

Strategic Procurement Transformation

Status Report for November 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 Position Status
- Stakeholder Groups: Travel, Pcard, Energy, Restricted Funding, Transition Support

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 - 2nd Quarter: November
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Overall Project Status:	
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Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Structure

Status:	
Key Accomplishments	

- Announced hiring Rachel Piper as Strategic Sourcing Director, Strategic Sourcing Manager interview process continues
- Announced Kevin Carr as Acting Procurement Services Director
- Created a multi-campus Transition Support team to address procurement support requirements for campus's impacted by internal employees retiring or moving into new positions (Team member listing attached)
- Developed and Implemented transition plan for Travel Services support for the UM campus.
- Completed Accounts Payable (AP) process efficiency study including AP Efficiency module ROI model
- Engaged Organizational Effectiveness to establish assessment process for each unit defining evaluation criteria and review process for achieving service, efficiency, and expense reduction goals
- Significantly reduced AP Invoice process backlog to acceptable levels and continue to monitor.

Areas of Concern	
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- Continue to have potential procurement support issues for campuses impacted by retirements and job changes at as new support organization not yet in place. New Acting Procurement Services Director is working with the new procurement transition team on support strategies for individual campuses.
- Staff posting and hiring behind schedule but continues to move forward.

Key Next Steps	
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- New Strategic Sourcing Director to complete interviews and evaluations of internal and external Sourcing Category Managers
- New Acting Procurement Services Director to develop and post Procurement Coordinator positions.
- Review Accounts Payable (AP) module ROI model and business case and determine go/no go.
- Define and implement next steps to establish assessment process for each unit defining evaluation criteria and review process for achieving service, efficiency, and expense reduction goals

Period Covered This Report:	FY 2014 - 2nd Quarter: November
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Overall Project Status:	
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Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Procurement: Travel and Expense
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Status:	
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Key Accomplishments

- Travel and Expense Administrative Practice Letter (APL) Update
 - > Communication plan completed for Travel APL update
 - > Effective date changed to December 9th; in-line with communication plan .
- Travel and Expense RFP
 - > Completed Response evaluation and pricing analysis
 - > Travel Provider presentations scheduled for December
 - > Began working with ITS on technology integration tasks and project plan for implementation
 - > Contract completion schedule moved to January to accomodate broader review. Milestone document to be revised next month.

Areas of Concern

- Travel and Expense contract completion date changed to January to allow for a broader review process. Overall project plan can be adjusted to accommodate the change.

Key Next Steps

- Communicate Travel APL update for a December 1st effective date.
- Travel and Expense RFP
 - > Complete vendor presentations and review
 - > Complete ITS evaluation and project planning
 - > Complete all necessary steps to allow contract award in January

Period Covered This Report:	FY 2014 - 2nd Quarter: November
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Overall Project Status:	
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Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Procurement: Strategic Sourcing
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Status:	
Key Accomplishments	

- Small Campus Electricity Strategy:
 - > Reviewed electricity Sourcing options with UMFK and UMPI and determined go forward sourcing strategy
 - > Received 3rd party electricity assessment for UMM and UMS. No immediate opportunities available but will continue to monitor.
- Energy Consultancy Agreement
 - > Final draft of energy consultancy Request for Proposal (RFP) completed. Being reviewed by SMEs for release in December.
- IT Hardware Initiative
 - > Survey results compiled, RFP finalized and ready for release in December
 - > Evaluation period extended to allow for greater campus participation.
- Spend Analysis and Savings Methodology
 - > Finalize decision deferred to allow review by new Strategic Sourcing Director
- Kick-off of new Sourcing initiatives to identify savings opportunities in the following categories:

Areas of Concern

- Energy Consulting RFP taking longer than estimated, but final RFP under review and on track for December release.
- New Sourcing initiatives delayed slightly, but with hiring of new Strategic Sourcing Director should be back on track in the next few months.

