

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 10-04

BOARD DATE: February 2, 2010

ACCEPTANCE OF THE PHASE I/II REPORT FROM COMMISSIONER'S TASK FORCE ON COLLABORATION AND EFFICIENCY

MOVED: The Board of Higher Education accepts the report of the Commissioner's Task Force on Collaboration and Efficiency and strongly encourages the Commissioner and all campus Presidents to implement the recommendations in the report. The Board calls upon the Commissioner and all the campuses to report to the Board on their progress in implementing the recommendations by June 2010, with follow-up reports as appropriate. In addition, the Board looks forward to the Phase III report that develops more action steps with the potential for better service, added cost savings and broad-based collaboration activities.

Authority: Massachusetts General Laws Chapter 15A, Sections 6 and 9(c)
Contact: Stephen Lenhardt, *Deputy Commissioner of Administration and Finance*

COMMISSIONER'S TASK FORCE ON COLLABORATION AND EFFICIENCY

TO: Richard M. Freeland, Commissioner of Higher Education

FROM: Dana Mohler-Faria, Chair, Task Force on Collaboration and Efficiency

DATE: January 19, 2010

RE: **Review of Phase I/II Strategic Recommendations & Best Practices**

In April 2009 you charged a small group of state and community college presidents, trustees and chief financial officers, along with key staff from the Department of Higher Education, with the task of engaging in a comprehensive effort to investigate and make recommendations concerning ways in which Massachusetts state and community colleges can realize cost savings and make better use of existing resources. Though this call came at a moment of unprecedented fiscal challenge for the Commonwealth, its impetus emerged largely from a desire to capitalize on the growing number of innovations being led by individual institutions or small groups of campuses already working in concert, an array of initiatives that effectively constitutes Phase I of a multi-phase process. Throughout the report, and in keeping with the spirit and mission of your charge, we have paid particular attention to possibilities associated with inter-institutional collaborations or relationships involving the entire system of public higher education.

In reaching the conclusion of Phase II, we have strived to meet both of the specific objectives presented to us: (1) to develop an inventory of best practices at the state and community colleges designed to achieve cost savings and improve efficiency; and (2) to delve deeper into the initial recommendations of the Higher Education Subcommittee of the Governor's Readiness Finance Commission pertaining to energy/utilities, book store contracts, banking contracts, financial audit services, office supplies, food services, waste management, technology, vending contracts and copy machines. Given the obvious connectivity between the base of existing best practices and the forward-thinking trajectory of further development and/or deployment, we have bundled these components together in the pages that follow. Doing so reflects not only the growing synergies for engagement between individual campuses and the system of public higher education, but also the fact that **each of the 24 state and community colleges participated in this effort** – by supplying data, sharing details of institutional best practices, or participating in one or more of the Task Force's many subcommittees.

Our collective efforts are manifested in 25 strategic recommendations. Whenever possible, we have included an estimate of potential cost savings as well as indications of likely productivity gains and/or streamlining of existing processes. We recognize that implementation of some or all of these recommendations, particularly during a period in which DHE and institutional staff time is at a premium, is both understandably time-consuming and, in some cases, predicated on the availability of additional up-front resources. Rather than be pessimistic, however, we are energized and inspired by what we learned from the individual campuses. Their tenacity and

ingenuity, even against the backdrop of so many historic and emerging obstacles, is both palpable and worthy of replication. With that said, it is important to recognize that the 25 recommendations carry with them different levels of complexity and reflect varying prerequisite appetites for change. To make the slate more orderly for purposes of implementation, we have grouped the recommendations (along with any affiliated best practices) into five clusters:

- 1. Changes that could be made immediately by individual campuses requiring little or no new resources.**
- 2. Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring little or no new resources.**
- 3. Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring a modest infusion of resources.**
- 4. Changes that could be made by the system or groups of campuses linked to the expiration and/or renegotiation of an existing contract.**
- 5. Changes that have a more distant developmental horizon (i.e. beyond FY2011) that should be considered as part of Phase III.**

A listing of clustered recommendations immediately follows, as do more details pertaining to each specific recommendation. We hope this appropriately meets the charge presented to us for Phase II, and we look forward to working with you in developing a framework for additional engagement with the campuses.

