Agenda

• Announcement's – Katrina Spencer

• Delphi Budget Training – Murad Goziev/Dipti Desai

• ARD Reports – Kimberly Priebe/Matt Hopkins

• Facilities Services Budget Overview – Arleta Porter

• Procurement – Mark Fehlberg

• HR Services – Casey Cook
Budget Office

FY20 BUDGET TRAINING
Delphi Resources

Delphi Training

Delphi Quick Training (PDF)
Smart View Training - Ad Hoc Examples
Smart View Training (PDF)
Delphi UPK
Delphi UPK Job Aid (PDF)
Delphi Training for FY19 (PDF)
Delphi Backups and Nightly Processing
# FY20 Budget Training

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<td>March 6, 1:00 – 2:30 pm</td>
<td>Drexel, Room 146</td>
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<td>April 3, 10:00 – 11:30 am</td>
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<tr>
<td>Session 3</td>
<td>April 10, 1:00 – 2:30 pm</td>
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Sign Up

Training site
https://training.uchicago.edu/

Delphi Training
http://training.uchicago.edu/course_detail.php?course_id=1873

Smartview Training
http://training.uchicago.edu/course_detail.php?course_id=1874

Open Session
http://training.uchicago.edu/course_detail.php?course_id=1875
New Forms in Report View – UCSAL
FY20 Expendable Forecasts

Kimberly Priebe
Executive Director of Prospect Development and Decision Support
Alumni Relations and Development
The expendable forecast includes three components

Outright Gifts + Pledge Payments + Planned Gifts = Forecast!
Outright Gifts**

- 75% Confidence
- 25% Confidence
- Forecast

$119M
Outright gifts

- Outright gifts are one-time gifts (the commitment ends with the payment)
- Tend to be on the lower end of the giving spectrum, and more consistent year to year
- Seasonal, with a peak in December
- If you are behind in January, it will be difficult to catch up in this category
Pledge payments

• Pledges are multi-payment commitments that typically span over multiple years.

• Tend to be on the upper end of the giving spectrum

• Pledge payments can be inconsistent from year to year, particularly if a large pledge is paid in full, and there is no new pledge to replace the payments.

• Late payments create risks. While over 95% of pledge payments are eventually fulfilled, approx. 15% do not pay on time. When a pledge is in arrears, it is assumed as less likely to pay in the same fiscal year.

• Assumptions about new pledges that will book and pay are built into the model, based on historical data and the solicitation pipeline
Planned Gifts

$25M

$20M

$15M

$10M

$5M

$0M

Jul Aug Sept Oct Nov Dec Jan Feb Mar Apr May Jun

75% Confidence  25% Confidence  Forecast

$14M
Planned gifts

• Typically estate gifts realized after a person passes away.

• These gifts are consistent at lower levels, and unpredictable at upper levels. This is a risky area of the forecast, especially for larger units that often receive large planned gifts.

• The administration of estates impacts the timing of these gifts, even after the donor passes away.
The expendable forecast includes three components

- Outright Gifts
- Pledge Payments
- Planned Gifts

Forecast!

Known Unknowns
Known unknown gifts

- Known unknown gifts are large gifts that... we don’t know about
- Forecasted at the University level
- These are not built into unit-level projections, but they will influence the results of some units
- $34M accounted for at the University level
Notes on your forecast

• Large confidence intervals because:
  • We are projecting early
  • Staff have not yet populated the pipeline
• Turnover influences results
• Talk to your DOD!
Questions for our experts?
Our Motto: Build and Maintain Excellence
ABOUT US

- 292 employees
- $113+ million in annual operating expenses
- $200+ million in annual capital expenses
- 217 acres of land
- 142+ building
- 10.1 million square feet of campus space
Some Services Provided

- Building Maintenance
- Cleaning Services
- Landscape Services
- Project Design
- Pest Control
- Snow Removal
- Trades Services
- Space Inventory
- Campus Maps
- Utilities and Sustainability
- Project Management
- Recycling and Waste Management
- Faculty Exchange (Mail Service)
- Graduate Student & Faculty/Staff Housing
Since 2007

- We have built 18 new buildings
- Completed 19 major renovations
- Received over 107 awards
- Received 17 LEED certifications
- Sold 35 residential properties
- Established a greenhouse gas emissions reduction plan
- Developed Facility Standards (FS)²
Our Daily Volume

- 12,000+ work orders per year
- 11,000+ invoices paid per year
- 366+ general ledger sub-accounts
- 170+ general ledger accounts
**Major Initiative:** APPA Award For Excellence

