

Impact Report

Procurement Working for UC

Produced by
UC Procurement

power of collective spend

strategic
sourcing

opportunities

commitment

cost savings

benefit

collaboration

expansion

efficient

systemwide

category expertise

cost avoidance

leverage

sustainable

incentives

partnership

UC Procurement: Maximizing Value & Optimizing Spend



Dear Colleagues,

Each year, the University of California Procurement & Supply Chain teams help administrators, faculty and students purchase nearly \$10 billion in goods and services in support of our mission of teaching, research and public service.

Our top priority is to meet your needs via our supply chain sourcing strategies. These strategies leverage UC's systemwide purchasing power to optimize our spend, deliver positive social and environmental impact, and provide significant value for the University.

Thank you for your partnership in our continued success.

Paul Williams

Associate Vice President & Chief Procurement Officer
University of California, Office of the President

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This **Impact Report** highlights a handful of the numerous UC Procurement & Supply Chain initiatives implemented during the period of: **July – December 2021**.

These projects detail direct benefit derived from revenue generation, incentives, cost reductions and avoidance, along with indirect benefit from continuous process and technology improvement and policy compliance.

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UC San Diego: First of Its Kind Miniature Ocean

TEAM Scripps Institute of Oceanography | Aerolab | Planning, Design & Construction | Integrated Procure-to-Pay Solutions

Opportunity

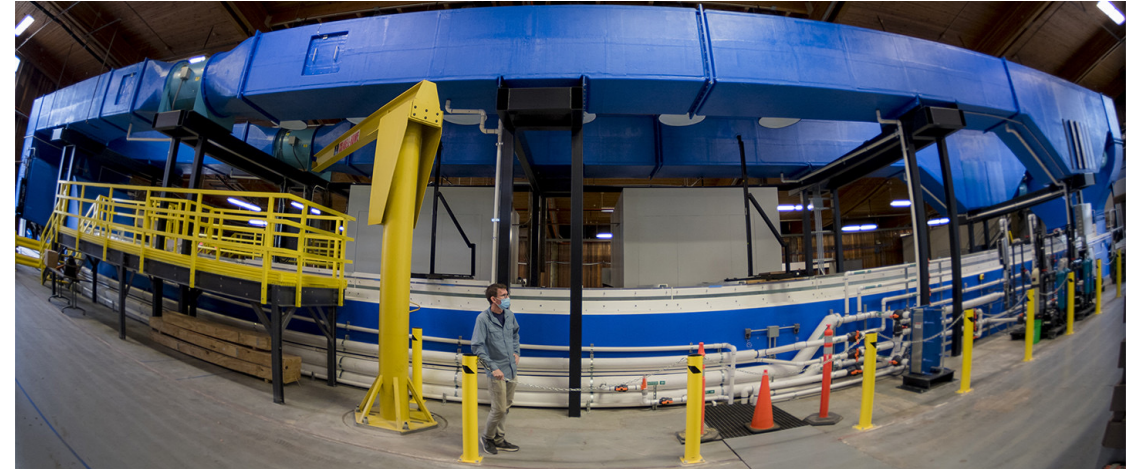
Scripps Institute of Oceanography works to understand and protect the planet and find solutions to the world's most pressing environmental challenges. This includes conducting fundamental research investigating our oceans, earth and atmosphere. Doing this work requires very specialized equipment, often one-of-a-kind or custom built like this one...

Approach

Integrated Procure-to-Pay Solutions (IPPS) Commodity Manager, Gary Oshima, recently assisted the Scripps Hydraulics Laboratory with a major Request for Proposal (RFP) to procure and build a "Wave Tank" – the first of its kind in the world.

The **Scripps Ocean Atmosphere Research Simulator (SOARS)** is intended to replicate what takes place in our seas today, accounting for wind and waves, with sophisticated atmospheric, biological, and thermal controls. SOARS will be used to study how the ocean and waves interact with the atmosphere, and the impact of all that on oceanic life, weather, global warming and ocean chemistry.

Initially, the RFP focused only on the purchase of equipment, encompassing the requirements and desired features of SOARS, without knowing what would truly be possible until construction began. The scope evolved into a construction project led by Aerolab, which specializes in the construction of aerodynamic research equipment, and ultimately required scientists, engineers, and contractors to complete.