Key Next Steps

- Energy Consultancy Agreement
 - > Release energy consultancy Request for Proposal (RFP)
- IT Hardware Initiative
 - > Release RFP and finalize evaluation strategy
- Spend Analysis and Savings Methodology
 - > Review by new Strategic Sourcing Director and execute contract with 3rd party analysis firm
- Begin new Sourcing initiatives to identify savings opportunities in categories identified by new Strategic Sourcing Director

Period Covered This Report:	FY 2014 - 2nd Quarter: November
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Overall Project Status:	
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Status Color Key	
	Project On Track
	Some Concerns
	Project Off Track

Procurement Card (Pcard)

Status:	
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Key Accomplishments	
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- Pcard Administrative Practice Letter (APL) Update
 - > Communication plan completed for Pcard APL update
 - > Effective date changed to December 9th; in-line with communication plan .
- New Pcard Agreement
 - > Finalizing due diligence for competitively bid consortium contract
 - > Working with ITS on options and timing for technology integration activity.

Areas of Concern	
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- Timing of Pcard conversion activity with technology requirements for unified Pcard administrative approach may be in conflict

Key Next Steps	
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- New Pcard Agreement
 - > Finalize due diligence for competitively bid consortium contract
 - > Create comprehensive implementation and migration plan for unified administration including ITS requirements
 - > Develop timeline and plan for implementation and training

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	Yellow	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	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	Yellow	Blue	Green	Green	Green	Green	Green	Green	Green	Green
d6 Temporary Employment						Orange	Yellow	Blue	Green	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	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
2 Procurement Card (Pcard) Administration																
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	Blue	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
3 Structural Resources and Efficiencies (Org Structure)																
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	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: Lowe's, 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

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"> > Establishing Multi-year Sourcing Strategy - Sourcing Kick-off: Temp Agencies 	<ul style="list-style-type: none"> - Sourcing Kick-offs: <ul style="list-style-type: none"> > Commercial Print > Vehicles 	<ul style="list-style-type: none"> - Enterprise Contract: IT Hardware
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: 11/21 9-11 BoT: 11/17-18	

Time Period Coverd in this Report

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)*	'SSAC: 01-13 9-3 BoT: 01/27		BoT: 03/24