1. Leadership
2. Facilities Strategic and Operational Planning
3. Customer Focus
4. Assessment and Information Analysis
5. Development and Management of Human
6. Core Processes
7. Performance Measurement
8. Other Considerations
More About Facilities Services

https://facilities.uchicago.edu

Facilities Services supports the mission of the University of Chicago through efforts to maintain and enhance the University campus and environment and provide superior client service to our community including faculty, students, staff, neighbors and visitors. About Us
Procurement Services Overview

Budget Manager Meeting
March 19, 2019
Agenda

1. Procurement Services Team & Procure-to-Pay Overview
2. Strategic Sourcing Initiative
3. Spend Management Outreach
Procurement Services Leadership Team

Mark Fehlberg
Executive Director, Procurement Services

Aria Dovgin
Procurement Category Lead, Information Technology

Roslyn Johnson
Procurement Category Lead, Facilities

Diane Stanek
Procurement Category Lead, Administrative & Research

Debra Cavey
Solutions Manager

**Procurement**

• Category Management
• Strategic Sourcing Leadership
• Contract Management
• Buyer / Purchasing Support
• Travel Program
• Facilities Business Diversity

**System & Process Support**

• System Administration
• Spend Management & Strategic Sourcing Project Support
• Data Analysis & Reporting
P2P Scope – CY2018 Total Disbursement vs. Negotiable Spend

Total Disbursements*
$2.0B Annual

Negotiable Spend*
$664M Annual

* Includes APS and GEMS Card payments
### University Wide Spend by Channel

<table>
<thead>
<tr>
<th></th>
<th>Purchase Order (BuySite)</th>
<th>Check Request (ePayment)</th>
<th>Credit Card (GEMS Card)</th>
<th>Total</th>
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<tbody>
<tr>
<td>Negotiable Spend</td>
<td>$389 Million</td>
<td>$223 Million</td>
<td>$52 Million</td>
<td>$664 Million</td>
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<tr>
<td>% of Tier 1 MBE</td>
<td>3.11%</td>
<td>0.53%</td>
<td>0.04%</td>
<td>$13.29M</td>
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<tr>
<td>% of Tier 1 WBE</td>
<td>4.10%</td>
<td>2.28%</td>
<td>0.36%</td>
<td>$21.22M</td>
</tr>
<tr>
<td>% of Tier 1 UC Local</td>
<td>4.10%</td>
<td>3.31%</td>
<td>9.31%</td>
<td>$28.20M</td>
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<tr>
<td>Non-Negotiable Spend</td>
<td>$4 Million</td>
<td>$1,328 Million</td>
<td>$1 Million</td>
<td>$1,333M</td>
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<tr>
<td>Total Spend</td>
<td>$393 Million</td>
<td>$1,551 Million</td>
<td>$53 Million</td>
<td>$1,998M</td>
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<tr>
<td>Total Payments</td>
<td>113,805</td>
<td>117,024</td>
<td>439,270</td>
<td>670,099</td>
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* GEMS Card data shown—does not include out of pocket expenditures
Spend Profile & Engagement Strategies

Transactions

$150K+
- Handled by Commodity Managers
- Ensure Early Engagement with Client
- Drive Strategic Supplier Relationships

$10K - $150K
- Handled by Buyer Resources
- Ensure Competitive Bidding
- Drive Spot-Buy Cost Savings

$0 - $10K
- Handled by Departmental Resources
- Ensure Policy Compliance
- Drive to Efficient Ordering Methods
- Analyze Spend for Leverage Opportunities

Spend

<1% Strategic
- 63%*

3% Competitive
- 24%

97% Transactional
- 13%

* Includes Preferred Supplier Agreements
Key Procurement Services FY19 Goals

• Cost Containment Efforts
  – Strategic Sourcing
  – Spend Management
  – National Labs Joint Task Force Initiative

• Financial Systems Modernization

• AP Automation Implementation

• Uniform Guidance Implementation

• Diversity and Local Economic Impact Initiatives
Agenda

1. Procurement Services Team & Procure-to-Pay Overview
2. Strategic Sourcing Initiative
3. Spend Management Outreach
Sourcing Wave Plan

**Strategic Sourcing Wave 1 – FY16**
- Campus Bookstore
- Guard Services
- Inbound Freight *
- HVAC Services *
- Network Infrastructure
- Harmonize & Leverage Opportunities * (7 Individual Projects)

**Strategic Sourcing Wave 2 – FY17**
- Office Supplies *
- Promotional Materials
- Waste & Recycling
- Temporary Staffing *
- Laptop/Desktop *
- Multi-Functional Devices
- Mobile Phones Phase 1
- Lab Supplies
- Harmonize & Leverage Opportunities * (5 Individual Projects)

