



MARSHALL UNIVERSITY OFFICE OF PURCHASING

Michelle Wheeler, Director of Purchasing / CPO

**Procurement at Marshall University:
Transforming the Culture of Purchasing with Unimarket**



AGENDA

The purpose of this Information Session is to...

- Provide a summary of the **current procurement practices** at Marshall University and detail our **solutions for the future** of purchasing
- Familiarize the campus community with the **services provided** by Marshall University's Office of Purchasing
- Explain the **benefits** of utilizing procurement services
- Outline the **complexities** of the current procurement system
- Acknowledge the opportunities to enhance procedures by following purchasing **best practices and benchmarks**
- Provide an overview of the new e-procurement system, **Marshall Marketplace**, in collaboration with Unimarket
- Answer your **questions or concerns** regarding Marshall Marketplace

SUMMARY

- The Office of Purchasing has undergone **considerable changes** in the last few years (high turnover, changes in leadership, and poor business practices).
- Purchasing has been **viewed as a bottleneck** due to the lack of tools and resources necessary to be strategic.
- Nationwide, procurement has become a **high-level strategic function** rather than a lower-level process function.
- Marshall University is catching up with the **new technologies** in procurement.
 - Implementation of an e-procurement system in collaboration with Unimarket.
 - Proposing the development of a **mandatory purchasing training** covering our purchasing policies and procedures to all new employees prior to Banner access.
 - Developing a tool where **formal purchasing training** can be obtained on-demand.
 - Implementing purchasing **best practices** across the campus.

What is Purchasing?

Purchasing is the process of obtaining goods or services from an external source through strategic purchasing decisions such as a cost-benefit analysis.

- Ensures that buyers acquire resources at the **best prices** according to quality, quantity, location and time.
- **Minimizes risks** and brings stakeholders the **greatest benefit** while operating in compliance with:
 - West Virginia State Code
 - West Virginia Higher Education Policy Commission
 - Marshall's Internal Purchasing Policy (FA-9)





Why Do We Need Purchasing?

Procurement in higher education is essential for **alleviating financial pressure** and **securing assets** in a calculated and methodical manner.

University procurement services help **generate cost savings** through **consolidation and spending efficiency**, helping them to obtain supplies at the **fairest prices**, in the timeliest manner, while **operating in compliance**.

Benefits of Utilizing Procurement

Purchasing services have been revolutionary for savings and strategic spending. Procurement methods offer many significant benefits to universities when it comes to financing.

- Drive savings
- Direct buyers to preferred vendors
- Locate lower costs for goods and services
- Improved spend visibility
- Promote better operational performance
- Mitigate supplier risk
- Support supply chain resiliency
- Improved supplier relationships
- Economic development
- Increased efficiencies & transparency

With these benefits, MU can establish better **control over spending** and optimize financial processes to further our goals. By implementing an e-procurement system and utilizing purchasing services, we can ensure that stakeholders are purchasing products effectively and efficiently for the **greatest value** while staying in **compliance**.





What Marshall Purchases

- Collectively Marshall spent approximately **\$150 million** on goods and services in FY 2022/2023.
- The purchase of goods/services support entities such as operations and maintenance, food services, bookstore management, and student housing.
- Additionally, Purchasing completes all the Marshall University Research Corporation (MURC) and Marshall University School of Medicine (SOM) purchases, bidding requirements, sole source purchases, etc.
- Examples of these purchases include:
 - Material goods (such as furniture), medical supplies, science equipment, and chemicals
 - Books and all technology for our libraries
 - Building construction, maintenance, and repair services
 - Sourcing, bidding, and managing service contracts

How Marshall Purchases

A Brief Explanation of Past and Present Issues

- Exclusively leaning on transactional activity leaving money on the table when more strategic opportunities exist
- Non-Compliant Purchases (After the Facts):
Millions are spent each year before a purchase order is issued, budget is allocated, and approved
- Lack of enforcement of policy and procedures
- Poor business practices and manual processes
- Lack of training and education on purchasing policies and procedures for stakeholders/end users
- Unauthorized personnel without signature authority signing contracts/agreements:
Contractual signature authority shall be held solely by the President, Chief Legal Counsel, Chief Financial Officer, and Chief Procurement Officer
- Underdeveloped contract management
- Inadequate fraud controls



The Complexity of Purchasing

Historically purchasing's reputation was viewed as a roadblock with **long processing times**.