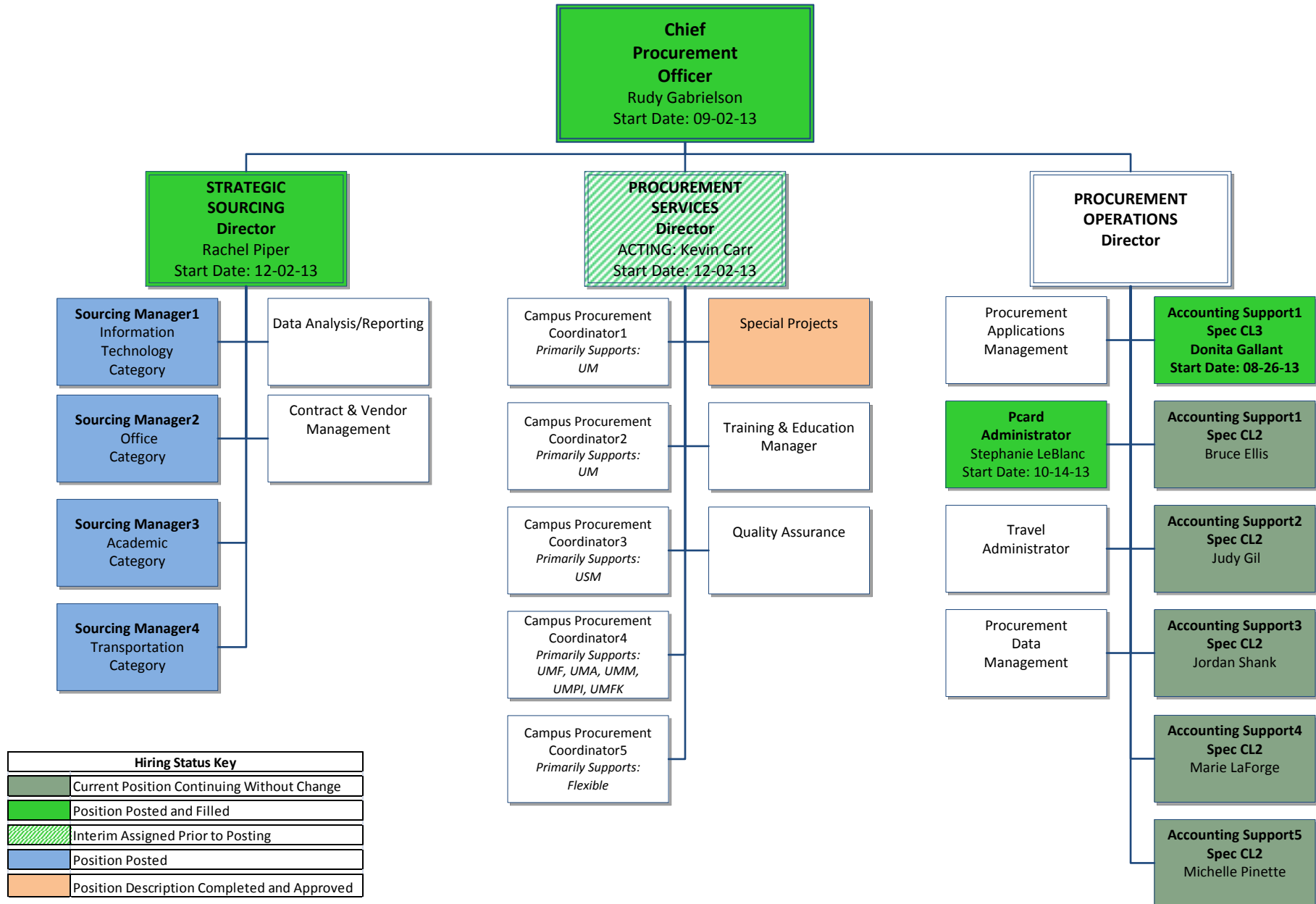
IV. Key Milestones

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

Status as of Dec 2, 2013

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		Procurement / Travel Card		Energy Management		Restricted Funds		Procurement Transition	
Core Team		Core Team		Core Team		Advisory Group		Support Team	
Gregg Allen	USM	Lisa Fournier	UMFK	Will Dunlay	USM	Mike Hastings	UM	Adam Corrigan	UMS
Margaret Dyer	UMM	Kim Moody	UMA	Peter St. Michel	UMA	Greg Kolvoord	UM	Anne-Marie Nadeau	UMS
Stephanie LeBlanc	UMF	Kelly Bannen	UM	Paul Kuplinski	USM	Robert Lad	UM	Gregg Allen	USM
Beth Morin	UM	Rudy Gabrielson	UMS	Mike Swartz	UM	Rick Guthrie	UM	Heather Criag	UMPI
Nina Adams	UMS	Kevin Carr - Lead	UMS	Mike Noblet - Lead	UM	William Otto	UMM	Jeffrey Joy	USM
Kevin Carr	UMS	Alison Cox - ITS PM	UMS	Andy Jacobs	UMFK	Trish Bola	USM	Kelly Bannen	UM
Rudy Gabrielson - Lead	UMS	John Brown - ITS	UMS			Larry Waxler	USM	Kim Moody	UMA
Alison Cox - ITS PM	UMS							Melissa Groleau	USM
John Brown - ITS	UMS							Michael Noblet	UMS/UM
Subject Matter Experts (SME)		Subject Matter Experts (SME)						Stephanie LeBlanc	UMS/UMF
Marjorie Jarry	USM	Dianna (Dee) Dipaolo	USM					Kevin Carr - Lead	UMS
Peter Watson	USM	Nicole Vinal Harvie	USM						
Vanessa Pearson	UMPI	Robert Spencer	USM						
Jamie Beaudoin	UMF	Asita Albert	UMFK						
Joyce Blanchard	UMA	Lisa M Ellrich	UMF						
Emmanuel Boss	UM	Lauren Dubois	UMA						
John Mahon	UM	Diane Blanchette	UMA						
Patti McPheters	UM	Jodie Feero	UM						
Sue Randall	UM	Ranae Byard	UM						
Ellen Doughty	UMS	Hiedi Chan Buck	UM						
Bill Kelley - Risk	UMS	Owen Smith	UM						
Tracy Elliott - Finance	UMS	Bill Kelley - Risk	UMS						
		Tracy Elliott - Finance	UMS						
RFP Response Evaluation Team									
John Brown	SWS								
Nina Adams	SWS								
Joyce Blanchard	UMA								
Susan Randall	UM								
Beth Morin	UM								
Marty Parsons	UMPI								
Tammy Blair	USM								