

Case Study

Client: Large Public University

Service: RFP/RFQ Services (Office Products)

Result: Estimated annual savings of \$350,000

**empowering
procurement**

The Client

A large public university with a student population of over 32,000 on 2 Virginia campuses. The university employs over 18,200 and spends approximately \$2.6 million each year on office supplies. The client's management of procurement is centralized and it employs an enterprise financial system that tracks all purchases from budget to payment.

The Business Situation

The client's office supply spend was divided among 13 regional and local office supply vendors. Each pricing structure was different and all written agreements were only somewhat auditable.

The Commonwealth of Virginia mandates certain levels that state organizations must meet with respect to doing business with small, women-owned, and minority-owned business. Additionally, upper management is highly interested in purchasing environmentally friendly ("green") commodities. These factors had to be considered during our analysis and in Chartwell's recommendations.

Management was interested in consolidating its office supply spend to 1 or 2 vendors in order to leverage its spend volume. An RFP process was initiated by the client and Chartwell assisted the client throughout the process.

The Services Provided

Although Chartwell was capable of running the entire RFP process, client policy prevented the outsourcing of the RFP process to third-parties. Chartwell was asked to provide commodity-specific consulting, analysis, reports, and contract negotiation services throughout the RFP process. Following is a summary of the services provided to the client.

- Chartwell requested and obtained detailed historical purchase data from each of the vendors, then consolidated and analyzed the historical data to gain an understanding of the client's office supply purchasing environment.

- Chartwell reviewed the draft of the Request for Proposal and provided the client with recommendations as to the RFP construction, the form of RFP responses, and the pricing structure of the final agreement.
- We gathered the vendors' proposals, analyzed the pricing proposals, and prepared comparative reports detailing and summarizing all proposals.
- The proposals were discussed with the client and a list of questions to clarify certain issues within the proposals was developed and sent to the vendors.
- Chartwell then incorporated vendor responses into its final reports and prepared its recommendations on vendor selection, but only as it related to overall commodity pricing.
- Chartwell provided the client with additional reports and consulting as needed throughout the RFP process.
- We assisted the client with the fine-tuning of final commodity pricing and contract language for the 2 vendors that the client selected.
- Our final analysis included the validation of price files down-loaded to the client's purchasing system to ensure that negotiated pricing will be the prices charged to the client.

The Results and Benefits

As a result of all these efforts, it is expected that the client will save approximately \$350,000 annually on their office supply costs.

The client will be able to better manage a significantly smaller number of vendors, giving them the ability to drive down office supply costs even further.

Chartwell will perform quarterly Contract Compliance Audits for the term of the new vendor agreements to insure invoice accuracy and to identify additional savings opportunities for the client.