Supply Chain Management Center

SCMC Advisory Committee

(SAC)

Wallis Spangler

SCMC Advisory Committee (SAC)

- EM SCMC Board of Directors
- Site Contractor Procurement Directors
- Advises on how SCMC applied in EM
- Champions SCMC process execution and results
- SCMC Director, Non-voting member
- Meet monthly (teleconference, F2F 2x)
- Forum to discuss “other” EM procurement issues

Facilitates Process Collaboration and Integration

Supply Chain
Management Center

MOU
Memorandum of Understanding

DOE-EM Industry Day
February 2, 2012

What we want to Accomplish

High-level Overview of the MOU

Address Clarifications as we review MOU

Provide understanding of MOU for you to submit any edits before CBC goes final and MOU is ready for signatures

MOU – Attributes

- Governance Document
  - Authority to Create
  - Mission Description
  - Organization Structure
  - Processes and Platforms
  - Roles and Responsibilities - Personnel
  - Roles and Responsibilities – Contractor Sites
  - Institutionalizes site collaboration and integration required to execute the Mission
  - Establishes formal “mutual understanding and agreement” by Supply Chain/Procurement Director signatures

Supply Chain
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Spend Management Tool

Spend Management Tool

- A data base containing spend activity from multiple sources related to purchased goods or services
  - Data is defined by extraction tables
  - Data is extracted from each sites source system monthly
  - Data covers three Fiscal Years + the current Fiscal Year of spend activity
  - Spend Activity includes:
    - Invoice payments, PO commitments, Suppliers, activity dates, PO/Invoice descriptions, commodity codes/ID's, and multiple other data fields
  - Invoice spend transactions are matched to UNSPSC Commodity Codes and 'enriched' suppliers on a quarterly basis
  - Data is available to all participating sites through the Portal
  - SCMC Commodity Managers use the Spend Tool data to perform Commodity Assessments for potential SCMC Agreements

Spend Management Tool

- Acts as a data repository for reporting on:
  - Spend visibility reports
    - Custom reports can be written against the fields contained in the data base
    - Standard reports are available
  - eSourcing savings
    - eSourcing event activity is loaded into the spend tool through a ‘data dump’ from the hosted website and savings are calculated through a certification process
    - eSourcing event activity reports are used to complete the SCMC Scorecard
  - eStore utilization
    - eStore transaction data is ‘flagged’ by the sites and loaded into the spend tool each month to complete the SCMC Scorecard
  - Contract utilization
    - Utilization of the SCMC Agreements is loaded into the spend tool and is used to calculate spend against SCMC Agreements

Spend ManagementTool

- **Utilized as an eProject management tool for SCMC Agreements**
  - Strategic Sourcing Process
    - Strategic Sourcing Process steps are replicated in eProject
    - Supports Process Compliance
    - Accessible by the Commodity Team
  - Document storage
    - “Electronic Procurement File”
    - Agreement and supportive documentation is stored in the eProject tool
  - Review/Approval
    - Review and approval process is managed through eProject
    - Reviewers/Approvers are sent an email notification with a link to the tool when a review and/or an approval is required
- **Supports external customer project requirements**
    - eProject functionality has been adapted to support the Master Approved Supplier List (MASL) – a quality supplier database for maintaining supplier assessment information

Spend Management Tool

Dashboard

ARIBA SPEND MANAGEMENT

Home | Help | Logout

CONTRACTOR-OWNED PROPRIETARY INFORMATION - Do Not Distribute Outside of the NNSA Without Express Written Permission of the Supply Chain Management Center (SCMC)

Welcome Bill Marks

Home | Visibility | eSourcing Reporting | Site Spend Data | More ...

Create | Search | Manage | Recent | Preferences | Customize | Notifications | Print

Site Spend Data Dashboard

Configure Tabs | Refresh Content

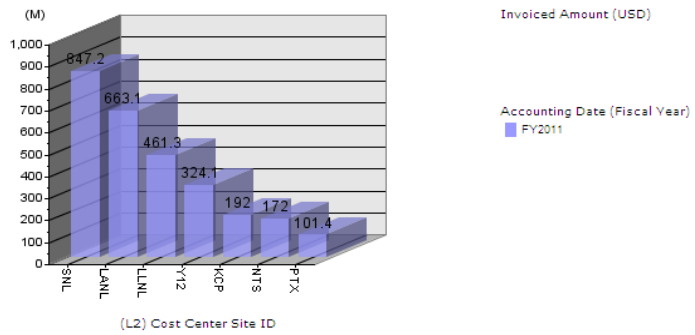
Invoice Spend by Supplier FY2010

	FY2011	Total
Total	**2,760,944,084.98**	**2,760,944,084.98**
MI TECHNOLOGIES META...	58,391,202.57	58,391,202.57
COMPA INDUSTRIES	47,459,960.51	47,459,960.51
SANDIA STAFFING ALLI...	44,068,995.27	44,068,995.27
TECHNICAL RESOURCE A...	42,530,990.15	42,530,990.15
TERRANEARPMC	38,036,893.40	38,036,893.40
LMATA GOVERNMENT SER...	35,751,268.85	35,751,268.85
MERRICK &	33,890,594.74	33,890,594.74
PORTAGE ENVIRONMENTA...	33,696,388.47	33,696,388.47
Others (16173)	2,427,117,791.02	2,427,117,791.02

Invoice spend by Site

	FY2011	Total
Total	**2,760,944,084.98**	**2,760,944,084.98**
SNL	847,153,805.73	847,153,805.73
LANL	663,069,223.50	663,069,223.50
LLNL	461,272,451.31	461,272,451.31
Y12	324,086,813.15	324,086,813.15
KCP	191,985,015.16	191,985,015.16
NTS	171,970,942.17	171,970,942.17
PTX	101,405,833.97	101,405,833.97

Invoice spend by Site



January 2012

M	T	W	T	F	S/S
					1
2	3	4	5	6	7/8
9	10	11	12	13	14/15
16	17	18	19	20	21/22
23	24	25	26	27	28/29
30	31				

Overdue (11)

- Develop ecatalog if required (Safety Products and Supplies)
- Provide Notification of Agreement Award ... (Bulk Gas Air Liquide)
- Begin Agreement Preparation (Bulk Gas Air Liquide)
- Complete Commodity Manager's Evaluation (Bulk Gas Air Liquide)
- Award Agreeement to the Successful Proposer (Bulk Gas Air Liquide)

More...

To Do

Spend Management Tool

Spend Analysis

Home | Visibility | eSourcing Reporting | Site Spend Data | Secret Stash | More ...

