Release Travel Service RFP and establish RFP response evaluation team and process

Strategic Procurement Transformation II. 30-Day Report - August 2013

Period Covered This Report:	FY 2014 - 1st Quarter: August
------------------------------------	--------------------------------------

Overall Project Status:	
--------------------------------	---

Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Procurement: Strategic Sourcing

Status:	
---------	---

Key Accomplishments

- Energy Management / Electricity:
 - > Adjusted CES contracts so that USM, UMaine and UMF contracts are co-terminus ending on 6/30/2014.
 - > CES began review of electricity invoices of campus that don't current have electricity spend under management to indentify opportunities
- IT Hardware initiative
 - > kicked off initiative with discussion on how best to coordinate IT Sourcing activity with the newly formed IT Standards and Procurement Committee.
- Spend Analysis and Savings Methodology:
 - > Held phone conferences and product demos with three spend analysis vendors with Higher Education expertise.

Areas of Concern

- Resource availability for Strategic Sourcing while the new Strategic Sourcing team is being formed.

Key Next Steps

- Energy Management / Electricity:
 - > Receive CES small campus proposal and Core Team review
 - > Complete draft Consultancy RFQ and potential bidder list and Core Team review
- IT Hardware initiative
 - > Work IT Standards and Procurement Committee to establish Core Team, hold first meeting, develop project time-line, and identify participant roles and responsibilities
- Spend Analysis and Savings Methodology:
 - > Recieve and review proposals from spend analysis vendors and engage if appropriate.

Procurement Card

Status:	
---------	---

Key Accomplishments

- Completed draft of APL Update to address Pcard-related (to be released September 30) which addresses Pcard-related findings of the Administrative Review Process
- Core team compiled requirements for RFP including information received during the Administrative Review Process

Areas of Concern

- Tight time frame and potential issues with resource availability beginning for school year.

Key Next Steps

- Release APL
- Complete Pcard RFP draft and obtain core team approval; review with SMEs, CPO, Treasurer and SSAC
- Compile Pcard Provider list for RFP
- Release Pcard/Travel Card RFP
- Establish Pcard RFP response evaluation team and process

Recommendation Focus Areas	FY2013				FY2014				FY2015				FY2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Procurement of Specific Goods & Services																
A Travel and Expense																
a Comprehensive Assessment			Blue	Blue	Blue											
b1 Travel Management Company				Orange	Orange	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
b2 Travel & Expense Reimbursement System				Orange	Orange	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
c Contracts with Preferred Providers								Orange	Blue	Blue	Blue	Blue	Green	Green	Green	Green
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 Other Commodities and Services / Strategic Sourcing																
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	Green	Green	Green	Green
c Contract Management System / Process									Blue	Blue	Green	Green	Green	Green	Green	Green
d Competitive Public Bids:																
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	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d4 Scientific Equipment							Orange	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d5 Commercial Print							Orange	Yellow	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d6 Temporary Employment							Orange	Yellow	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d7 Books / Periodicals											Orange	Blue	Blue	Blue	Blue	Blue
d8 Vehicle Services and Parts										Orange	Orange	Blue	Blue	Blue	Blue	Blue
d9 Prospect Lists										Orange	Orange	Blue	Blue	Blue	Blue	Blue
d10 Vehicles							Orange	Orange	Blue	Blue	Blue	Blue	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
2 Procurement Card (Pcard) Administration																
a System-Wide Pcard Service, Support, Training							Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
b Pcard Benchmarks and Standards							Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
c Re-bid Pcard Services							Orange	Yellow	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d Unified Pcard Administration				Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
3 Structural Resources and Efficiencies (Org Structure)																
a Unified Strategic Procurement Org				Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
b Procurement Operations Unit					Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
c Procurement Service Unit					Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
d Strategic Sourcing Unit					Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Green	Green	Green	Green
e Assessment Process					Blue	Blue	Blue	Green	Green	Green	Green	Green	Green	Green	Green	Green
f Exception and Feedback Process					Blue	Blue	Green	Green	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
Structure / Organization (3A-F)*	<ul style="list-style-type: none"> - Interim Leadership Task Assignments 	<ul style="list-style-type: none"> - Presidents / CFOs Briefed - Meet w/ Current Procure Staff - Continue Interim Task Assignments - CPO Position Posted 	<ul style="list-style-type: none"> - Current Procure Positions: > Continued Communications
Procurement: Travel & Expense (1a A-E, 3F)*		<ul style="list-style-type: none"> - Kick off: Travel & Expense RFP 	<ul style="list-style-type: none"> - Travel APL Update (APL) > Draft complete
Strategic Sourcing (1b A-E, 3F)*	<ul style="list-style-type: none"> - Sourcing Contracts in place: > Shipping > Added MaineSt Market suppliers: Lowes, FW Webb 	<ul style="list-style-type: none"> - Sourcing Kick-off: Electricity / Energy Management 	
Procurement Card (2A-D, 3F)*			<ul style="list-style-type: none"> - Kick off: Pcard/Travel Card RFP
Key Communications (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

