## Strategic Sourcing Prioritization

**Procurement and Supplier Diversity Services**

### Spend Category

<table>
<thead>
<tr>
<th>Spend Category</th>
<th>Time to Release of RFP</th>
<th>Time from RFP to Agreement</th>
<th>Potential Savings</th>
<th>Strategic Value to Institution</th>
<th>Total Spend (FY15)</th>
<th>Suppliers Representing 80% of Addressable Spend</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catering Aggregator</td>
<td>N/A</td>
<td>N/A</td>
<td>Efficiency savings</td>
<td>$1M</td>
<td>5</td>
<td>Contract has been awarded to America To Go and has been fully implemented with number of suppliers representing 80% of spend reduced from 23 to 5. Scorecard will be implemented in FY16 to monitor performance.</td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>N/A</td>
<td>N/A</td>
<td>15%-20% ($435k-$580k)</td>
<td>$2.4M</td>
<td>5</td>
<td>This procurement was awarded as a single source cooperative contract in August 2014 and was implemented in September 2014. It is currently being accessed by two VASCUPP institutions and produced savings of $774,400 for FY15 (including one-time contract fee).</td>
<td></td>
</tr>
<tr>
<td>Gift Cards</td>
<td>N/A</td>
<td>N/A</td>
<td>1%</td>
<td>$1.27k + Human Subject Pmts ($3.6M)</td>
<td>N/A</td>
<td>Agreement finalized with National Gift Card. RFP committee has enabled the Marketplace catalog and developed and delivered the communications plan. In addition to planned cost savings, we expect additional efficiency savings through the streamlined ordering process.</td>
<td></td>
</tr>
<tr>
<td>Travel - Booking</td>
<td>N/A</td>
<td>N/A</td>
<td>15% Initial, 2% Annual*</td>
<td>$40M</td>
<td>N/A</td>
<td>Contract has been awarded to Christopherson Business Travel (CBT) and implementation work has begun. *PSDS negotiated a 15% savings on the CBT contract and conservatively expects a 2% ($800k) annual savings from reduced air, hotel, and rental vehicle costs.</td>
<td></td>
</tr>
<tr>
<td>Expense Mgmt</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Contract has been awarded to ChromeRiver and implementation work has begun.</td>
<td></td>
</tr>
<tr>
<td>Inbound Freight</td>
<td>N/A</td>
<td>N/A</td>
<td>35% Annual ($200k-$500k)</td>
<td>$1-$1.25M</td>
<td>2</td>
<td>This procurement was a collaborative procurement handled by the Virginia Higher Education Procurement Cooperative (VHEPC). Implementation of the solution and communications began in October. The cooperative conservatively projects the University's savings to be $350,000 annually.</td>
<td></td>
</tr>
<tr>
<td>Promotional Products</td>
<td>N/A</td>
<td>N/A</td>
<td>5% ($70k)</td>
<td>$1.4M</td>
<td>4</td>
<td>RFP Committee chose to strategically in-source this commodity, awarding to the U.Va Bookstore. Growth plans, performance measures, and messaging are being developed in support of this strategic partnership.</td>
<td></td>
</tr>
<tr>
<td>Office Furniture</td>
<td>N/A</td>
<td>N/A</td>
<td>3%-10% ($150k-$500k)</td>
<td>$5M</td>
<td>5</td>
<td>RFP committee has been formed and requirements are being developed. VCE requirements add significant hurdles to strategic process.</td>
<td></td>
</tr>
<tr>
<td>Housekeeping Supplies</td>
<td>N/A</td>
<td>N/A</td>
<td>5%-20%</td>
<td>$1.2M</td>
<td>2</td>
<td>RFP committee has been formed and requirements are being developed.</td>
<td></td>
</tr>
<tr>
<td>Equipment Repair &amp; Maint.</td>
<td>N/A</td>
<td>N/A</td>
<td>15-30% ($400k-$1M)</td>
<td>$3.2M</td>
<td>63</td>
<td>Anticipate a short time to agreement, but equipment standardization could require a lengthy implementation period. This project will become part of the Phase 2 research category strategy which includes lab supplies.</td>
<td></td>
</tr>
<tr>
<td>Computer Hardware &amp; Peripherals</td>
<td>N/A</td>
<td>N/A</td>
<td>5%-13% ($75k-$100k)</td>
<td>$1.5-$2M</td>
<td>8</td>
<td>This is a collaborative procurement handled by the VHEPC with assistance from the University. Usage, pricing, and forecast data is being analyzed.</td>
<td></td>
</tr>
<tr>
<td>Lab Supplies</td>
<td>N/A</td>
<td>N/A</td>
<td>3%-7% ($111k-$260k)</td>
<td>$21M total, $3.7M addressable</td>
<td>2</td>
<td>Will be addressed in Phase 2. The VHEPC has negotiated savings with existing supplier for current contract pricing and has already negotiated a new hot list of items, with savings estimated at $80,000 for the first year and $45,000 annually.</td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Sourcing Procurement Schedule

![Strategic Sourcing Procurement Schedule](image)

### Legend

- **High**
- **Medium**
- **Low**

### Projects Planned for Phase 2 Implementation

- Computers
- Multi-Function (Copy) Devices
- Lab Supplies

### Comments

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For more information about our methodology, and for details about each strategic procurement, please visit our website at: http://www.procurement.virginia.edu/pagestrategicsourcing
Strategic Sourcing Initiative
Procurement & Supplier Diversity Services

STRATEGIC SOURCING:
The practice of analyzing spend and leveraging volume in order to gain maximum savings and service for the University

RESULTS TO DATE:

- OFFICE SUPPLIES: 8-10% Annually
- INBOUND FREIGHT: 35% Annually
- TRAVEL BOOKING: 2% Annually
- EXPENSE MGMT.: Efficiency Gains
- GIFT CARDS: 1% Annually
- CATERING: Efficiency Gains
- PROMO PRODUCTS: 5% Annually
- MGR'L REPORTING: $1.7 Million

FOR MORE INFORMATION:
☞ Take a copy (or two!) of our handout
☞ Visit http://www.procurement.virginia.edu/