**Strategic Sourcing Wave 3 – FY18**
- Commercial Print
- Elevator Maintenance *
- MRO Supplies *
- IT Peripherals *
- Mobile Phones Phase 2
- Travel Agency *
- Harmonize & Leverage Opportunities *

**Strategic Sourcing Wave 4 – FY19**
- Legal Services *
- Janitorial Services & Supplies
- Audio Visual Equipment & Installation
- Website Build & Maintenance
- Harmonize & Leverage Opportunities

**Key:**
- Implemented Projects
- In-Flight Projects
- Not Yet Started Project

* Represents Joint Project UC/UCM
Agenda

1. Procurement Services Team & Procure-to-Pay Overview
2. Strategic Sourcing Initiative
3. Spend Management Outreach
Spend Management - Ensuring a Holistic Cost Containment Approach

Common Levers Utilized:
- Spend Aggregation
- Standardization
- Supplier Competition / Evaluation / Selection
- Requirements / Specifications
- Supplier Consolidation
- Negotiation
- Contract Terms
- Price Benchmarking
- Policy Development
- Supply Process Improvement
- Solution Compliance
- SLAs / Supplier Performance Management
- Demand Management
## Unit Spend Management Discussions

<table>
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<tr>
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<th>FY18 Q1</th>
<th>FY18 Q2</th>
<th>FY18 Q3</th>
<th>FY18 Q4</th>
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<td>FY18 Q1</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>7</td>
<td>26</td>
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<th>FY19 Q4</th>
<th>Total</th>
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<tr>
<td>FY19 Q1</td>
<td>6</td>
<td>5</td>
<td>11</td>
<td></td>
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Most Common Opportunities Noted

22 unit discussions held in FY2019 - Most common opportunities noted:

- **Travel - Air**
  - Use preferred booking channels (Concur online or Fox Travel) to receive University discounts
  - Purchase 14 days or more in advance if possible to achieve lower rates

- **Business Cards & Stationery / Promotional items**
  - Utilize University’s preferred suppliers (Maximum Graphics – Business Cards and Stationery and Mercury Promotions – Promotional Items) for cost savings opportunities, improved UC branding compliance and diversity supplier engagement (Mercury)

- **Mobile Phones**
  - Review and act on quarterly reports of phone lines with no data or voice usage &, users who may have left the University ($200K University-wide opportunity)
  - Review lines with monthly services charges >$100

- **PC Laptops / Desktops**
  - Purchase standardized Dell equipment offerings in BuySite to achieve cost savings

- **Employees Receiving >$10K Annual Out of Pocket Reimbursements**
  - Employees with a GEMS card – why GEMS card wasn’t used (limit issues, other?)
  - Employees without a GEMS card – consider if the business needs warrant issuing a card
  - Benefits of improved data consistency, reduced sales tax payments and increased financial controls

- Use Appropriate Purchasing Channel based on type of purchase (negotiable/non-negotiable)
Mobile Phone Initiative Results – Number of Lines

# of Wireless Devices

- AT&T
- Verizon

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<thead>
<tr>
<th>Month</th>
<th>AT&amp;T</th>
<th>Verizon</th>
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<tr>
<td>July '17</td>
<td>955</td>
<td>247</td>
</tr>
<tr>
<td>Aug '17</td>
<td>900</td>
<td>300</td>
</tr>
<tr>
<td>Sept '17</td>
<td>875</td>
<td>297</td>
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<tr>
<td>Oct '17</td>
<td>850</td>
<td>290</td>
</tr>
<tr>
<td>Nov '17</td>
<td>825</td>
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<td>Dec '17</td>
<td>800</td>
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<td>Jan '18</td>
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<td>215</td>
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<td>210</td>
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Mobile Phone Initiative Results – Monthly Service Charges

SERVICE CHARGE AVERAGE

AT&T  
Verizon

$105.01
$71.27
$67.79
$66.72

JULY ’17  AUG ’17  SEPT ’17  OCT ’17  NOV ’17  DEC ’17  JAN ’18  FEB ’18  MAR ’18  APRIL ’18  MAY ’18  JUNE ’18  JULY ’18  AUGUST ’18  SEPT ’18  OCT ’18  NOV ’18  DEC ’18  JAN ’19  FEB ’19
## Travel Agency Adoption

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<tr>
<td></td>
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</tr>
<tr>
<td>Domestic Tickets Issued Daily</td>
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<tr>
<td>International Tickets Issued Daily</td>
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<tr>
<td>All Tickets Issued Daily</td>
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<td>916</td>
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<tr>
<td>Car / Hotel Only Reservations (without air travel) Daily</td>
<td>0</td>
<td>165</td>
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