



**University of California San Diego
La Jolla, California
Purchasing**

SCHOOL

University of California San Diego (UC San Diego) is a public 4 year institution with 25,000 students and 15,000 faculty and staff. UC San Diego's primary campus is located in La Jolla, California.

ABSTRACT

Procurement & Contracts has launched an E-Procurement Purchasing System branded as "Marketplace" (www.blink.ucsd.edu/go/newmarketplace). Marketplace is a web-based, on-line shopping site (similar in format to Amazon.com) for the campus to purchase goods and services from suppliers. All strategically sourced contracts for the new Marketplace system incorporate requirements for sustainability and environmentally preferable purchasing. Once Marketplace is fully operational and available campus-wide, other purchasing procurement processes, such as those that don't guide our community about sustainable elements of goods and services considered, will cease to exist.

In Marketplace, products and services that meet standards such as "Green Seal" or "Energy Star" will be highlighted. Also, the new Marketplace website will allow for tracking sustainability accomplishments and will result in more accurate and complete data sets for environmentally preferable purchasing.

GOALS AND OUTCOMES

Goals

With the implementation of the Marketplace system, we hoped the tool would be the driving force to direct spend to the right suppliers and products. The suppliers would include all of our strategically sourced contracts, many of which have environmentally preferable product offering and sustainability programs. We plan to utilize Marketplace to promote green products and suppliers to the campus community by increasing the visibility of these products and affording users the option to search for only green products. Another goal of the Marketplace tool is to improve upon the inefficient paper purchase order (PO) and invoice processes that will benefit both Procurement and suppliers. Our goals for the next 2-3 years is to create standard reporting on environmentally preferable purchasing spend (i.e. "Green Seal", "Energy Star", "EPEAT", etc.), improve visibility and help increase spend on green products.

Accomplishments and Outcomes

To market green products, we created a "green" icon that would show up next to the supplier or product. Some Marketplace suppliers have taken advantage of this option and identified their green products in their catalog offerings. These suppliers include Dell, Waxie, Fisher, and Grainger. They offer certified Green Seal, Green Guard, Design for the Environment (DfE), Nema Certified Products, EcoLogo Products, and 100% recycled paper products. The presence of the icon allows our campus users to clearly identify available environmentally preferred products when purchasing on Marketplace. The Marketplace tool allows campus users to narrow their search to only green products. In addition, all search results for products will give priority to products with a "green" icon by displaying the results near the top of the search.

Marketplace has been extremely successful in technologically integrating our ordering systems with those of our suppliers. Currently a majority of our contracted suppliers are implemented in Marketplace and have electronic procure-to-pay set-up. This vastly reduces the amount of paper compared to the paper purchase order process. For 2008-09, there were a total of 19,493 Marketplace purchase orders. This resulted in transactional cost savings of \$1,466,895 and estimated reduction of paper waste by 92,000 sheets of paper.

Challenges and Responses

One of the challenges we faced to increase visibility of green products is getting support from our suppliers. The suppliers are responsible for identifying which of their products are “green”. Not all the suppliers are proactive about doing this and it has been an ongoing challenge to motivate them to do so. Another challenge with marketing green products is that we allow suppliers to self-identify which products should be labeled green based on their own standards. This poses a challenge because products are labeled green inconsistently from supplier to supplier and this can potentially lead to green washing. Our response to this challenge is to develop a set of criteria based on Procurement “green” standards. These will be provided to the suppliers to identify the products that meet our criteria.

Other challenges include user adoption of the Marketplace tool. Campus users that are rolled out in the Marketplace, continue to use the paper purchase order process and other inefficient procurement methods. During March 2009-May 2009 and based on current rolled out campus users, total percent of orders that did not go through our Marketplace tool was 67 percent. This represents a loss of potential environmental savings in terms of paper usage, toner, and associated fuel costs from mailing purchase orders and invoices. To increase utilization of Marketplace, procurement professionals are proactively reaching out to the campus users by providing direct feedback of their user adoption on a monthly basis. They also engage in outreach efforts to reiterate the benefits on the process efficiencies of Marketplace.

