



Accounts Payable & Procurement Services Annual Report



**Fiscal Year 2020
July 1, 2019-June 30, 2020**

The Road We Walk Together

Procurement Services works with the Drexel Community to procure goods and services required to accelerate a dynamic and competitive institute of higher education and research. Achieving strategic objectives requires collaboration, and Procurement Services is here to help you.

The Accounts Payable Office at Drexel University processes payments to approved vendors for purchases made with Smart Source issued purchase orders. Accounts Payable works closely with other administrative departments to ensure that your invoices are paid in an accurate and timely manner.

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Introduction

It has been challenging to write the introduction for Fiscal Year 2020's annual report. While only our last quarter was truly affected by the COVID pandemic, how is it possible to talk about anything else? So, I am choosing to speak to the tremendous comradery, perspective, and hope that the last year has brought.

In the pages of this annual report you will see how Accounts Payable and Procurement Services transitioned to remote work relatively seamlessly; how our colleagues supported us and the University at every turn; how expenses dropped dramatically as we all banded together to eliminate non-essential spend; and how we have learned to operate in a more efficient and technology-friendly environment.

Fiscal 2021 is packed with new system functionalities and implementations, along with a revitalized focus on our Supplier Inclusion and Sustainability purchasing programs, and our continued commitment to process improvement and customer engagement.

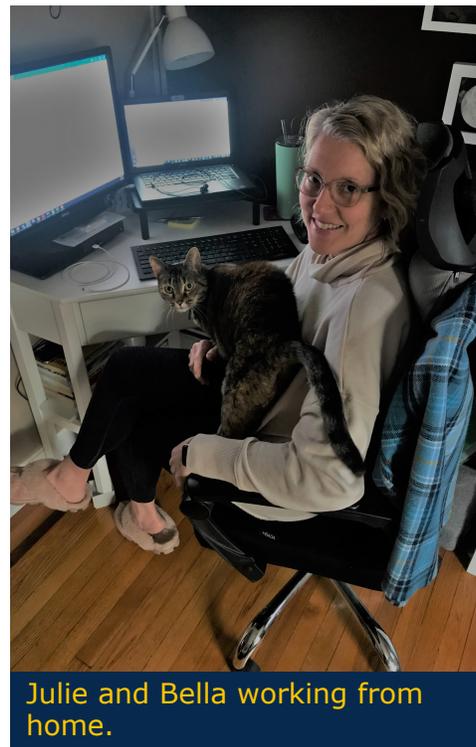
The last few months have been filled with uncertainty and myriad emotions, but I have seen the very best in people with a renewed spirit of empathy and respect. I am encouraged and excited as we look ahead to many opportunities that we may never have entertained had we not all walked the path of a global pandemic and many cultural and societal trials together.

It is my hope that you and your families are safe and well, and I look forward to our year ahead. With deep gratitude for the Accounts Payable and Procurement Services teams and their tremendous work, along with the extraordinary partnership of our Drexel colleagues, our valued suppliers, and our community partners, I present our Fiscal Year 2020 Annual Report for your review; and, as always, we invite and welcome your feedback.

Most sincerely,



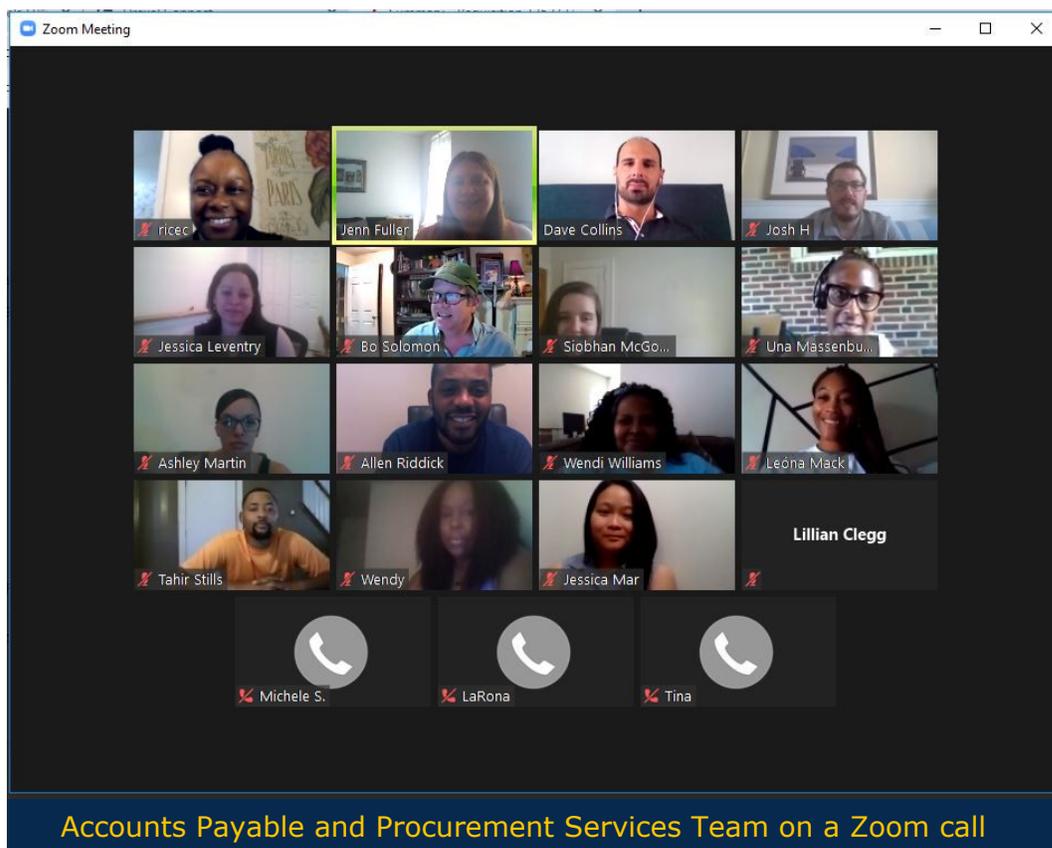
Julie Ann Jones
Associate Vice President
Accounts Payable & Procurement Services



Julie and Bella working from home.

Accounts Payable & Procurement Merge

At the beginning of calendar year 2020, Accounts Payable and Procurement Services merged into one team. The alignment was a natural fit, as the two departments worked together on a daily basis to support procure-to-pay processes. Prior to remote work due to COVID-19, both teams were physically located in the same suite, which allowed for easy collaboration. That collaboration now continues via remote work, as they continue to develop strategic initiatives as one unit, which will greatly benefit the University community.