Finally, I would be remiss in not recognizing the tremendous contributions of the Task Force members: Dr. Patricia Meservey, Salem State College; Dr. David Hartleb, Northern Essex Community College; Dr. Jack Sbrega, Bristol Community College; Mr. Bernard Fulp, Board of Higher Education; Mr. Richard Lamb, Massachusetts College of Liberal Arts; Mr. Kurt Steinberg, Massachusetts College of Art and Design; Ms. Betty Ann Learned, Massasoit Community College; Ms. Deborah Hatterey, Department of Higher Education; Mr. Ed Terceiro, Department of Higher Education and Mt. Wachusett Community College; and Mr. Bryan Baldwin, Bridgewater State College. These individuals worked cooperatively and selflessly in distilling the intricacies and nuances of institutional dynamics into the cogent set of recommendations provided in the report.

STRATEGIC RECOMMENDATIONS

Cluster #1 (C1)

Changes that could be made immediately by individual campuses requiring little or no new resources.

- C1-R1:** Encourage all state and community colleges to set their copiers and printers to a default double-sided mode.
- C1-R2:** Encourage all state and community colleges to engage in a right-sizing analysis to maximize efficiency of all currently deployed copiers and printers. Whenever possible, minimize the use of desktop printers and faxes while promoting utilization of high-efficiency, fully-networked, multi-use technologies.
- C1-R3:** Encourage all state and community colleges to use generic copy paper with a minimum of 30% recycled content.
- C1-R4:** Set a system-wide, indoor, environmental temperature standard and encourage all state and community colleges to adhere to the standard.
- C1-R5:** Prohibit institutions from purchasing Renewable Energy Certificates (RECs) without prior consultation with the Department of Higher Education and the Department of Energy Resources.
- C1-R6:** Improve communication between campuses, the Department of Higher Education and the Commonwealth's Operational Services Division to ensure best pricing utilizing existing state contracts.
- C1-R7:** Encourage all community colleges to utilize rebate-granting credit cards (i.e. "Pro Cards") for small-dollar purchases.
- C1-R8:** Share all key data sets gathered throughout Phase I of the Task Force with the state and community colleges.

• • •

Cluster #2 (C2)

Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring little or no new resources.

- C2-R1:** Encourage all state and community colleges to utilize a bona fide travel management system, either by employing an on-staff travel coordinator or contracting with a single travel services vendor. Consider the development of such a function under the umbrella of existing and emerging regional collaborations.

- C2-R2:** Pilot the regionalized use of ZipCar contracts in several key population centers that are home to state and community colleges. Invite nearby private institutions to participate in the effort.
- C2-R3:** Explore the option of Wright Express gasoline cards for all vehicles owned by state and community colleges.
- C2-R4:** Establish a formal relationship between the Department of Higher Education and the Commonwealth's Operational Services Division and Information Technology Division in order to obtain system-wide legal service/counsel on a host of technology-related issues (compliance, IT security, record retention, etc.).

• • •

Cluster #3 (C3)

Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring a modest infusion of resources.

- C3-R1:** Create a system-wide professional development platform through which all institutions can learn to better leverage the inherent efficiency opportunities created by social media networks.
- C3-R2:** Encourage all state and community colleges to engage in performance contracting to reduce energy costs and reduce greenhouse gases.
- C3-R3:** Encourage all state and community colleges to engage in single-stream recycling programs and take full advantage of free recycling programs for electronic goods. Establish a system-wide process of conducting energy audits and/or re-commissioning in concert with a three-year deferred maintenance schedule. Develop a system wide action plan to bring all state and community colleges into compliance with Governor's Executive Order 484.
- C3-R4:** Establish a system-wide position for IT procurement that would be responsible for developing bid specifications, meeting statewide compliance issues, and negotiating contracts for the state and community colleges.

