



# Detroit Public Schools:

**Celebrating One Year of Saving More, Getting More and Giving More—to the Children of Detroit**

*“We knew we needed to make big changes and take measured, innovative steps to achieve fiscal success. To us, FedBid’s Better Buying resulted in nearly 20% in savings. Purchasing through FedBid, has and will continue to play, a major role in propelling our school system forward.”*

**Dr. Tracy Joshua**  
Chief Procurement and Logistics Officer  
Detroit Public Schools



## Fiscal Year 2012-2013

**Student Population: 50,000**  
**Employees: 7,000**  
**Number of Schools/Facilities: 100+**  
**Budget: \$1.237B**

## Background:

Over two years ago, the state of Michigan passed Public Act 4, the Local Government and School District Fiscal Accountability Act, more commonly referred to as the Emergency Manager Law, designed to improve financially troubled cities and school systems, and now Public Act 436 (which replaced PA 4 in early 2013), allows the governor to appoint someone to oversee a city or public school district's finances if a review determined a financial emergency exists. In May 2011, Governor Rick Snyder appointed Roy S. Roberts, retired General Motors Vice President of North American Vehicles Sales, Service and Marketing, to serve as the Detroit Public School's (DPS) Emergency Manager. Upon appointment, Roberts publically stated that he would cut deficit spending with a five-year plan to eliminate it, restructure the district's bond debt, fix the financial and purchasing systems and otherwise overhaul the central office.

## Taking Action:

Dr. Tracy Joshua, a 23- year procurement and supply chain executive with a history of securing savings for business organizations was appointed to lead as DPS's Chief Procurement and Logistics Officer. Tracy is also a proud graduate of Detroit Public Schools. Prior to joining DPS, Dr. Joshua served as an executive director with Bristol-Myers Squibb Pharmaceuticals in New York. She also held key leadership positions in Supply Chain and Business Strategy with Fortune 500 companies including Ford Motor company, General Motors Corporation and Dow Chemical, where she developed and launched global

turnaround strategies that leveraged global purchases, built strategic relationships with best-in-class suppliers and delivered cost savings throughout the value chain.

Dr. Joshua came to DPS facing the major challenge of working with her team to develop an overall supply chain strategy capable of significantly reducing the school district's budget deficit through the use of a 21st century proven supply chain methodology while procuring \$800M in goods and services. In discussing this challenge, she remarked, "Very quickly I understood that we needed to balance saving money while making sure that our students are provided with the necessities to guarantee a safe environment and an excellent education." She added, "We needed to rapidly and dramatically overhaul the way we were sourcing purchased goods and services."

## Solution:

Dr. Joshua and her team began using FedBid's fully-managed online marketplace to buy goods and simple services. The team quickly adapted to FedBid's user-friendly interface, which enabled them to efficiently place "Buy" requirements into the online marketplace, and more importantly quickly began earning significant savings on the goods and services Detroit's schools and students needed to get ahead.

Dr. Joshua and her team are looking forward to the continued use of FedBid to power the success of her purchasing strategy for the coming school year and beyond, and she believes other school districts can achieve the same results. Detroit Public Schools was the first school district to utilize the online marketplace as a tool to drive quality, efficiencies and cost savings.

As she recently affirmed, "This is an absolute must for Detroit Public Schools...it is our responsibility to provide excellence in education for all the children that we serve, which means we must be good financial stewards. FedBid gives us a tool to very effectively drive competition like never before. We expect that the tool will deliver a minimum of half of our savings target. In addition, it enables us to include additional quality suppliers in our supply base that can deliver overall value including best service and price. It's our goal to procure exceptional goods and services for Detroit Public Schools by selecting the best suppliers while meeting our scorecard objectives of saving the district money through our strategic sourcing process."



- Achieve FY 13 \$5M+ savings goal
- Increase utilization of small, disadvantaged and minority businesses
- Provide fair and transparent strategic sourcing
- Increase the level of competition
- Access service at no investment to the District

## Results:

**Within one year, purchasing through FedBid generated 19% in savings for Detroit's Public Schools. And 38% of those awards went to local business, fueling the city's overall economy.**

Jack Martin was recently appointed by Governor Snyder as the Emergency Manager of DPS replacing Roy Roberts. Mr. Martin, a certified public accountant, has served three Presidents and served as CFO for the U.S. Department of Education. Like Joshua, he is a native of Detroit and a graduate of Detroit Public Schools. Martin has publically stated that he plans to continue on the same path laid by Mr. Roberts including being fully committed to accelerating the supply chain strategies that have been established by the Procurement and Logistics Team.

The following examples show actual results delivered by Dr. Joshua's team. For more information please contact Lou Schiavone at 703-663-9386 or [Louis@FedBid.com](mailto:Louis@FedBid.com).