Pivot to Remote Work

In March of 2020, Accounts Payable and Procurement Services pivoted to a remote work model as COVID-19 impacted the University. The team was able to successfully move to the new remote model with limited impact on their daily work functions. As classes also moved to a virtual model, they were able to assist with unique needs across the University to support alternative methods of instruction. They continue to remotely support the University.

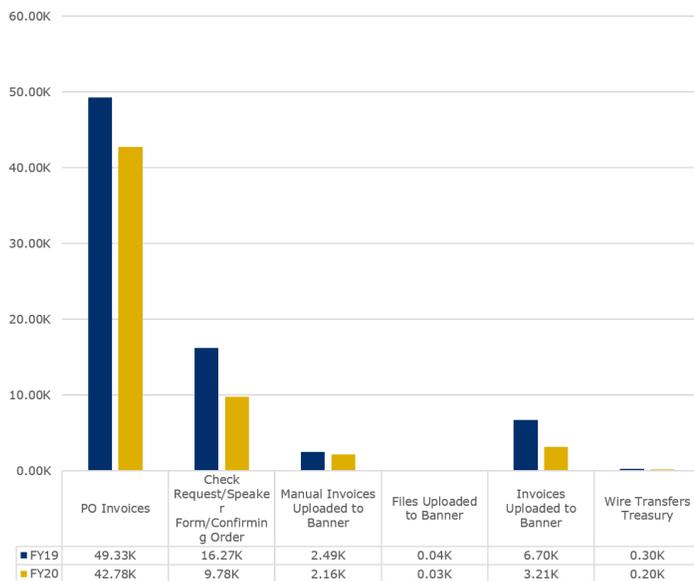
Accounts Payable

Role in the Procure-to-Pay Process

The Accounts Payable team is responsible for the review, processing, disbursement and maintenance of records in accordance with multiple University policies and procedures, in addition to ensuring that local, state, and federal requirements are met for the processing of payments.

They work in partnership with Procurement Services, Comptroller, Research, Tax Office, and Treasury to assist the University community in meeting their research and operational needs. Making the payments in a timely and efficient manner is dependent on the University community's compliance with the policies and procedures required to procure goods or services on behalf of the University.

Number of Invoices Processed by Accounts Payable



The figure above indicates the number of invoices processed by type of order. The decrease in numbers from FY19 to FY20 was due to the halt in spend at the end of FY20 due to COVID-19.

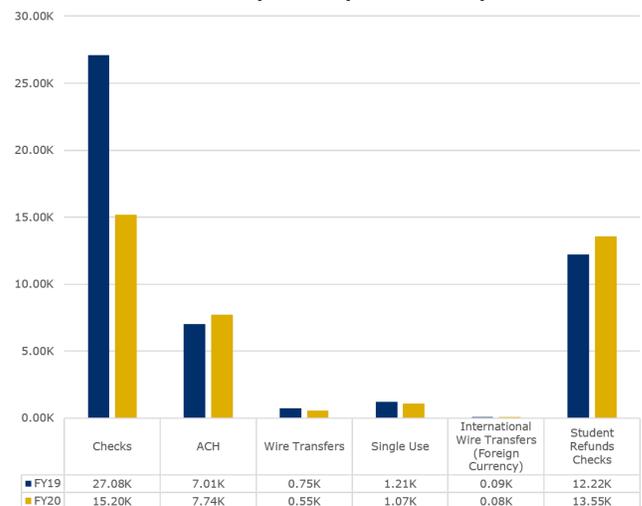
In FY19, 75,082 invoices were processed and 48,349 payments were made

In FY20, 58,125 invoices were processed and 38,173 payments were made

Accounts Payable & COVID-19

Due to COVID-19, the Accounts Payable department has been remotely working since March 2020. There were few limitations due to the automation of their processes over the last six years. The challenges faced were resolved with collaboration by the University community (e.g., check pick-up, special mailing requirements, return checks, alternate payment methods).

Number of Payments by Accounts Payable



The figure above indicates the different types of payments made for FY19 and FY20. The decrease in numbers from FY19 to FY20 was due to the halt in spend at the end of FY20 due to COVID-19.