• • •

Cluster #4 (C4)

Changes that could be made by the system or groups of campuses linked to the expiration and/or renegotiation of an existing contract.

- C4-R1:** Encourage all state and community colleges to secure zero-transaction-fee banking contracts, either on their own or as part of a broader collective.

- C4-R2:** Encourage all state and community colleges to be part of a system-wide contract for credit card processing services.
- C4-R3:** Encourage all state and community colleges to be part of a system-wide contract for auditing services. Promote additional participation in the contract by institutional foundations.
- C4-R4:** Encourage all state and community colleges to be part of a system-wide contract for office products, paper and toner. Construct the bid in such a way as to ensure that individual institutions benefit from a campus-specific, three-tiered hierarchy of product selection and have access to a desktop-delivery interface.
- C4-R5:** Encourage all state and community colleges to be part of a system-wide book store contract. As part of this contract, consider a general redeployment of incentives away from capital investments and into direct student support.
- C4-R6:** Encourage all state and community colleges to be part of a system-wide contract for pouring rights and vending machines.

• • •

Cluster #5 (C5)

Changes that have a more distant developmental horizon (i.e. beyond FY2011) that should be considered as part of Phase II.

- C5-R1:** Develop a system-wide strategy by which all state and community colleges transition to a mode of electronic workflow and document management.
- C5-R2:** In close consultation with key state agencies, develop a process to aggregate power purchases for all state and community colleges.
- C5-R3:** In the context of developing a consolidated IT plan, explore the feasibility of a centralized, 24x7 help desk.

DETAILED RECOMMENDATIONS & BEST PRACTICES

Cluster #1 (C1)

Changes that could be made immediately by individual campuses requiring little or no new resources.

C1-R1: <i>Encourage all state and community colleges to set their copiers and printers to a default double-sided mode.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Fitchburg State College was among the first to make this change institution-wide; approximately one-third of the state and community colleges have already followed suit.➤ The state and community colleges are in the process of arranging a best practices conference for the entire system with individual institutions taking the lead on the following topics: going green with student copies (Bristol Community College); mapping copiers and printers (Springfield Technical Community College); gaining efficiencies with college copiers (Fitchburg State College); and electronic document management (Fitchburg State College).	<ul style="list-style-type: none">➤ TARGET: \$400K annually➤ Highly consistent with statewide green initiatives while encouraging a reduction in excessive copying.➤ Many campuses report that most employees would prefer being more cost-conscious and environmentally friendly but lack the technical know-how to change the setting themselves.➤ The state and community colleges spend more than \$1.5 million annually on standard copy paper and more than \$750,000 annually on printer toner.

C1-R2:

Encourage all state and community colleges to engage in a right-sizing analysis to maximize efficiency of all currently deployed copiers and printers. Whenever possible, minimize the use of desktop printers and faxes while promoting utilization of high-efficiency, fully-networked, multi-use technologies.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Springfield Technical Community College undertook a right-sizing analysis and yielded considerable institutional savings.➤ North Shore Community College has leveraged considerable savings through an extensive deployment of multi-use (print, scan, fax, copy) equipment.➤ Berkshire Community College has more than 5 pooled printing devices for every 1 standalone device. Middlesex Community College (nearly 4:1) and Bunker Hill Community College (nearly 3.5:1) are also heavy users of pooled devices.	<ul style="list-style-type: none">➤ TARGET: \$200K annually➤ Highly consistent with statewide green initiatives while adding new levels of functionality within office environments.➤ Multi-use technologies are generally five-times more energy efficient than single-function, desktop-style printers.➤ The ratio of desktop-to-pooled printers throughout the system is nearly 2:1.➤ Copy machine and printer vendors will often conduct a right-sizing analysis at minimum or no charge.

