Welcome Everyone!

Agenda
• Big Picture
• Mission and Team
• Performance
• Challenges
• Looking Forward
Within 5 years, the University will redirect $500 million from administrative costs to the academic and research missions.

\[
\begin{align*}
\text{core} + \text{non-core} & = 294,331,076 \\
\text{cost savings} & = 166,576,278 \\
\text{core} + \text{non-core} & = 460,907,354 \\
\text{current total} & = \$500 \text{ MILLION}
\end{align*}
\]

P200 Program Challenge

Redirect $200 million annually to teaching, research and public service through the procurement of goods and services.
Sourcing Prioritization Matrix

A list of identified sourcing opportunities within the six categories in Current Procurement Spend were prioritized based on estimated benefit and ease of implementation.

Note: Sourcing opportunities identified for Non-Traditional categories have not been included in the prioritization matrix.
P200: A Transformative Journey

- P200 Program established
- Procurement Leadership Council formed
- Strategic capabilities assessment delivered (KPMG)
- 5-year Strategic Plan developed
- Procurement Management Board established, CPO hired
- Strategic Plan approved and funded

**Leadership & Strategy Alignment**
- 2012
- 2013

**Operating Model Optimization**
- 2014
- 2015

**Operating Infrastructure Implementation**
- Benefit tracking in place
- **Strategic Sourcing** COE pilots/Wave 1 sourcing initiated
- **Performance Management** key performance indicators defined
- Contract Director/Repository launched
- Spend Analytics launched
- Sourcing Director launched
- **Sourcing Technology and Spend Analytics** roadmaps established

Steady State
**UC P200 Program - Updates**

**Exceeded FY14-15 Goal!**

<table>
<thead>
<tr>
<th>Benefit actuals and forecasts in millions based on spend volumes and opportunity sizing</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12-13 (baseline)</td>
</tr>
<tr>
<td>$100</td>
</tr>
</tbody>
</table>

**Steady State Objectives:**

- Establish and utilize new system-wide contracts
- Strategically source “non-traditional” categories
- Increase effectiveness of procurement operations

### System-Wide Sourcing

<table>
<thead>
<tr>
<th>Category</th>
<th>FY12-13 (baseline)</th>
<th>FY13-14 (actuals)</th>
<th>FY14-15 (actuals)</th>
<th>FY15-16</th>
<th>FY16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Contracts (pre Nov ‘13)</td>
<td>$60</td>
<td>$63.5</td>
<td>$36.8</td>
<td>$15.7</td>
<td>$6.5</td>
</tr>
<tr>
<td>Current Contract Benefits (post Nov’13)</td>
<td></td>
<td>$11.9</td>
<td>$43.6</td>
<td>$21.4</td>
<td>$16.6</td>
</tr>
<tr>
<td>New Contracts (forecast) *</td>
<td></td>
<td></td>
<td></td>
<td>$49.9</td>
<td>$55.9</td>
</tr>
<tr>
<td>Traditional Categories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Traditional Categories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$24</td>
<td>$51</td>
</tr>
</tbody>
</table>

### Local Campus Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>FY12-13 (baseline)</th>
<th>FY13-14 (actuals)</th>
<th>FY14-15 (actuals)</th>
<th>FY15-16</th>
<th>FY16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement &amp; Supply Chain</td>
<td>$35</td>
<td>$50.9</td>
<td>$80.8</td>
<td>$48</td>
<td>$64</td>
</tr>
<tr>
<td>Payment Incentives</td>
<td>$5</td>
<td>$6.3</td>
<td>$8.5</td>
<td>$6</td>
<td>$6</td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
<td>$0.9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11/16/2015

* New contracts forecast will adjust as new benefits achieved are added to the portfolio
**Opportunity**
In an effort to save money and increase energy and power to the campus, Facilities Management and Procurement worked together on an RFP to solicit a Solar company to install solar panels on campus building rooftops. Solar energy is an environmentally sustainable, cost-saving commodity which provides the most sound and cost effective method of providing additional energy for the campus.

It’s important to note the University is not paying for the panel or installation, but rather only the energy we produce. We are leasing the following “ground” space to produce the energy:
- Lot 38 (Harder Stadium)
- Mesa Parking Structure
- San Clemente Parking Structure
- Lot 10 Parking Structure (CNSI)
- Rob Gym
- Events Center (Thunderdome)

**Results**
- **$705,000** annual savings from generating power instead of pulling from the “grid”. During the 20 year contract, UCSB is looking at a very conservative total of **$14.1M** in savings.
UC Procurement Services

Our Vision
Be acknowledged by University of California executive and campus leadership, faculty, staff and students as a high performing strategic partner that is essential to the financial health of the University.

Our Mission
Expand opportunities for teaching, research and public service by delivering savings and efficient procurement services across the University of California.