Welcome Bill M

Create | Search | Manage | Recent | Preferences | Customize | Notifications

Reporting

Field Browser

Page | Others

Account
- Account
- Chart of Accounts

Accounting Date
- Calendar

Activity
- Activity Name
- Project Name

Agreement ID
- Agreement ID

Agreement Source Type
- Agreement Source Type

Contract
- Contract

Cost Center
- Cost Center
- (L1) NNSA

Invoice spend by UNSPSC

Edit | Save... | Export | Actions

Pivot table | Chart | Dashboard

Applied Filters

- 3,376,609,827.32 Accounting Date Spanning: most recent 2 Year(s)

Display Options E
Min/Max rows: 3
Layout: Pivot Outli

Aggregate View: Invoiced Amount (USD)

Accounting Date (Fiscal Year)

UNSPSC (L1) / Supplier (enriched)	FY2011	FY2012	Total Invoiced Amount (USD) ↓
Engineering and Research and Technology Based Services	**726,616,376.97**	**87,431,322.01**	**814,047,698.97**
SANDIA STAFFING ALLIANCE	44,068,995.27	7,899,833.37	**51,968,828.64**
SARGENT & LUNDY	33,267,940.37	14,108,946.64	**47,376,887.01**
LMATA GOVERNMENT SERVICES	35,751,268.85	5,884,458.77	**41,635,727.62**
MERRICK &	33,857,973.75	4,070,319.89	**37,928,293.64**
GAITS	26,426,786.13	4,470,230.72	**30,897,016.85**
KTECH	26,643,785.51	1,344,801.19	**27,988,586.70**
SCI CONSULTING SERVICES INC	23,851,059.79		**23,851,059.79**
GEMTECH Y-12, LLC	23,274,354.37		**23,274,354.37**
Others (1955)	479,474,212.93	49,652,731.43	**529,126,944.35**
Management and Business Professionals and Administrative Services	**264,607,239.64**	**21,649,527.02**	**286,256,766.66**
COMPA INDUSTRIES	47,400,058.92	11,692,209.66	**59,092,268.58**
TECHNICAL RESOURCE ALLIANCE	42,522,685.65		**42,522,685.65**
OAK RIDGE PROJECT	18,866,181.40		**18,866,181.40**
URS Energy & Construction, Inc.	7,015,802.16		**7,015,802.16**
NAVARRO RESEARCH & ENGINEERING	6,137,838.04		**6,137,838.04**
JACOBS ENGINEERING GROUP	4,480,494.17	1,037,473.19	**5,517,967.36**
National Research Centre "Kurchatov Institute" (NRC "Kurchatov Institute")	5,214,003.44	82,500.00	**5,296,503.44**
HEWITT ASSOCIATES	3,788,325.00	285,984.61	**4,074,309.61**
Others (741)	129,181,850.86	8,551,359.56	**137,733,210.42**

Spend Management Tool

eSourcing

5.1.5 $ Total of Events in eSourcing

Edit | Save... | Export | Actions

Pivot table | Chart | Dashboard

Applied Filters

▪627,967,143	Event Start Date	Spanning: most recent 2 Year(s)
	eSourcing Event Status	* Exclude * Draft, Terminated
	eSourcing Savings Certification	Yes
	Region (L6)	* Exclude * SRS, Supply Chain Management Center
▪217,359,780	Final Award Date	* Exclude * FY2011

Display Options Edit
Min/Max rows: 3/8
Layout: Pivot Outline

Aggregate View: Final Base Line (Sum) (USD)

Final Award Date

Region (L6)	FY2012	Total Final Base Line (Sum) (USD) ↓
Total	**217,359,780**	**217,359,780**
Lawrence Livermore National Laboratories	141,588,678	**141,588,678**
Y12	35,795,658	**35,795,658**
Los Alamos National Laboratories	13,455,560	**13,455,560**
Pantex	10,816,369	**10,816,369**
Nevada Test Site	10,699,856	**10,699,856**
Kansas City Plant	3,373,453	**3,373,453**
Sandia National Laboratories	1,630,205	**1,630,205**

Spend Management Tool

eStore

eStore - ALL SITES - PO Order Count

Edit | Save... | Export | Actions

Pivot table | Chart | Dashboard

Applied Filters

▪49,608.14	Ordered Date	Spanning: most recent 2 Year(s)
	From NNSA eStore	YES
▪9,557.43	Ordered Date (Fiscal Year)	* Exclude * FY2011

Display Options Edit
Min/Max rows: 3/8
Layout: Pivot Outline

Aggregate View: PO Count | Ordered Date (Fiscal Year)

(L2) Cost Center Site ID ↑	Site Supplier	FY2012	Total PO Count
Total		**9,557.43**	**9,557.43**
KCP		**266.25**	**266.25**
	3M COMPANY	144.00	**144.00**
	GOVERNMENT SCIENTIFIC SOURCE INC	78.25	**78.25**
	SANDIA OFFICE SUPPLY INC	42.00	**42.00**
	WILDFLOWER INTERNATIONAL LTD	2.00	**2.00**
LANL		**3,494.00**	**3,494.00**
	CARAHSOFT TECHNOLOGY CORP	1.00	**1.00**
	GOVERNMENT SCIENTIFIC SOURCE	200.00	**200.00**
	HOLMANS INC	640.00	**640.00**
	SANDIA OFFICE SUPPLY	2,627.00	**2,627.00**
	VWR INTERNATIONAL, LLC	26.00	**26.00**
LLNL		**759.50**	**759.50**
	Government Scientific Source, Inc. (GSS)	728.50	**728.50**
	MSC Industrial Supply Co.	28.00	**28.00**
	supplyFORCE.com, LLC	3.00	**3.00**
NTS		**305.85**	**305.85**
	GOVERNMENT SCIENTIFIC SOURCE INC	235.00	**235.00**

Spend Management Tool

eProject

Safety Products and Supplies

Sourcing Project

Tasks: Incomplete Tasks: 4
Current Phase: SCMC Implement Sourcing and Communicatio.
Next Milestone: eCatalog available for Shopping

