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*Note from Editor: Letters, articles, or announcements for publication in the NAEP Bulletin are due on the 5th day of the month preceding publication. E-Mail to nmarkee@naepnet.org*
This month, Lloyd Rain is down in the trenches, slogging it out with members, wondering what to do when the bid opening discloses that there is only one bid to consider. Clearly, Lloyd has "been there and done that," and has a wealth of hard-earned know-how to pass along. And our new "For What It's Worth" regular, Jim Markel, (who is also a new chief procurement officer, having recently moved to another institution) wonders how purchasing professionals might most effectively contribute to the discussion once they have earned a seat at "The Table" on their campuses. And finally, your editor has ascended to the stratosphere where committees appointed by the Secretary of Education cruise. His purpose was to call attention to the Spellings Report on the state of higher education in the U.S. and to ruminate on how purchasing and the business side of the house might fit in.
Commentary, November 2006

Spellings Report

By Neil Markee, Editor-in-Chief

If you saw "The Spellings Report, Warts and All" head-line in the September 1, 2006 issue of the Chronicle of Higher Education you may have shared the first thought that went through my mind. Who or what is Spellings? Maybe we all should have known that Margaret Spellings in the U.S. Secretary of Education, and the report was the product of the Commission on the Future of Higher Education she established a year ago to propose a "national strategy" for higher education in the U.S. The Chronicle published the preamble of the final, not yet officially accepted, draft and comments from a variety of national campus-leaders and reporters in its review section and in the main body of the publication.

This commentary is based on material published by the Chronicle of Higher Education [September 1, 2006]. The quotations in italics were lifted from their pages. To put this all in perspective, you should get a copy of the cited issue and study the articles. Almost certainly, your institution is a Chronicle subscriber and the publication is available to you online.

How Important?
Not everyone mentioned in the articles agreed on the importance of the report or the commission that was established to draft and give it credence.

On the front page, the Chronicle quoted the governor of North Carolina and commission member James B. Hunt, Jr. as characterizing the report as,"...one of the most important reports in the educational and economic history of our country, if we act on it." The Chronicle noted that, "Many observers say it would be foolish for institutions to ignore the report, which warns of the perils of complacency and calls for sweeping change in American higher education." Later in the same article, the Chronicle reported that, "Given their many reservations about the report, some college lobbyists privately expressed hope that its recommendations would be forgotten as the election season heats up."

Until now at least, Spellings and her committee have been not much more than a faint intermittent blips on the national radar-scope. I doubt many NAEP members have spent
much time worrying about what the commission might find. Given the impending elections, the Secretary, the commission and the report may never get much press. I’m not sure the governor’s comment wasn’t a little over the top but, national distractions or not, higher education is our business and if you want to be better able to understand strategic concerns within the industry and on your campus, you really ought to read at least the preamble and what some of higher-education’s leaders had to say about the draft report. And hoping the concerns raised will all just go away come November is wishful thinking.

It’s About Money
Although the draft report apparently doesn’t focus on money, to a large extent this report, at least in the minds of many, is all about money. There is an old comedian’s line that holds that when people say it’s not about the money, it’s about the money. The bottom line complaint seems to be that although the report correctly identifies important shortcomings within higher education and points the way reasonably well, it does not call for the federal government to provide the necessary dollars needed to get there from where we are and that omission cannot be ignored.

"Thus the best recommendation in the dog's breakfast of a report from the Spellings commission is a call for "a significant increase in need-based financial aid."

Presumably that increase would come from a combination of federal, state and private sources, although the commission does not say. But it does say a number of worrying things that suggest that the federal share of the increase would come from "restructuring" federal financial-aid programs. That could mean no net new money. If so can the commission really be serious about increases access?” [Douglas C. Bennett, President of Earlham College]

State governments have long been a more important provider of funding to higher education in the U.S. than Washington and at least one of those commenting on the draft noted that state support as a percentage of institutional budgets has been declining. Worse yet, he noted not only have states reduced support in relative terms, they have not allowed institutions the flexibility to manage their own affairs.