### Case Study: Professional Handbooks

#### Books, Maps and Other Publications

<b>Specification</b>	Exact Match Only
<b>Line Items</b>	2
<b>Savings Amount</b>	\$103,880
<b>Savings Percentage</b>	53%
<b># Sellers Bidding</b>	6
<b># Bids</b>	16

*Significance: This case study showcases the highest recognized savings amount and percentage for a single DPS buy to date.*

### Case Study: AV Equipment

#### AV Equipment

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	10
<b>Savings Amount</b>	\$4,187
<b>Savings Percentage</b>	32%
<b># Sellers Bidding</b>	2
<b># Bids</b>	2
<b>Socio-Economic Classification</b>	Women Minority Owned Small Business

*Significance: Effective sourcing led to the obtainment of a socio-economic classification that highlights diversity spend along the DPS platform.*

### Case Study: School Medical Equipment

#### Medical, Dental and Veterinary Equipment

<b>Specification</b>	Brand Name or Equal
<b>Line Items</b>	10
<b>Savings Amount</b>	\$1,107
<b>Savings Percentage</b>	29%
<b># Sellers Bidding</b>	9
<b># Bids</b>	21

*Significance: Dynamic competition with an average of two re-bids per Seller led to 29% savings from target price.*

### Case Study: School Furniture

#### Office Furniture

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	4
<b>Savings Amount</b>	\$2,125
<b>Saving Percentage</b>	39%
<b># Sellers Bidding</b>	6
<b># Bids</b>	19

*Significance: The awarded Seller provided a different brand for the first two line items that met the same specifications required by the Buyer. As a result, the Buyer was able to save 39% off their target price.*

### Case Study: Pipefitting Accessories

#### Plumbing and Hardware Equipment

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	89
<b>Savings Amount</b>	\$14,041
<b>Saving Percentage</b>	31%
<b># Sellers Bidding</b>	2
<b># Bids</b>	4

*Significance: Strategic categorization and cross department collaboration between FedBid and the DPS Facility Operations team lead to the first buy from that stakeholder department being posted, which showcased 31% in savings.*

## Case Study: School Supplies

### Games and Toys

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	23
<b>Savings Amount</b>	\$15,458
<b>Saving Percentage</b>	28%
<b># Sellers Bidding</b>	3
<b># Bids</b>	15

*Significance: Due to FedBid's reverse auction model, the Buyer's suggested source needed to re-bid to stay competitive, which led to 28% further savings from original pre-FedBid quote they gave to the Buyer.*

## Case Study: CPR Manikin

### Training Aids

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	3
<b>Savings Amount</b>	\$550
<b>Savings Percentage</b>	16%
<b># Sellers Bidding</b>	12
<b># Bids</b>	31
<b>Socio-Economic Classification</b>	Veteran Owned Small Business

*Significance: Dynamic competition led to multiple re-bids between suggested source and eventual awardee - DPS achieved 16% off suggested source's original quote.*

## Case Study: School Clothes

### Clothing

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	7
<b>Savings Amount</b>	\$11,399
<b>Saving Percentage</b>	27%
<b># Sellers Bidding</b>	29
<b># Bids</b>	113
<b>Socio-Economic Classification</b>	Woman Owned Small Business

*Significance: The Buyer needed to purchase custom logo shirts. Fedbid documented 29 Sellers' bids within a six-day span. The Buyer was able to award seven days after the buy closed.*

## Case Study: Logo Wristbands

### Educational Institutional Materials

<b>Specification</b>	Meet or Exceed
<b>Line Items</b>	1
<b>Savings Amount</b>	\$500
<b>Savings Percentage</b>	26%
<b># Sellers Bidding</b>	15
<b># Bids</b>	21

*Significance: This Buy marks the inaugural partnership between the Detroit Public School System and the Industries for the Blind non-profit organization.*

## Case Study: Longman Spanish Dictionary

### Books, Maps and Other Publications

<b>Specification</b>	Exact Match
<b>Line Items</b>	2
<b>Savings Amount</b>	\$2,046
<b>Savings Percentage</b>	25%
<b># Sellers Bidding</b>	5
<b># Bids</b>	85

*Significance: 80 Additional bids (re-bids) amongst five Sellers drove down prices which saved DPS 25% off their target price.*

## Case Study: School Books

### Books, Maps and Other Publications

<b>Specification</b>	Exact Match
<b>Line Items</b>	6
<b>Savings Amount</b>	\$914
<b>Savings Percentage</b>	20%
<b># Sellers Bidding</b>	5
<b># Bids</b>	8
<b>Detroit Metropolitan Based Business</b>	Yes

*Significance: Additional competition achieved through FedBid enabled DPS to achieve 20% savings on common purchase of 500 books.*