Overview | Documents | **Tasks** | Team

Show: (Any Status) | Required/Optional | Lisa A Krstulic

Safety Products and Supplies — Actions | Outline

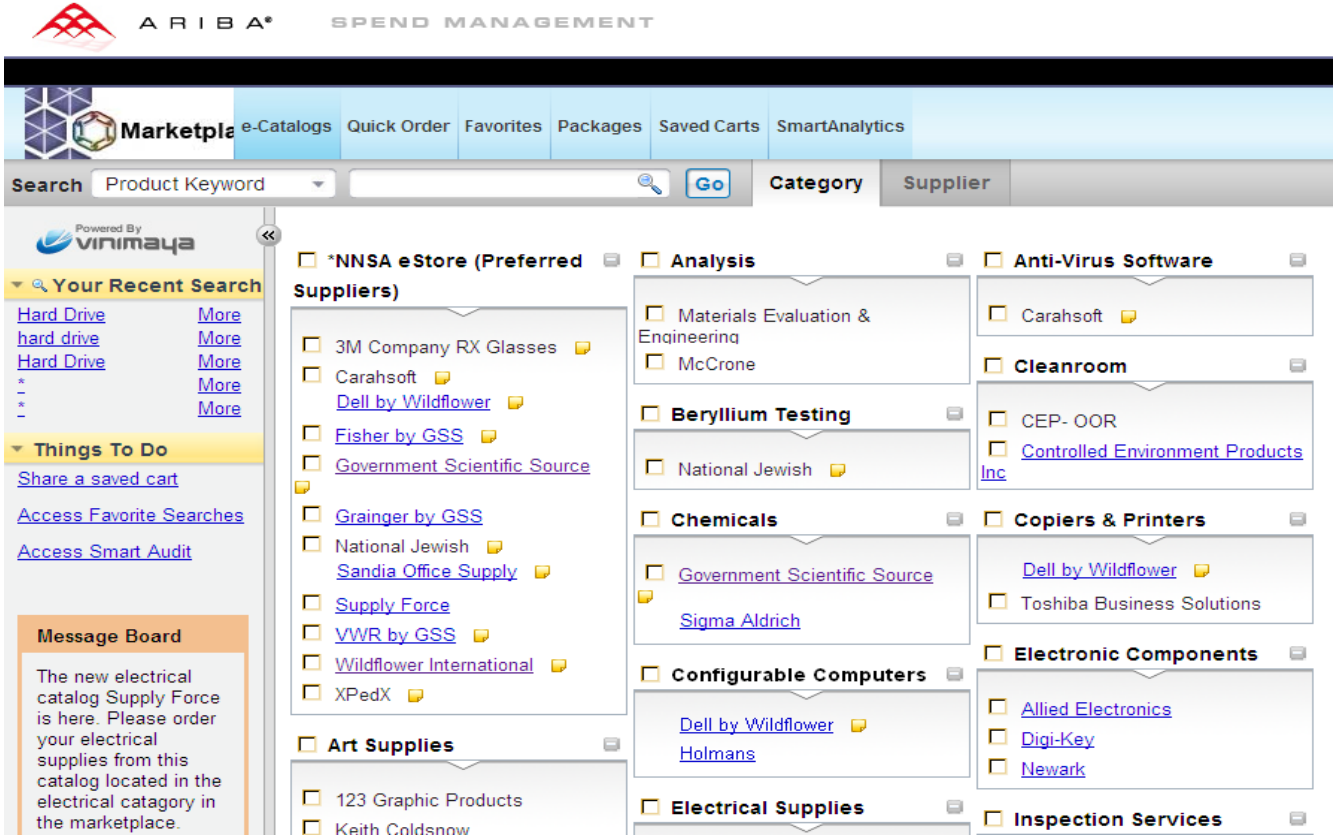
Name	Document	Owner	Status	Due Date
Commodity Assessment - Step 0		Project Owner	Complete	
Profile commodity - Step 1		Project Owner	Complete	
Conduct Supply Market Analysis - Step 2		Project Owner	Complete	08/11/2010
Develop and Define Commodity Strategy - Step 3		Project Owner	Complete	08/31/2010
SCMC Issue RFP and Award Contract - Step 4		Project Owner	Complete	09/16/2011
Submit Evaluation Criteria Documents for Approval by SCMC Director*	Evaluation Criteria Documents	Lisa A Krstulic	Approved	
SCMC writes RFP*	RFP Documents (v1/8)	Lisa A Krstulic	Complete	
RFP sent to Compliance Manager for Approval*	RFP Documents for approval (v3/7)	Lisa A Krstulic	Approved	
Submit RFP Documents for Legal Approval*	RFP Documents (v4/8)	Lisa A Krstulic	Approved	03/30/2011 12:00 AM
Add NNSA CO and NNSA HQ to the approval flow in next step*		Lisa A Krstulic	Complete	
Submit to SCMC Director/ NNSA CO/NNSA HQ for review and approval*	RFP Documents for approval (v6/7)	Lisa A Krstulic	Approved	04/13/2011 12:00 AM
Define eSourcing Event*	RFP Documents (v5/8)	Lisa A Krstulic	Complete	02/21/2011 12:00 AM
Launch eSourcing Event for the RFP*	RFP Documents (v5/8)	Lisa A Krstulic	Complete	02/21/2011 12:00 AM

Supply Chain Management Center

eStore/Marketplace

SCMC eStore Catalog Admin
Sharon Jeffries

What is eStore/Marketplace?



eStore- Collection of multi-site priced catalogs which reside in the Marketplace. **Marketplace –** Online electronic catalog repository hosted by 3rd party company.

Supply Chain Management Center

eStore/Marketplace

Features

- Vinimaya Smart Marketplace Technology™, Procurement in the Cloud- a private, virtual shopping environment

- A familiar, B2C-like online shopping experience
- End-to-end management of supplier connectivity, regardless of standard (punch-out, OCI roundtrip, etc.)

- Completely portable and can plug into any ERP or stand-alone e-Procurement solution
- Accessible from within the controls and workflow of each site's e-Procurement system

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eStore/Marketplace

- Went LIVE **(2010)** according to site's resource schedule
  (2) sites in Jan & April (1) site in May (2) sites in Aug
- **Repository** for dynamic catalogs & static catalogs,
  site specific catalogs, multi-site priced catalogs (ICPT & SCMC)
- eProcurement **Systems differ** among 7 sites- SAP, Oracle, PS
- **Search** by product keyword, supplier part number and manufacturer part number
- **Side by side** comparison of items
- Procure from **multiple suppliers** on same order
- Users can shop catalogs by **category** or by **supplier**
- **Track** quantity of **eStore** procurement **transactions in spend tool**

Supply Chain Management Center

eStore Catalogs

Sites eStore catalogs as of: Aug 25, 2011								
Catalogs in production	Pantex	NTS	LANL	LLNL	KCP	Sandia	Y12	Commodity
Government Scientific Source (GSS)	x	x	x	x	x	o		Lab Supplies & Equipment
VWR by GSS	x	x	x	x	x	o	o	Lab Supplies & Equipment
Fisher by GSS	x	x	x	x	x	o		Lab Supplies & Equipment
Grainger by GSS	x	x	o	x	x	o	o	MRO
MSC	x			x				MRO
Wildflower	x	o			x			Computer & Computer Products
Dell by Wildflower	x				x			Computer & Computer Products
Holman's		o	x		x	x		Computer & Computer Products
Sandia Office Supply		x	x		x	x		Office Supply
Xpedx					x		x	Paper
National Jewish Med Center			o		x	o		Beryllium Testing
Carahsoft	x	x	x		x			Antivirus Software
Rebel Oil		x						Bulk Fuel
3M					x	x	x	Prescription Glasses
Supply Force	x	x	o	o	x	x	o	Electrical Catalog

Aruba (wireless initiative) catalog developed by LANL for their internal use.

Coming soon- Safety Supplies

Legend

x = catalog in production

o = catalog in review/planning

A = SCMC negotiated contracts

A = ICPT price agreements

Supply Chain Management Center

SCMC Agreements

Awarded in FY11

Grainger by GSS

Supply Force (electrical)

Wireless Initiative

Bulk Gas

Safety Supplies

Security Uniforms and Misc Equip

To Be Awarded in FY12

Travel and Expense Management Services

Desk Top & Lap Top Computers

Industrial Supplies

Electronic Components

Bold= Catalog

eStore/Marketplace Moving Forward

- Expanding the marketplace (SNL pilot)
  - Field reps shop marketplace> add items to cart>email to buyer rep
  - FTP feed for item inventory-static catalog displaying on hand inventory
  - Establish punchout connection with Amazon.com for day to day purchases
  - Enable packaging link

- Increase functionality
  - Smart modules- Analysis and Audit

- Enhancements
  - Upgrade (completed 7/30/11)
  - On line voice over help (smart cast)