"Instead, if states can no longer provide the resources to maintain the quality of their public research universities, they must give those institutions the freedom to manage their own affairs, then hold them accountable for the results. Public universities should have more autonomy and more responsibility in return for their commitment to certain goals and targets within a broad public agenda." [Frank H. T. Rhodes, President Emeritus Cornell University]

If there is single thread that runs through the fabric of the preamble and the comments published by the Chronicle, it’s the need for affordability—and many see low tuition and increased student aid as the keys. But affordability isn't just about the cost of tuition.

"It is important, however, to understand that for many students it is not the cost of tuition and fees that keeps them away from their studies. It is the
cost of not being able to work. For those from low-income families having to work full time means they cannot attend school full time—if at all. ...Thus the commission could have appropriately called for more money to expand work study opportunities." [Michael V. Martin, president New Mexico State University]

Five Goals
The published preamble notes a laundry list of serious higher education shortcomings, calls for sweeping changes, and lists five goals.

- "We want a world-class higher-education system that creates new knowledge, contributes to economic prosperity and global competitiveness, and empowers citizens:
- We want a system that is accessible to all Americans, throughout their lives;
- We want postsecondary institutions to provide high-quality instruction while improving their efficiency in order to be more affordable to the students, taxpayers and donors who sustain it;
- We want a higher-education system that gives Americans the workplace skills they need to adapt to a rapidly changing economy;
- We want postsecondary institutions to adapt to a world altered by technology, changing demographics and globalization, in which the higher-education landscape includes new providers and new paradigms, from for profit universities to distance learning."

But as noted above, the draft report does not promise or call for a massive infusion of new money from federal coffers and there is no mention and maybe they found no hope that the fifty states would, or could, step in to fill the perceived void. So how does the commission propose we deliver what they want? Implementation they say would require focus on access, affordability, quality and accountability. You might want to focus on that business services group picture on the wall.

The Business of Higher Education
Although I found little if any direct reference to the business aspects of managing the educational enterprise or campus business leaders I have no doubt that in time NACUBO will respond and look forward to reading their views. However, access is related to affordability and perhaps that is where the business side of the house and specifically the purchasing department may be able to make its most direct contribution to the successful implementation of the change desired. If there is to be no new money coming into the university and a different allocation of finite resources is implemented, reducing support for one program to increase funding to another seems inevitable, unless the entire system can be made more efficient. And, on most campuses, maybe the business process can be made more efficient.

According to the Chronicle, the commission did recommend that the states should,

"Provide financial incentives to colleges that cut costs while maintaining or enhancing educational quality and fostering access for low income students."
Further the commission recommended that,

"Federal and state policy makers should:

*Provide financial incentives to institutions that lower the cost of educating their students through technological advances.*

*Review the hundreds or regulations with which colleges must comply, and recommend how these requirements might be reduced or eliminated.*

Clearly, cost containment is a priority. Another *Journal* article in the same issue titled "Plenty of Ideas About Student Aid, But No Road Map," by Stephen Burd, addressed the issue under a "Containing Costs" subheading.

"When looking to place blame for "the seemingly inexorable increase in college costs," the commission points directly at college leaders.

The initial draft report released in June was particularly blunt. "In our view" the panel wrote, "affordability is directly affected by the failure of post secondary institutions to take aggressive steps to improve institutional efficiency and productivity."

Colleges "have little incentive to control costs," the report said. "On the contrary, for many institutions the path to prestige involves spending more money, whether on costly laboratories or lavish student dorms an academic arms race that often doesn't serve the public interest."

According to author Burd, the revised draft report under discussion currently is only slightly less direct.

"...the final draft doesn't pull its punches. Among its findings are that colleges "have few incentives" to contain costs because prestige is often measured by resources."

"Still some commission members say the panel's recommendations for making higher education more affordable are weak and unlikely to have much effect."

Burd quotes Robert M. Zemsky, Chairman of the Learning Alliance for Higher Education at the University of Pennsylvania as saying, "We beat our chests, and then wepunted,"

Burd continued, "The commission calls for the federal government and states to provide incentives for colleges to reduce their costs, and it urges colleges to set and meet goals for improving their productivity and efficiency.

*In its initial draft, the commission had said that colleges should not be able to raise their tuition faster than the growth in family income. A bottom line for*
"college performance" was needed, the draft said, so that students, their families, and policy makers could judge the success of institutions in containing their costs.

The final draft emphasizes that while the commission supports tying growth in college tuition to growth in median family income, it "opposes the imposition of price controls."