IV. Key Milestones

Key Activity	FY14 Q1		
	July	August	September
Structure / Organization (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: Due Diligence and ROI	- Procurement Operations: > AP Efficiency Module: Go / no go decision for upgrade
Procurement: Travel & Expense (1a A-E, 3F)*	- Travel & Expense RFP > 1st Draft Complete	- Travel APL Update and RFP > Drafts distributed for review	- Travel APL Update > Review complete and released - Travel Services RFP > Review completed and RFP posted > RFP Response Eval Team in place
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
Procurement Card (2A-D, 3F)*		- Pcard APL Update drafted and distributed for review - Pcard RFP Drafted	- Pcard APL Update > Review complete and released - Pcard RFP > Draft distributed for review
Key Communications (3F)*	BoT: 07/15	SSAC: 8/29	BoT: 09/23

Time Period Covered in this Report

IV. Key Milestones

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

IV. Key Milestones

Key Activity	FY14 Q3		
	January	February	March
Structure / Organization (3A-F)*	- 3rd Wave New Positions in Place		
Procurement: Travel & Expense (1a A-E, 3F)*	- New Travel: > Pilot Group Implemented > New Travel Policy Available (APL)	- New Travel: Full Roll-out Begins - Implement new travel Policy (APL) as part of roll-out	- 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
Procurement Card (2A-D, 3F)*	- New Pcard / Travel Card: > New Card Policy Available (APL) > Training Available	- New Pcard/Travel Card > Roll-out Begins > Release new Card Policy (APL)	- New Pcard/Travel Card > Roll-out Continues
Key Communications (3F)*	BoT: 01/27		BoT: 03/24

IV. Key Milestones

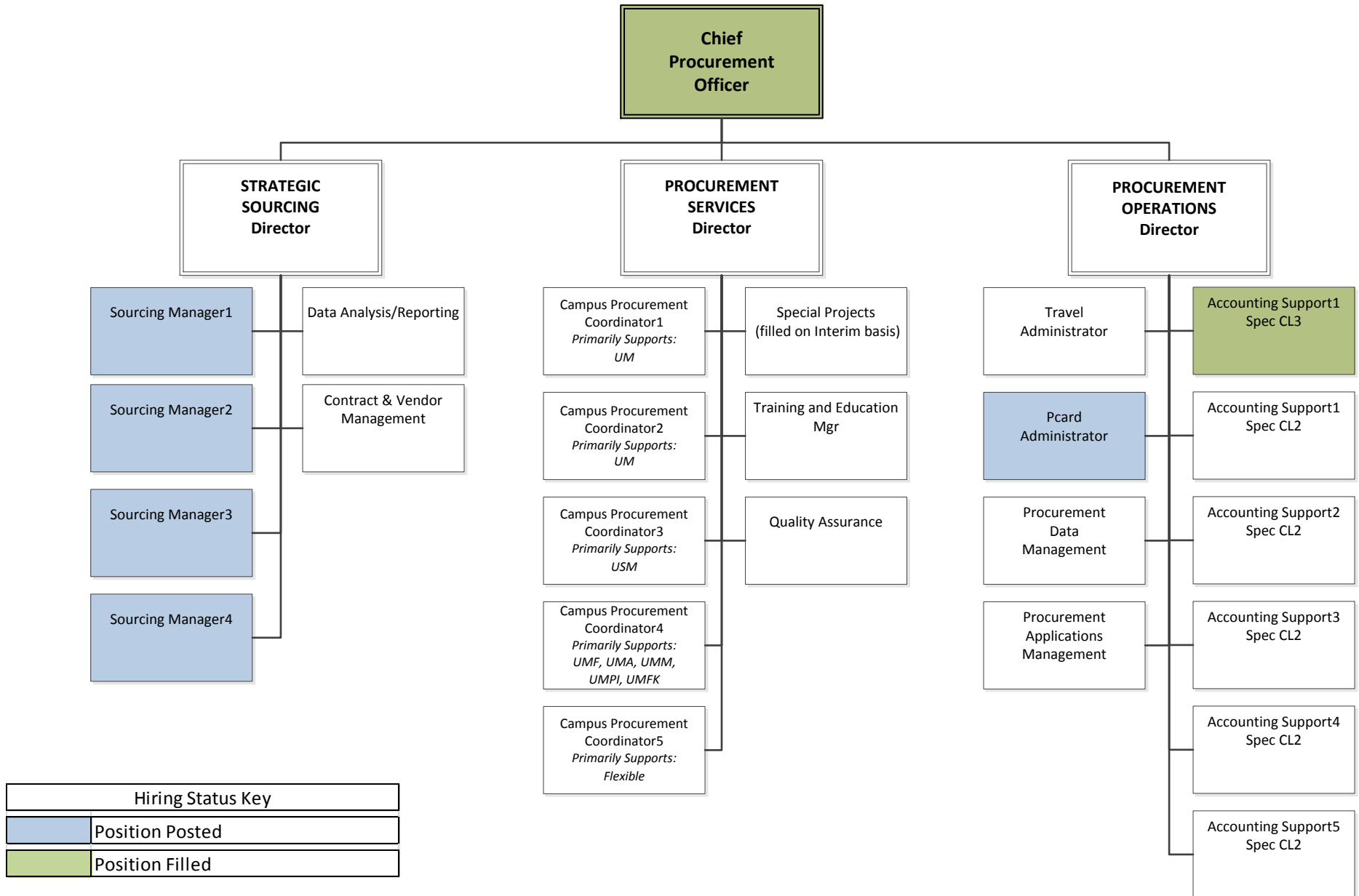
Key Activity	FY14 Q4		
	April	May	June
Structure / Organization (3A-F)*	- Final Wave New Positions in Place		- Compile Performance Assessment Report
Procurement: Travel & Expense (1a A-E, 3F)*	- New Travel: Roll-out Continued	- New Travel: Roll-out Continued - Enterprise Contracts: > Travel Services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

