



Canada's YMCA
Le YMCA du Canada

Canadian YMCA Procurement Program - Level 1

Canadian YMCA Buying Group

Program Update Webinar

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Our Goals Today

1. Provide an **overview** of the Canadian YMCA Procurement Program (CYPP) and Buying Group (CYBG)
2. Review and Celebrate the results:
About \$2M in savings for Canadian YMCAs so far
3. Address some common **questions**
4. Provide a preview of **future activities**
5. Encourage **feedback, discussion and participation!**



***We have a National Procurement
Program?***

Since when?



Program Evolution: Key Events

- 1. Early 2007:** Canadian Urban Group (CUG) YMCAs review potential for a formal group procurement program
- 2. October 2008:** Official CUG group program launches
 - Over \$3M in savings (& other benefits) generated over three years
 - Eventually becomes the basis of the current “Level 2” program
- 3. Summer 2011:** YMCA Canada conducts competitive process for a Service Provider
 - RTPS selected to operate a national Buying Group program
- 4. January 2012:** First supplier agreements launched under the Level 1 Buying Group Program



What is a Group Procurement Program?



Benefits of Managed Procurement

1. Cost savings
 - While maintaining or improving service & quality
2. Improved risk management
 - Selection processes, contract development, needs assessment
3. Reduced staff time
 - Staff can focus on core duties
4. Increased efficiency
 - Structure streamlines the selection/buying process
5. Facilitates collaboration
 - As with our Buying Group program



Some Elements of Successful Collaborative Procurement

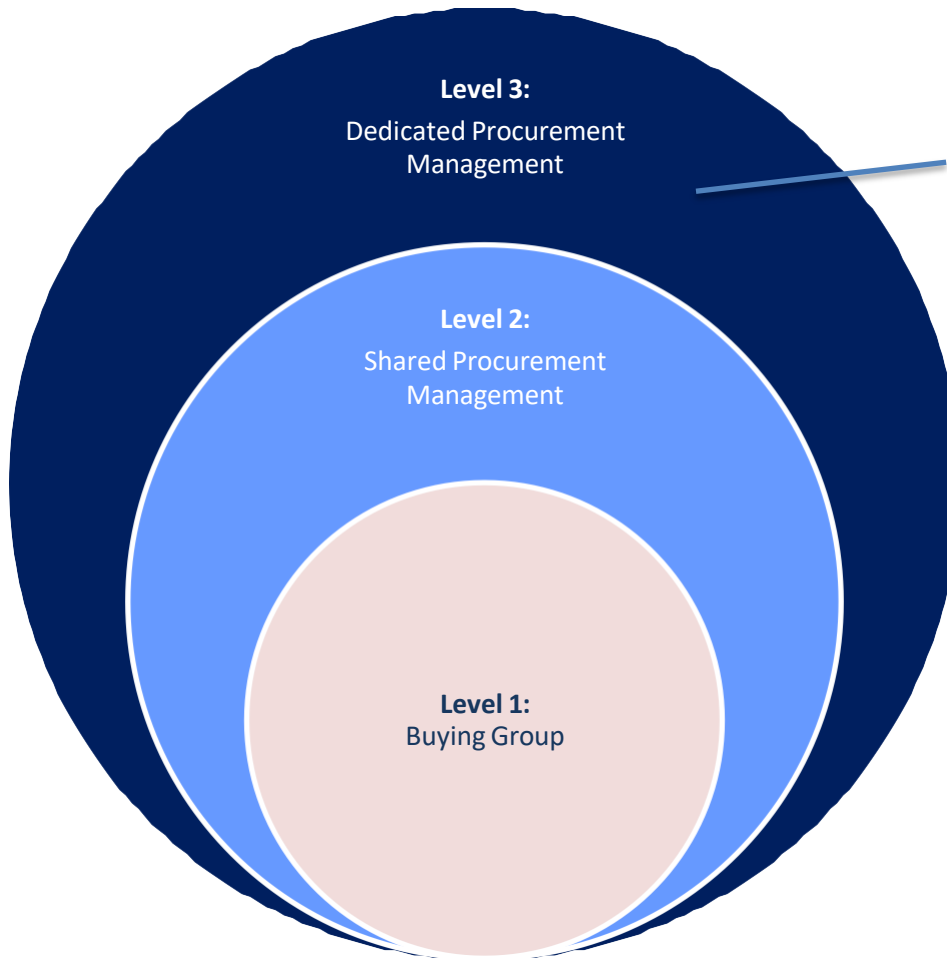
- Centralized sourcing; decentralized buying
 - Maintain local supplier rep relationships
- Large volume benefits; on-demand ordering
 - We don't need to buy large quantities at one time
- Mix of national & local supplier representation
 - We don't need to deal only with large global or national suppliers
- Designed to satisfy a wide range of buying requirements
 - Flexible solutions and multiple levels of participation



