

## Ames Tribune

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Regents approve consultants' first cost-saving measure

By Melissa Erickson

Associate Editor

[merickson@amestrib.com](mailto:merickson@amestrib.com)

The Iowa Board of Regents voted Wednesday to begin implementing the first savings opportunity presented by a consulting company as part of an efficiency study into Iowa's three public universities.

During a presentation to the board, representatives from Deloitte Consulting LLP said they believe Iowa State University, the University of Northern Iowa in Cedar Falls and the University of Iowa in Iowa City can save \$16 million to \$40 million in the way they purchase goods and services.

The board, meeting via phone, approved the sourcing and procurement business case, and will now negotiate an additional contract with Deloitte to have the consultants help implement their cost-saving ideas. So far, the board has agreed to pay Deloitte nearly \$3.5 million for its work; however, that only covers the first two phases of the three-phase study.

Gary Sutton, the Deloitte team lead on the sourcing and procurement business case, said they believe implementation will take 18 to 24 months, and will be split into three "waves" lasting about 20 weeks each.

Implementation will focus on establishing "master contracts" that coordinate the way the three universities purchase items such as office supplies, maintenance supplies, furniture, food and temp labor, Sutton said.

Rick Ferraro, Deloitte director, said the \$16 million to \$40 million estimated savings will become a more solid figure as they work through the first wave of implementation and identify which purchasing contracts can be reworked right away.

The additional contract with Deloitte that was approved Wednesday only covers the first wave of implementing these ideas. The board will hold a special meeting to review the contract once it is negotiated. Board spokeswoman Sheila Doyle Koppin said that meeting will be held before the Regents' next scheduled meeting Sept. 10 in Ames.

No cost estimate for the contract was available, she said, since "the board has yet to negotiate an agreement for the services approved today."

Doyle Koppin said it was too early to know whether the board will have to negotiate separate implementation contracts for each savings opportunity they decide to pursue and have Deloitte assist with, or if one implementation contract could cover implementation of multiple savings initiatives.

Regents President Bruce Rastetter said Deloitte also will begin providing the board office with receipts for expenses billed to the universities. The existing contract did not require Deloitte to do so, which Rastetter said is a “typical consulting contract.”

Rastetter said this decision was made in response to media questions earlier this week about the lack of receipts for the consultants’ expenses, and that Deloitte is willing to begin providing them.

Also at their meeting, the Regents approved the fiscal year 2015 budgets for each of the universities, including a \$584.6 million operating budget for ISU.

The board also approved new masters and Ph.D. programs in gerontology at ISU, and ratified an “emergency contracting authorization” to let ISU use emergency procedures in awarding repair contracts for the fire-damaged Sweeney Hall. The building houses ISU’s chemical and biological engineering department, and was damaged in a March 31 fire.

Regents Executive Director Robert Donley gave ISU emergency authorization in June to start the repairs. In his update to the board Wednesday, ISU President Steven Leath said the building has since been reopened.

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