

June 8, 2020

To: Daniel M. White, Chancellor

From: Nickole Conley, Executive Officer  
Julie Queen, Vice Chancellor for Administrative Services

RE: Troth Yeddha' Campus Shared Services – Recommendation

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Per the [December 2019 solicitation for Troth Yeddha' Campus Shared Service Business Centers](#), UAF received six proposals all addressing many of the areas requested (travel, purchasing, financial transaction management, and PPA duties) but not fully encompassing them all into two multi-function business offices. Two proposals were selected that most closely met the charge, submitted by Dave Read in the Geophysical Institute and Kellie Fritze in Facility Services; each proposer was then asked to expand on their initial submission.

With input from college/school/institute executive officers/financial leads across the Troth Yeddha' Campus, the two units partnered and put forward a collaborative proposal comprised of all core area functions as requested. Section 1, below, is a high-level recap of the collaborative proposal that contained several great ideas for a centralized Shared Services Business Center as an “opt-in” model, allowing but not requiring units to use the service as needed through a recharge model. The original proposal submission can be found on the [Shared Services Proposal website](#).

At your request, Section 2 of this memo contains suggested adjustments that could be established as a model, targeted for implementation in FY21, and that will address a portion of the UAF required budget reductions. The adjusted model eliminates an “opt-in” approach and asks all units to utilize the Shared Service Business Centers for particular transactional functional areas. This also preserves a unit's ability to continue to serve their local customer groups and provide financial and grant management to support deans/directors. This model would be funded through a reallocation of positions to a centralized office or offices during the FY21. Impacted positions can be included as part of the unit's FY21 budget reductions, or may apply toward FY22 base reductions, as needed, depending on timing of implementation.

Section 3 highlights ideas from the collaborative proposal that we support and would like to see utilized within any campus shared service center, where implemented.

### **Section 1: Collaborative Proposal Submission Recap/Major Themes**

The collaborative proposal recommended “specialized pods” for certain services, including:

1. Campus Travel Office
2. Proposal Development Office
3. Campus Purchasing Office

These “specialized pods” are proposed as a “cost center”, meaning as work is completed, the unit will be charged accordingly. These services will be “opt-in”, thereby allowing but not requiring units to use the service as needed. Specialized pods will be managed by central administration or assignment to a unit. Oversight for functionality of both unit and specialized pods will be at the vice chancellor level, or as delegated. The proposal suggests the Associate Vice Chancellor for Financial Services as responsible lead. Full details can be found on the [Shared Services Center Proposal](#).

“Unit pods” is an additional theme and consists of a collaboration to provide multiple functions for the units in each pod. The primary benefit of these partnerships is backup for critical functions.

Suggested “unit pods” or partners, based on work-type affinity are as follows:

1. GI/IARC/ACEP/VCR
2. CEM/SOM/CLA/Library/eCampus/SSLL
3. CFOS/IAB/CNSM/IANRE/Museum
4. VCAS/VCSA/CAFO (including Chancellor's Offices and Provost Office functions)
5. CRCDD/CTC

These “unit pods” are managed by the existing management structure (usually executive or fiscal officers) with oversight by the deans and directors of the participating units. Units involved in these pods would determine the cost structure to support the service.

## **Section 2: Suggested Revisions Moving into FY21**

Create three Shared Service Centers for the following campus functions, with consideration of a fourth for Human Resources Transactional (PPA) processing, if feasible. All options below are intended for all UAF units to participate, excluding CRCDD and CTC at this time, for the transactional areas listed. Services will be evaluated throughout the year along with evaluation of CRCDD and CTC’s involvement. Where any unit requests an exception, those will be considered on a case-by-case basis.

### **1. Travel:**

All UAF units will be asked to fully transition travel support services to the campus-wide Shared Service Travel Office by December 2020. This will not be a recharge model but rather, funding will be reallocated as implementation plans are developed. The new Shared Service Travel office will be located in Lathrop Hall with Financial Services. All travel coordinator positions will report directly to a shared services travel manager, under the Associate Vice Chancellor for Financial Services. This reporting line will be separate from the travel compliance and audit functions, with an emphasis on individual traveler support and training.