Results

- Construction of a first of its kind ocean simulator
- Unique national and international resource enabling scientists to preview oceans and atmospheres of the future
- Reduced research costs: a day of SOARS time costs 5% of a field research day
- Partnership of Scripps, Planning, Design & Construction, and IPPS strategic procurement resulted in savings of over \$26K

[Read more about this futuristic research lab opening in 2022](#)

Total Benefit: \$26,000 (+ saving the planet)

UCSC: Significant P-Card Incentive Revenue Increase

TEAM Procurement: Emerson Murray, Jen Neal, Kathleen Rogers, Nancy Nieblas, Alea Lampman, Andrea Smith, Keenan Dalton, Don Taylor

Accounting: Ed Moran, Matt King, Scarlett Schwarz | **Enterprise Financial Systems:** Monique Leduc

Opportunity

Last year, UC Santa Cruz (UCSC) initiated a program aimed at expanding the use of Purchasing Cards (P-Cards), Corporate Travel & Entertainment (CTE) Cards and Payment Plus. Previously, we had not taken full advantage of rebates offered through US Bank for purchases processed on P-Cards and CTE cards.

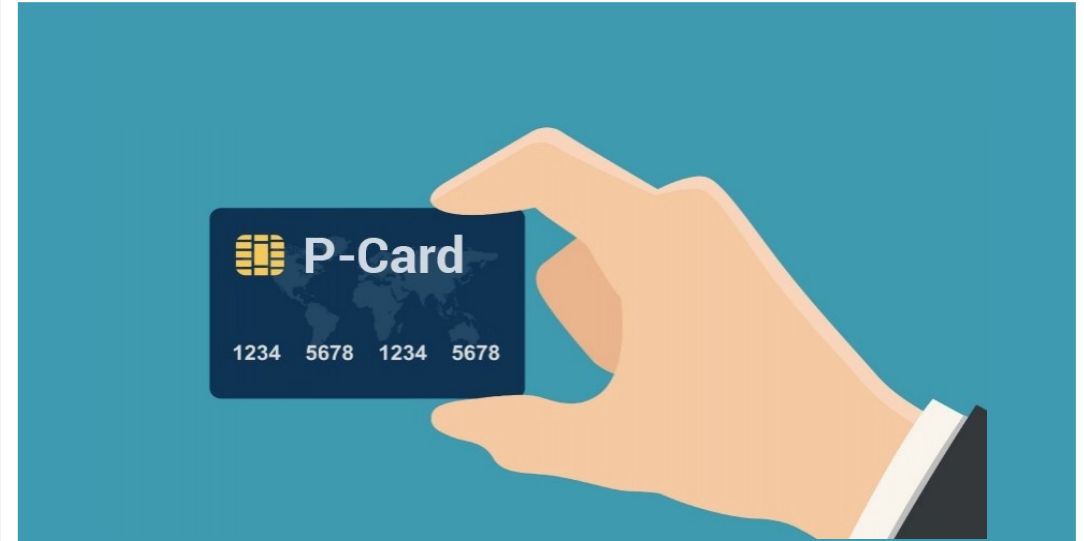
With a year of implementation under our belt, UCSC has increased P-Card and CTE-Card spend by \$14.5 million. This increased P-Card and CTE-Card activity has also significantly elevated corresponding rebate revenue.

Approach

Procurement successfully identified and implemented strategies that expanded P-Card use across campus departments and within Procurement and AP processes. Procurement buyers were issued P-Cards with high-dollar limits, enabling them to purchase more by card and deliver to campus clients faster.

Procurement and Accounts Payable (AP) have continued to identify existing suppliers who accept P-Cards and have successfully implemented their usage with numerous high-spend and large utility vendors. Business Contracts successfully increased new suppliers' acceptance of P-Cards, and Strategic Sourcing has worked with campus clients to identify suppliers that accept P-Cards. We also reviewed previously restricted P-Card transactions, which opened key opportunities and provided important insights into transactions that deliver the highest returns. We also deployed an expanded number of CTE-Cards, resulting in even higher revenues.

UCSC's planned launch of Payment Plus in April 2022 will provide additional opportunities to generate more revenue. Along with more revenue, it will also increase efficiency and reduce risk by enhancing controls and compliance with near real-time monitoring of purchasing activity and improving secure delivery of automated payments to suppliers.



Results

- Significantly increased revenue generation due to 197% spend increase in combined P-Card and CTE-card activity in calendar year 2021 over 2020
- Reduced cycle time in purchasing transactions
- Improved supplier relations as suppliers are paid more quickly
- More streamlined invoicing and paperwork
- Clearer buying and spend records

Total Benefit: 197% increase in P/CTE Card use = significantly higher incentive revenue

UC Partnership Programs: Farmers Insurance Group Partnership

TEAM UCPP: Amy Gardner, Deborah Tallyn, Amber Hopkins, Stacey Templeman, Eryn Hong | UCD: Heather Hunter | UCI: Snehal Bhatt | UCM: Theresa Mason | UCR: April Blackburn | UCSD: Heather Vinograd | UCSB: Henry Biliniewicz | UCSC: Nancy Nieblas

Opportunity

The previous relationship with our insurance vendor did not allow for any campus control, collaboration or revenue-generating opportunities. In addition, campuses were limited to only one provider which did not provide UC employees flexible coverage based on personal circumstances.