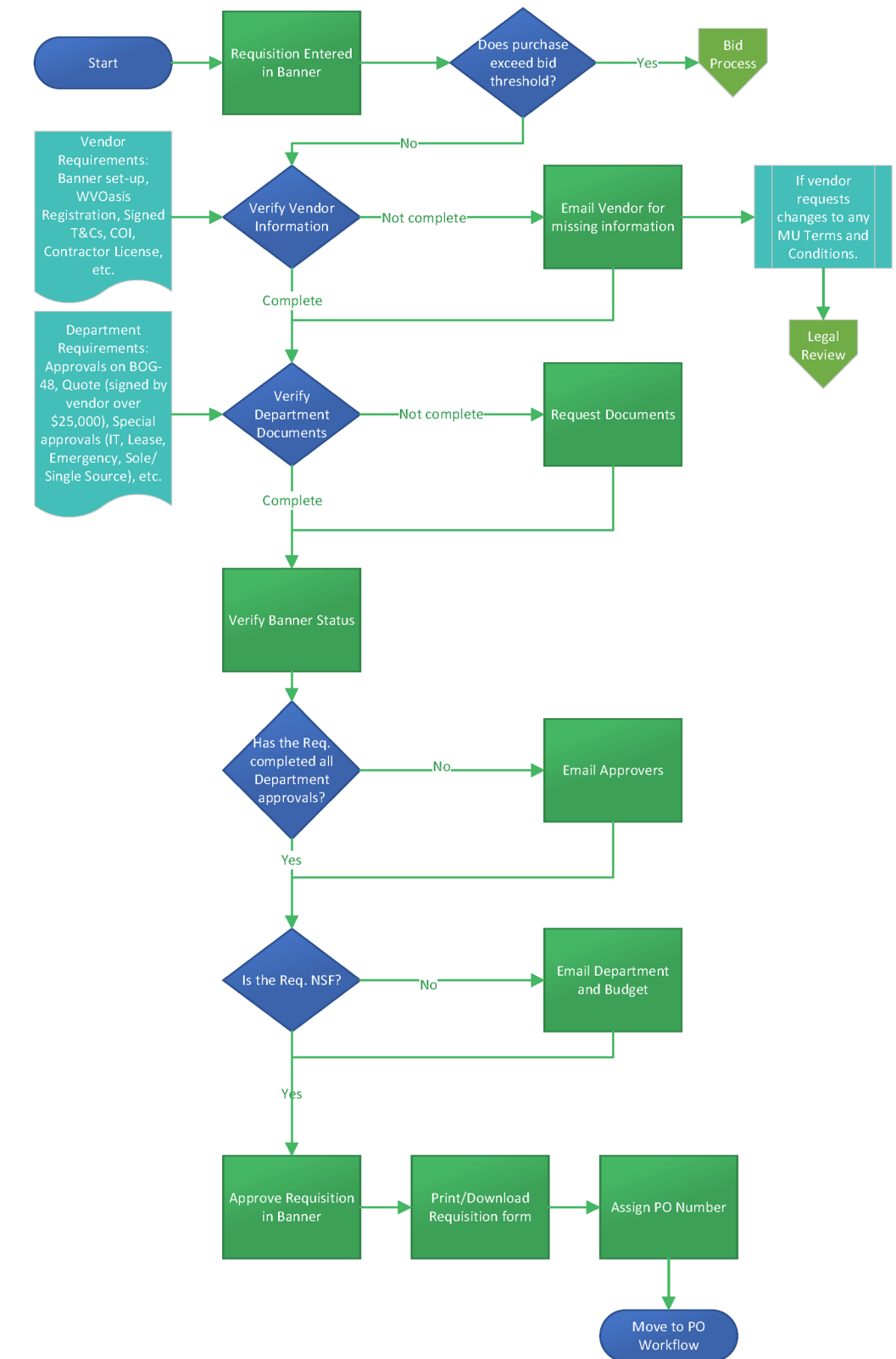
Many purchasing delays are due to **lack of education and training** on West Virginia purchasing policies and procedures across campus (WV-96, Bid Thresholds, etc.).

