

COLLABORATIVE PROCUREMENT TECHNOLOGY

Submitted by	
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PROJECT DESCRIPTION

In an effort to effectively manage UC and CSU’s combined \$10 billion dollar annual spend procuring goods and services, the two California university systems embarked on a journey for an integrated suite of procurement technology (Sourcing, Contract Management, Spend Analytics, Supplier Management) by issuing a Request for Proposal (“RFP”) in June 2016.

The RFP consisted of three separate phases:

Phase 1 was for information gathering. Suppliers were required to submit high level technical proposals to evaluate suppliers' general capabilities and qualifications. During this phase, the qualified suppliers were down selected to participate in Phase 2 of the RFP.

Phase 2 was a deeper dive into the requirements and evaluated suppliers' specific capabilities and qualifications. Suppliers who were reinvited to participate in Phase 2 of the RFP were required to provide a generic login for the evaluation team to preview the user interface, overall design, and basic functionalities of their system. The suppliers also provided product demos in person. Suppliers were down selected again to choose the finalists.

Phase 3 was for testing. Finalists were required to build a test environment (sandbox) to test the system with UC's sample data loaded. UC's sample data had 3 months worth of data with 1 million line items. Suppliers were required to demonstrate their ability to normalize the data within a given time period and with accuracy.

In order to thoroughly evaluate suppliers' capabilities and qualification during the three phases, the RFP contained more than 800 hundred questions for suppliers to respond to. The RFP evaluation team consisted of 16 functional evaluators from various campuses and 2 IT evaluators. Suppliers had to participate in 2 week in person demonstrations and 6 weeks for sandbox testing.

Through this vetting process, a selection was made and the contract was fully executed on May 2017.

Upon contract execution, both university systems quickly formed the implementation team and had a formal kick off in June 2017. During the implementation process, a total of 74 Campus Primary Representatives ("CPR") across 4 modules were involved in requirement gathering sessions and testing until the system was ready for production release.

In December 2017, the newly implemented collaborative procurement technology went live and was branded as California Universities Sourcing ("CalUsource"). In early 2018, the CalUsource training team traveled to 12 different campuses of two systems to provide hands-on trainings to approximately 500 UC and CSU procurement professionals from 33 combined campuses.

As of now, the procurement professionals from the 33 combined campuses are active in the system to leverage the technology. To showcase the Sourcing technology, UC released the MRO Supplies RFP through CalUsource. This RFP was UC's first ever GPO lead agency partnership that would result in approximately 30% savings for the UC. This MRO program will be offered to Higher Education Institutions, State and Local Governments, and K-12 school districts through NIPA, resulting in a revenue stream for UC derived from the value of our contract.

The UC systemwide historical contracts are available in CalUsource upon go live and the CSU systemwide historical contracts migration is underway. The campus specific contracts will be migrated by the end of 2018.

The key benefits of CalUsource are:

- Seamless and intuitive access to supplier, sourcing, contracts, spend data, and reporting in one platform
- Visibility sourcing and contract visibility to leverage savings across the entire UC and CSU systems
- Easy access and sharing of source-related activities with internal stakeholders and participating suppliers due to a web based platform

- Electronic contract authoring capabilities, with the ability to track revisions, display file version history, and execute contracts electronically
- Spend data artificial intelligence will offer insights and uncover opportunities for improved strategic sourcing collaborations
- Streamlined supplier management via a normalized supplier base for UC and CSU
- Lower cost of ownership as a result of collaboration by both UC and CSU including: licensing, shared implementation and administrative resources

In January 2018, the UC Office of the President posted a press release in the Press Room to point out the unprecedented procurement partnership and its effort.

UC & CSU Procurement Collaboration – UC Press Release

The screenshot shows a webpage from the University of California Press Room. The header includes the University of California logo and navigation menus for NEWS, INITIATIVES, UC SYSTEM, and SUPPLIERS. The main heading of the article is "UC, CSU streamline efforts, reduce costs in unprecedented procurement partnership". The author is listed as "UC Office of the President" and the date as "Tuesday, January 23, 2018". A highlighted quote states: "It may be the largest effort of its kind in higher education and possibly any industry: The University of California (UC) and California State University (CSU) have joined forces around a singular procurement system that will benefit both entities and ultimately, California taxpayers." Below the quote, the text describes the partnership between UC and CSU to streamline procurement operations using CalUsource, mentioning cost savings and improved contract management. A quote from UC Chief Procurement Officer William Cooper follows, along with a statement from the UC Office of the President about the broader implications of the partnership.

This expanded collaboration is expected to deliver exponential value, allowing UC and CSU to continue to pursue their respective university’s core missions of teaching, research, and public services.