C1-R3:

Encourage all state and community colleges to use generic copy paper with a minimum of 30% recycled content.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Bridgewater State College uses generic copy paper with 100% recycled content; the majority of state and community colleges are already using generic copy paper with a minimum of 30% recycled content.	<ul style="list-style-type: none">➤ TARGET: COST-NEUTRAL➤ Highly consistent with statewide green initiatives.

C1-R4: <i>Set a system-wide, indoor, environmental temperature standard and encourage all state and community colleges to adhere to the standard.</i>

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
➤ Nearly all institutions are participating in campus-specific efforts to become more energy efficient. Initiatives include: setting thermostat maximums and minimums; installing motion-detection lighting switches; and aligning temperature levels with on- and off-peak needs.	➤ TARGET: \$1.5M annually ➤ For each degree reduction (heating or cooling cycle) there is an associated savings of approximately 3%.

C1-R5: <i>Prohibit institutions from purchasing Renewable Energy Certificates (RECs) without prior consultation with the Department of Higher Education and the Department of Energy Resources.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
➤ N/A	➤ TARGET: NOT APPLICABLE ➤ As the energy market becomes more complex, greater levels of knowledge and technical know-how are needed. In many cases, these levels of expertise simply do not exist on individual campuses.

C1-R6: <i>Improve communication between campuses, the Department of Higher Education and the Commonwealth's Operational Services Division to ensure best pricing utilizing existing state contracts.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
➤ Many campuses enjoy a close working relationship with the OSD and there is eagerness on the part of the unit to work more closely with all campuses.	➤ TARGET: \$250K annually

--	--

C1-R7:

Encourage all community colleges to utilize rebate-granting credit cards (i.e. “Pro Cards”) for small-dollar purchases.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ Springfield Technical Community College pioneered the use of “Pro Cards” within the community college system. Though long employed by most of the state colleges, the community colleges have been slow to embrace the tool. ➤ Salem State College, which annually receives more than \$55,000 in Pro Card rebates, assisted Springfield Technical Community College with the introduction of its Pro Card program. 	<ul style="list-style-type: none"> ➤ TARGET: \$300K annually ➤ Approximately 90% of purchase orders are under \$1,000 and require considerable staff time to process. A Pro Card system allows staff to be more efficient and focuses attention on the most value-added components of their jobs. ➤ The electronic nature of Pro Cards allows for better internal controls and auditing capabilities. ➤ Pro Cards typically offer a 1% rebate on all purchases.

C1-R8:

Share all key data sets gathered throughout Phase I with the state and community colleges.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ The working group of state and community college CFOs already regularly share data to improve levels of market intelligence. 	<ul style="list-style-type: none"> ➤ TARGET: UNKNOWN ➤ All 24 state and community colleges actively participated in Phase I and are entitled to the comprehensive data set.

Cluster #2 (C2)

Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring little or no new resources.

C2-R1:

Encourage all state and community colleges to utilize a bona fide travel management system, either by employing an on-staff travel coordinator or contracting with a single travel services vendor. Consider the development of such a function under the umbrella of existing and emerging regional collaborations.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Bridgewater State College piloted the use of an in-house travel coordinator and the institution reaped more than \$170,000 of direct savings during the program's initial year. Significant operational efficiencies were also achieved.➤ Salem State College and Massasoit Community College have exclusive agreements with external travel vendors, ensuring that all travel is booked using consistent processes. Traveling members of the campus communities also have access to a 24-hour support system while traveling.	<ul style="list-style-type: none">➤ TARGET: \$750K annually➤ The state and community colleges report spending approximately \$5 million annually on out-of-state travel. Efficient travel management easily affords institutions with the opportunity to save 15% annually.➤ Introducing an in-house travel function at the regional level holds the potential to leverage even greater efficiencies throughout the system.

