INTRODUCTION

What a year! Fiscal Year 2019 saw Procurement Services take a fresh look at all of our policies – P-Card, Purchasing, Business Travel – as well as introduce Business Meals Guidelines. Utilizing community feedback, we enhanced our communication by introducing a quarterly newsletter and establishing a Procurement Advisory Group. With these updates, we addressed some long-standing pain points and requests from the community, both within the policies and within our practices and systems.

Here are some of the highlights you will read more about in the following pages:

- **P-Card**: Reconciliation timelines standardized; purchase exception form created; paper P-Card application replaced with an online form.
- **Smart Source**: Implementation of dashboard functionality; introduction of parallel workflow; implementation of the Amazon catalog.
- **Strategic Sourcing**: Cost savings initiatives via major RFPs and ad-hoc negotiations; enhanced customer service experience; academic program partnership.
- **Supplier Inclusion**: Program rebranding; conference presentations; community outreach and partnership.
- **Data Analytics**: Normalized data and standardized reporting; executive presentation materials; ad-hoc analysis.

The Procurement Services team takes very seriously Drexel’s commitment to civic engagement and represented our University for over 250 hours of community service in FY19. We left not a single hour of civic engagement time on the table!

I would like to take a moment to personally thank the entire Procurement Services team for their efforts, not only this year but every day they walk into the office. They are truly an amazing bunch of folks, and I encourage the Drexel community to reach out and get to know them. You won’t regret the time!

FY19 was an extraordinary learning experience for Procurement, and we are grateful to our Drexel community for their support and feedback throughout the year. It was truly a great year, but we still have a lot on the horizon. As you review this report, please let us know if there is anything additional you would like to see next year.

Most sincerely,

Julie Ann Jones
Assistant Vice President
Procurement Services
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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.

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P-CARD TEAM

The P-Card team serves as a liaison between University Purchasing Card (P-Card) holders and credit card providers. The team is also responsible for administering the University’s P-Card program and ensuring adherence to all guidelines and policies by Cardholders, Expense Approvers and Budget Owners.

P-CARD

A P-Card is a University-issued credit card for full-time, benefits eligible faculty or professional staff members to facilitate the payment of Allowable Purchases outlined in the P-Card Policy and Guidelines.

P-CARD POLICY

The Purchasing Card Policy provides structure, limits and accountability in the use of a P-Card. P-Cards provide a convenient, efficient and managed approach for appropriate small-dollar purchasing transactions.

A P-Card is offered to the Cardholder to ease the administrative burdens for Allowable Purchases (as defined in the P-Card Policy). The P-Card Policy lays out appropriate uses of P-Cards and articulates responsibilities of Cardholders, Expense Approvers and Budget Owners.

This Policy also provides structure around routine audits that will be conducted to ensure proper oversight to the program.
One of Procurement Services’ FY19 initiatives was to increase visibility to our spend and allow us to better leverage our bargaining power. Several significant revisions were made to the P-Card Policy in FY19 including a newly implemented online P-Card application, a “Travel Only” card capability specific to business travel, and the enhancement of our P-Card Guidelines, created to provide greater clarity and ease of use.

The Push From Credit Card Utilization to Smart Source

The figure above indicates the P-Card spend comparison between Fiscal Year 2018 and Fiscal Year 2019 for Drexel Chart of Accounts. This reflects one of Procurement Services’ initiatives, which was to transfer more spend from P-Cards to Smart Source to increase value and realize Smart Source’s full potential.
The figure above indicates the overall trend in spend in FY18 and FY19 for Drexel Chart of Accounts. P-Card Spend is any purchasing completed on a University P-Card. Banner Spend encompasses any purchasing completed through Smart Source as well as confidential University purchases.

**Spend by Fund Type FY19**

Other types of funds (Agency, Endowment, Bank, and Loan funds). Capital Funds, Restricted Funds, and Unrestricted Fund spending in FY19 for Drexel Chart of Accounts. P-Card Spend is any purchasing completed on a University P-Card. Banner Spend encompasses any purchasing completed through Smart Source as well as confidential University purchases.
The Travel Team operations enable each University department to scale their budget dollars for business travel accommodations and University-affiliated events.

Travel and hospitality functions include processing travel reimbursement submissions, processing Travel Advance requests, and hosting training sessions to educate the University community on Drexel’s Travel Policies and Guidelines. Contracts for off-campus University events are reviewed and signed by Travel, who have established partnerships with several event venues to ensure contract terms are favorable and flexible for the University.