Strategic Procurement Staffing Plan

Hiring Status as of September 2, 2012

Detail of Chart 14, Page 46 of Administrative Review Report

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



STRATEGIC PROCUREMENT INITIATIVES
Core Team / Subject Matter Experts (SMEs) / Advisory Groups

Administrative Review:
 Strategic Procurement

Travel Services	
Core Team	
Gregg Allen	USM
Margaret Dyer	UMM
Stephanie LeBlanc	UMF
Beth Morin	UM
Nina Adams	UMS
Kevin Carr	UMS
Rudy Gabrielson - Team Lead	UMS
Alison Cox - ITS Project Manager	UMS
John Brown - ITS	UMS
Subject Matter Experts (SME)	
Marjorie Jarry	USM
Peter Watson	USM
Vanessa Pearson	UMPI
Jamie Beaudoin	UMF
Joyce Blanchard	UMA
Emmanuel Boss	UM
John Mahon	UM
Patti McPheters	UM
Sue Randall	UM
Ellen Doughty	UMS
Bill Kelley - Risk	UMS
Tracy Elliott - Finance	UMS

Procurement / Travel Card	
Core Team	
Susan Cota	USM
Lisa Fournier	UMFK
Kim Moody	UMA
Kelly Bannen	UM
Rudy Gabrielson	UMS
Kevin Carr - Team Lead	UMS
Alison Cox - ITS Project Manager	UMS
Subject Matter Experts (SME)	
Dianna (Dee) Dipaolo	USM
Nicole Vinal Harvie	USM
Robert Spencer	USM
Asita Albert	UMFK
Lisa M Ellrich	UMF
Lauren Dubois	UMA
Diane Blanchette	UMA
Jodie Feero	UM
Ranae Byard	UM
Hiedi Chan Buck	UM
Owen Smith	UM
Bill Kelley - Risk	UMS
Tracy Elliott - Finance	UMS

Energy Management / Electricity	
Core Team	
Will Dunlay	USM
Peter St. Michel	UMA
Paul Kuplinski	USM
Mike Swartz	UM
Mike Noblet - Team Lead	UM
Andy Jacobs	UMFK

Restricted Funds	
Advisory Group	
Mike Hastings	UM
Greg Kolvoord	UM
Robert Lad	UM
Rick Guthrie	UM
William Otto	UMM
Trish Bola	USM
Larry Waxler	USM

**Strategic Procurement Transformation
Travel Services Initiative Milestones**
(Revised 08-20-13)

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 > Top rated suppliers: additional evaluations - Presentations, demos, reference calls						■	■							
- 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)													■	