What are the differences in the available Program models?



Three Participation Models

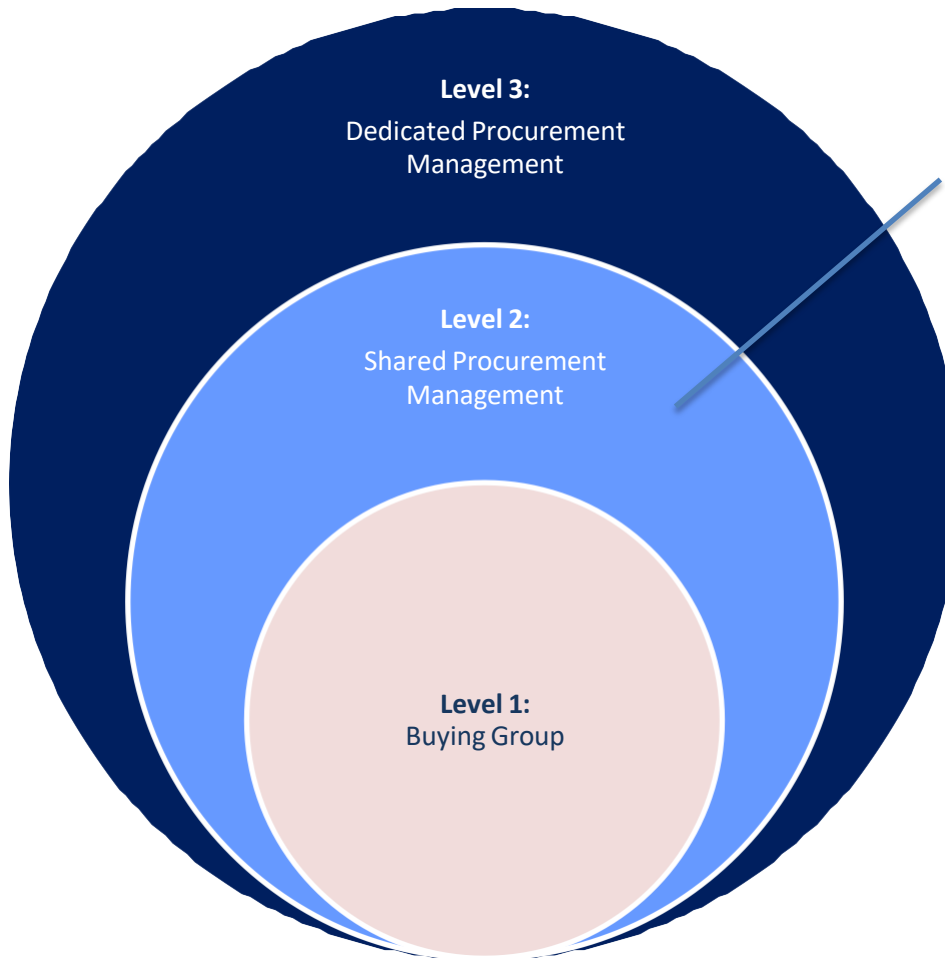


Level 3: Dedicated Procurement Management

- Dedicated, on-site procurement staff
- Procurement representation on senior leadership and operational teams
- Specific procurement strategies are developed, implemented and supported
- Includes access to all Level 1 and 2 programs