Engaging with a new insurance vendor would allow more efficiency in the creation of a multicampus relationship that would benefit UC staff, faculty and retirees with continued savings on personal auto, homeowners and renters' insurance products. Employees at participating campuses would be able to access an innovative platform, which furnishes multiple quotes from highly-rated insurance carriers for coverage tailored to each employee's specific needs. In addition, each campus would have the opportunity to provide input into their respective partner relationships.

Approach

Farmers Insurance Group® (formerly MetLife Auto & Home) was selected after a robust and collaborative evaluation process in summer 2020. Each potential provider was reviewed and scored based on a variety of areas, such as stakeholder benefits, insurance products and services, strategic brand alignment, corporate social responsibility, research and innovation, and total campus revenue and cost savings.

UCPP worked with campus representatives to understand each campus's needs and goals and to develop collaborative opportunities that would benefit constituents at each campus.

Farmers Insurance Choice lets UC employees compare and save on insurance



Auto Insurance



Home Insurance



Renter's Insurance



Save Hundreds with Farmers GroupSelectSM

Results

Our relationship with Farmers Insurance Group offers these significant benefits:

- **Revenue:** each campus will receive revenue supporting their programs/units
- **Collaborative Partner Relationships:** campuses and Farmers work together to define a relationship that supports both groups
- **Choice and Flexibility:** employees can find the best product to match their personal needs
- **Savings:** employee continued program savings on personal auto, homeowners and renters' insurance products
- **Convenience:** employee payroll deduction on Farmers GroupSelectSM products through the UCPath system

Total Benefit: \$3,170,000 (across 8 campuses)

Systemwide Procurement: Small Business 1st Advisory Dashboard

TEAM Systemwide Procurement Strategic Sourcing | Communications & Training

Opportunity

UC Systemwide Procurement tends to contract with larger suppliers because they are more likely to successfully meet the needs of all 10 UC campuses. As we prioritize working with small and diverse suppliers in the Small Business First (SB1st) program, we are seeking out ways to increase spend with smaller suppliers.

This project identified opportunities by which large contracted UC-wide suppliers can support the UC SB1st initiative through small business programs or partnerships.

Approach

The short-term goal was to create a database on small business opportunities available through already contracted UC-wide suppliers. This pool of qualified small businesses (SBE) can empower UC locations buying through systemwide contracts to evaluate and pursue small and diverse business prospects more easily. The long-term goal is to foster a culture that naturally supports economically and socially responsible spend with current and future UC-wide suppliers.

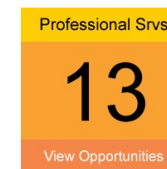
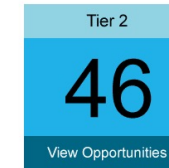
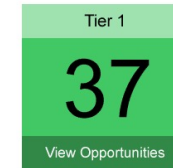
We set an aggressive but attainable timeline of four months to collect and meaningfully collate database information. To ascertain large suppliers' current level of small business involvement, we inquired if they had a Tier 1* or Tier 2* small business program or were interested in working with UC to develop one.

Data is aggregated in a color-coded dashboard format arranged by commodity category for easy access, useability and maintenance, with helpful resources.

(*Tier 1 = direct supplier to UC; Tier 2 = indirect supplier to UC, i.e. farther up supply chain)

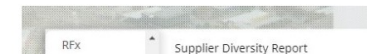
Small Business First Initiative - Opportunities

UC-Wide contracted suppliers supporting small businesses



Helpful Reports in CalUsource

Search for these reports in CalUsource. ↓



Small Business First Program

[SB 1st - Quick Reference Guide \(pdf\)](#)
[Systemwide Contract Listings](#)

Results

- Created documented list of UC-wide contracted SBE suppliers
- Established SBE development pipeline for systemwide & campus use
- Collected direct/indirect SBE engagement data from 66 existing large UC suppliers
- Defined Tier 1 vs Tier 2 involvement/potential for involvement
- Discovered commonalities & differences in UC suppliers' small business engagement

Total Benefit: Pipeline/strategy developed to support SB1st Initiative

Systemwide Procurement: Endpoint Management Solutions

TEAM UCB: Micah Bot-Miller, Alex Kim | UCD: Josh Van Horn, Jackson Muhirwe | UCD-H: Shawn Mayhew | UCI: Andrew Laurence | UCM: Phil Herechski | UCOP: Daryl Yamamoto | UCR: Emily Gordon | UCSB: Kip Bates | UCSC: Aaron Melgares | UCSD: Parrish Nambi | UCSF: David Carcamo, Jesse Anderson, Lalith Lakshmanan | LBL: Tareq Saif, Ian Vaino | UCOP ITS: Matt Linzer, Judy Thai | UC Procurement: Neil Kronenthal, Bala Balakumar