2. Proposal Development:

Proposal development will build on existing expertise in the Office of Proposal Development (OPD) model, currently managed by the Geophysical Institute and its partners. The model will be expanded and report under the VC for Research. This shared service will be renamed the Proposal Support Center to instill the culture of support and to differentiate it for users from the OPD managed by the GI. Renaming will help in the culture transition for both the PSC staff and the customers of the shared service. A second location will be considered in the Duckering Building in order to increase access for those located on Core Campus, in addition to the existing location on West Ridge. Proposal development will remain a cost center activity (as it is now), based on the hours worked by each proposal coordinator. All proposal coordinators will be engaged by joining one of the two offices under the VCR and a lead proposal coordinator in the new structure.

3. Purchasing:

All UAF units will have the choice to “opt-in” to this service center that will provide transactional procurement services in a campus-wide Shared Service Procurement Office by December 2020. As part of the transition, unit/department procurement cards will be moved into the shared services center for those that opt-in, unless approved by exception. This will be a cost center model, similar to OPD. This builds on the expertise and authority that exists as part of the Facilities Services procurement and contract office that also handles large-scale capital procurement. Positions to support the new service will be located within Facilities Services (space plans to be refined). Purchasing technicians specifically trained in this office may have higher procurement limits and authority, contingent upon completion of an approved training program as part of increasing efficiency for these activities. Purchasing coordinators will be engaged by joining the Facilities Services team that reports to the XXXX in the new structure.

4. Human Resources (PPA):

HR will be considered after implementation of the first three offices, examined for feasibility and, if cost effective, move to that model in FY22.

We concur with the “unit pod” idea detailed in the collaborative proposal in concept, and are characterizing it as “unit partnerships.” Units partners based on affinity and similar business practices can be further combined, but there is merit in supporting units to choose partners, based on affinity. In that way, unit leaders can determine who they align best with and work together to provide support or services when needed within the partner group without incurring unnecessary costs to align business practices. They could also purchase support or services from one another for areas not specifically identified.

We request that you seek input from Core, Chancellor’s Cabinet, and Deans/Directors on how to formalize these partnerships moving into FY21, including determining if they would benefit from additional structure, or could be a cost savings measure in FY21-FY22 or beyond.

### **Section 3: Other Supported Concepts**

In addition to the items above, we support the additional actionable recommendations submitted in the collaborative proposal:

- Increase the number of Procurement Technicians (PT). UAF currently has 7 PTs, and this number could be increased in the new shared model as an expansion of the Facilities Procurement Office.
- Request the procurement authority level be assessed (currently \$5,000-\$25,000). This is relevant because the process for procurements between \$10,000 - \$100,000 is roughly the same. Increase levels with highly trained PTs. Additionally, Pro-Card limits could be increased to reduce the number of purchase orders that are processed. Increasing purchasing authority dollar limits and the available payment mechanisms, as appropriate, will create efficiencies and a more-timely process, supported by the PT team.
- Implement (finalize) the JV workflow process. This automation will increase efficiency and reduce the number of hours at the unit and central level dedicated to routing and processing of paper.
- Implement Paperless Job Processing (PJP) for all contract extensions for all employees. This is currently in place for all faculty, term-funded staff, and student jobs. Including staff will reduce labor costs involved in processing individual paper job forms. This could be implemented in a Human Resources/PPA center or on its own.
- Create a Shared Services Advisory Board (SSAB). The current Financial Services Advisory Group is made up of school/college/institute Executive Officers and Business Managers across all UAF units and is chaired by the Associate Vice Chancellor for Financial Services. The SSAB would utilize this same group, essentially expanding the scope to include the responsibility to act as an overarching advisory board for all shared services questions or concerns. The SSAB should be chaired by the Associate Vice Chancellor for Financial Services and meet on a regular basis.

### **Implementation Recommendation:**

The implementation process for shared services business centers can begin in late June 2020, if approved by you. We recommend a lead be identified for each area who would work to setup the initial structure of each office and build-out processes. Staffing notification and transition plans can be broken into phases, with a goal of full implementation and onboarding of staff by December 2020.

Service models will also be reviewed every six months to ensure the integrity and intent of shared services are being executed as intended. As shared services are stood-up and prove to be effective we will be looking at additional areas where these types of service centers can be utilized.

We want to thank Dave Read, Kellie Fritze, Amanda Wall, Amber Leytem, and the Financial Services Advisory Board unit leadership for providing input to this model and transition planning. This additionally builds on ideas shared in the Expedited Administrative Services Review, and is a continued effort to move forward in a sustainable and successful way, understanding the desire for increased backup and transactional support, and the current fiscal situation.

If you have questions, we are available and look forward to your decision.