Purchasing Card (P-Card) Team

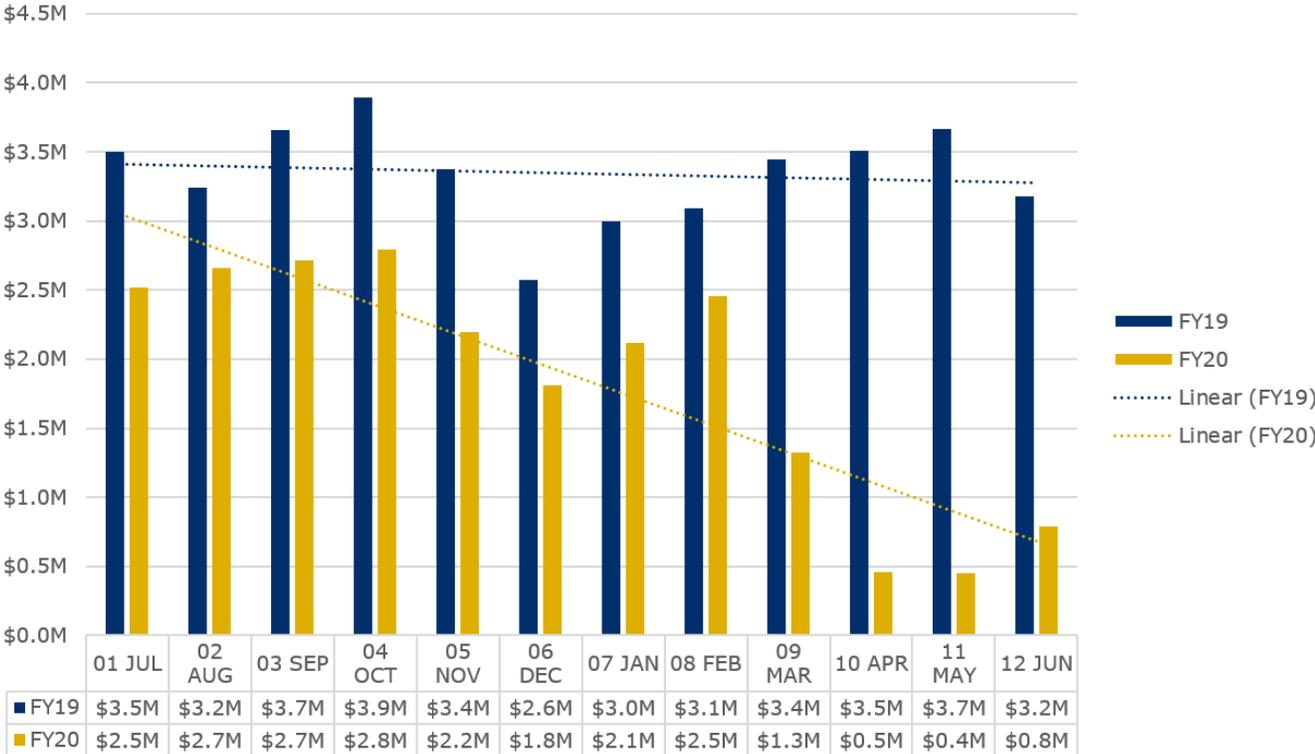
P-Card Reductions/Suspensions

During COVID-19, the P-Card Office proactively put in place parameters to safeguard our P-Cards following the President’s directive to hold off on non-essential spend during this time. In doing so, we identified cards that needed to remain open for essential employees as the remaining cards were placed on suspend and/or had limits lowered for reoccurring small dollar spend. Our approach was rather ambitious within a short period of time, reducing potential of fraud and liability on the University for 1500 cards.

As many of our offices remain working remotely, the P-Card Office continues to monitor P-Card spend ensuring the card is being used for approved essential expenses. Continued analysis of all cardholder historical activity will be ongoing to ensure compliance. Throughout our analysis and the resulting findings, financial administrators in departments/schools will continually be provided recommendations to:

- Lower limits with flexibility to increase for documented exceptions.
- Identify lower performing cardholder activity and move to a department card.
- Offer travel only card.

P-Card Spend FY19 & FY20 - Drexel



The figure above indicates the P-Card spend comparison between Fiscal Year 2019 and Fiscal Year 2020 for Drexel Chart of Accounts. The significant drop in March through June was due to purchasing restrictions due to COVID-19.

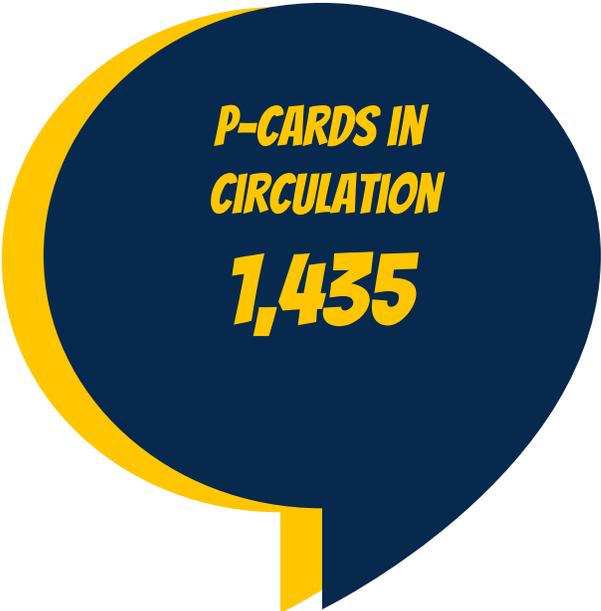
P-Card Team



P-Card Renewals During COVID-19

In addition to the efforts employed by the P-Card team to mitigate potential liability through the increased oversight of P-Card usage, the team quickly pivoted to proactively address additional threats to account security. Of particular concern was the inherent risk posed by the delivery of renewal cards to now unattended offices. In the interest of protecting the integrity of individual accounts as well as to avoid becoming overwhelmed with reissuing renewal cards once we were given clearance to return to campus, a monthly process was initiated to redirect renewal cards ahead of the expiration date.

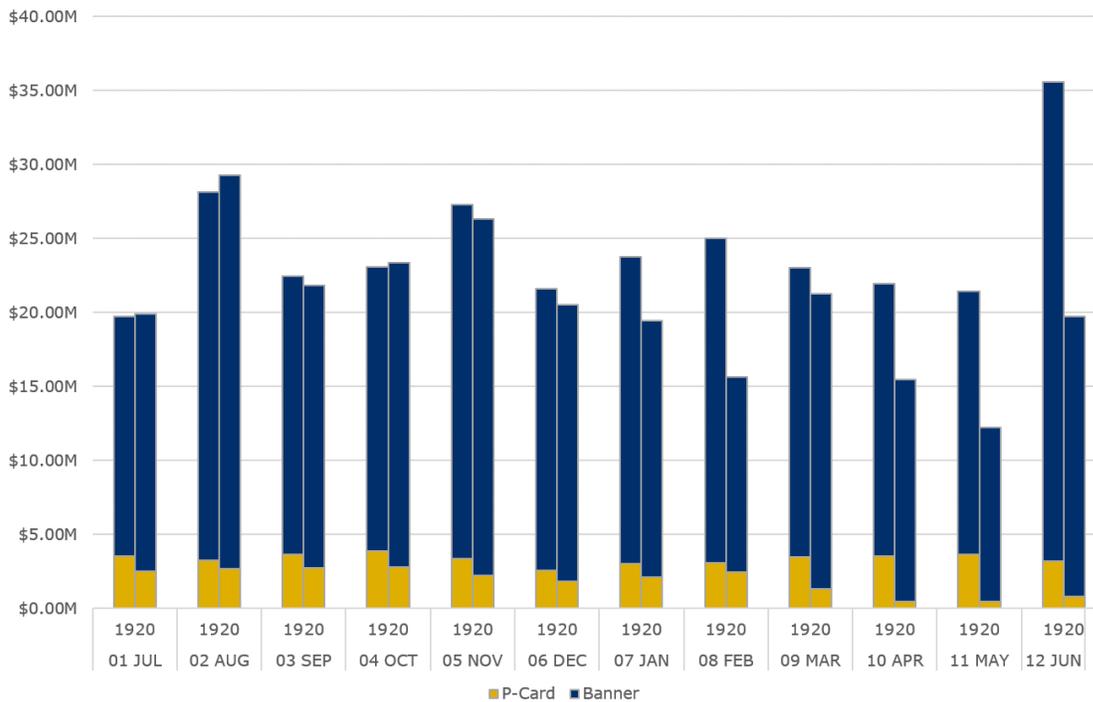
The P-Card team made a group decision to have a designated person spearhead the renewal card project to prevent duplication of processes. Through monthly communications to cardholders who are approaching their card expiration date, the P-Card Office was able to and continues to coordinate with J.P.Morgan Chase to have cards redirected to confirmed home addresses as needed.