In addition to working with Drexel’s authorized travel management company, World Travel Inc, to assist travelers with planning and booking, the Travel Team also collaborates with local and national suppliers to provide discounts on airfare, hotels, rental vehicles and parking.
INTRODUCING THE TRAVEL POLICY

The Business Travel Policy was revised in FY19 and constructed to combine several pre-existing policies and make the information more concise and easier to understand for Drexel travelers and administrators. The Business Travel Policy provides University business travelers with approved methods for booking travel arrangements, while also informing travelers and Smart Source Approvers of their responsibilities.

Adherence to the policy enables the Travel Team to better negotiate discounts with our suppliers, which in turn lowers the overall cost of travel, and ensures consistency and accountability in how business travel is conducted.

Through our partnership with World Travel Inc, we booked

2,697 Airline Tickets
340 Rail Tickets
to accommodate university personnel business travel needs in FY 19

In 2019, 1/4 of travel booked through World Travel Inc was international

A TRAVELING RESOURCE

In 2019, the Travel and P-Card Teams met with the College of Engineering (CoE) administrators to work together to refresh their knowledge of the Travel and P-Card policies, guidelines, and J.P. Morgan’s PaymentNet system.

The session addressed specific questions that the CoE administrators had regarding their department’s purchases and how to monitor those charges through reporting functions in PaymentNet. The Travel and P-Card Teams enjoyed the experience meeting the CoE administrators and learning about their department’s goals and initiatives.

Procurement Services looks forward to working with any team within the University that would like a department refresher training.
**PROCUREMENT SUPPORT SERVICES TEAM**

The Procurement Support Services Team is responsible for the preservation, configuration, and administration of Drexel University’s Smart Source e-procurement system and supplier database.

Procurement Support serves as a resource for University end-users experiencing system issues and for managing the supplier registration process from the invitation to register to the activation of the completed supplier record.

Additionally, Procurement Support’s responsibilities include managing the Smart Source training program, conducting Procurement’s internal and external audits, and managing Smart Source system testing and implementation of new catalogs and forms.

- **Total Smart Source End Users**: 7,831
- **Active Suppliers in Smart Source**: 161,217
- **Suppliers per month in FY18**: Average of 482
- **Suppliers per month in FY19**: Average of 611

In FY18, we conducted 15 Training Sessions for 374 Attendees. In FY19, we conducted 18 Training Sessions for 396 Attendees.
Procurement Support Services launched the Dashboards feature in Smart Source, transforming the previous gray and blue interface into a new colorful format that allows end-users to personalize their homepage by choosing the features they wish to see.

The Smart Source Dashboard interface is broken out into two functional pages: The Shopping Dashboard acts as the Smart Source homepage, and the Supplier Dashboard is a directory for the suppliers Drexel does business with. Additional features were added to the Supplier Dashboard, including a supplier search, suspended or debarred suppliers, a list of Drexel’s preferred supplier contacts by industry, and a regularly updated supplier inclusion spotlight that features one of the many diverse businesses Drexel is contracted with.

### Smart Source Forms

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<th>In 2018, we Completed</th>
<th>In 2019, we Completed</th>
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<tr>
<td><strong>42,356</strong> Requisitions</td>
<td><strong>46,180</strong> Requisitions</td>
</tr>
<tr>
<td><strong>44,803</strong> Purchase Orders</td>
<td><strong>48,471</strong> Purchase Orders</td>
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<tr>
<td><strong>65,495</strong> Invoices</td>
<td><strong>69,178</strong> Invoices</td>
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*We Experienced an Overall Volume Increase of 7%*
To streamline the often-tedious approval process for requisitions containing unregistered suppliers, the Procurement Support Services Team introduced Parallel Workflows.

The Parallel Workflow is located in the PR Approvals Workflow within the No Supplier Catch queue. It functions as the approval catalyst between the Procurement Services Team and the Strategic Sourcing Team in the PR Approvals queue, allowing for simultaneous approval by both teams for one requisition.

Previously, the approval step was sequential, and the requisition needed to be approved by Procurement Support Services first and then Strategic Sourcing.
STRATEGIC SOURCING TEAM

Strategic Sourcing processes requisitions for goods and services across the University and supports the University’s commitment to fiscal responsibility, primarily through enforcement of the Purchasing Policy.

The Strategic Sourcing team ensures that competitive bidding requirements are met, supports many University-wide Requests for Proposal (RFP), and assists with spend analysis and pricing negotiations. Strategic Sourcing also facilitates processes that mitigate risk in conjunction with other departments, such as the Office of General Counsel, Risk Management, and the Office of Tax Compliance.

Additional duties include encumbrance reporting and purchase order closeout, execution of contracts for goods and services, and supplier relationship management.

In 2019, we paid 34,550 Catalog Invoices with a cumulative Catalog Spend of $13.1 M. We also paid 31,097 invoices for Smart Source Forms (Non-catalog, Sole Source, Check Request, etc.) with a total spend of $221.0 M, resulting in a grand total of 233.1 Million overall Smart Source Spend.