C2-R2:

Pilot the regionalized use of ZipCar contracts in several key population centers that are home to state and community colleges. Invite nearby private institutions to participate in the effort.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Roxbury Community College piloted the ZipCar program on its campus. Four parking spots were provided in exchange for a monthly credit for campus users.➤ Massachusetts College of Art and Design has partnered extensively with nearby private institutions belonging to the Colleges of the Fenway.	<ul style="list-style-type: none">➤ TARGET: \$50K annually➤ The ZipCar model is highly compatible with the needs of campus personnel to travel short distances within the Commonwealth.➤ Access to a steady inventory of ZipCars may lessen needs for vehicle fleets.

--	--

<p>C2-R3: <i>Explore the option of Wright Express gasoline cards for all vehicles owned by state and community colleges.</i></p>	
<p><u>Phase I – Best Practice(s)</u></p> <ul style="list-style-type: none"> ➤ Framingham State College and Massachusetts College of Liberal Arts piloted the use of the Wright Express gasoline card. 	<p><u>System-Wide Savings Target / Comments</u></p> <ul style="list-style-type: none"> ➤ TARGET: \$10K annually ➤ Large numbers of corporate users of the program report saving 10-25% annually on fueling expenses. ➤ Savings are modest given that they apply only to those campuses with fleet vehicles.

<p>C2-R4: <i>Establish a formal relationship between the Department of Higher Education and the Commonwealth's Operational Services Division and Information Technology Division in order to obtain system-wide legal service/counsel on a host of technology-related issues (compliance, IT security, record retention, etc).</i></p>	
<p><u>Phase I – Best Practice(s)</u></p> <ul style="list-style-type: none"> ➤ N/A 	<p><u>System-Wide Savings Target / Comments</u></p> <ul style="list-style-type: none"> ➤ TARGET: \$400K annually ➤ The 24 state and community colleges unnecessarily duplicate efforts and expenses while trying to navigate the ever-changing landscape of technology-related legal issues. ➤ OSD and ITD have considerable capabilities that go underutilized by the institutions. A formal arrangement would make the divisions a primary contact and save considerable legal costs.

Cluster #3 (C3)

Changes that could be made relatively soon (i.e. by the end of FY2011) by the system or groups of campuses requiring a modest infusion of resources.

C3-R1: <i>Create a system-wide professional development platform through which all institutions can learn to better leverage the inherent efficiency opportunities created by social media networks.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<p>➤ Bristol Community College has pioneered the application of Facebook not just as a marketing tool but as a one-stop interface for students looking to complete a range of different business and informational transactions.</p>	<p>➤ TARGET: COST-NEUTRAL</p> <p>➤ Institutions are investing considerable resources in isolation as they grapple with their understanding of social media and try to take advantage of its many benefits. Pooling such resources into a single professional development platform would be far more efficient while also engendering a shared mode of growth.</p> <p>➤ To be most effective, the platform needs to appeal to a diverse array of state and community college personnel (e.g. marketing, enrollment management, business operations, etc.).</p>

C3-R2:

Encourage all state and community colleges to engage in performance contracting to reduce energy costs and reduce greenhouse gases. Establish a system-wide process of conducting energy audits and/or re-commissioning in concert with a three-year deferred maintenance schedule. Develop a system wide action plan to bring all state and community colleges into compliance with Governor's Executive Order 484.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Bridgewater State College launched a comprehensive program with Ameresco in 2007, resulting in annual energy savings of \$1 million, a 27% reduction in power usage, and considerable environmental benefits.➤ Numerous institutions participate in revenue-generating demand-response programs.	<ul style="list-style-type: none">➤ TARGET: \$2.4M annually➤ Potential savings would average between 10-20% of total energy consumption.