In review, beginning in April 2020 to June 2020, the P-Card team recorded an average of 60 card renewals each month, with an average of 35 cardholders responding with requests to have cards mailed to home addresses with assistance from JP Morgan customer support batch reporting.

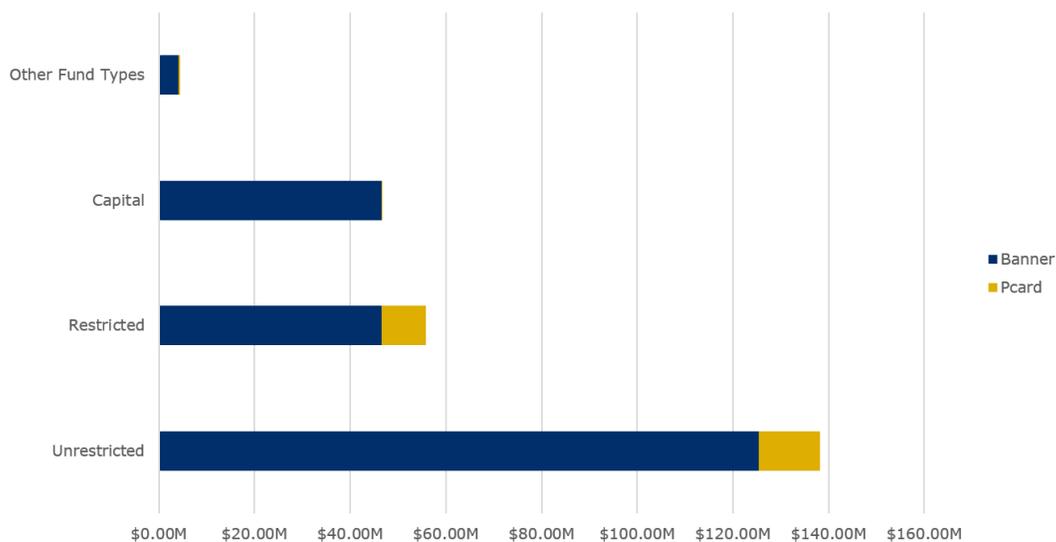
Spend at a Glance

Overall University Spend FY19 & FY20 - Drexel Only



The figure above indicates the overall trend in spending in FY19 and FY20 for Drexel Chart of Accounts. P-Card Spend is any purchasing completed on a University P-Card. Banner Spend (Banner is Drexel University's ERP system) includes any purchasing completed through Smart Source as well as confidential University purchases.

Spend by Fund Type FY20



	Unrestricted	Restricted	Capital	Other Fund Types	Total Spend
■ Banner	\$125.44M	\$46.48M	\$46.59M	\$4.08M	\$222.60M
■ Pcard	\$12.67M	\$9.30M	\$0.04M	\$0.27M	\$22.28M
Total Spend By Fund Type	\$138.11M	\$55.78M	\$46.63M	\$4.36M	\$244.88M

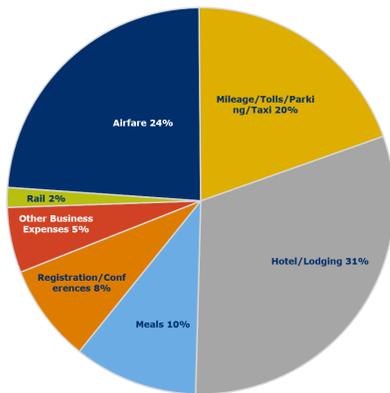
The figure above indicates spend by fund type for FY20 for Drexel Chart of Accounts. "Other" includes Agency, Endowment, Bank and Load funds.

Travel Team

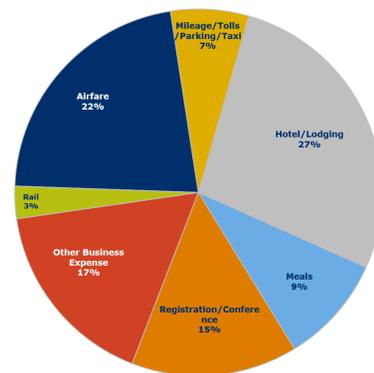
Travel Suspended

With news of COVID-19 spreading rapidly around the world, Drexel travel was suspended on March 10, 2020, until further notice. The Travel team quickly switched gears to ensure travelers who booked with our travel management company (TMC) were cancelled or safely home. With travel arrangements on suspend, the airline industry was heavily looked upon to assist travelers with obtaining refunds, credits, or extending expiration dates to 2021 and 2022.

FY20 Travel Reimbursements for Drexel Staff & Faculty



FY20 Travel Total Spend for the Entire Drexel Community



The figure above indicates reimbursement spend for Drexel University, Academy of Natural Sciences and Drexel University Online Chart of Accounts.

The figure above indicates spend for Drexel University Chart of Accounts only.

Unused Tickets

Drexel had an estimated 425 unused tickets reported in the World Travel, Inc., first quarter 2020 summary. The Travel team’s proactive approach to inform department heads, administrators, and travelers of the previously paid airfares assisted in the budget planning for future travel and served as a reminder of the time limits and waived airline fees associated with bookings. At the end of fiscal year 2020, travel remained suspended for University travel.