Three Participation Models

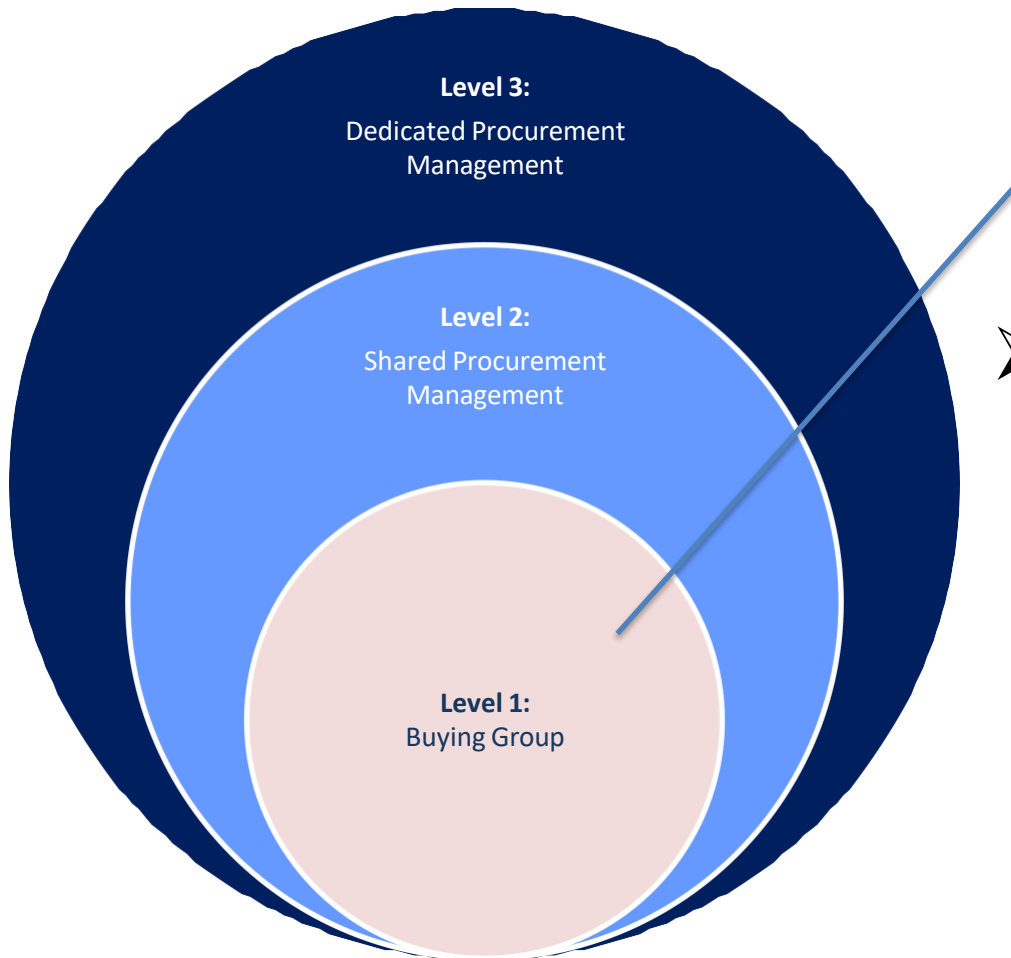


Level 2: Shared Procurement Services Model

- Shared virtual procurement department
- Access to custom procurement services including large project support, RFPs, new facility openings, vendor management, etc.
- Includes all access to the Level 1 program



Three Participation Models



Level 1:

Buying Group Model

- Available to all YMCAs in Canada



Defining Level 1: The Canadian YMCA Buying Group

Objective:

- Leverage the YMCA's buying power to **generate hard-dollar cost savings**

Scope:

- Available to all YMCAs and YM/YWCAs in Canada
- Fully funded by Y Canada
- Address 10-20 high-spend cost categories over 3 years

What's Included:

- Access to national vendor programs
- Group news and communications
- Self-managed, self-regulated, "self service" participation and support

Participant Responsibilities:

- Provide data and input as requested & available
- Promote the communication, improvement and use of the program wherever possible