Supply Chain Management Center

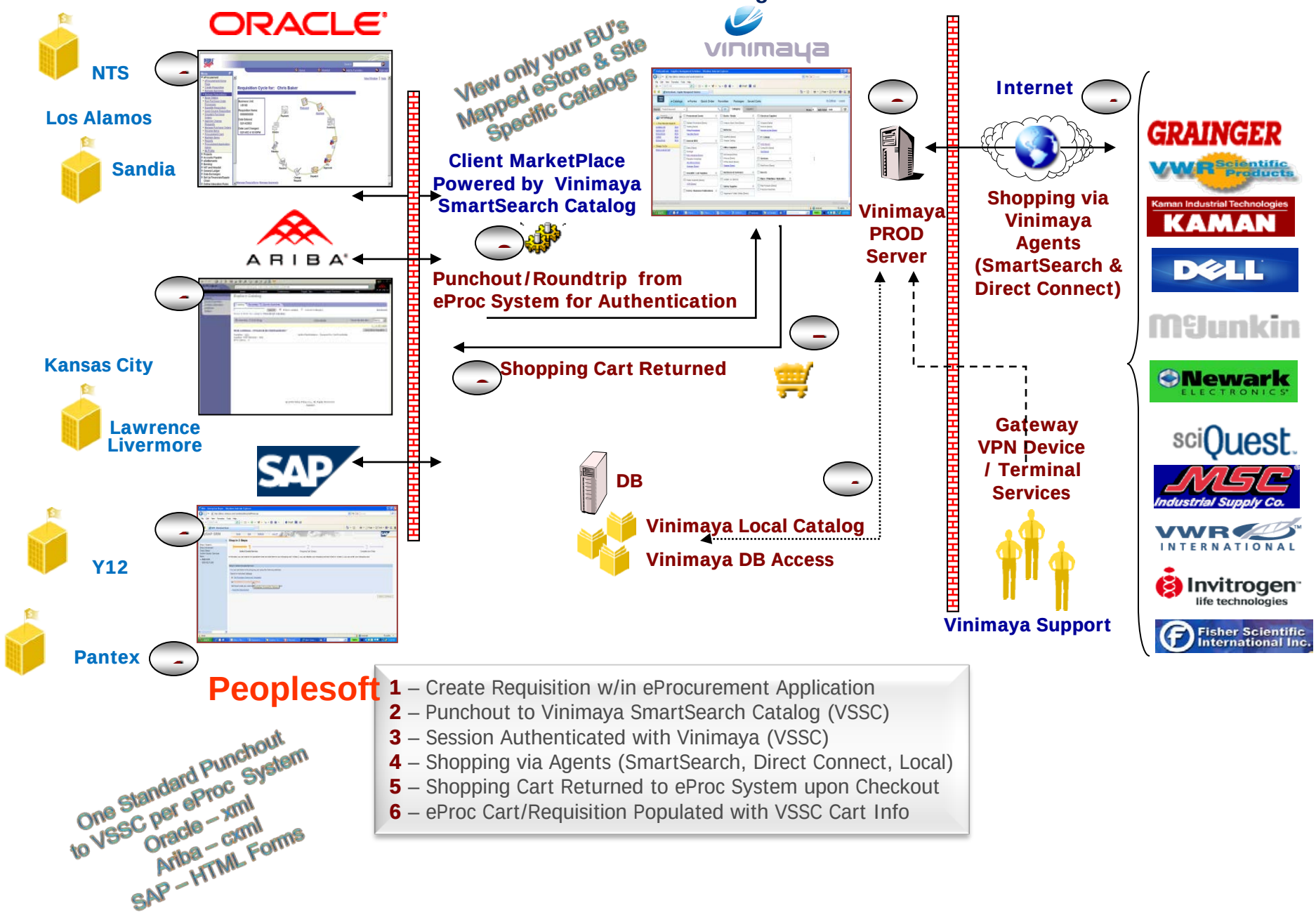
Summary

- Spend **increased** 190% year over year for PO commitments through eStore (comparing CY11 to CY10)*
- Procurement transactions through eStore **increased** 114% YTD (comparing FY11 to FY10)**
- All 7 sites **participate** in procuring from the eStore/marketplace
- Meet monthly (rep from each site)
- Annual face to face
- **Encourage** feedback for opportunities (i.e. Vinimaya, smart modules)

*does not include Q4 of CY11 **does not include Sept 2011

Supply Chain Management Center

Multi eProcurement Integration & Workflow



1 – Create Requisition w/in eProcurement Application
2 – Punchout to Vinimaya SmartSearch Catalog (VSSC)
3 – Session Authenticated with Vinimaya (VSSC)
4 – Shopping via Agents (SmartSearch, Direct Connect, Local)
5 – Shopping Cart Returned to eProc System upon Checkout
6 – eProc Cart/Requisition Populated with VSSC Cart Info

One Standard Punchout to VSSC per eProc System
Oracle – xml
Ariba – cxml
SAP – HTML Forms

Supply Chain Management Center

eSourcing

SCMC eSourcing Administrators
Sue Madrid
Lauren Patton

What is eSourcing?

- eSourcing is an electronic sourcing tool designed to facilitate the collection of business information from qualified suppliers. In most cases, it is a secure internet application accessible by procurement professionals and suppliers to collect RFI/RFQ/RFP information, pricing, make awards, and manage contracts.

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Ariba Hosted eSourcing Site

Features

- Allows for online access by only those who are invited by the event owner
- Full site licensing covered for all sites – no fees
- SCMC can host bids or sites can elect to administer their own events with site eSourcing administrators
- First opportunity to realize cost savings
- Custom templates by site

Benefits

- 24 Hour Technical Support provided by Ariba via 1-800# (for buyers & suppliers)
- Easily accessible by all sites and suppliers
- Aggregated reporting capability

Disadvantages

- Tool is not integrated with other Ariba modules or site eProcurement systems

Supply Chain Management Center

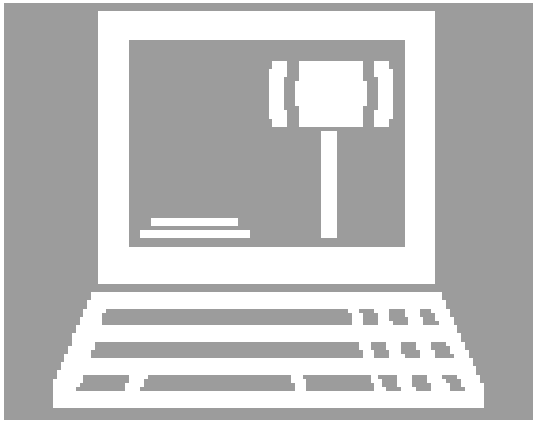
eSourcing Features

- eSourcing hosted site went LIVE on 10/27/06 – available for all sites to utilize at no cost.
- SCMC can host events or sites can designate administrator to run their own events.
- Utilizes internet based application to launch and collect information from qualified suppliers.
- Reverse auctions allow suppliers to participate in open competitive bidding and allows them opportunity to bid multiple times.
- Timely and simultaneous communication with supplier(s) through Q&A board
- Drawings or other associated documents attached on site to reduce mailing and printing costs

Supply Chain Management Center

Bidding Options

- Reverse Auction
- Sealed by Rank
- Sealed Bid
- Forward Auction



Supply Chain Management Center

Reverse Auction

- **Features**
- All bids (or only lead bid) are visible to suppliers. Bidders are identified as ‘alias’, no names are revealed.
- Bidders can enter multiple bids to lower price. Bid decrement rules can be applied to keep auction moving.
- No bidding during preview period. Bidding period is short in duration (i.e., 15-30 minutes) with bid extension rules (i.e., 2-5 minutes).
- Can be utilized with technical evaluation criteria and attachments