Travel Management Partnership - World Travel by the Numbers



1,620 airline tickets booked in FY20



194 rail tickets booked in FY20



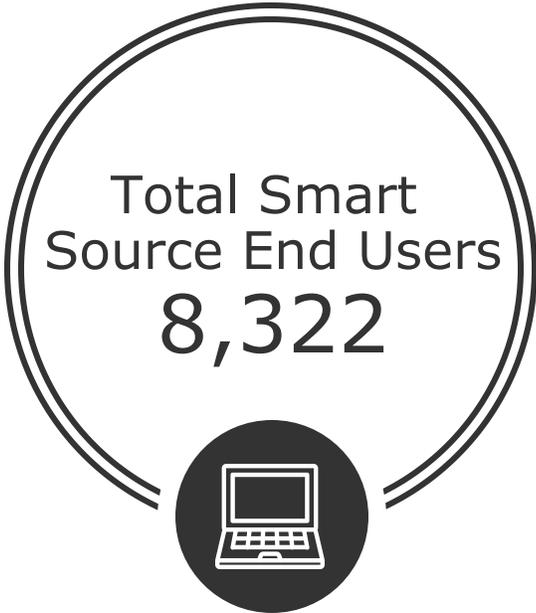
1/5 of travel booked was international

Procurement Support Team

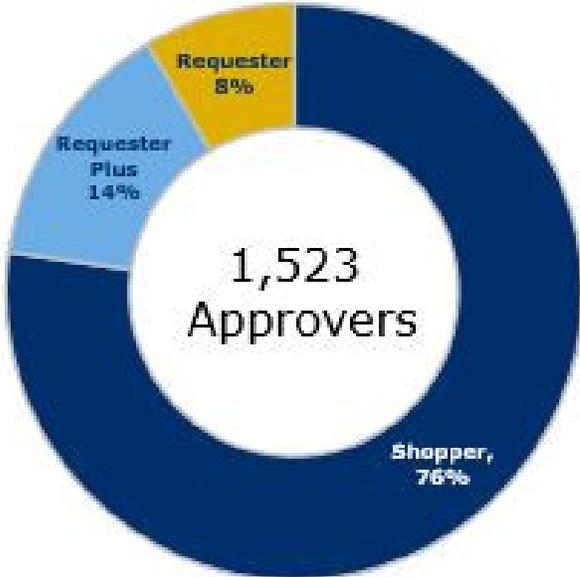
Smart Source Enhancements

Over the course of FY20, there has been a strong focus by the Procurement Support team to build upon their current e-procurement system and processes. They have made improvements to the Smart Source system, including the addition of the Speaker, Artist, and Performer (SAP) request form. The No Supplier Catch and Procurement Approval Smart Source workflows were also updated to run parallel, improving efficiency and requisition turn-around time. While relying on their partnerships with departments across the University, they have made enhancements to invoice approval functionality for the SAP form and developed a secure process to improve W-9 submissions for non-employee reimbursements.

A Master Agreement dashboard was created to centralize information regarding University-wide agreements. Toward the end of the fiscal year, they implemented budget checking functionality to assist the University with the means to monitor and track spend as it occurs. With significant enhancements made throughout fiscal year 2020, the team looks forward to continuing process improvements and looks forward to the continued partnership with end users and administrators.



Smart Source End Users



This figure shows the breakdown of role assignments in Smart Source for FY20.

Fiscal Year 2020	Training Sessions 12
 Attendees 82	

Procurement Support Team



138, 651 Active Smart Source Suppliers



On average, 611 suppliers were created per month in FY19



On average, 551 suppliers were created per month in FY20

Off-Campus Deliveries

When stay-at-home orders were initially instated in March, Drexel University transitioned all in-person classes online for the spring quarter and closed most of the on-campus offices so that staff could work remotely. Although students, faculty and staff were not on-campus, many required supplies to ensure their adjustment to learning and working from home was successful.

Realizing the standard process for shipping prior to COVID-19 was to ship orders to the central hub at each respective Drexel campus for distribution, a new process would need to be developed to accommodate shipping to other locations. The AP & Procurement Support team was quickly able to pivot to off-campus deliveries by creating over 600 off-campus addresses so orders could be shipped directly to Drexel students, faculty, and staff. This alleviated the need of individuals having to travel to campus for their orders and allowed everyone to complete their tasks from the safety of their homes.

Document Type	FY19	FY20
Requisitions	46,180	35,302
Purchase Orders	48,471	37,207
Invoices	69,178	56,644

 **Overall volume decrease of 21%***

*Significant decrease in volume is due to COVID-19 at the end of FY20

Strategic Sourcing Team

Strategic Meetings

Strategic Sourcing established recurring meetings with strategic departments within the University, including Facilities, Athletics, Business Services, and EMSS, as well as meetings with Allen Riddick, Director of Supplier Inclusion, to specifically address buying from local and diverse businesses. These meetings have resulted in increased awareness of major purchasing activity, opportunities to consider underrepresented suppliers, enhanced departmental understanding of the Purchasing Policy and requisition processes, and collaborative change management such as moving departments from routine submission of confirming orders to establishment of blanket purchase orders.

Strategic Wins for the University

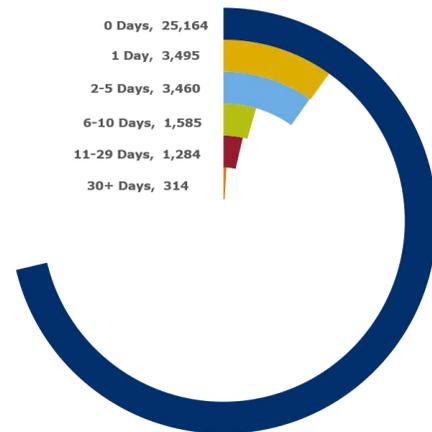
★ When renegotiating Drexel's contract with JP Morgan, an additional \$300,000 in rebate revenue was identified over a 5-year term.

Due to the pandemic, Drexel needed to identify a supplier to provide signage around campus to comply with social distancing. A local supplier was selected and pricing was negotiated to provide the University with an additional 11% in savings. ★

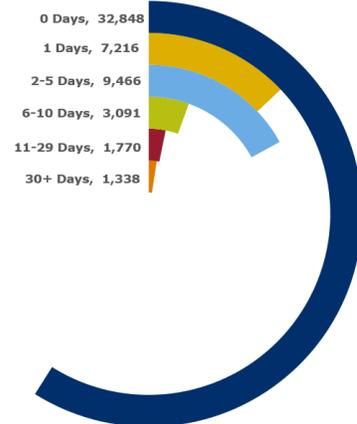
★ Strategic Sourcing Specialists have been able to identify alternate suppliers for multiple requests who were able to offer lower pricing, saving several thousands of dollars on each request.