David Ward is the current President of the American Council on Education, one of the six presidential associations representing higher education in the nation's capitol. He was the only member of the commission not to sign the final draft report.

Speaking of tying tuition increases to medial family income, Stephen Burd quoted Ward as arguing that, "I know of no other sector—certainly no other labor-intensive sector—that uses such a standard. Obviously this standard makes no sense."

Burd continues, "But some higher education analysts say the comparison of college prices to family income is perfectly appropriate, because it speaks to the concern that higher education is becoming increasingly unaffordable."

In recent years, the cost of higher education has increased at roughly twice the rate of inflation. Some of the cost to student/customers has been offset by increases in aid from a variety of sources. But you might want to contemplate the impact on your institution if tuition and other sources of student related income had been held to the rate of inflation by federal mandate.

Where is higher education headed? How will all this effect your institution? Maybe it will all blow over. Americans are not known for their long attention spans. But few argue with the validity of the faults found and pressure from Washington or not, maybe now would be a good time to take a hard look at your operation and the delivery of business services on your campus to see if there isn't some way you and others might make your process even more transparent and your institution just a little more affordable, a little more accessible.

The business side of the house has long since concluded that enduser satisfaction is the most valid measure of performance. Some see many of the endusers of the products, services and information provided internally and externally as customers with knowledgeable opinions to be solicited and respected. I sensed that members of the broad academic community who commented one way or another were not as comfortable with evaluation by an outside government group, even if the federal government is a primary source of funding and the place many looked to for additional support.

There was a delicate dance around the notion of academic accountability and the need for and advantages of organizational diversity among higher education institutions and how that affects our ability to compare the performance of various institutions. Those sensitive topics are usually well off my radar screen but you might want to take a look to see how some of this appears from the perspective of the other side of the house. In the end we all may learn once again that "He who pays the piper calls the tune."
Commentary, November 2006

For What It's Worth—At the Adult Table

By Jim Markel, Director of Purchasing, Frederick Community College

Invariably, when the calendar creeps toward the holiday season, my mind wanders back to the days of touch football, pumpkin pie, and too many people for the limited seating in the dining room. Year after year, I would find myself exiled, with the rest of the progeny, to a mismatched chair pulled up to a card table in the kitchen. While being closer to those wonderful entrees was a big plus, my juvenile pride suffered at another year of exclusion from the magical conversations that were likely taking place at the adult table. I knew that if I could just wiggle into a place setting at that massive oak slab, my life would be transformed and I would finally be christened an adult.

Then, somewhere around twelvish, my moment arrived. Invited to sit with the adults, I found myself reveling in the infancy of my maturity. However, between mounds of mashed potatoes and slices of turkey, something unexpected happened: the adults began to talk to me! Even more frightening, they began to listen! No one told me that, as an adult, I would be expected to contribute to an ongoing exchange of information. What is the world coming to? Fast-forward forty years and I still feel the blood creeping up to my cheeks, in remembrance of my embarrassment.

It always impresses me when the cycle of our lives brings us back to the days of kickball and cotton candy. Recently, I’ve been blessed with numerous opportunities for service to NAEP. Also, after twenty-some years of secondary roles, I’m now a Director of Purchasing in a growing community college. Whether as a regional officer, the newest Purchasing Link essayist or head of my own department, I feel as though I’m once again sitting at the adult table. I must tell you that there’s something wonderfully frightening about sitting at that massive piece of oak.

And I know I’m not alone. A number of you have shared with me your excitement at being asked to sit on a committee, chair a cross-departmental task force or make a presentation to the Board of Trustees of your school. There is a sweet gratification when the procurement department is solicited to be an active campus contributor to various programs and plans. Enjoy the moment and appreciate the fruit of you and your staff’s hard work.
However (didn’t you just know there was a however coming?), NOW that you’re at the adult table, you will be expected to act the part and contribute to the ongoing conversation. For years, you’ve complained that the facilities staff, academic dean or CTO wouldn’t give you a place at the table. Now, your wishes have come true—so, what do you have to say?…Come on…speak up!

