

ORNL 2006 SWOB DAY

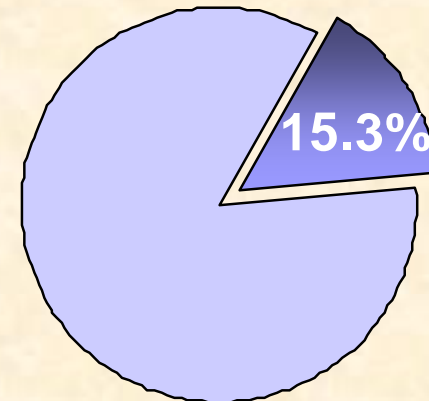
August 4, 2005

**OAK RIDGE NATIONAL LABORATORY
U. S. DEPARTMENT OF ENERGY**

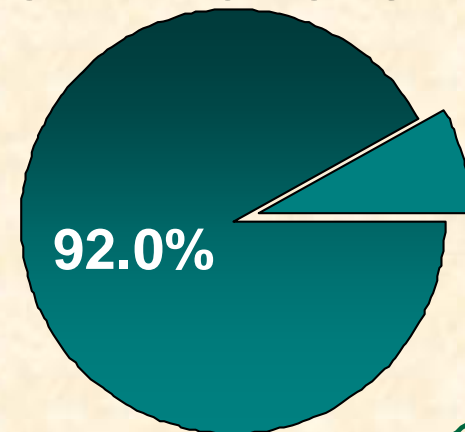
Doing Business with ORNL

- **Commercial Items**
 - Contracts Division Buyers, AVID/JIT agreements, P-Cards
 - CSSC, Fabrication Center Engineers
 - P-Cards take the place of 20 buyers and supporting personnel – Valuable tool
- **Construction and R&D Services**