After a competitive bid, eight print suppliers were identified and master agreements were put in place in order to make it easier for competitive pricing to be obtained and POs to be issued. ★

Requisition Cycle Time (Procure)

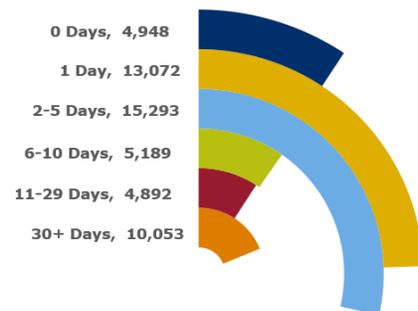


Invoice Cycle Time (Pay)



The figures above indicate the cycle times for Smart Source Requisition and Invoice documents. Purchase Order documents are excluded because their short, automated workflow often takes less than one minute.

Procure to Pay Cycle Time



The figure above indicates the duration of time from the moment a requisition document is entered into Smart Source until its associated invoice document is paid.

Strategic Sourcing Team

Changes in Smart Source Workflow Due to COVID-19

As classes shifted to virtual learning and work became mostly remote, Sourcing, with the help of the Procurement Support team, implemented a new workflow to review all purchase requests over \$500. The new workflow was put in place to monitor non-essential spend, as it was halted due to COVID-19. New cost centers were created to track COVID-related spend, and Sourcing became the budget owners of these accounts in order to ensure spend was being correctly tracked.

While overall dollar spend and the total number of requisitions decreased, Sourcing saw an increase in workload due to the new over \$500 workflow review. They were able to successfully work with end users to identify critical needs to ensure there was no disruption to University functions.

Top 5 Suppliers - Restricted Funds

- McKesson Drug Company: \$6.27M
- School District of Phila: \$1.15M
- Trustees of the Univ. of Pennsylvania:\$1.13M
- Regents of Univ. of California Davis:\$1.01M
- Aramark Services:\$0.97M

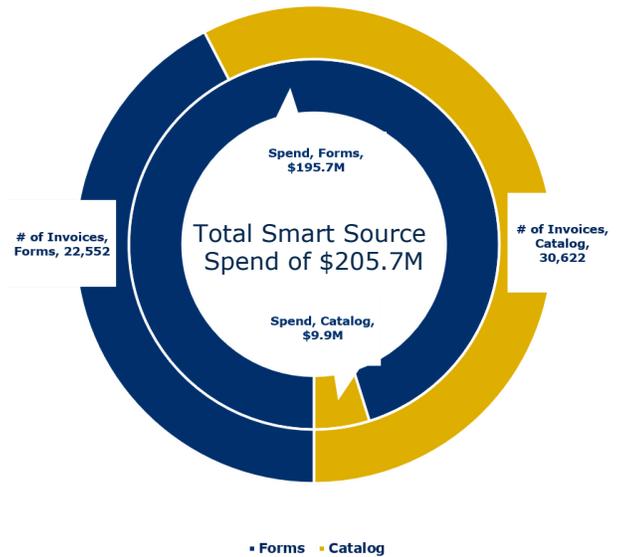
Top 5 Suppliers - Unrestricted Funds

- Aramark Services: \$11.28M
- Allied Universal Security Services: \$6.24M
- McKesson Specialty:\$4.16M
- Constellation NewEnergy:\$3.91M
- Levlane:\$3.67M

Top 5 Suppliers - Capital Funds

- BSI Construction, LLC: \$7.88M
- INTECH-Perryman A Joint Venture: \$4.81M
- P Agnes Inc.:\$4.35M
- MJ Settelen Construction, LLC:\$4.19M
- Hunter Roberts Construction Group, LLC:\$2.24M

FY20 Catalog Spend vs Smart Source Form Spend



The figure above compares spend of non-catalog requests vs. catalog requests against the number of invoices received for non-catalog requests vs. catalog requests. While spend for non-catalog requests is significantly higher, volume of invoices for catalog requests is higher.

Supplier Inclusion

Drexel's Commitment to Inclusion

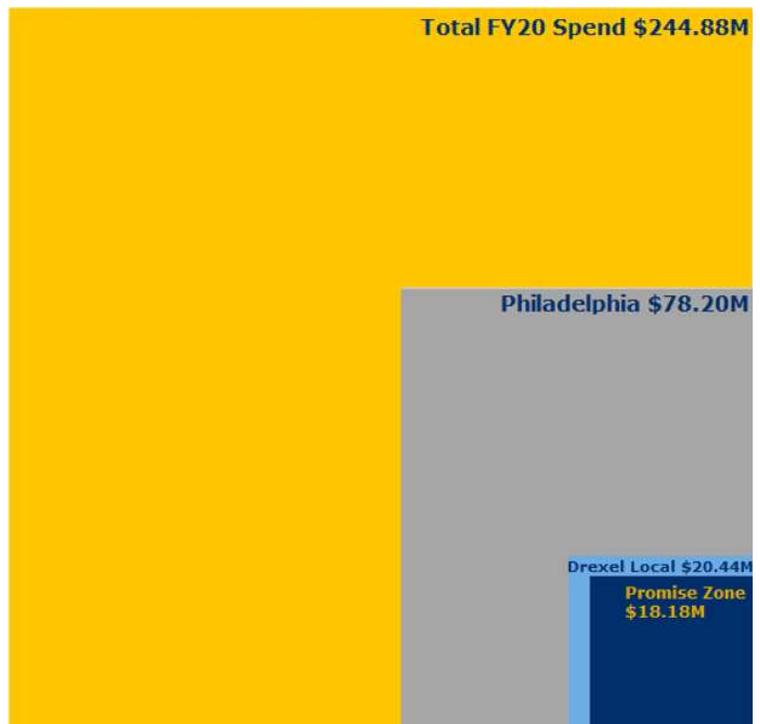
The economic impact of COVID-19 and local civil unrest placed an enormous amount of stress on our campus and our community. During these times, it was important to reassure our small, local and diverse suppliers that, as a University, we are more dedicated than ever to inclusion and equitable distribution of procurement opportunities. We believe that the future of Drexel University, and the quality of our learning environment, are directly related to the health of our city, and particularly West Philadelphia.

Communicating and engaging with suppliers was a challenge in FY20, as we had to discover new ways to engage with businesses outside of traditional face-to-face contact. Leveraging the technologies available for remote interaction, we were able to host more introductions, build more connections and connect more University stakeholders to local businesses.