Campus Climate Action: Your School’s Carbon Footprint

The initial project concept of Marketplace did not directly address global climate change. However, once we understood the full potential of the Marketplace tool and its role in promoting sustainability through process efficiencies and ability to promote “green” products, we were able to tailor our project to maximize components that emphasized emission reductions. With the purchase orders and invoices being almost paperless process, there is the potential to save approximately 27 trees and 6,000 lbs CO₂ equivalent in a given year (*estimates were generated using the Environmental Defense Fund Paper Calculator: <http://www.papercalculator.org>*). This can be achieved with 100 percent end user adoption and elimination of other inefficient procurement methods.

Commentary and Reflection

For the project to be successful there needs to be a global understanding of why sustainability is important. Most individuals are only interested in the bottom line and are not aware of the total costs (environment, economy and equity). It is not enough to have a tool that supports sustainability it also requires utilization of the tool to make it successful. Other campuses considering an E-Procurement tool will need to focus on education and outreach. Once individuals (campus community, suppliers, etc.) can see beyond the immediate bottom line they will have a greater appreciation of Procurement’s efforts to drive utilization and help increase market demand for green products through use of the Marketplace tool. This outreach will be critical in driving end user adoption of an E-Procurement tool.

ENGAGEMENT AND SUPPORT

Leaders and Supporters

The Marketplace system is a hosted application developed and maintained by SciQuest (www.SciQuest.com). Marketplace sponsors include Steve Relyea, Vice Chancellor, Business Affairs;

Elazar Harel, Assistant Vice Chancellor, Administrative Computing and Telecommunications; Don Larson, Assistant Vice Chancellor/Controller for Business and Financial Services (BFS)/Controller; Sally Brainerd, Associate Controller for BFS; Linda Collins, Chief Procurement Officer (BFS); and Faye McCullough, Director of Disbursements (BFS).

Funding and Resources

The investment to develop Marketplace as a full-scale e-procurement portal was significant, covering licensing, programming, program management, training and marketing costs. Representatives from the Marketplace Program Management and the Strategic Sourcing teams guided the drive to promote green products as a component of the overall project, and therefore there were no additional costs incurred.

Education and Community Outreach

Marketplace green initiatives can be communicated to the entire campus user population through the Organization Message on the Marketplace homepage. In order to use the Marketplace tool, users must be trained by the Marketplace team. During the training, a portion of Marketplace's benefits (such as technological integration with Suppliers, consolidated ordering and promotion of green products) are communicated to campus users.

CONTACT INFORMATION

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MORE ABOUT YOUR SCHOOL

Campus Sustainability History

Founded in 1960, the University of California, San Diego is one of the nation's most accomplished research universities, widely acknowledged for its local impact, national influence and global reach. The 1,200 acre campus is located along the Pacific Ocean and as of 2008 total campus enrollment was 28,500 students.

A pioneer in climate studies before the term "global change" was coined, UC San Diego Scripps Institution of Oceanography researcher Charles David Keeling studied variation in carbon dioxide in the atmosphere. His measurements began in 1958 and have been singled out as the first scientific evidence that the level of carbon dioxide is increasingly steady. Building upon this research legacy, UC San Diego is working with communities, governments and businesses to promote sustainability across all levels—local, national and global. This comprehensive strategy draws on all campus resources—people, facilities, research projects and technologies—to reduce the carbon footprint of the campus and ensure UC San Diego's useful solutions are broadly implemented. UC San Diego has appointed a full-time campus Sustainability Coordinator, and two full-time Sustainability Analysts. Additionally, many student organizations, such as Green Campus, AQUAholics, and the Compostables, amongst many others, have been developed to promote better sustainable practices. The university also has two primary environmental advisory committees and several additional committees composed of students, staff, and faculty that meet regularly to share information about education, research, and outreach activities in the context of environmental stewardship and sustainability. A leader in climate science research, UC San Diego strives to be one of the greenest universities in the nation and promotes sustainability solutions throughout the region and the world. To learn more, please check out our website at sustain.ucsd.edu