- **When to use**
- Commodity has a competitive supplier base.
- When price is largest award factor or there are clear specifications or requirements for items being purchased.
- **Advantages**
- Improved cost savings.
- Lowest price should indicate who won the bid, or at least won the price portion of the bid.
- Supplier's can bid multiple times to lower their bid.
- Provides level ‘playing’ field for large and small suppliers

Supply Chain Management Center

Sealed By Rank

- **Features**
- Bidders can see their own bid rank (price is not visible to others).
- Bidders can enter multiple bids to lower their rank.
- Lowest price indicates Rank 1.
- Events typically one hour in length or shorter.
- Bidding can or cannot take place during preview period. Bidding period can last from 30 minutes to 30 days.
- Can be utilized with technical evaluation criteria and attachments

- **When to use**
- Commodity has a competitive supplier base.
- At least 2 or more qualified suppliers.
- Description or scope of work for products or services is less well-defined and identifiable.
- **Advantages**
- Supplier doesn't reveal their price to others.
- Supplier's rank should indicate whether they've won the bid, or at least won the price portion of the bid.
- Suppliers can bid multiple times to improve their bid rank.

Sealed Bid

- **Features**
- Bidders information is 'closed' or not visible to other bidders.
- Bidders enter 'best and final' bid.
- No price or rank is visible. Bidders have no knowledge of status.
- No preview period required. Bidding is allowed until a specified end time.
- Can be utilized with technical evaluation criteria and attachments

- **When to use**
- Few qualified and/or certified suppliers.
- Description or scope of work for products or services is not well defined and identifiable. Suppliers may have to interpret some of the requirements.
- **Advantages**
- Status quo of supplier providing one bid which is assumed their 'best and final'.

Supply Chain Management Center

Forward Auction

- **Features**
- Bidders information (pricing or rank) can be visible to all suppliers.
- Bidders can enter multiple bids to **raise** price (or discount off).
- Highest price indicates winning bid.
- Bidding can usually last a short period of time (i.e., 15-30 minutes) with bid extension rules.
- Can be utilized with technical evaluation criteria and attachments

- **When to use**
- Many qualified suppliers.
- Use when looking for a discount or % off a specific price. Clear specifications (or scope) for products being discounted exists.
- **Advantages**
- Supplier's can bid multiple times to increase their discount when dollars is not basis for award.

Supply Chain Management Center

eSourcing Bid Console

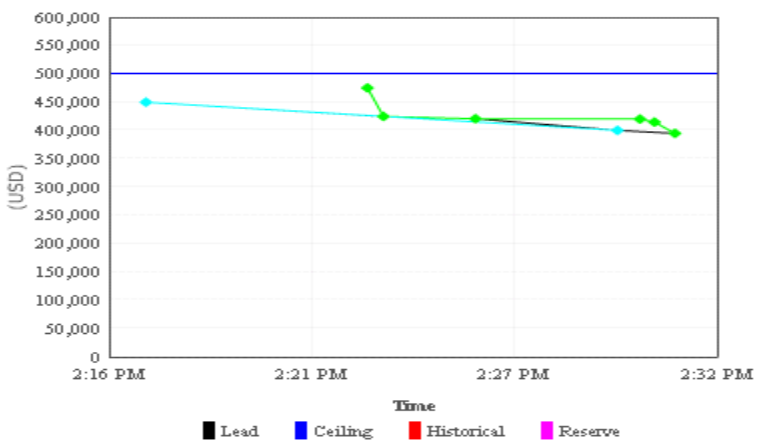
- **Bids are displayed graphically on the buyer site**
- **Auto-extend protects against last minute low-bids and gamesmanship**

Overview | **Bid Console** | Content | Suppliers | Team | Report | Messages | Log | Scenario | Award | Actions

Name	Lead Bid	Lead Bidder
3 Supplier shall enter total fixed price for all three project phases.	$395,000.00 USD	Test Supplier 1

View: All Participants Term: Extended Price Period: All

Extended Price - Supplier shall enter total fixed ...



Bid History

Participant	Extended Price ↑	Submission Time
Test Supplier 1	$395,000.00 USD	06/01/2011 02:31:48 PM
Test Supplier 2	$400,000.00 USD	06/01/2011 02:30:14 PM
Test Supplier 1	$415,000.00 USD	06/01/2011 02:31:14 PM
Test Supplier 1	$420,000.00 USD	06/01/2011 02:30:51 PM
Test Supplier 1	$420,623.77 USD	06/01/2011 02:26:23 PM
Test Supplier 1	$425,000.00 USD	06/01/2011 02:23:53 PM
Test Supplier 2	$450,000.00 USD	06/01/2011 02:17:26 PM
Test Supplier 1	$475,000.00 USD	06/01/2011 02:23:27 PM

eSourcing Message Board

- **Message Board allows buyers and suppliers to exchange information concerning event.**

Doc13653 - SCMC SEM Test with Terry and Sue

Pending Selection

Overview | Bid Console | Content | Suppliers | Team | Report | **Messages** | Log | Scenario | Award

Actions

	Id	Replied To	Sent ↓	From	Contact Name	Subject
○	MSG8182	No	10/03/2011 12:55 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue is no longer accepting responses.
○	MSG8180	No	10/03/2011 12:45 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue has been reopened.
○	MSG4883	No	06/01/2011 02:36 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue is no longer accepting responses.
○	MSG4882	No	06/01/2011 02:29 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue has been reduced by 4 Minutes.
○	MSG4880	No	06/01/2011 02:23 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue is now accepting responses.
○	MSG4879	No	06/01/2011 02:21 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue has been reduced by 2 Minutes.
○	MSG4877	No	06/01/2011 02:11 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	Event SCMC SEM Test with Terry and Sue published by Sue Madrid (smadrid@kcp.com).
○	MSG4878	No	06/01/2011 02:11 PM	KCP Admin	Sue Madrid (smadrid@kcp.com)	You are invited to participate in event: SCMC SEM Test with Terry and Sue.

View | Reply | Delete | Compose Message | Download all attachments

eSourcing Bid Summary

Application offers variety of reports for Buyer

Overview | Bid Console | Content | Suppliers | Team | **Report** | Messages | Log | Scenario | Award | Actions

View: 3 Supplier shall enter total fixed price for all three project phases. | Leading | Download Reports

Financials

Term: Extended Price

Historic:	$0.00 USD		Leading vs. Historic:	-$395,000.00 USD	
Reserve:	$0.00 USD		Leading vs. Reserve:	-$395,000.00 USD	
Initial:	$500,000.00 USD		Leading vs. Initial:	$105,000.00 USD	(21%)
Leading:	$395,000.00 USD		Leading vs. Incumbent:	--	
Incumbent:	--		Leading Pre-Bid vs. Initial:	$50,000.00 USD	(10%)
Savings:	-$395,000.00 USD	(-100%)	Leading Pre-Bid vs. Leading:	$55,000.00 USD	(12.23%)
Reserve vs. Historic:	$0.00 USD				

Invitation Summary

Number Invited:	2	Incumbents Invited:	0
Number Accepted:	2	Incumbents Accepted:	0
Number Declined:	0	Incumbents Declined:	0
Number of Bidders/Respondents:	2	Number of Incumbent Bidders/Respondents:	0
Number Awarded:	0	Incumbents Awarded:	0