In response to the civil unrest felt in our city and our nation, and in alignment with Drexel University's pledge to address systematic racism, Procurement Services and Accounts Payable put out a statement in support of our local Black and Brown businesses and took immediate actions to match our words. We extended the services of Drexel Surplus to our local community partners and increased our efforts to connect local businesses to subcontracting and Tier 2 opportunities with prime suppliers. In addition, Director of Supplier Inclusion Allen Riddick represented Procurement Services and Accounts Payable as a co-chair of the Business Practices Subcommittee of Drexel's Anti-Racism Task Force, a national delegate within Drexel Vision 2020's Women 100 Program, and as vice president of Drexel's Black Faculty and Professional Staff Association (BFPSA).

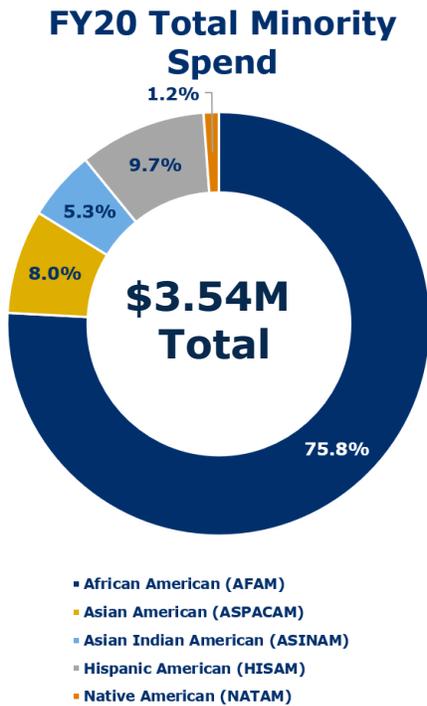
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FY20 Spend by Zip Code

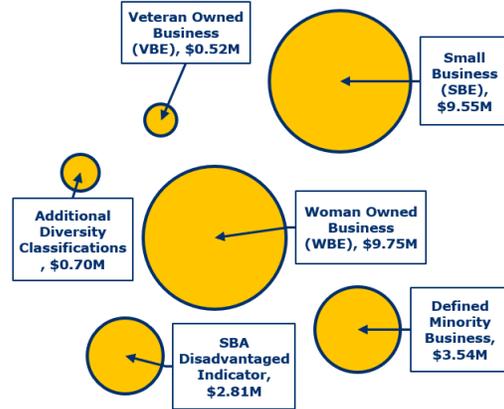


The figure above indicates Drexel University's total FY19 Spend relative to spend in the Philadelphia, Drexel Local, and the Promise Zone. Philadelphia encompasses all 87 Philadelphia county zip codes. Drexel Local is defined as the 7 West Philadelphia zip codes that Drexel recognizes as an important component of its anchor mission. The Promise Zone is roughly 2 square miles that is bounded by 48th street to the west, the Schuylkill River to the east, Girard Avenue to north and Sansom Street to the south. For more information about the Promise Zone, visit drexel.edu/uhc/.

Supplier Inclusion



FY20 Supplier Inclusion Spend



Please note that one supplier may fall into multiple diversity categories.

Sustainability & Supplier Inclusion Partnering Together

In February 2020, Drexel University Center for Nonviolence and Social Justice discovered a high-quality Invacare TSX Powerchair electric wheelchair that they no longer needed. They reached out to University Sustainability Officer Bo Solomon to see if there was a need for a wheelchair within our West Philadelphia community. Bo worked with Director of Supplier Inclusion Allen Riddick, who found Julia Diggs, at West Philadelphia Senior Community Center (WPSCC), who had a need for this wheelchair at their facility at 1016 N. 41st Street.

WPSCC is a non-profit organization solely focused on providing education, social and recreational programs for older adults in a congregate setting. They work together to provide a wide range of activities that help members of our community grow both mentally and physically. The wheelchair will now serve as a resource to patrons at the WPSCC who have difficulty walking.



Bo Solomon and Allen Riddick with the chair being donated.

Supplier Inclusion - Year in Review

Drexel's Procurement Services & Accounts Payable department actively works to stay engaged with community events, supplier outreach opportunities and partnerships with local diversity advocacy organizations. These activities aim to ensure Drexel University remains connected and transparent regarding future purchasing activity, trends, best practices and policies.

Upcoming Events



DOING BUSINESS WITH DREXEL
Sustain Stage

MAY
19

Doing Business with Drexel
May 19, 1:00 – 2:00 PM
Online Discussion

In this interactive webinar, we'll learn about Drexel's supplier diversity and procurement initiatives.



Panel Overview:

- Soneyet Muhammad, Director, Workforce & Economic Inclusion
- Julie Jones, AVP Procurement
- Natly Santos, Supplier Diversity & Strategic Sourcing, Aramark
- Don Liberati, AVP Business Services
- Kristina Coble, Resident District Manager, Aramark
- Evan Ehlers, Drexel Alum, Founder of Sharing Excess
- Jennifer Johnson Kebea, Executive Director, Lindy Center for Civic Engagement

ANCHOR LEARNING NETWORK
bit.ly/Anchor-Mississ

CUMU
Center of Urban and Metropolitan Universities

DEMOCRACY COLLABORATIVE



BLACK FACULTY & PROFESSIONAL STAFF ASSOCIATION PRESENTS...

Virtual LUNCH & LEARN

HOW TO MAKE AN IMPACT IN OUR COMMUNITY BY SUPPORTING LOCAL & MINORITY BUSINESSES.



Learn about Supplier Inclusion's FY20 events on the [Procurement website](#).

Sustainability & Surplus

Climate & Sustainability

Acting upon recommendations from the Sustainability Effectiveness Committee and the University Student Government Association, team members from different departments across the University designed a Climate & Sustainability program for Drexel. The program focuses on Institutional Investment, Academic Mission, and Civic Impact.

- Institutional Investment: Drexel's commitment to being a responsible steward of our land and buildings and to minimizing our impact on the environment through a set of sustainability-conscious business practices
- Academic Mission: Drexel's sustainability efforts embedded into the curriculum and in our research practices
- Civic Impact: Drexel's contribution to solving climate and sustainability challenges in the Greater Philadelphia area

More information about these efforts can be found at: drexel.edu/sustainability

Computer Recycling Program

The Drexel Computer Recycling Program (DCR) helps University departments guarantee data security on existing computers that have reached the end-of-life stage for departments and allows these computers to be refurbished for reuse (if applicable). DCR will pick up computers from Drexel University and the Academy of Natural Sciences and bring them to a secure location on the University City campus. Hard drives are secured prior to erasing data or destruction, and the equipment will be assessed to determine what recycle stream will be used.