The chart on this slide demonstrates the workflow process for a requisition.



Please keep in mind that all purchasing processes are currently as complex as the one demonstrated in this workflow outline.

Requisition



Key Purchasing Policy and Procedure Points

1. Follow Bid Thresholds

- Purchases >\$25k must have have three quotes
- Purchases >\$50k must be advertised to the public

2. After-the-Fact Purchases

- No good/service shall be rendered prior to an approved purchase order being issued.
- After-the-fact purchases are no longer being approved as of August 31, 2023. The individual violating policy/code can be held personally liable for the invoiced amount.

3. Terms and Conditions

- All purchases that have associated vendor terms and conditions **MUST** have Marshall University terms and conditions (or WV-96) signed and on file.

4. Signature Authority

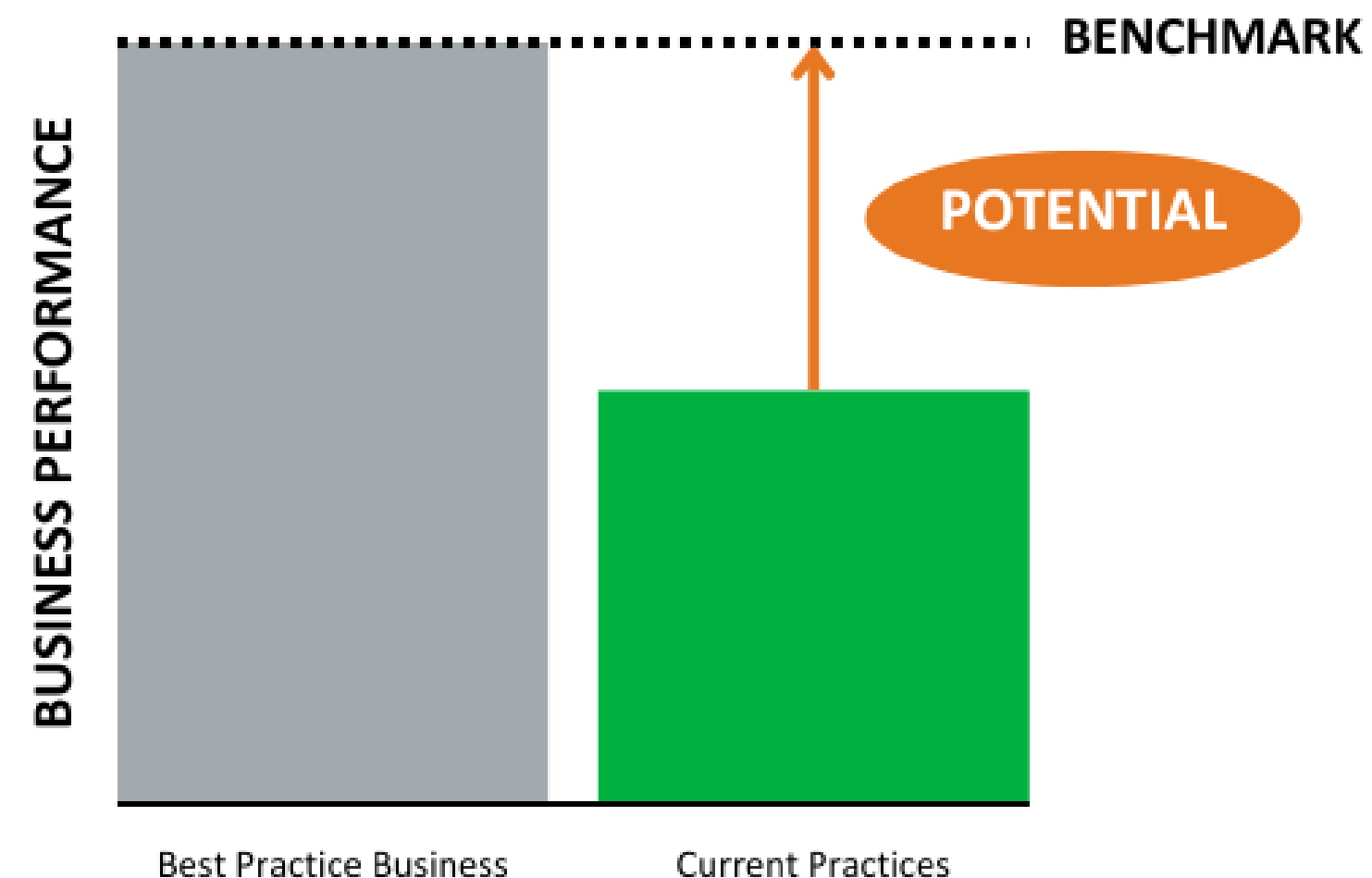
- The only individuals that have signature authority to sign any contract or agreement **are limited to** the President, Chief Legal Counsel, Chief Financial Officer, and the Chief Procurement Officer/ Director of Purchasing. Again, the individual signing can be held personally liable per WV State Code.



