Policy 20 Status Report

PURCHASING
Policy 20 Summary

Policy 20 was temporarily enacted in February of 2010. After a year of success, it has been made permanent.

The policy states:

*University faculty and staff will use established contracts for goods and services when available.*
What Policy 20 Means for You

If an item or service is available through a university contracted vendor, make your purchase with that vendor.

You can still use P-Cards and APOs for small dollar transactions, but only when the required goods or services cannot be acquired through a contracted means.
Why increase Managed Spend?

<table>
<thead>
<tr>
<th>Benefits of Consolidated Spending</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Better Prices</td>
<td>Better Service</td>
</tr>
<tr>
<td>Strategic Planning and Sourcing</td>
<td>Collaboration of Needs and Resources</td>
</tr>
</tbody>
</table>
## Policy 20 Success

<table>
<thead>
<tr>
<th></th>
<th>FY 10</th>
<th>FY 11</th>
<th>Shift</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-Card Transactions</td>
<td>59,909</td>
<td>54,741</td>
<td>Down 8.6%</td>
</tr>
<tr>
<td>P-Card Spend</td>
<td>$15.5m</td>
<td>$13.6m</td>
<td>Down 8.6%</td>
</tr>
<tr>
<td>Contracted PO Transactions</td>
<td>723</td>
<td>3051</td>
<td>Up 322% !</td>
</tr>
<tr>
<td>Contracted PO Spend</td>
<td>$2.4m</td>
<td>$7.7m</td>
<td>Up 220% !</td>
</tr>
</tbody>
</table>
Current Picture of Total Spend

94.3% of total spend is under management

“88% equals Best-in-Class” - Aberdeen Group
Increase Managed Spend

• 60 contracts added in EPIC since February, 2010

• Managed Spend increased by $2.6m from Fiscal Year 2010 to Fiscal Year 2011

*Every new dollar brought under managed spend creates 5% - 20% additional savings.* – Aberdeen
New Contracts

We encourage you to contact us with opportunities for new or improved contracts.

Recent agreements include:

• Enterprise Digital Signage Project
  Estimated savings: $1.2m over five years

• Kirby Risk:
  B2B contract. Estimated savings: $180k per year

• South Central:
  B2B contract. Estimated savings: $45k per year
Additional Savings

For Fiscal Year 10, we reported $52M in contract savings to the board of trustees. We expect this number to continue rising:

- More departments taking advantage of available savings.
- More spend allowing us to negotiate even greater savings.