AGENDA ITEM SUMMARY

1. NAME OF ITEM: Report on Procurement Review Team Conceptual Design
2. INITIATED BY: James H. Page, Chancellor
3. BOARD INFORMATION: BOARD ACTION: X
4. BACKGROUND:

Chip Gavin, System Director of Facilities Management and General Services, and members of the Procurement Review Team delivered the report on their recommendations for the conceptual design of procurement. The Committee voted unanimously to forward these recommendations to the Consent Calendar of the full Board Meeting on January 28, 2013.

Attached is a copy of the Review Team recommendations.

5. TEXT OF PROPOSED RESOLUTION:

That the Board of Trustees approve the Procurement Review Team Conceptual Design as presented and discussed by the Finance/Facilities Committee at its January 15, 2013 meeting.
Selected Key Milestones to Date

- January 2012: Third-party consultant completes first year assessment of Maine Street Marketplace eProcurement tool and estimates calendar year 2011 savings at $509,225 (152% of goal). Information on calendar year 2012 savings expected prior to April 1, 2013.

- January 2012: Board of Trustees adopts formal Goals and Actions including Directive III. F to reallocate savings from administration and infrastructure to teaching, research and public service.

- July-November 2012: Review Team formed and begins work. Work includes reaching out to stakeholders, conducting research, identifying best practices and likely areas of key recommendations.

- December 2012: Team adjusts overall schedule to facilitate increased communication. Team visits every campus to share emerging recommendations and request feedback. More than 200 people participate in campus visits.

- January 2013: Update provided to Board of Trustees & Presidents Council

- February 2013: Recommendations refined and finalized. On-going communication with the University Community

- March 2013: Final Report planned for Finance and Facilities Committee and full Board of Trustees

Areas of Key Recommendations

- Procurement of Specific Goods and Services
- Purchasing Card Administration
- Structural Organization
Emerging Recommendations in Identified Key Areas

- **Procurement of Specific Goods and Services**
  - Improve the procurement of specific goods and services, including but not limited to travel, electricity, and janitorial products, identified by prior and current reviews. Adopt mechanisms for the continuous flow of such improvements.
  - Improve or establish mechanisms for exception process that provide flexibility for unique procurements. Develop a better process for promoting communication from shoppers about goods or services where they believe additional savings could be obtained.

- **Purchasing Card Administration**
  - Unify administration of Pcard program by redefining it as a single system-wide program. Ensure availability of Pcard as a purchasing tool in the context of Board policy and statutory obligations that establish competitive public procurement as the standard procurement method of the University of Maine system.

- **Structural Organization**
  - Establish single unified strategic procurement structure as a system-wide service. Eliminate duplication and fragmentation of effort, reduce full-time equivalent position count, improve services and strengthen support. There are 45 positions (34 FTE) currently involved in procurement activities which the team expects could be impacted.

Estimated Implementation Time Line and Fiscal Impact

- Detailed recommendations, time line, implementation costs, and savings estimates are in progress and the team expects to have those estimates when it reports to the Board of Trustees in March.