From Sourcing to Catalog

• Establishing Agreements that meet the university’s mission of teaching, research, and public service
Who Is Here Today?

- Jim Hewlett, Supply Chain Management
- Matt Czarnowski, Supply Chain Management
- C.J. Caudle, Strategic Sourcing
- Britany Duyanovich, Strategic Sourcing
Today’s Outline

1. What is Strategic Sourcing?
2. The Strategic Sourcing Process
3. Overview of Agreements
4. How Agreements Become Catalogs
5. Other Ways to Use Agreements
6. Q&A
What is Strategic Sourcing?

• A systematic approach to reduce the total cost of purchased goods and services by fully leveraging the University’s purchasing power without compromising quality or service.

• The Strategic Sourcing Team utilizes a Six Step Sourcing Methodology to align the campus community’s business requirements to the supply base ensuring the resulting contracts provide tangible value to UC Davis.
Strategic Sourcing Objectives

- Develop Collaborative Relationships
  - Partner with you!
  - Provide high quality procurement services
- Pursue Strategic Initiatives
  - Leverage the power of our collective spend
  - Redirect savings to teaching, research and public service
- Invest in and optimize people, processes and technology
- Drive down Total Cost of Ownership
- Partner with Suppliers
  - Develop business relationships/solutions that optimize value for the University
Tracie Mennenga- Facilities & MRO
C.J. Caudle- Commercial Services
Mike Morgan-
Associate Director Strategic Sourcing
Local Strategic Sourcing Team Responsibilities…

• The Strategic Sourcing Team provides the following:

• UC System Wide Strategic Sourcing Coordination

• Campus Strategic Sourcing Management

• UC Davis Small Business Program Coordination

• AggieBuy Agreement Management
Strategic Sourcing Agreement Process

- Define Business Requirements
- Form Project Team
- Data Gathering & Analysis
- Supplier Relationship Management
- Contract Management & Execution
- Plan Development & Approval
Strategic Sourcing Agreements

- Established for both **Goods** and **Services**
- These agreements are generally available to ALL departments and include “familiar” agreements with suppliers such as Fisher, Dell, and Grainger
- Include **System-wide Agreements** and **Local Area Agreements**
What Does SS Agreement Cover?

- **Price(s) for Good(s) and/or Service(s)**
- **Risk Management/Risk Mitigation**
- **Terms and Conditions**, including Shipping/Handling/Return Policies
- **Level of Service** and method (email, phone, etc.)
- **Length of Time** (usually at least one year)
Benefits of Agreements

• Protect the university from unexpected price increases

• Ensure that university and supplier are “on the same page” regarding price and service expectations

• Provide legal recourse if issues arise
• Reduce transactional burden
Agreement Pricing

- The “shelf” or “list” price is NOT the FULL story when it comes to the total “cost” of the item

  - You will find lower shelf prices outside of AggieBuy, BUT…

  - Using agreements reduces administrative overhead/additional costs of procuring items outside of the agreement
Benefits of Agreement Pricing

- University agreement pricing often includes:
  - Free or discounted shipping/handling
  - Extended Warranties
  - Better return policies/free returns in many cases
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Selecting the suppliers:

• Where is the need?
  • Create efficiencies
  • Fill gaps
  • Customer feedback

• Do we have an agreement with them (UC system-wide, local, state)?
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Selecting the suppliers:

• Have they implemented e-procurement with our software before?
• Do they collect California sales tax?
• Can they meet our technical requirements?
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The teams:

**UC Davis** includes Strategic Sourcing and Supply Chain Technology And Operations Teams

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| - Identifies the suppliers for implementation  
- Manages the local relationships  
- Manages the daily operations of the system | - Manages the UC systemwide contracts  
- Manages the platform  
- Project management for implementations across UC | - AggieBuy Software provider  
- Manages implementation with the supplier |
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The Implementation Flow

Selection  Request  Kick-off  Connections  Testing  Live Test  Rollout

The current end-to-end average is 4 months
Purchasing Against Strategic Sourcing Agreements (Goods)

- **AggieBuy** is the preferred method for goods procurement, including supplies AND capital equipment (above $5K)

- NO dollar limit

- If you cannot locate what you need, contact our AggieBuy Help Desk at ab-help@ucdavis.edu
Purchasing Against Strategic Sourcing Agreements (Goods)

- **Procurement Card** can also be used for goods procurement against an agreement.

- Always advise the supplier that you are purchasing against the agreement (cite agreement number) at time of purchase.

- Limit of **$4999.99 per transaction**, regardless of limit on agreement.
Purchasing Against Strategic Sourcing Agreements (Goods or Services)

- A **Requisition** can be processed in KFS, citing the Agreement # in the appropriate **Agreement #** field

- Dollar limit will be automatically enforced by KFS, based on the amount allowed per the agreement
Locating Strategic Sourcing Agreements

KFS Document Search Screen:

- **Document Type:** PA
- **Application Document Status:** OPEN
- **Agreement Availability:** System-Wide
- **End Date From:** > Current Date
Need Additional Help?

• AggieBuy Help Desk: ab-help@ucdavis.edu

• Strategic Sourcing: strategicsourcing@ucdavis.edu