***What goods and services are
available?***





Currently Available Supplier Categories

- 1. Office Equipment: Copiers, Printers** (Canon)
- 2. IT Hardware** (Dell, HP and Lenovo)
- 3. Wireless Devices** (Rogers Wireless)
- 4. Long Distance Telecom** (Rogers)
- 5. Office Supplies** (Staples)
- 6. Courier** (Purolator)
- 7. Beverage Vending** (Pepsi)
- 8. Large Order Food** (GFS)
- 9. Printed Stationery** – Business Cards, Letterhead, Envelopes (Braund)
- 10. Printed Forms** (Data Group)
- 11. Promotional Items** (McCabe)
- 12. Fitness Equipment** (Precor, Life Fitness, Cybex)
- 13. Equipment Leasing** (RBC)
- 14. Laundry Chemicals** (Ecolab)
- 15. Towels** (Canadian Textiles)
- 16. Child Care Supplies** (Scholar's Choice)



Category Summary Sheets (CSS)

<p>Canadian YMCA Procurement Program Category Summary for:</p>	
 <u>Office Supplies</u>	
	
<p>Category Details: Paper, pens, staples, calculators, file folders, etc. Typical Users: All YMCA Departments and Programs</p>	
<p><i>updated December 2012</i></p>	
<p>Preferred Vendor Name: Staples Advantage Vendor Website: www.staplesadvantage.ca Savings and Pricing Details:</p> <ol style="list-style-type: none">1) Great pricing discounts on all supplies (50-80% off retail), especially the 1,300 "core" list items (including 100% recycled paper, our highest volume item nationally).2) % savings will vary per item but overall savings should average to over 20% versus our previously negotiated national deal.3) Our agreement also includes a rebate program that will be paid annually.4) Ordering is easy via the on-line "E-Way" application. <p><u>Points to Consider</u></p> <ul style="list-style-type: none">• The new pricing is effective January 1, 2013.• Consider Staples-Branded products as an alternative since it	<p><u>Getting started</u></p> <ol style="list-style-type: none">1) Contact Jason, the national Staples Representative, to set up an account for your Association. His contact information is below.2) Ensure that the Billing and Shipping details are accurate for each location to make delivery and invoicing free of problems.3) Ask Jason to have E-Way accounts created for every person who will need to purchase online.



How are suppliers selected?



The Category Development Process

1. Establish a sourcing plan & schedule
 - Set by program leadership; adjusted over time
2. Recruit a selection team
 - Invitations included in program updates
3. Define category requirements
 - Based on team input available data
4. Conduct selection process
 - RFP etc distributed, responses evaluated by team
5. Set up new agreements
 - Negotiate & configure details
6. Launch new solution
 - Communication sent to Procurement Rep at each Y
7. Manage and monitor performance
 - Collect feedback; manage and improve agreements



Is the program delivering results?



Progress to date

In the first year, the Buying Group Program has:

- Had **50 Associations** access supplier programs
 - Including 42 of 44 in the Level 1 Program
- Targeted almost **\$13M in annual expenses**
 - About \$5.5M with Level 1 Ys
- **Saved an estimated \$1.9M** annually
 - Including over \$620k with Level 1 Associations



Savings Estimation Process

1. Identify the old unit price
 - Use invoices and financial data to estimate the average current unit price, normally from the Ys in Levels 2 and 3
2. Establish the new unit price
 - From the competitive selection process (eg RFP)
3. **Savings % = (Old Price – New Price)/Old Price**
4. Collect actual quarterly spending reports from program suppliers
5. Estimated Savings \$ can then be calculated using actual spending data provided by the suppliers



Unit Price Comparison Method

- From a random sampling of invoices:

