

STRATEGIC SOURCING BUSINESS CASE SUMMARY

CATEGORY TITLE: Maintenance, Repair & Operating Supplies



Business Case Summary	Process Utilized
<p>Huron Consulting Group partnered with UK Purchasing to identify key areas of annual spend that had the highest level of cost savings potential. Based on Huron's analysis of UK's FY18 transactional usage data, MRO Supplies was one of the top areas for consideration. A Request for Proposal was drafted to Huron's recommendations and submitted to the public. The responses were reviewed, negotiated and awarded based on the best value for the University of Kentucky.</p>	<p>MRO Supplies was divided into 7 categories (Electrical, Plumbing, Janitorial, Painting, Flooring & General MRO). Technical and Financial workbooks were issued as part of the RFP in which offerors could provide responses to various questions to confirm their ability to provide the products and meet the service demands of the university account. For the Financial Workbook, price lists based on UK Supply Center Stock Items were created for each category and offerors were asked to provide pricing for single or multiple categories. Once received, the committee members met to review the proposals and discuss the best value for the university. For each responsive offeror, multiple rounds of post-proposal clarifications/questions were exchanged and best and final offers were requested. Utilizing the pricing from the best and final offers, Huron provided a financial analysis for each category which showed the best method to achieve cost savings.</p>
Team Members	Results
<p>Andrew Emery, Avery Watkins, Donna Back, Jim Blackwell, Matt Mueller, Paul Ducharme, Scott Geisinger, Steve Huff, Tim Clark</p>	<p>The recommendation was to award contracts to multiple responsive bidders. It was discovered the best value for the university was to award multiple price contracts and allocate each stock item to lowest bidder in each category. By utilizing this method, the projected savings on stock items for FY21 are as follows: Electrical - 47% or \$270,010; Plumbing - 32% or \$86,315; General MRO - *29% or \$207,622*; Paint - 2% or \$442.44. As an added benefit of multiple awards, several vendors can now be considered when quoting non-stock purchases that make up a larger portion of university MRO spend. The Janitorial and Flooring categories were not awarded as part of UK-1980-20.</p> <p>*The General MRO Category is comprised of all MRO items and savings may change as items are allocated among to other vendors based on lowest price.</p>