

CAMPUS

U looks to save \$25 million per year

The U saved \$2.7 million in 9 months after assessing its spending patterns.

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When University of Minnesota President Bob Bruininks appointed the 14 people who make up the Strategic Procurement Advisory Committee in March 2009 to review the University's purchasing practices and find ways to save money, they did not waste time.

Nine months later, the committee has saved the University more than \$2.7 million, Tim Bray, associate director of purchasing services, said.

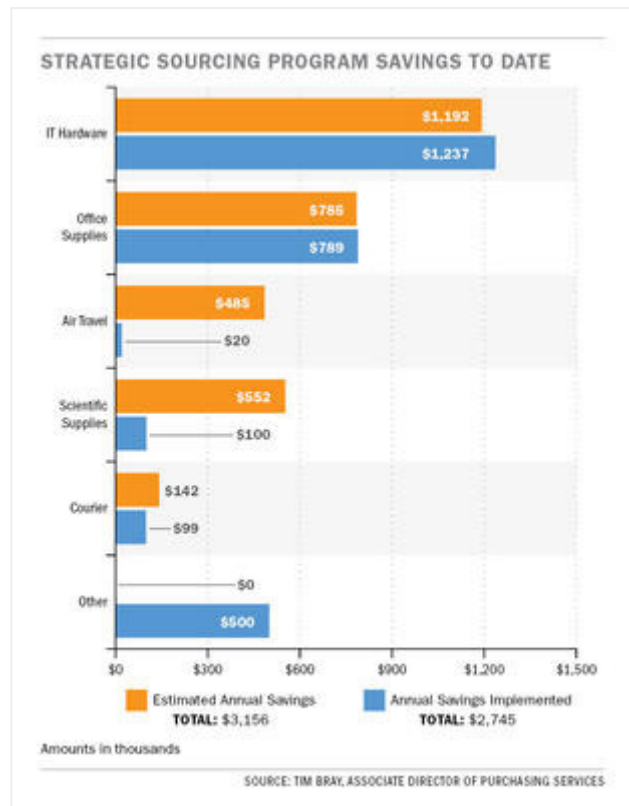
The committee called upon Huron Consulting Group, which performed a spending analysis and identified five major areas where savings could be found: office supplies, lab supplies, air travel, courier expenses and information technology equipment, as well as other small opportunities in purchasing products and services.

The committee's goal is to save \$25 million per year, Bray said.

J. Brian Atwood, dean of the Humphrey Institute of Public Affairs and co-chair of SPAC, also anticipates significant savings.

"If we are a lot more disciplined about the way we do our work, there is no question we can save as much as \$10 million to \$15 million per year," he said. "But it takes an investment in more people to actually do this work."

The areas were selected for "having the ability to deliver relatively quick savings, while limiting the need for significant behavior changes," the committee wrote in a report to Bruininks. The areas "provided the University with a good start and a clear road map to achieve significant savings on the purchases of goods and services," according to the report.



Some of the savings will come from changing the way faculty and staff travel.

The University is implementing a new booking website, Cliqbook, which will go live Monday, Beth Tapp of the University's

purchasing services said.

For University faculty and staff, the site will be a "one-stop shop" where they can book flights, car rentals and hotel rooms while taking advantage of University discounts, Tapp said.

Currently, University faculty and staff use about 60 different agencies, and the booking fees range from \$22 to \$78, she said. Cliqbook, on the other hand, will charge a \$10 booking fee.

"We're hoping to reduce the number of agencies we use by trying to drive people towards this online site at a lower agency," Tapp said.

The University Stores will switch to Innovative Office Solutions Inc., a new office supplies vendor, on July 1. The change is expected to save 13 percent compared to the current vendor, OfficeMax, Bray said.

Among its other cost-saving recommendations, the University Stores are also advising faculty to purchase remanufactured laser toner cartridges, which would save \$250,000 each year, Bray said.

"They are less expensive and, from a sustainability perspective, we are reusing cartridges," he said.

Since the committee was formed more than a year ago, the University has saved more than \$1.2 million on IT hardware, \$789,000 on office supplies, \$20,000 on travel expenses, \$100,000 on scientific supplies, \$100,000 courier expenses and \$500,000 on some smaller

opportunities, Bray said.

The committee is also on the lookout for other savings prospects and is working to identify the next five areas, Bray said. That means meeting with each college and business unit to educate them on their spending habits, he said.

The University uses 47 different computer configurations, but that number will be reduced to four, which will satisfy 75 to 80 percent of the University's requirements, Bray said.

The University has a need to "make sure they are getting the best deal for the dollar," Atwood said. "This committee has really

contributed to a better understanding of how to do that."

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