Our Strategic Objectives
- Develop collaborative relationships with clients across the UC system to understand needs and provide high quality procurement services that best meet those needs.
- Pursue strategic initiatives in a coordinated manner that leverages the power of our collective spend and redirects savings to teaching, research and public service.
- Invest in and optimize talent and technologies across the University to deliver far greater benefit than can be achieved by any single location working independently.
- Drive down Total Cost of Ownership (TCO) and promote new revenue opportunities through effective sourcing, contract management and supply chain solutions.
- Partner with suppliers to develop business relationships and solutions that optimize value for the University.
UCSB Procurement Services Team

What’s Changed This Year:
We Reorganized Under FARM
We Repositioned Central Stores

How About Our People?
2 Departures
1 New Hire
1 Promotion
1 Reclassification

We are looking for talented and motivated people to join our high performance team!
Challenges

Technical
• FSIP Asset Management Module
• FSIP GMC Integration and Build Out
• FSIP Gateway Integration
• UCOP Spend Analytics Integration

Regulatory
• OMB Uniform Guidance
• SB 854 - Prevailing wage
• SB 376 - Fair Wage
• Fair Work / Fair Wage
Gateway

Gateway Users:
- Active Users: 6,160
- Requisitioners: 3,300+
- Account Approvers: 2,100+
- Department Buyers: 600+

Site Content:
- Hosted Catalogs: 15 Inclusive of 1.5M Products
- Punchout Suppliers: 16
- Total Suppliers: 5,375

Summary Statistics:
- 127,580 Purchase Orders Processed – 1.2 Day Turn Around Average!
- 176,696 Invoices Paid* - 6.2 Day Turn Around Average!

*AP Processed 200,000 as of October 9th at 9:29am
Training and Resources

Classes Offered
• Procurement Fundamentals
• Accounts Payable 101
• Small Business Subcontracting
• Gateway 101
• Gateway Forms
• Gateway Receiving
• Gateway Management Console 101
• FlexCard Department Administrator
• FlexCard Department Reviewer
• FlexCard Holder
• Fundamentals of Equipment Management

Register for training at: https://learningcenter.ucsb.edu - search "Gateway."

Training and User Manuals
http://www.bfs.ucsb.edu/procurement/gateway/training

Helpdesk
help@procurement.ucsb.edu
X8025

Website
FAQ’s
http://www.bfs.ucsb.edu/procurement/gateway/faqs
Gateway Helpdesk

- 6,791 Tickets Submitted over the last 12 months
- 566 Average Monthly
- 17 Ticket Categories Tracked

Next Steps: ETS Service Desk (Tier 1 & 3) and UCSD Service Desk (Tier 3)
Central Procurement processed 2,941 PO’s in FY 15 or 5% of all PO’s Issued
Contracts Performance

Processing time has improved by 75% since 2013!

Turnaround (in weeks)

FY 15 Processing Time

- 0-8 days (1 week)
- 9-15 days (2 weeks)
- 16-22 days (3 weeks)
- Over 3 weeks
Cycle Time (PR → PO) – FY15

The PO Cycle Time report represents a grouping by the number of days it takes for a PR document to go from PR submission to org PO revision Date.

Reference Period: July 1, 2014 – Mar 24, 2015
(SciQuest Data Warehouse)
FlexCard Program Performance

**FlexCard Holders**

Smart Chip Embedded Credit Cards are being issued!
Gateway Invoice Processing Results!

- 200,000 Invoices Processed in Gateway as of Oct 9th, 2015
- **Processing Time has decreased by nearly 75%!**

**Invoice Date to Export Date**

Next Steps: Enable more suppliers to submit electronic invoices directly to Gateway. Target 50% of the total invoice populations by end of FY 2016.
Cycle Time (Inv) – FY15

Cycle Time = Invoice Submit to Invoice Export Date

Reference Period: July 1, 2014 – Mar 24, 2015
(SciQuest Data Warehouse)
Vendor Management Summary

Total Requests Processed: 2,549
Supplier Additions: 1,396
Duplicates/Changes: 1,153

Process Time:
- 0-3 days (68%)
- 4-9 days (18%)
- 10-20 days (7%)
- 21+ days (7%)

Coming FY 2016 – Vendor File Clean Up!
Announcing the Gateway Mobile App!
Looking Forward

• Gateway – New Mobile App – Check it out!
• Sustainability & Social Justice
• Disaster Preparedness -Supply Chain and Debris Management Plan
• CPSM - Investing in our Expertise
• Delegated Procurement – Who can sign?
• Business Contracts Program / CORO Initiative
• Systems AP CXML Invoicing and Vendor Portal Project
• Vendor Management - Supplier Rationalization & Vendor File
• Payment Plus Program Expansion
• Procurement Services Training and Newsletter
• We’re looking for a few good people to join our team!
Recap of Performance Highlights

• Requisition Processing Time – Improved by 75%
• Contracts: Processing Time Improved by 75%
• Invoice Processing Time – Improved by 75%
If you would like to contact us after the presentation:

- Jacob Godfrey
  jacob.godfrey@bfs.ucsb.edu
  http://www.bfs.ucsb.edu

- UCSB Procurement Services HelpDesk
  help@procurement.ucsb.edu
  805-893-8025
Thank you for your time!

Questions?