Category	Supplier	Description	Pre-Program Invoice Price	New Program Price	Savings %
Telephone	Bell	Long Distance Charge Per Minute	\$0.08	\$0.015	81.3%
Towels	Chung Chun Internation	Bath Towel Heavy 28"X52" 11 lbs	\$57.90	\$29.88	48.4%
	Chung Chun Internation	Bath Towel Medium 24"X48" 7.5 lbs	\$38.00	\$21.00	44.7%
Child Care Supplies	Scholar's Choice	Surprise Inside Elephant	\$31.50	\$29.69	5.7%
	Louise Kool&Galt	Model Clay Red	\$3.50	\$3.15	10.0%
	E.C.E Supply Ltd.	9.5X12.5/100 Fingerpaint Pap (120m)	\$2.69	\$2.63	2.2%
	Average of 22 other assorted Child Care Products		\$11.39	\$8.32	13.3%
Office Supplies	Saunders Pro Office	Tape-Masking, Gen.Pur 36MMX55M 20	\$3.29	\$2.89	12.2%
	Grand&Toy	File Folder Ivory LTR	\$12.69	\$7.52	40.7%
	Corporate Express	Pen, Ballpoint, Roundstick, Medbe	\$0.73	\$0.54	26.0%
	Average of 22 other assorted Office Supply Products		\$28.10	\$24.18	14.0%



Spend and Savings Estimates – Year 1

Program Level	2012 Actual Spending \$	Savings %	Est Savings 2012 Total \$	Savings/ \$1M Rev	Spend/ \$1M Rev
Level 1	\$ 5,486,703	10%	\$ 622,500	\$ 1,835	\$ 16,172
Level 2	\$ 2,054,265	12%	\$ 292,400	\$ 2,673	\$ 18,782
Level 3	\$ 5,323,923	15%	\$ 949,400	\$ 4,095	\$ 22,964
Total	\$ 12,864,891	13%	\$ 1,864,300	\$ 2,740	\$ 18,906

From quarterly spending reports required from all program suppliers

Based on “before” vs. “after” unit price comparison

Based on the spending \$ and savings % in the first 2 columns



1st Year Program Supplier Usage (Level 1 Ys only)

Expense Category	Vendor(s)	# of Ys Using	2012 Spending
Overnight Courier	Purolator	37	\$ 28,700
Fitness Equipment	Life, Precor, Cybex	33	\$ 1,335,218
Child Care Supplies	Scholar's Choice	32	\$ 558,641
Print Stationery	Braund	31	\$ 55,277
IT Hardware	Dell, HP, Lenovo	16	\$ 194,370
Office Supplies	Staples	12	\$ 388,847
Large Order Food	Sysco (in 2012)	9	\$ 2,364,032
Towels	Canada Textiles	9	\$ 26,745
Wireless Telecom	Rogers	6	\$ 263,311
Office Equipment	Canon	6	\$ 236,968
Laundry Chemicals	Ecolab	4	\$ 34,129



Other Benefits

In addition to the cost savings, we've also:

- Learned more about working together
 - to share ideas, solve problems, save time, drive change and improve together
- Demonstrated our unity with suppliers
 - Suppliers see this program as both a challenge and an opportunity
- Reduced our external risk, solidified our credibility
 - Using a fair and transparent selection process



Some Positive Feedback...

- The supplier was “very complimentary about the RFP process and specifically mentioned the team’s professionalism, prompt responses and thorough process. While it’s not the answer they wanted to hear, they did want to acknowledge the good work and remarked that while the time frame was tight, the process was well done.”
 - CEO of a large YMCA, speaking about a local supplier partner who had been unsuccessful in a national RFP process
- “Just to let you know that I had a positive experience with RBC for equipment leasing that is saving us over \$12,000 in leasing costs.”
 - CEO of a small YMCA



Keys to Our Success

- **Trust**
 - Faith in each other, the process and the program
- **Credibility**
 - Suppliers need to believe we are committed
- **Fairness**
 - We will be fair and transparent with our suppliers and each other
- **Participation**
 - The greater the participation, the greater our ability to improve
- **Communication & Feedback**
 - With our suppliers and from and to the program team



We need your feedback!

What would you like to see next? More of? Less of?
How are our program suppliers doing?
Was this information helpful?

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A Good Place to Start: The Program Website

www.cypp.ca

- www.cypp.ca
- Login = your email, Password = “together”
- **Contact the procurement team to register your email addresses for the program**