Best Practice Benchmarking

Best-in-class organizations invest in and leverage purchasing related technologies for the automation of activities.

- Marshall University is **implementing an e-procurement system**. The current purchasing process is estimated to be 25% automated with the assistance of Banner.
- Surveyed universities confirmed their purchasing and payment processes were 100% automated.



The Future of Marshall University Purchasing



Brought to you by  **unimarket**

New eProcurement solution to streamline purchases

- e-Procurement System
- Key Performance Indicators
- Standard Operating Procedures
- Adoption of Best Practices
- Accountability
- Supported by C-Suite



Brought to you by  **unimarket**

New eProcurement solution to streamline purchases

- Marshall University has adopted a **“Save to Serve”** culture to eliminate waste and inefficiencies.
- The Office of Purchasing is implementing a **new e-procurement solution by Unimarket** that will streamline and standardize the procure-to-pay processes on campus. This new system, called the Marshall Marketplace, will be implemented throughout the next year.
- **Marshall Marketplace** will modernize our spend management, including creating and approving requisitions and purchase orders, receiving goods and services, and processing invoices — all electronically.
- By moving to a **“paperless” environment**, we will not only save on costs, but also obtain a higher level of transparency, more easily monitor compliance, and achieve more efficiency, for the University and for the suppliers that we work with.

What is Unimarket?

- Unimarket **simplifies procurement** from end-to-end with a range of affordable, easy-to-use spend management solutions.
- Unimarket's suite of solutions encompasses a **full P2P (procure-to-pay) e-procurement solution** as well as supplier marketplace, contract management, sourcing, invoice management, payment automation, and reporting mechanisms for each process.
- Unimarket's flagship e-procurement solution connects an extensive catalog-driven supplier marketplace with purchasing, invoice management, and card payment functions—**all in one integrated platform**.

How Will Unimarket Improve Marshall University?

By **simplifying and automating the process**, Unimarket makes procurement work for you, giving you visibility into into all aspects of purchasing and payables across your organization, delivering the insights you need to make **data-driven decisions**, and improve overall procurement efficiency.