C3-R3:

Encourage all state and community colleges to engage in single-stream recycling programs and take full advantage of free recycling programs for electronic goods.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ 11 of the 24 state and community colleges are already participating in single-stream processing➤ Worcester State College is the clear leader among the state colleges, recycling 145 tons per year while disposing of just 10 tons. North Shore Community College sets the standard among the community colleges.➤ Bridgewater State College has initiated a DOER-funded pilot project utilizing a bio-digester. Framingham State College is in the process of installing a similar unit.	<ul style="list-style-type: none">➤ TARGET: \$25K annually➤ Single-stream processing has enormous environmental benefits even if cost-savings are modest.

C3-R4:

Establish a system-wide position for IT procurement that would be responsible for developing bid specifications, meeting statewide compliance issues, and negotiating contracts for the state and community colleges.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<p>➤ As a member of the Colleges of the Fenway, Massachusetts College of Art and Design supports a shared Director of IT Initiatives.</p>	<p>➤ TARGET: \$1M annually</p> <p>➤ Initial funding could be made available through ARRA. In subsequent years, the position would pay for itself by generating savings and productivity throughout the system.</p>

Cluster #4 (C4)

Changes that could be made by the system or groups of campuses linked to the expiration and/or renegotiation of an existing contract.

C4-R1: <i>Encourage all state and community colleges to secure zero-transaction-fee banking contracts, either on their own or as part of a broader collective.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ The Central Links campuses (Fitchburg State College, Mount Wachusett Community College, Quinsigamond Community College and Worcester State College) collectively negotiated a shared banking bid with zero transaction fees; Massachusetts College of Liberal Arts has a similar contract.➤ 10 institutions, led by Fitchburg State College, negotiated a joint investment services bid.➤ Bridgewater State College is in the process of re-bidding banking services and is actively inviting other institutions to participate.	<ul style="list-style-type: none">➤ TARGET: \$140K annually➤ Institutions have tremendous capacity to leverage their shared buying power and financial institutions are eager to participate. A greater volume of predictable business directly translates into a more favorable schedule of costs.

C4-R2: <i>Encourage all state and community colleges to be part of a system-wide contract for credit card processing fees.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ The working group of state and community college CFOs have collected data on the cost of this function at each of the campuses and are eager to move forward in a cooperative way.	<ul style="list-style-type: none">➤ TARGET: \$300K annually➤ Institutions have little loyalty to, or affinity for, their current providers serving this strictly back-office function.➤ Institutions collective expended more than \$3 million on processing fees in FY2009. Leveraging the system's full volume would

	conservatively yield a 10% savings.
--	-------------------------------------

C4-R3: <i>Encourage all state and community colleges to be part of a system-wide contract for auditing services. Promote additional participation in the contract by institutional foundations.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ The community colleges within the Connect Partnership (Cape Cod Community College, Massasoit Community College and Bristol Community College) issued a joint contract to leverage volume. ➤ Bridgewater State College and Fitchburg College are in the process of issuing a joint bid and are inviting all institutions and foundations to join. ➤ 10 of the 24 institutions already bundle their institutional and foundation audits to receive a better price in the market. 	<ul style="list-style-type: none"> ➤ TARGET: \$500K annually ➤ The 24 state and community colleges spend nearly \$5 million annually on institutional and foundation auditing services. ➤ Nearly all existing contracts for institutional audits expire by FY2011.

C4-R4: <i>Encourage all state and community colleges to be part of a system-wide contract for office products, paper and toner. Construct the bid in such a way as to ensure that individual institutions benefit from a campus-specific, three-tiered hierarchy of production selection and have access to a desktop-delivery interface.</i>	
<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ Salem State College pioneered the use of desktop delivery through a single vendor. While nearly all of the state and community colleges have followed suit, several institutions are now beginning to talk about the possibility of a shared (or even system-wide) bid. 	<ul style="list-style-type: none"> ➤ TARGET: \$400K annually ➤ While many campus have loyalties to certain vendors based on long-standing relationships and good service, the provision of office supplies is ultimately a transaction rooted in commodities. Different institutions, however, have

	different needs for different kinds of products – hence the proposal for a campus-specific, three-tiered hierarchy.
--	---