Response Summary

Total Responses:	8
Average Number of Responses per Participant:	4
Average Number of Responses per Incumbent:	0
Total Surrogate Responses:	0
Total Responses Removed:	0

Lot Summary

Number of Overtimes:	0
Overtimes triggered by leading participant:	0

Supply Chain Management Center

eSourcing - Supplier Perspective

- eSourcing events can lead to supplier resistance (especially from incumbents).
  - ✓ Leads to lower profit margins
  - ✓ Overlook value added services
- New suppliers see as an opportunity to increase their existing business.
- Can level the playing field for smaller companies who may have limited sales resources.
  - ✓ Suppliers can use reverse auction to benchmark themselves against competition.
- Suppliers should familiarize themselves with the rules prior to bidding (evaluation criteria and/or award criteria (best price vs. best value), and communicate any issues and/or concerns with the buyer's requirements prior to bidding.
  - ✓ Buyers can hold 'mock' events to familiarize suppliers with the online tool.
- Supplier should not get carried away in the reverse auction process by submitting a bid at a price at which they cannot supply the product/service profitably.

Supply Chain Management Center

eSourcing - Supplier Bidding View

Console

Event Messages
Response History

Checklist

- ✓ 1. Review Event Details
- ✓ 2. Review and Accept Agreement
- ✓ 3. Select Lots
- ✓ 4. Submit Bids

Event Contents

All Content
1 Buyer Contact Inform...
2 Supplier Information

Doc13653 - SCMC SEM Test with Terry and Sue

Time remaining in open bidding 00:08:10

All Content

Name ↑	Rank	Price	Quantity	Extended Price
1 Buyer Contact Information				
Terry Richardson, 816-997-4700, trichardson@kcp.com				
2 Supplier Information				
Mock Bid Event - All proposers are encouraged to participate in this practice exercise to learn how the electronic "Seal-Bid-By-Rank" event is conducted.				
3 Supplier shall enter total fixed price for all three project phases.	1	$395,000.00 USD	1 lot	* $395,000.00 USD
The Seller shall enter a firm fixed prices for all project phases.				

Decrement bid by value Apply

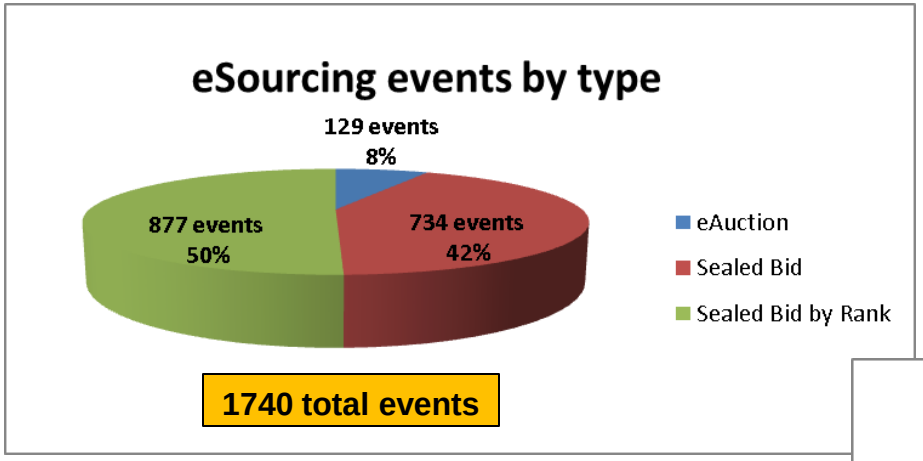
* indicates required field

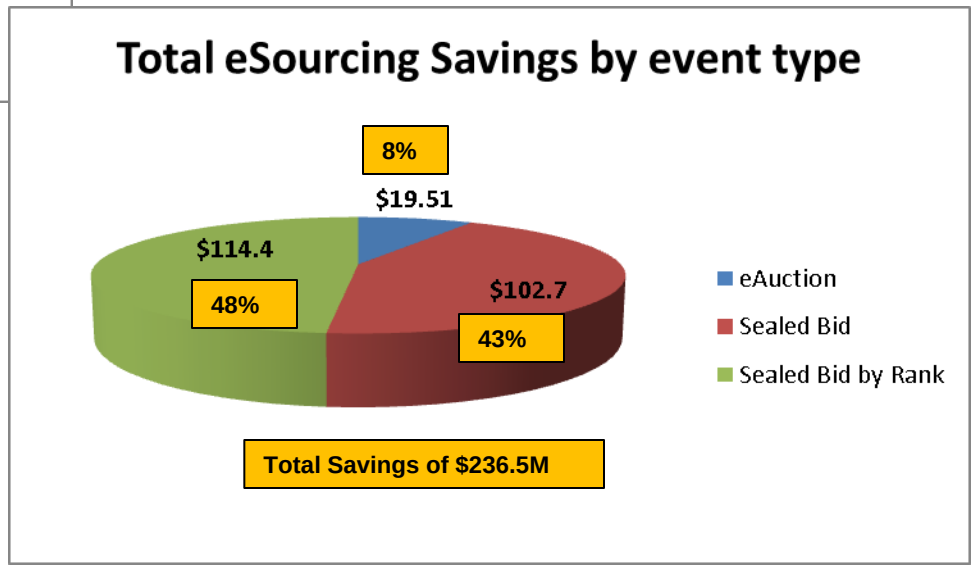
Submit Entire Response | Update Totals | Reload Last Bid | Save | Compose Message | Excel Import

Supply Chain Management Center

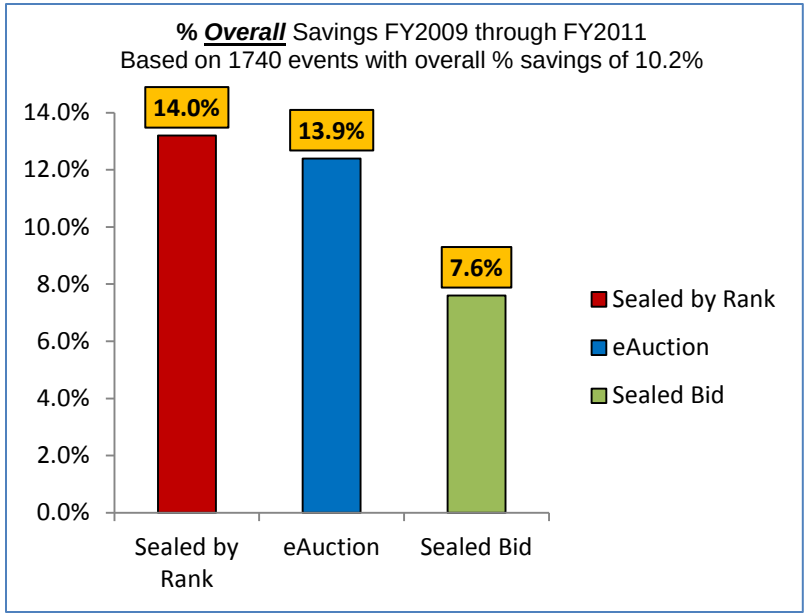
eSourcing (FY2009-FY2011)