Opportunity

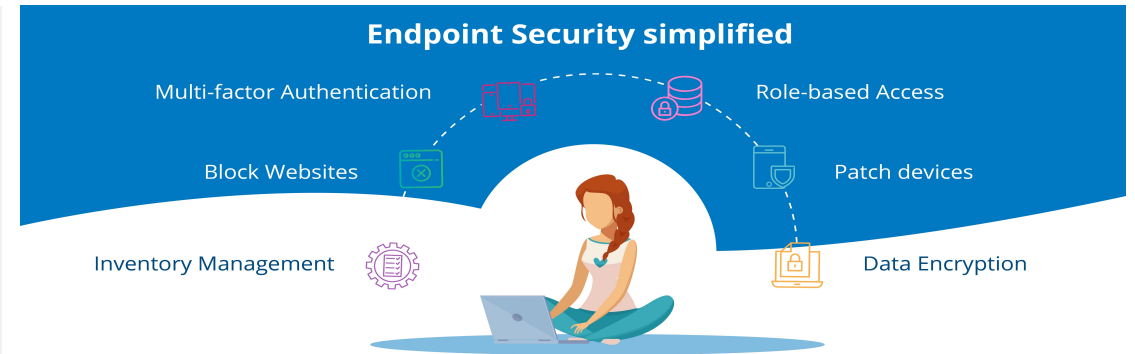
Today's workplace relies on distributed devices and cloud services more than ever, especially since remote work. But this widespread usage also means increased cybersecurity threats. Endpoint security protects against these threats to user "endpoints" (devices) to reduce the risk of malicious attack or data loss.

The UC IT Strategic Sourcing Team, the UC IT Security Committee and the UC IT Sourcing Committee partnered on a systemwide RFP for endpoint management that automates the discovery, management, and remediation of endpoints like laptops, desktops, servers, and mobile devices.

Approach

In the six months from project Kick-Off to new Agreement, UC IT Strategic Sourcing led a dedicated team of 20 subject matter experts and specialists from across the UC system to:

- Determine current needs, requirements, features and functionality
- Conduct a competitive RFP
- Evaluate and rank supplier responses
- Identify the highest quality solutions for the best prices and terms
- Recommend a supplier for award



Results

Awarded supplier: HCL Software Bigfix (Agreement #2021003189)

Agreement also includes HCL's AppScan and Domino products

To buy: contact HCL's UC Account Manager [Erik Ostly](#)

This new agreement offers these significant benefits:

- Increased and ongoing protection from cyberthreats
- 21% reduction from previous prices
- Fixed pricing during initial 5-year term, with 5 optional annual renewals
- Business continuity/low cost of change
- Terms and conditions aligned with UC's needs and compliant with policy and the law, including UC Appendix DS

Total Benefit: \$1.27M (over initial 5-year term)

Systemwide Procurement: IT Temporary & Professional Services RFP

TEAM UC Systemwide & Campus representatives in: Strategic Sourcing | Procurement | Human Resources | Strategic Technology Acquisition | Information Technology | Supplier Diversity Council | Health

Opportunity

After 10 years, UC systemwide agreements with 18 Information Technology (IT) Temporary (Temp) Labor and IT Professional Services were due to expire. In going out for public bid, 248 IT Temp and IT Professional Services agencies expressed interest in participating in the event, providing a fresh opportunity for UC to gain visibility into today's leaders in the IT Temp and IT Professional Services market.

Approach

Using existing contracts and service providers as a baseline, the team confirmed the relevant roles, rates and mark-up percentages relative to today's market. While the number of roles increased by 55 percent, the average rate reduction was captured at 4.59 percent, resulting in significant savings upon awarding new contracts.

Instead of separating the two categories (temporary & professional services), we identified service providers who could cover both services and act as a one-stop shop. This allowed us to leverage the volume and cost of services for better value.

Working through the UC Supplier Diversity Council, we partnered with the State of California Office of Small Business and Disabled Veteran Business Enterprise Services to promote the UC Systemwide IT Temp/IT Professional Services RFP among their membership. As a result, three UC-Wide Agreements and two OMNIA National Agreements were awarded to Small Business Enterprises (SBE) and other diverse suppliers, including Disadvantaged Business Enterprises (DBE), Women Business Enterprises (WBE) and Minority Business Enterprises (MBE).



Results

- Nine campuses participated in the evaluation and selection process
- UC awarded 22 new agreements: 15 UC-wide agreements and seven national agreements (through OMNIA Partners)
- 15 awards went to new UC suppliers; seven went to incumbent UC suppliers
- Five SBE suppliers were awarded, along with DBE, WBE and MBE suppliers
- Total annual cost savings = \$1.9 million

Total Benefit: \$1.9M (annual cost savings) | **\$9.5M** (over first 5-year term)