**FY19 Catalog Spend vs Smart Source Form Spend**

In 2019, we paid 34,550 Catalog Invoices with a cumulative Catalog Spend of $13.1 M. We also paid 31,097 invoices for Smart Source Forms (Non-catalog, Sole Source, Check Request, etc.) with a total spend of $221.0 M, resulting in a grand total of 2331 Million overall Smart Source Spend.
The purpose of the Purchasing Policy is to provide institutional consistency, discipline and accountability over all funds entrusted to University stakeholders. The policy outlines who is authorized to commit the University to contracts for the acquisition of covered goods and/or services and establishes specific rules and obligations for the purchasing process. It also provides internal controls to protect institutional assets, promote effectiveness and efficiency, and ensure that resulting financial and operational information is fair and supportable.

The guiding principles of the Purchasing Policy are transparency, fairness, inclusiveness, and use of a competitive process whenever it is practicable and in the University’s best interest. We actively seek to provide opportunities for diverse and small local businesses.
PROCUREMENT POLICY UPDATES

Throughout FY19, Strategic Sourcing assisted with the comprehensive review of all major policies and guidelines administered by Procurement Services.

In addition, Strategic Sourcing updated the existing Purchasing Policy and created the new Purchasing Guidelines. These revised policy documents clarify existing processes and procedures, incorporate Drexel’s commitment to supplier inclusion and sustainability, and provide updates since the policy was last revised. Competitive bidding thresholds were benchmarked against peer institutions, and a statistical analysis of requisitions was performed to evaluate whether to revise the thresholds, which ultimately remained unchanged.
In FY19, Strategic Sourcing conducted or assisted with several RFPs, including for campus beverage rights, insurance brokerage services, audio visual services, account reconciliation software, the Drexel Athletics online store, and more. These RFPs yielded significant cost savings, additional revenue for Drexel, and provided new solutions at competitive prices, benchmarked directly against competitors.

The Strategic Sourcing Team is grateful for the opportunity to interact with students and contribute to the mission of Drexel University.

During fall 2018, Strategic Sourcing was invited by the LeBow College of Business’ Office of Experiential Learning to participate in a project for a Supply Chain Management and Logistics Practicum class, taught by Professor Chris Gaffney. Throughout the quarter, Procurement Services’ Dave Collins, Josh Hurdle, and Jenn Fuller met with the class to provide an overview of strategic sourcing and facilitate an evaluation of Drexel’s procurement practices.

The experience culminated in a final report and presentation containing student analysis and recommendations.

In spring 2018, Dave Collins, Director of Strategic Sourcing, was invited as a guest speaker for an Advanced Topics on Supply Chain Management class, taught by Professor Min Wang. The discussion included an overview of Drexel Procurement, contract negotiation and management, and data and purchasing practices, followed by a Q&A with students.

The Strategic Sourcing team is grateful for the opportunities to interact with students and contribute to the mission of Drexel University.
SUPPLIER INCLUSION
Reimagining Drexel’s Supplier Inclusion Program

In FY19, Procurement Services relaunched its diversity program by rebranding it to a new name that reflects a more inclusive model, the Supplier Inclusion Program.

This refocused terminology defines how Procurement Services works to collaborate with suppliers and places emphasis on the importance of supporting small, local and diverse businesses. Communities are better served when we promote inclusion through positive collaboration, outreach and engagement.

Drexel’s Supplier Inclusion Program is a University initiative designed to support the promotion, growth and development of small and/or minority, woman, veteran, disabled veteran and LGBTQ+ owned businesses.
In June 2019, Procurement Services attended the 2019 Philadelphia Association of Community Development Corporations annual conference. The conference consisted of Community Development Corporations gathering for two days to attend sessions and share thoughts on community engagement.

Procurement Services was able to add value from a purchasing perspective through its participation in a panel discussion called, “Keeping It Local: Strategies for Connecting Philadelphia Institutions to Local Businesses.”

During the panel, Procurement Services discussed different strategies to open supply chains to more local businesses, approaches that businesses can use to gain institutional contracts and ways that neighborhood organizations can support them in achieving business success.

The figure about 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/uhcf.
CERTIFIED IN SUPPLIER INCLUSION

In April of 2019, Director of Supplier Inclusion Allen Riddick attended the Supplier Diversity Institute (SDI) workshop hosted at the 2019 National Association of Educational Procurement annual meeting. The SDI consisted of two days of classes with supplier inclusion professionals in higher education.

Both days focused on discussing ways to cultivate supplier inclusion into a university’s campus framework. The information provided was very insightful and allowed Procurement Services to implement several best practices shared during these sessions.