C4-R5:

Encourage all state and community colleges to be part of a system-wide book store contract. As part of this contract, consider a general redeployment of incentives away from capital investments and into direct student support.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ All of the state colleges entered into a joint bid with Follett. Follett has committed to making \$1.2 million of one-time contributions to the nine institutions along with \$1.6 million in capital improvements. ➤ Springfield Technical Community College joined the bid later. 	<ul style="list-style-type: none"> ➤ TARGET: \$500K annually ➤ The current contract expires in 2015 but many institutions would be interested in redeploying funds earmarked for capital investments into direct student support.

C4-R6:

Encourage all state and community colleges to be part of a system-wide contract for pouring rights and vending machines.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none"> ➤ Berkshire Community College, Bridgewater State College, Massachusetts College of Liberal Arts, Massachusetts College of Art and Design, Mass Bay Community College, Quinsigamond Community College, Massasoit Community College and Salem State College have negotiated exclusive pouring rights. These agreements collectively generate more than \$250,000 annually. 	<ul style="list-style-type: none"> ➤ TARGET: \$300K annually ➤ The majority of state and community colleges have not negotiated pouring rights on their own campuses. Moreover, there has never been an attempt to negotiate an exclusive arrangement for the entire system. ➤ While nearly all of the institutions have vending machine contracts, the full buying power of the system has never been exploited.

Cluster #5 (C5)

Changes that have a more distant developmental horizon (i.e. beyond FY2011) that should be considered as part of Phase III.

C5-R1: <i>Develop a system-wide strategy by which all state and community colleges transition to a mode of electronic workflow and document management.</i>	
<p><u>Phase I – Best Practice(s)</u></p> <ul style="list-style-type: none">➤ Fitchburg State College and North Shore Community College use extensive document imaging to digitally store copies of leases, invoices and all files pertaining to procurement.➤ Numerous institutions are tapping into electronic workflow platforms to manage a host of operational needs (e.g. staffing, travel, attendance, etc.).➤ See best practices conference (C1-R1).	<p><u>System-Wide Savings Target / Comments</u></p> <ul style="list-style-type: none">➤ TARGET: \$200K annually➤ Numerous institutions are tapping into electronic workflow platforms but progress has been uneven and investments could be more systemic and efficient.

C5-R2: <i>In close consultation with key state agencies, develop a process to aggregate power purchases for the entire higher education system.</i>	
<p><u>Phase I – Best Practice(s)</u></p> <ul style="list-style-type: none">➤ N/A	<p><u>System-Wide Savings Target / Comments</u></p> <ul style="list-style-type: none">➤ TARGET: \$1.5M annually➤ The state and community colleges collectively purchase upwards of 158 million kWh per year.

C5-R3:

In the context of developing a consolidated IT plan, explore the feasibility of a centralized, 24x7 help desk.

<u>Phase I – Best Practice(s)</u>	<u>System-Wide Savings Target / Comments</u>
<ul style="list-style-type: none">➤ Numerous BANNER institutions have already banded together to form the SMART group, a regular gathering to share best practices, ideas and advice. This concept is also in place for DATATEL colleges.➤ Numerous institutions are exploring the possibility of moving to lower-cost, open-source applications.➤ Bridgewater State College has deployed a three-tiered “smart classroom” model throughout the campus. All technology front-ends are standardized.	<ul style="list-style-type: none">➤ TARGET: \$50K annually