TOTAL DOLLARS



TOTAL ACTIONS

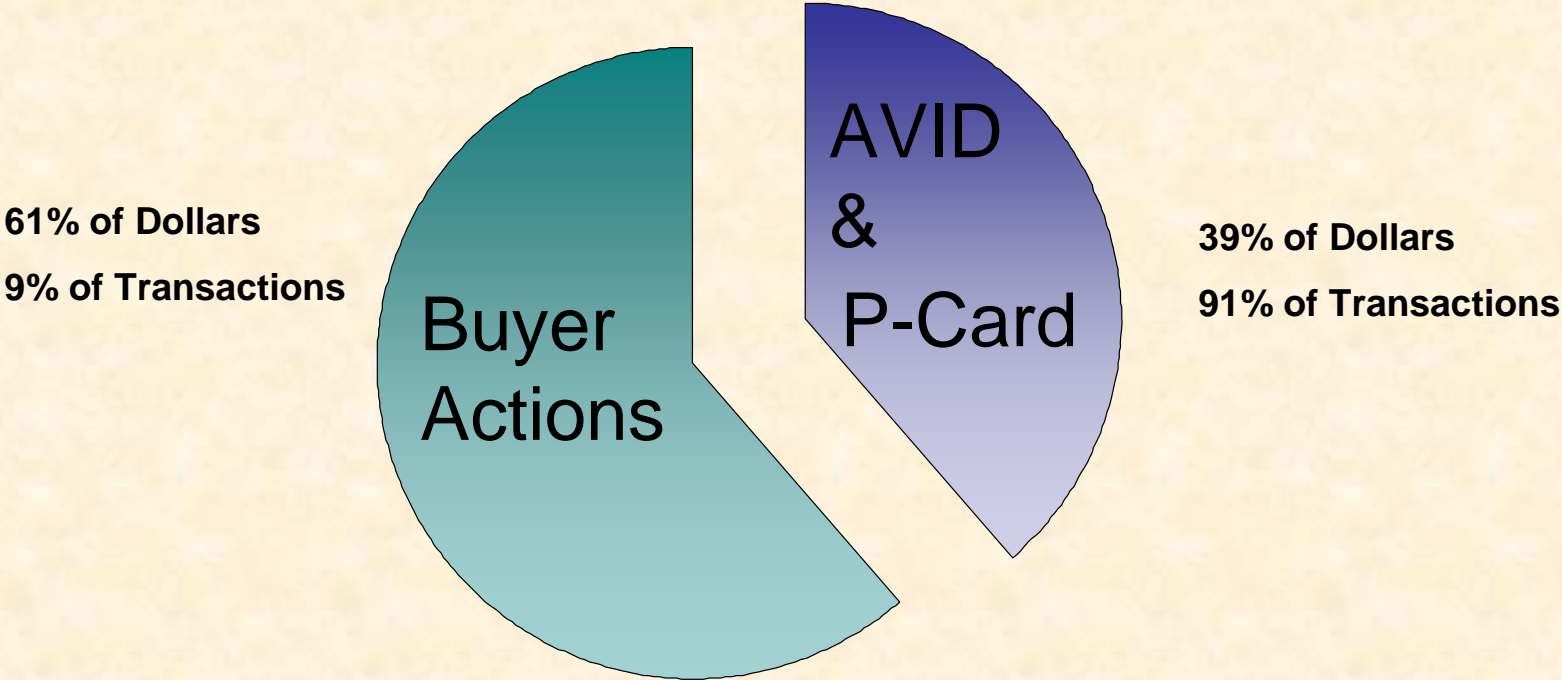


CI Rapid Purchasing Techniques

- **AVID – Just In Time Agreements**
 - 1.5 million items available online
 - 6 re-bids in process of solicitation/award
 - Performance Based Terms – up to 10 years
- **P-Cards – 350+ Cardholder direct purchases**
 - Cardholders' purchases provide opportunities to determine patterns
- **Express Buys – Requisitioner/Contracts buyers**
 - Requires greatest procurement resources
 - Offers greatest opportunities for data mining

Commercial Items

Dollars and Transactions



1) Just In Time Agreement Process

- **Contracts Division solicits, awards JIT agreement**
 - Requisitioner determines individual requirement
 - Requisitioner selects supplier from list on ORNL web
 - Requisitioner shops supplier's punch-out web catalog
 - Requisitioner submits purchase order directly to supplier from ORNL web
 - Purchase order prints to supplier
 - Order arrives, crosses ORNL dock, goods receipt issued
 - Automatic payment to supplier within 24 hours

2) P-Card Process

- **Approximately 350 ORNL Cardholders**
- **P-Card issued based on need and manager approval**
- **25 top cardholders purchase 60 percent of dollars**
- **8 power buyers (CSSC) located in divisions with increased buying limits**
- **Cardholder purchases directly from suppliers**
- **Cardholder submits advance entry information for each transaction**
- **Cardholder reconciles statements each month, assigns account information**

3) Buyer Procurement Process

- Requirement identified by lab customer
- Requisition submitted to ORNL Contracts
- Requisition assigned to buyer by manager
- Buyer obtains quotes from suppliers
- Buyer awards purchase order
- Purchase Order crosses dock, goods receipt issued
- Accounts Payable pays within 30 days

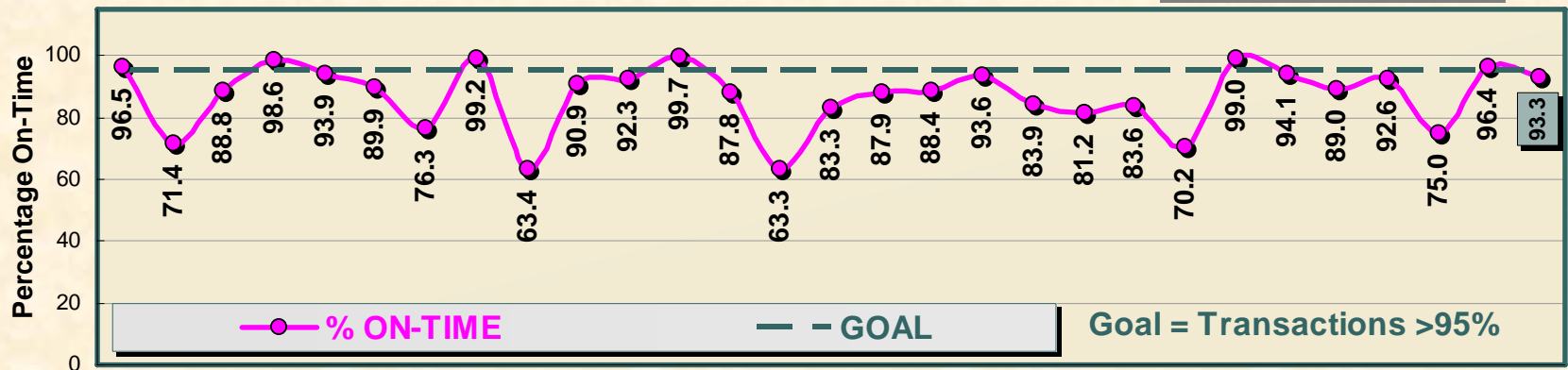
Initiatives

- **Data Mining**
 - Turn Express Buys and P-Card Purchases into JIT Agreements
- **Incentive Term Performance**
 - 2-year initial term
 - Five 2-year options - 10 years possible

On Time Delivery

AVID On-Time Delivery Report - YTD *Cumulative*

YTD-June 2005



UPCOMING PROCUREMENTS

- **Communicated through ORNL Websites**
- **Procurement Home Page – Lists Upcoming Agreements, Subcontracts, Buyers**
- **Small Business Program Home Page – Vendor Data Base**

Upcoming Procurements To Be Issued

- **See handout and website**

Award Considerations – JIT Agreements

- **Multiple Awards for Some JIT Agreements**
- **Performance Evaluations after 2 Years**
 - **Competitive Pricing, On-Time Delivery, Customer Service, Ease of Use for OCI Catalog, Adherence to Quality Requirements, Effectiveness of Restricting Prohibited Items from Catalog**
 - **Growth of AVID Business**
- **Add JIT Agreements as Determined from Buyer Actions and P-Cards**