

# STRATEGIC SOURCING BUSINESS CASE SUMMARY

## CATEGORY TITLE: PROMOTIONAL ITEMS



Business Case Summary	Process Utilized
<p>The University purchases a significant volume of logo-imprinted products and apparel which are used for promotional distribution purposes. From August 2015 through July 2016, promotional item spend ranged from ~\$1.3 to ~\$1.6 million including the academic campus and healthcare sectors. The need for a Strategic Sourcing event related to promotional items initially triggered from the Huron/BEST project within the healthcare sector; interest in achieving increased value spread to the enterprise as a whole. Prior to the Strategic Sourcing event, promotional buying was largely unmonitored and lacked application of best-value practices. Historically, there has been an over-supply of licensed vendors who could sell to departments along with rogue (non-licensed) spend. There was no consolidation of purchases or economy of scale approaches applied for achievement of savings. In some cases, departments were paying different prices for the same items from the same vendors. In addition to absence of significant savings, the large number of vendors utilized by departments made it difficult to manage and protect the University's brand.</p>	<p>Triggering from the Huron/BEST project within the healthcare sector, and under the direction of the Chief Procurement Officer/ Associate Director, Purchasing conducted a Request for Proposals (RFP) process. The intended key outcome from the process was to establish a pool of exclusive, licensed, and best value providers to serve the needs of UK Healthcare and the academic campus. Related to the BEST Project, hospital marketing staff initially collaborated on possible savings that may result from an RFP process.</p> <p>The Purchasing Division conducted the standard RFP process and included over 80 companies on the vendor list. A market basket approach, consisting of ~200 line items accompanied the RFP on which Offerors were to submit competitive pricing. Twenty-five (25) responses were received and evaluated by the committee below. A Best and Final Offer (BAFO) was conducted for several of the respondents whose offers were considered worthy of award recommendation. After a thorough evaluation process, the RFP culminated in the recommendation of sixteen respondents for award.</p>
Team Members	Results
<p>Category Specialist: Rebecca Purcell            Crystal Gabbard, Patient Experience Manager, UKHC            Debra Cotterill, Director Nutrition Education Programs            Geoffrey Blair, Sponsorship &amp; Events Manager, UKHC            Grace Hahn, Student Organizations and Activities Director            James Frazier, Executive Director, Risk Management and Administrative Services            Jennifer Allen, Communications Director, Arts and Sciences            Julie Balog, Associate Vice-President, Chief Marketing Officer            Kate Stoess, Athletics Marketing Director            Kelley Bozeman, Brand Management Deputy Director            Kimberly Taylor, University Registrar            Linda Young, Administrative Services Assistant, UKHC            Lysay Christensen, Graphic Artist Senior, Business and Economics            Nathan Schwake, Athletics Associate Director            Prim Wathen Hudgins, Admissions Associate Director            Renee Seidel, Administrative Support Associate, UKHC            Rita May, Senior Extension Associate, Nutrition Education Program            Sarah Bentley, Hospital Administrative Director, UKHC            Sean Hilen, Athletics Business Operations Associate Director            Tom Harris, Vice President, University Relations</p>	<p>Contracts were awarded to the sixteen respondents recommended by the committee for contract awards; these form the exclusive group of licensed promotional providers for the enterprise (hospital and campus). The contract pool will provide departments with a sufficient number of providers for full-service promotional needs while balancing the need for best value procurement approaches. Purchasing created a dedicated page on their website with the contracted providers, sales reps, and contact information. With a smaller group of exclusive providers, departments will realize increased value based on economy of scale purchases. This smaller group also ensures all providers are properly licensed through Fermata.</p>