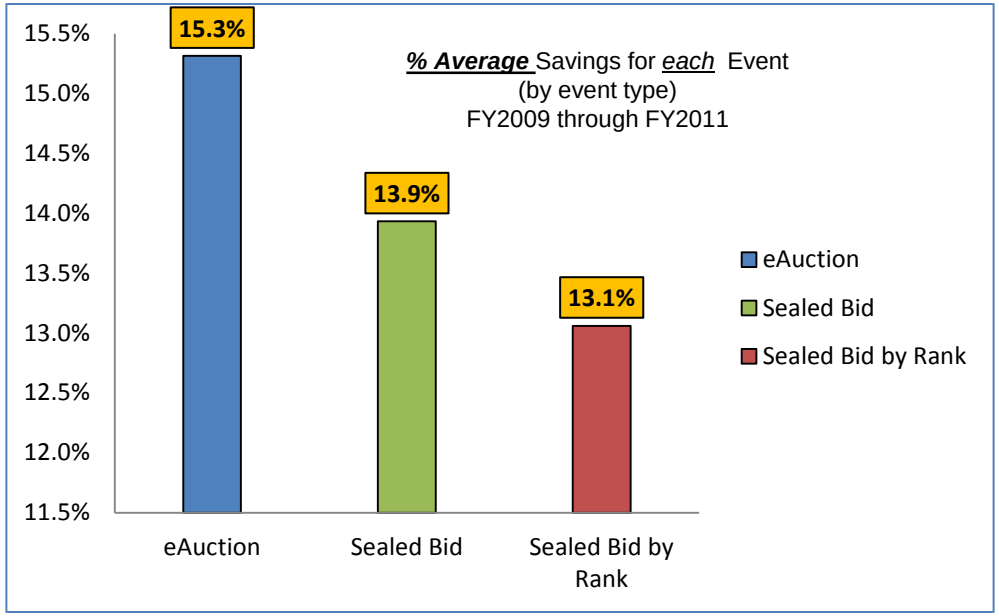
(Based on 1740 total events)





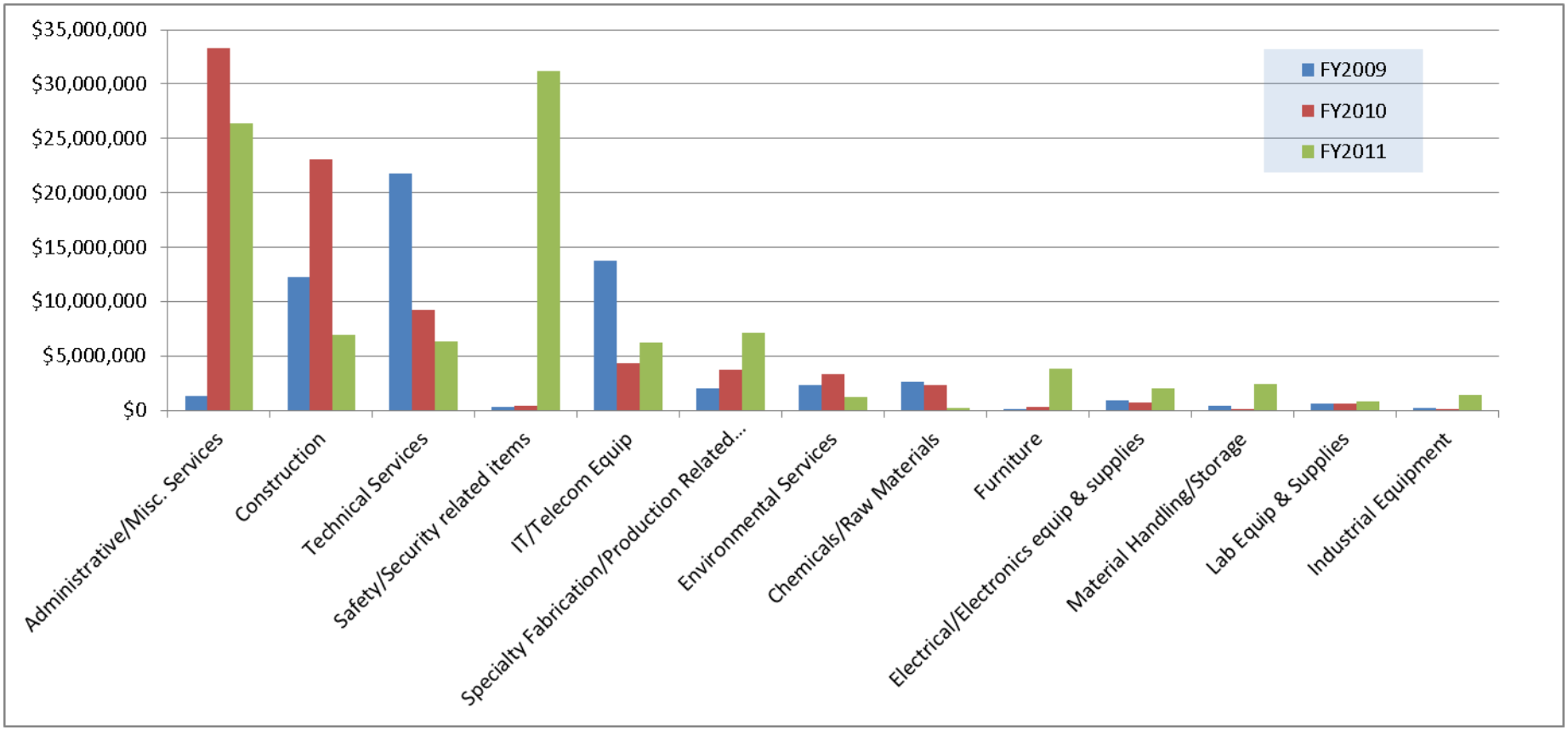
eSourcing Event Analysis
events awarded FY2009 - FY2011





Data based on total of 1740 events awarded resulting in $236.5M savings with overall savings of 10.2%.

eSourcing Savings by Commodity
(total savings of $236.5M)