SUMMARY OF COST-SAVINGS

Rec. #	Strategic Recommendation	Savings Target (System-Wide, Annual)
C1-R1	Encourage all state and community colleges to set their copiers and printers to a default double-sided mode	\$400K
C1-R2	Encourage all state and community colleges to engage in a right-sizing analysis to maximize efficiency of all currently deployed copiers and printers. Whenever possible, minimize the use of desktop printers and faxes while promoting utilization of high-efficiency, fully-networked, multi-use technologies.	\$200K
C1-R3	Encourage all state and community colleges to use generic copy paper with a minimum of 30% recycled content.	COST-NEUTRAL
C1-R4	Set a system-wide, indoor, environmental temperature standard and encourage all state and community colleges to adhere to the standard.	\$1.5M
C1-R5	Prohibit institutions from purchasing Renewable Energy Certificates (RECs) without prior consultation with the Department of Higher Education and the Department of Energy Resources.	N/A
C1-R6	Improve communication between campuses, the Department of Higher Education and the Commonwealth's Operational Services Division to ensure best pricing utilizing existing state contracts.	\$250K
C1-R7	Encourage all community colleges to utilize rebate-granting credit cards (i.e. "Pro Cards") for small-dollar purchases.	\$300K
C1-R8	Share all key data sets gathered through Phase I of the Task Force with the state and community colleges.	N/A
C2-R1	Encourage all state and community colleges to utilize a bona fide travel management system, either by employing an on-staff travel coordinator or contracting with a single travel services vendor. Consider the development of such a function under the umbrella of existing and emerging regional collaborations.	\$750K
C2-R2	Pilot the regionalized use of ZipCar contracts in several key population centers that are home to state and community colleges. Invite nearby private institutions to participate in the effort.	\$50K
C2-R3	Explore the option of Wright Express gasoline cards for all vehicles owned by state and community colleges.	\$10K

C2-R4	Establish a formal relationship between the Department of Higher Education and the Commonwealth's Operational Services Division and Information Technology Division in order to obtain system-wide legal service/counsel on a host of technology-related issues (compliance, IT security, record retention, etc.).	\$400K
C3-R1	Create a system-wide professional development platform through which all institutions can learn to better leverage the inherent efficient opportunities created by social media networks.	COST-NEUTRAL
C3-R2	Encourage all state and community colleges to engage in performance contracting to reduce energy costs and reduce greenhouse gases. Establish a system-wide process of conducting energy audits and/or re-commissioning in concert with a three-year deferred maintenance schedule. Develop a system wide action plan to bring all state and community colleges into compliance with Governor's Executive Order 484.	\$2.4M
C3-R3	Encourage all state and community colleges to engage in single-stream recycling programs and take full advantage of free recycling programs for electronic goods.	\$25K
C3-R4	Establish a system-wide position for IT procurement that would be responsible for developing bid specifications, meeting statewide compliance issues, and negotiating contracts for the state and community colleges.	\$1M
C4-R1	Encourage all state and community colleges to secure zero-transaction-fee banking contracts, either on their own or as part of a broader collective.	\$140K
C4-R2	Encourage all state and community colleges to be part of a system-wide contract for credit card processing services.	\$300K
C4-R3	Encourage all state and community colleges to be part of a system-wide contract for auditing services. Promote additional participation in the contract by institutional foundations.	\$500K
C4-R4	Encourage all state and community colleges to be part of a system-wide contract for office products, paper and toner. Construct the bid in such a way as to ensure that individual institutions benefit from a campus-specific, three-tiered hierarchy of product selection and have access to a desktop-delivery interface.	\$400K
C4-R5	Encourage all state and community colleges to be part of a system-wide book store contract. As part of this contract, consider a general redeployment of incentives away from capital investments and into direct student support.	\$500K
C4-R6	Encourage all state and community colleges to be part of a system-wide contract for pouring rights and vending machines.	\$300K

C5-R1	Develop a system-wide strategy by which all state and community colleges transition to a mode of electronic workflow and document management.	\$200K
C5-R2	In close consultation with key state agencies, develop a process to aggregate power purchases for all state and community colleges.	\$1.5M
C5-R3	In the context of developing a consolidated IT plan, explore the feasibility of a centralized, 24x7 help desk.	\$50K
ALL	TOTAL	\$11.175M