



The Collaborative Procurement Center of Excellence

The Collaborative Procurement Center of Excellence between UC Berkeley and UCSF is designed to maximize administrative efficiencies, enhance service levels, and achieve significant cost savings, while also proving the concept of large scale campus-to-campus collaboration within the UC network.

Summary

In examining potential solutions to increase efficiencies and reduce costs, UC Berkeley and UCSF came together in November 2010 to explore and pilot sharing select procurement resources to serve joint needs. The purpose of this collaboration was, among other things, to test sharing resources across procurement and strategic sourcing leadership.

UC Berkeley and UCSF jointly spend in excess of \$1 billion annually. The Collaborative Procurement Center of Excellence (CPCOE) will leverage the combined purchasing power of the two campuses through strategic sourcing to realize improved terms and pricing; optimize procurement effectiveness through improved use of RFPs; expansion and extension of programs such as freight and warehouse management; and streamline operations through optimizing use of technology. The project will directly benefit faculty and staff campus-wide by ensuring access to preferentially priced contracts and a high level of customer service from Procurement. The CPCOE will also address resource shortages, particularly in times of constrained budgets. In addition, the collaboration responds to the UC Office of the President's July 2010 resolution encouraging shared services to increase efficiencies.

Delivering the Vision

The CPCOE will help achieve the vision of Operational Excellence by centralizing information and processes, increasing efficiencies, and supporting a culture of continuous improvement. OE funding is not being requested for this project. In conjunction with BearBuy and the commodity project, CPCOE is a key enabler for annual UC Berkeley savings of \$5 - \$12 million per year.

Timeline

The combining of UC Berkeley and UCSF sourcing operations was completed in 2010, with hiring of shared commodity experts for IT and Life Sciences project to be complete by fall of 2011. Joint BearBuy implementation is scheduled to be complete by June of 2012, with shared operations/technology and procurement management implemented in phases in 2012.

Leadership

Sponsor: John Wilton, Vice Chancellor, Administration and Finance, UC Berkeley

Sponsor: John Plotts, Senior Vice Chancellor, Finance and Administration, UCSF

Sponsor: Eric Vermillion, Vice Chancellor, Finance, UCSF

Initiative Manager: Ron Coley, Associate Vice Chancellor, Business and Administrative Services, UC Berkeley

Initiative Manager: Jim Hine, Executive Director of Campus Procurement, UC Berkeley and UCSF

For More Information

Complete copies of the Procurement Business Case as well as the Request for Resources and the proposed budget for The Collaborative Procurement Center of Excellence can be viewed online at the OE web site at <http://oe.berkeley.edu>

Questions and comments about this proposal for the initiative team: oeprocurement@berkeley.edu

Questions about Operational Excellence: oe@berkeley.edu