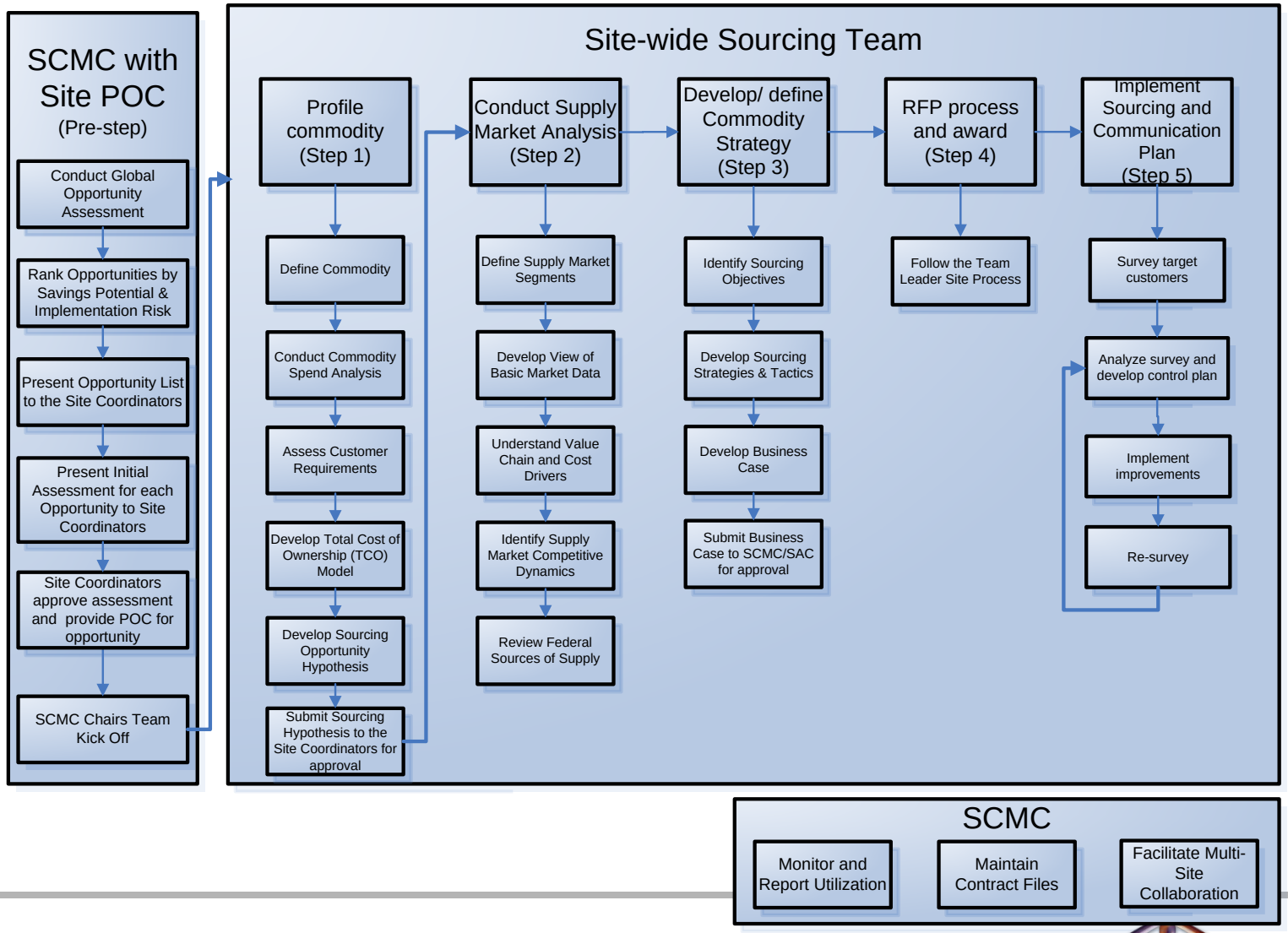
Data based on 1740 events

Supply Chain Management Center

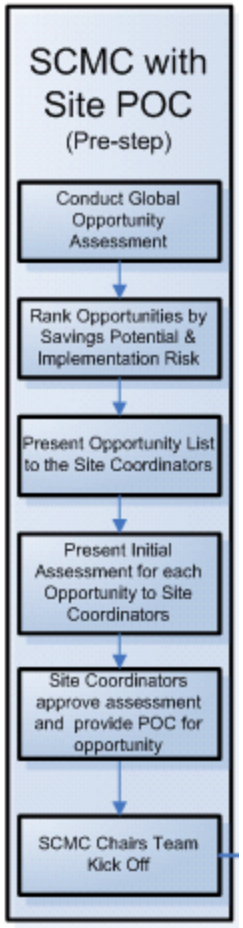
Supply Chain
Management Center

SCMC Agreement Sourcing Process

SCMC Strategic Sourcing Process

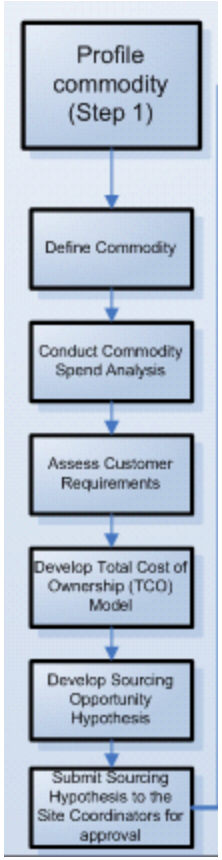


Strategic Sourcing Process – Step 0



- Commodity Managers perform a top down analysis of the Spend data
  - Apply scoring using an assessment tool
    - Preference for Products vs Services
    - Preference for eCatalog Opportunities
- Request approval to proceed

Strategic Sourcing Process – Profile Commodity - Step 1



- Commodity Team:
  - Identify the commodity to focus on
  - Conduct an in-depth spend analysis
    - Focusing on spending patterns and suppliers
  - Identify the total cost of ownership
  - Develops and presents a draft Sourcing Plan

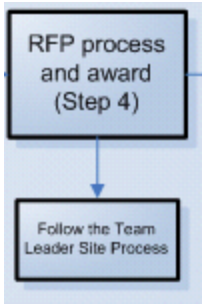
Strategic Sourcing Process – Conduct Supply Market Analysis – Step 2

- The Commodity Team:
  - Analyzes both the internal and external market, identifying:
    - Direct to Manufacturer vs Distribution
    - Market forces
    - “Geography” of the Supply base
    - Small Businesses Opportunity
    - Current Sources of supply

Strategic Sourcing Process – Define the Commodity Strategy – Step 3

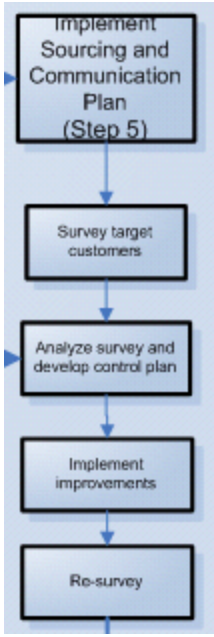
- The Commodity Team:
  - Based on the analysis performed in the prior steps:
    - Identifies Objectives/Goals
    - Defines a sourcing strategy
    - Develops a business case – Cost Savings, Supplier Rational, Lower Total Cost of Ownership
  - Submits the Sourcing recommendation for Approval

Strategic Sourcing Process – RFP Process and Award – Step 4



- Commodity Manager
  - Writes the RFP using a Site approved template
    - Includes site “scopes of work”
    - Estimates the value of the agreement based upon spend analysis
    - Modifies the RFP based on Team feedback
    - Issues the RFP/eSourcing event
  - Analyzes Sellers proposals
  - Submits the Agreement for approval based on the total estimated award value

Strategic Sourcing Process – Define the Commodity Strategy – Step 5



- Commodity Team Member
  - Communicates Agreement Award
  - Works with each site to implement eCatalog
  - Periodically assess Agreement effectiveness
  - Measures Agreement Utilization
    - Works with the sites to improve utilization
  - Modifies Agreement as necessary

SCMC Commodity Teams

Awarded

- Bank Card
- Anti-Virus Software*
- Travel – Air
- Travel – Rental Car
- Travel - Hotel
- Ground Fuels*
- Rx Glasses
- Lab Equipment and Supplies*
- RSA Tokens and Maintenance*
- Security – Air Purifying Masks*
- Electrical Supplies*
- Wireless Initiative*
- Safety Supplies*

In Process

- Travel – Management Services
- Bulk Gas
- Desktop & Laptop Computers
- Industrial Supplies
- Electronic Components

*Small Business