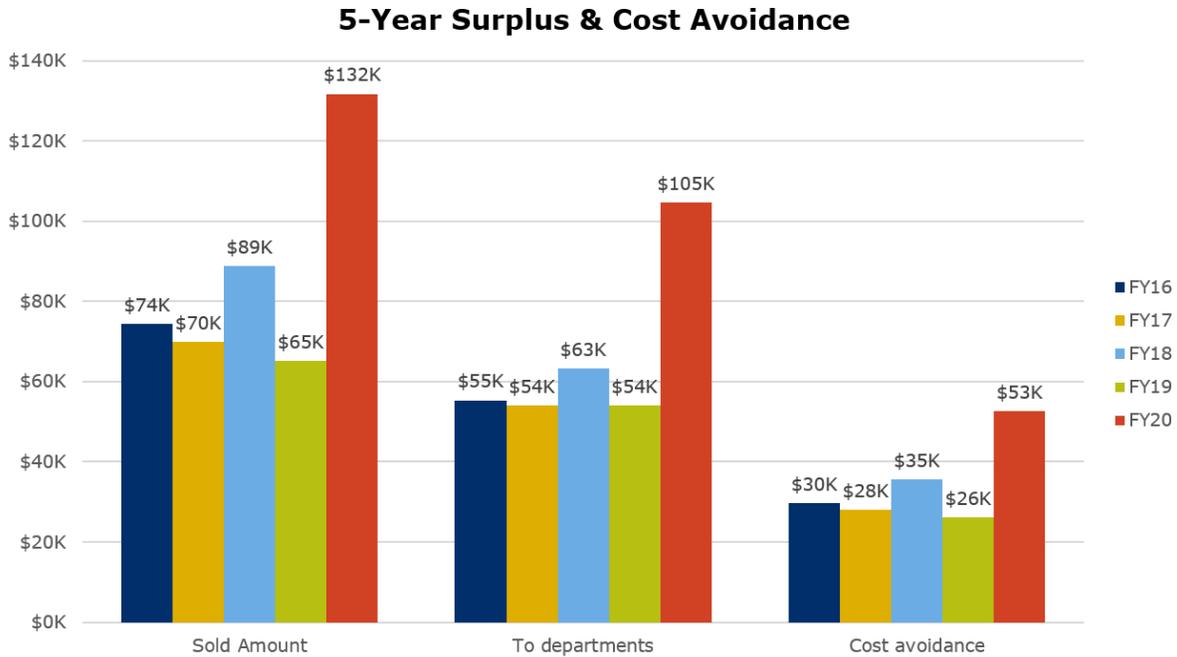
Drexel's Computer Recycling Program was able to donate 30+ refurbished computers in FY20 to local organizations within the Drexel community.

A goal of 10 computers per month is set for FY21, with complete refurbished, working computers being donated through the Dornsife Center for Neighborhood Partnerships. This operation is now located at the New College Building.

Sustainability & Surplus

Drexel Surplus

Drexel Surplus disposes of items by auction or donation. This is a free service that generates revenue for your department by selling items to be picked up at your location. Drexel Surplus has no warehouse or removal equipment and is not a moving or storage company.



The above figure shows the surplus amount sold, amount of money returned back to department and total cost avoidance via surplus sales over a 5-year period.

Drexel Surplus sold and avoided disposal costs of approximately \$250,000 in FY20.

After a small auction fee is deducted, 90% of sales are returned to departments. There is never a charge for using Drexel Surplus. Even if sales are nominal, cost avoidance can save hundreds, and at times thousands, of dollars. Items sold through Drexel Surplus are kept from landfill and re-used by auction buyers, some of whom are Drexel alumni.

Type of Savings	FY19	FY20
Cost Avoidance	\$26,066.19	\$52,523.13
Amount to Depts.	\$54,044.24	\$104,356.26

Giving Back to Our Community

West Philadelphia Neighborhood Clean Up



Members of the Drexel Accounts Payable and Procurement Services Team joined the Urban League of Philadelphia to participate in a community clean-up day in West Philadelphia in mid-June. While following proper COVID-19 safety protocols, the team members came together with other members within the community for the "Black Minds on Market" clean-up project.



Members of the Accounts Payable and Procurement Services team participating in the West Philadelphia clean-up initiative.

MANNA



MANNA (Metropolitan Area Neighborhood Nutrition Alliance) provides meals and nutrition information to those with serious illnesses who rely on proper nourishment to heal. Meals are medically tailored to each person's diet to allow them to improve their health and quality of life.

Members of the Accounts Payable and Procurement Services team volunteering at MANNA.

In November of 2019, many members of the Accounts Payable and Procurement Services team spent an afternoon preparing, packaging and sorting meals. Half the team prepared and packaged a meal of pork chops, seasoned rice and creamed spinach, while the other members spent time arranging that day's meals for delivery.

Contact Directory

General Inquiries: 215.895.2876

Option 1: Accounts Payable acctpay@drexel.edu

- Invoice, Check Request or Confirming Order Status
- Gift Card Policy Process
- Stop Payment, Copy Cashed Check
- Can be reached directly at 215-895-2840

Option 2: Strategic Sourcing sourcing@drexel.edu

- Appropriate Form Usage
- Requisition Status
- Purchase Order Status
- Purchasing Policy
- RFPs & Competitive Bidding Requirements

Option 3: P-Card pcard@drexel.edu

- P-Card Inquiries

Option 4: Travel travel@drexel.edu

- Travel Advance
- Travel Reimbursements
- Expense Reports

Option 5: Procurement Support askprocure@drexel.edu

- Supplier Registration
- Supplier Records
- Smart Source Training
- Smart Source Technical Support & System Issues

Option 6: Supplier Inclusion supplierinclusion@drexel.edu



Feedback

The Annual Procurement Report is available on the Procurement homepage at: drexel.edu/procurement

The FY20 Annual Report was prepared by Jennifer Fuller and Joshua Hurdle from the Drexel University Accounts Payable and Procurement Services Department

Any inquiries or suggestions for the next Procurement Annual Report can be emailed to: procurementfeedback@drexel.edu

Our report is meant to be viewed online as a PDF. Please think twice before printing to help save a tree.