- Tracking spend by department in **real-time** (User's homepage will have a pie chart of budget vs funds allocated/spent)
- Restricted workflow
- Controlled purchases
- Increased throughput
- User-friendly solution (equals greater compliance)
- Improved supplier diversification
- Contract volume discounts
- Cost savings

Unimarket Project Goals

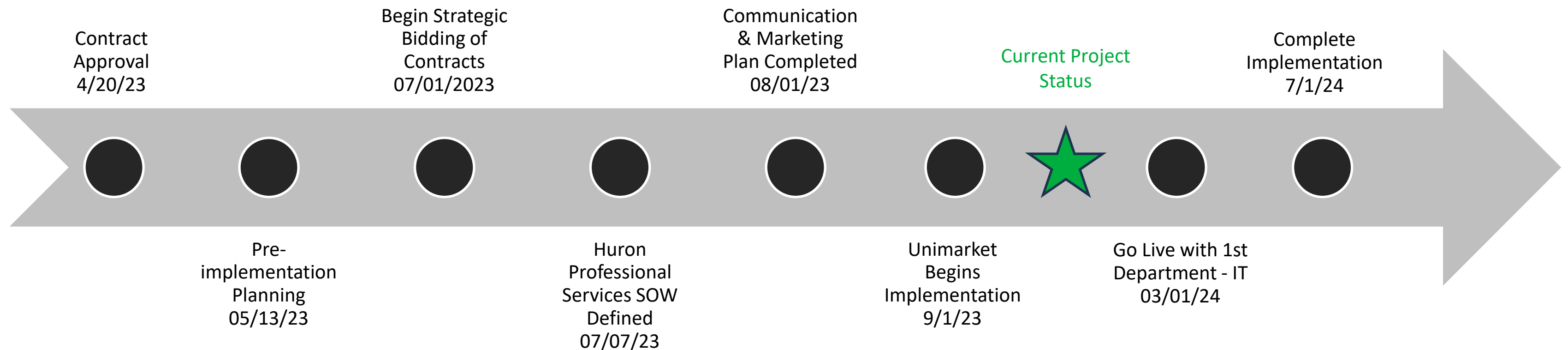
Some of the goals of the e-procurement initiative are to:

- Eliminate manual paper processes
- Expedite the purchasing process by using supplier catalogs
- Establish a campus-wide contract repository
- Implement an electronic invoicing platform
- Increase data collection and reporting ability
- Utilize campus-wide reporting to negotiate better prices

Over the next several months, the Office of Purchasing will partner with individual departments to setup and implement the use of the Marshall Marketplace with a goal of **all university purchases** being made through the Marshall Marketplace by **July 2024**.



Approximate Timeline for Unimarket Implementation



MARSHALL MARKETPLACE

Project Update

- Completed pre-planning with Huron Consulting.
- Preparing Banner for Marketplace integration by scrubbing current vendors, codes, users, assigned ORGS, etc.
- Reviewing and updating existing purchasing policies and procedures to align with the new e-procurement implementation.
- Creating a communication plan to update the campus community of changes and implementation status via the We Are Marshall Newsletter, campus email, information sessions, focus groups, and the Office of Purchasing website.
- Beginning the process of identifying existing contracts for the vendor catalog.
- Began planning for the creation of focus teams in early 2024. Let us know if you'd like to be on a focus team by contacting gallahe1@marshall.edu.



Key Takeaways

1. Do not make **ANY** purchases without an approved purchase order.
2. Improvements of best practices and documented standard operating procedures.
3. **After-the-Fact purchases have been eliminated** and individuals can be held personally responsible. (Only an emergency approval will be granted.)
4. MU is implementing an e-procurement system, **Marshall Marketplace by Unimarket**. **NO purchases will be made outside of the Unimarket system.**
5. Tighter controls and compliance of what and how we purchase.
6. Bid thresholds and terms and conditions requirements are mandatory.
7. Opportunity to move Marshall University to best-in-class for higher education.
8. Purchasing is a valuable resource here to support departments and help the University meet their overall goals and objectives.
9. Purchasing policies **MUST** be followed to help the University become financially responsible.
10. Enforcement and accountability will be critical to the success of Unimarket and Marshall University.
11. Major cultural changes in procurement and purchasing practices.



MARSHALL MARKETPLACE

Brought to you by



unimarket

New eProcurement solution to streamline purchases

QUESTIONS/CONCERNS?