



## STRATEGIC PROCUREMENT

### Five Year Vision Ohio Implementation Plan Linkage

- Accountability is essential to effective management and requires commitments to assessment, planning, decision making, and continual improvement.
- Operational efficiencies and revenue enhancement.
- Selective investment in initiatives that will advance our mission.
- Developing strategies that support the goal of enhancing resources for Ohio University.

### Initiative: Procurement Transformation

Procurement Transformation is a series of ongoing collaborative initiatives influenced by Ohio Department of Administrative Services, Chancellor Fingerhut and Gov. Strickland that provide:

- Operational efficiencies
- New revenue streams
- Resource savings

### Terms/Definitions

**Purchasing** refers to a business or organization attempting to acquire goods or services to accomplish the goals of the enterprise.

**Procurement** is the acquisition of goods and/or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract.

**Category Management** includes all phases of the Procurement process. Category Teams focus on continuous identification and capture of Total Cost reductions through the application of strategic sourcing, supplier and contract management.

**Strategic Sourcing** is a sub-component of Category Management. It is a rigorous, comprehensive, and systematic business process that has helped leading companies obtain the correct goods and services at the lowest total cost while maintaining a commitment to meeting or exceeding organizational goals.

### **Strategic Sourcing Concepts**

- Aggregated buying
- Standardization across the enterprise
- Fewer suppliers
- Organization built around spending categories
- Vendor performance measurement

## Timeline

- Pre-work has begun in the following areas:
  - Preferred Suppliers are listed on Purchasing web site
  - Travel web site has been update and link to Travel World and other preferred travel service providers
- Contract negotiation underway with Oracle at present
- Implementation Work to begin in Spring 2009
- Full implementation and roll out in Fall 2010

## Procurement Services Web Sites

- Purchasing <http://www.ohio.edu/finance/purchasing/>
- Preferred Vendors <http://www.ohio.edu/finance/purchasing/Prefvendindex.cfm>
- Travel <http://www.ohio.edu/finance/travel/>
- PCard <http://www.ohio.edu/finance/pcard/index.cfm>

## Frequently Asked Questions

### **What is eProcurement?**

eProcurement is a web application that provides the ability to procure goods and services online. More specifically, eProcurement includes the capability to browse online catalogs, add items to a shopping cart, and populate a requisition with selected items. eProcurement also includes a process by which a completed requisition is submitted for review, approvers are assigned and the requisition is approved or rejected through workflow. Upon requisition approval, eProcurement generates a purchase order for the requisition and transmits it to the vendor.

### **Is the P-Card going away?**

No, in fact a ghost PCard program will work in concert with the eProcurement system to pay suppliers electronically. You will continue utilizing the P-Card to procure those items that you are not able to order via eProcurement. Additionally, you will utilize the P-Card to order from vendors not designated for use in eProcurement because we order from them infrequently.

### **What types of catalogs are normally available in eProcurement systems?**

All types of goods and services can be formatted for use in eProcurement system but goods are the easiest. For example, the following catalogs are already being formatted for use in our Oracle environment; such as:

- Grainger
- OfficeMax
- Hewitt Packard
- Dell
- Lenovo
- VWR
- GovConnection
- CDWG
- Apple
- Sigma-Aldrich
- Fisher Scientific
- OU Mail Services

### **Can I setup shopping lists for vendor catalogs?**

Yes, you may create a shopping list for your most commonly purchased items.

### **What are the restricting or bid limits when using an eProcurement application?**

- All suppliers in eProcurement hold valid contracts that incorporate the University's terms and conditions.
- The bid limits do not apply to products made available within the eProcurement system. No restrictions apply to the value of individual orders, unless your department has internal restrictions.
- Sole Source justifications are not required.
- Procurement Services are working together to add more contracts to eProcurement and have a number of vendors in the queue.

**Are copies of purchase orders and invoices accessible through the system?**

Yes, purchase order and departmental invoice report (DIR) copies are accessible through the system for all of your eProcurement-generated requisitions.

**Does eProcurement interface with other systems?**

The eProcurement system interfaces with the Oracle Financial applications including Accounts Payable and Assets Management. Once a requisition receives appropriate approval, the requisition will be loaded into Oracle A/P system and may payment can be made with a PCard as well.

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