Allen also became certified in Supplier Diversity by completing the Supplier Diversity Institute Tier 1: Establishing an Impactful Supplier Diversity Program certification.

DREXEL’S STRATEGY FOR COMMUNITY ENGAGEMENT

Procurement Services and the Office of University and Community Partnerships participated in the 24th annual Coalition of Urban and Metropolitan Universities (CUMU) conference on October 23, 2018. Julie Jones (Associate Vice President of Procurement Services)
and Jen Britton (Director of Communications & Special Projects, University and Community Partnerships) collaborated to discuss various methods of implementing an anchor strategy.

Their workshop provided a case study and a set of recommendations for designing an institutional buy local strategy for both procurement and community engagement. Their presentation provided the audience a chance to understand the reasons an institution of higher education should consider such a strategy as well as a clearer picture of the components of Drexel’s plan.

Both Procurement Services and the Office of University and Community Partnerships would like to thank the Annie E. Cassey Foundation for their support to allow Drexel to attend the CUMU conference during fiscal year 2019.
Drexel’s centralized Amazon Business Prime membership provides the benefits of Prime, including two-day shipping, at a lower cost than multiple department-specific memberships.

Prior to its Smart Source launch in June 2019, Amazon had been one of the most requested catalogs by end-users. Amazon is the world’s largest online marketplace and has cemented itself as a modern necessity with its efficient e-commerce, logistics and cloud computing enterprises.

In the third quarter of 2018, we began to take a deeper look into integrating the Amazon catalog. Procurement Services, Jaggaer, and Amazon collaborated over a series of months to test the catalog before going live in Smart Source.

Since its launch, Amazon has delivered substantial value on products and pricing. Drexel’s centralized Amazon Business Prime membership provides the benefits of Prime, including two-day shipping, at a lower cost than multiple department-specific memberships, ensures that Drexel’s tax exemptions are honored whenever applicable, and provides the transactional convenience of the catalog shopping experience.

Additionally, Amazon continues the value stream by providing Drexel with diversity reports on Amazon suppliers, various spend reports, and a dedicated Amazon partner to assist with analyzing Drexel’s spend and directing greater savings.
SUPPLIER EXPO

The Supplier Expo is an annual event Procurement Services hosts along with Drexel Business Services to connect our professional staff and faculty with suppliers with whom we have negotiated contracts, master agreements and educational association contracts in place.

Attendance ranges from 40 to 50 suppliers, who enthusiastically come to showcase their products, reconnect with their customers and hand out giveaways. University community participation in April 2019 was a little over 100, which we hope to surpass this year as we have some new ideas in store for 2020.

Out of the 43 suppliers that attended the 2019 Supplier Expo, 80% were able to generate leads from new contacts and said they would attend next year’s Expo.
OVER 250 HOURS DEDICATED TO CIVIC ENGAGEMENT

In 2019, Procurement Services contributed 272 Civic Engagement hours over the course of the fiscal year. In total, 17 Procurement professional staff members used all 16 of their allotted civic engagement leave hours across seven local organizations such as Metropolitan Area Neighborhood Nutrition Alliance (MANNA), the Share Food Program, and Morris Animal Refuge.

With the help of the Lindy Center for Civic Engagement, Procurement Services was able to coordinate both individual and departmental engagement opportunities resulting in rewarding team-building experiences.
On December 6, 2018, the Procurement Services team participated in the 22nd Annual Holiday Toy Drive, organized by Office of Government and Community Relations. This event serves over 70 community organizations in West and North Philadelphia and distributes toys to hundreds of families in need. Our team helped prepare many red sacks filled with toys donated by the University community.

This event was a great opportunity for Procurement Services to support a worthy cause while getting a chance to spend quality time together and with colleagues from across the University outside of our regular job duties. By working together to give back to our community, we felt a renewed sense of pride as a team and as Dragons.
General Procurement Inquiries: 215.895.2876

P-Card pcard@drexel.edu (Option 3)
   P-Card Inquiries

Travel travel@drexel.edu (Option 4)
   Travel Advance
   Travel Reimbursements
   Expense Reports

Procurement Support askprocure@drexel.edu (Option 5)
   Supplier Registration
   Supplier Records
   Smart Source Training
   Smart Source Technical Support & System Issues

Strategic Sourcing sourcing@drexel.edu (Option 2)
   Appropriate Form Usage
   Requisition Status
   Purchase Order Status
   Purchasing Policy
   RFPs & Competitive Bidding Requirements

Supplier Inclusion supplierinclusion@drexel.edu (Option 6)

Accounts Payable acctpay@drexel.edu (Option 1)
   Invoice Status
   Stop Payment
The Annual Procurement Report is available on the Procurement homepage at drexel.edu/procurement

The report was prepared by Leona Mack and Joshua Hurdle from the Drexel University 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.