Category Management and Strategic Sourcing For Procurement

The Purchasing Division has reorganized its organizational structure in conjunction with Procure-To-Pay (P2P) Transformation, one of the Our Path Forward (OPF) initiatives. Two key pillars of the transformation relate to Category Management and Strategic Sourcing for University procurement needs. Category Management is a formal procurement approach that focuses on segmentation and management of purchased goods and services. For instance, items having commonality (e.g., all technology, all professional services, etc.) are grouped and managed together under a single “Category Specialist”. Category Specialists collaborate with stakeholders to better understand their needs, develop understanding of category components, and work to maximize realized value. They strive to manage cost drivers, respond to market conditions, and remove obstacles to departments achieving value in procurement needs.

Strategic Sourcing is a methodical approach to reduce the total delivered cost of goods while maintaining or improving quality and service. While conventional contracting focuses primarily on compliance requirements, Strategic Sourcing builds on this with strategic thinking to deliver total cost reduction. Key elements of Strategic Sourcing examine cost drivers, potential pricing improvements, and demand management. It utilizes empirical analyses, benchmarking, and development of solutions that impact customers’ needs in a positive way. Strategic Sourcing is the event-based component of Category Management.

As these approaches evolve and mature, University departments will realize greater value and efficiencies in procurement of goods and services. Several purchasing staff have recently transitioned to Category Specialist roles. An updated staff directory can be found here.

Procurement Business Cases

As part of the above methodologies, Category Specialists develop and execute Business Cases for sourcing events. Business Cases are built and used in conjunction with Requests for Proposals (RFP), providing a foundation to form, implement, and manage best-value procurement. Business Case development uses data-based analyses such as supplier or category spend, market observations, benchmarking, and stakeholder input as foundations for competitive solicitations. These processes are intended to minimize the impact of cost drivers while maximizing potential savings and efficiencies for departments.

Developing Business Cases involves stakeholders and collaboration. If you are involved with competitive procurement processes, such as serving on an RFP evaluation committee, be prepared to participate in this new procurement approach. Business Case development, management, and implementation also takes additional time; if you have an upcoming solicitation need to be managed by Purchasing, it is a good idea to contact us early to begin the process.

Revised Commodity Assignment Listings

Purchasing has updated the Procurement Commodity List. Related to Procure-to-Pay (P2P) reorganization efforts, several commodities have been re-assigned to new Category Specialists within the division. The Commodity List can be found on the Purchasing website and is available by assigned Category Specialist order and as well as alphabetical order. Departments may want to review the listing(s) for commodities they frequently purchase and identify responsible Category Specialist(s) if needed for support or questions.
New Location For University Surplus Operations

University Surplus Operations has moved from its longstanding location at the Reynolds Building, 349 Scott Street, to a new address at:

Vaughan Warehouse and Office
1247 Versailles Road
Lexington, KY 40508

Contact: Nathan Maiwald, Surplus Property Manager
Email: Surplus@uky.edu
Phone: 257-6234 or 3981
Fax: 257-1468

The new location is near the intersection of Versailles and Forbes Roads; an online map reference is available here. Additional information on University Surplus Operations (e.g., forms, public auction notifications, etc.) can be found on the Purchasing website. Remember – Surplus Property can be checked out and used by University departments to offset new purchases. There is no charge to departments for transferred items. There is a fee applicable to UK Trucking if items are requested for delivery.

SRM Pop-Up Box For Chrome Users

Shoppers who use Chrome as their preferred browser for SRM Shopping may encounter an SAP pop-up window during cart processing. This relates to conflicts within the Chrome browser. An SRM upgrade is in process to remove the pop-up message and is scheduled for completion in late September. Until the upgrade is complete, Shoppers may consider using Internet Explorer (IE) or other approved myUK browser to avoid the pop-up message.

Toner Scams

In recent weeks the University has encountered an increase in attempted toner scamming of departments. Typically, toner scam companies randomly target and call University departments claiming their copier is due for new toner. The company fraudulently poses as the toner provider for the University. Examples of scam companies which have targeted the University are IT USA (New York), Internal Business Systems Inc., Supply Services Inc., and IDCServco. Toner and maintenance for all devices on the Managed Print Services (MPS) program are automatically provided as part of contract requirements. If you are contacted by what you believe is a potential scam company, please convey the details to UKPurchasing@uky.edu.
Updated Ordering Resources – Scott Gross / American Welding & Gas (AWG)

Scott Gross/AWG has provided an updated interface tool for ordering compressed and medical gases. The new e-store link is available here. They also have provided updated instructions for utilizing the site as well as an updated printable form for departments who prefer this ordering format. More information is available on the Scott-Gross/AWG page on the Purchasing website.

Supplier Quotes with Tariffs

Shoppers may occasionally come across supplier quotations that list tariffs. Tariff charges are categorized as line item goods rather than costs related to shipping. In order to track tariffs appropriately, please list them as a standard line item on a free text Shopping Cart. Simply list the word “Tariff” with a quantity of 1 and the price. Tariff charges may be assigned the same GL account that is used for other line items.

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<tr>
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New Employees/Position Updates

Following are new employees within the Purchasing Division:

- Gregory DePaull is a new Contracting Officer I on the Hospital Purchasing team. Gregory’s contact information is email gregory.depaull@uky.edu, phone 218-6796
- Michael Guyette has also joined the Hospital Purchasing team located in Chandler Hospital as a Strategic Sourcing Specialist. Michael can be reached at email mike.guyette@uky.edu, phone 257-4330.
- David Stefanic has joined the Central Purchasing staff in the Peterson Building as a Price Contract Coordinator Senior. His contact information is email david.stefanic@uky.edu, phone 257-4337.

Purchasing Frequently Asked Questions

Question: Is the PaymentWorks system used for supplier payments?

Answer: The University uses PaymentWorks solely as its onboarding solution for new suppliers as well as updates for current suppliers. The University does not use any payment-related functionality within the platform to process checks or other payment forms. PaymentWorks simply provides the platform for suppliers to register and undergo required validations before onboarding into the SAP vendor database. All payables processing for suppliers continues to be managed and administered within the University.

Self-enroll to Receive Purchasing ListServ Notifications:

Follow these instructions to self-enroll to the Purchasing ListServ and receive procurement-related updates and news. Send e-mail to LISTSERV@lsv.uky.edu with the following text in the message body:

subscribe UKPURCHNEWS Yourfirstname Yourlastname

The subject line should be blank as well as the rest of the body of the email. You may unsubscribe in the same manner, by changing "subscribe" to "unsubscribe" and following the remaining directions.