In the words of William Shakespeare, "...ay, there’s the rub:" (Hamlet, Act III. Sc. 1.) I would encourage you to reread Tory Windley’s column in the September Purchasing Link. Tory gives a great example of how to contribute to the ongoing conversation on your campus. Sometimes we play; sometimes we sit on the bench; sometimes we carry the water bucket. But, we’re always engaged—always looking for opportunities to assist—to add value to the process...to join the conversation. Our involvement may necessitate a number of interchanges, with many people, over an extended period of time. Conversely, it may involve a great deal of research and data gathering that takes place out of the sight of those at the table. Your greatest contribution to the conversation may not be with your mouth, but with your ears. Listen...take notes...clarify key points...reconfirm decisions...restate the consensus.

As professionals in higher education procurement, we find ourselves in a period of paradox. Throughout our institutions, senior administrators are searching for ways to avoid large tuition increases. Slot management, resource redistribution, overhead reduction and outsourcing have become accustomed terms within our academies. These tools du jour are being wielded with frequency in most of our schools. At the same time, however, increasing numbers of colleges and universities are viewing their procurement areas as significant partners in helping to keep rising costs at bay. The most capable of our colleagues now sit at the table and capture the conversation by speaking with knowledge about e-commerce, strategic procurement, ROI and mission alignment. When not actively engaged in the conversation, they had the foresight to listen, read, study and thoughtfully consider how procurement might become a trusted campus partner, rather than bureaucratic overhead.

I choose to believe that our best and brightest days lie in front of us. For years, we have been sharpening and refining the tools of our trade. Negotiating skills, contract management competencies, strategic partnership development and technology integration are among these needed instruments. We have what we need. Now, as we take our place at the adult table, let’s remember our years of preparation for this moment. We are qualified, confident and ready. Let’s join in the conversation. Let’s show ‘em what we’ve got!
Award on the Basis of a Single Bid

By Lloyd Rain, Purchasing Link Contributing Editor

Introduction
One of the more difficult situations facing today's public purchasing professional is the receipt of very few responses to a formal solicitation—perhaps only one response.

Although it may sound, to the novice, that one response is as good as a hundred, it is definitely not so. A single response causes us more stomach upset than any other quantity of responses, even none!

Clarifications
At the outset, I must make the following clarifications.

- As used in this article, Proposals and bids are both offers — and both may be price-based. Although some bids may be analyzed on the basis of processes other than price (such as "best value" and "life cycle" cost), most bids are analyzed on the basis of plain, direct price.
- The final dollar value of the bid is the basic comparator; that is, all comparisons are based upon the dollar value of the bid or proposal.
- In the past, I have referred to a public purchasing professional by several names; buyer, purchasing manager, procurement officer are a few. Today, for the sake of uniformity, I'll use the term "Contracting Officer," or "CO" for short, to refer to that senior purchasing employee making most of the decisions on a particular procurement project.
- Finally, when I talk about cost and price, I'll use the FAR (Federal Acquisition Regulation) definition of these two items.
- Price Analysis is essentially price comparison. It is the evaluation of a "lump sum" or "total price" without analyzing any of the separate cost elements that comprise the total; the objective of a Price Comparison is to compare the price in question with prices of similar commodities or services.
- Cost Analysis is the evaluation of the separate elements (e.g., labor, materials, overhead, etc.) that make up a contractor's total price proposal; the objective of a Cost Analysis is to determine if the component costs are allowable, related to the requirement and ultimately, fair and reasonable.
**Standard Procedure**

Part of our daily fare as public purchasing professionals is the invitation of bids from a given segment of a market. We regularly formulate solicitations which we advertise by various means and we expect that moderately aggressive entrepreneurs will respond to our invitations by submitting proposals for resolution of our needs. We gather up those offers at the appointed hours, open them, formulate tabulation sheets, ascertain which offerors have submitted the lowest prices (or the best values), and process award of contracts to those submitting the best values for our jurisdiction.

Most of the time we get five or ten responses from a given solicitation, sometimes more, sometimes less. Usually there is no way to tell how many responses will be submitted although experienced purchasing professionals can guesstimate the approximate number of responses based upon the uniqueness of the product or service and the number of providers which we think comprise the market segment we are addressing.

By the same token that we assume we have penetrated the market reasonably well when we obtain **three or more quotations**, we can assume that we have a competitive market when we get three or more bids from an invitation. We can look at the values and, assuming that there has been no collusion among bidders, we can reasonably deduce that our offers represent a good cross section of pricing in an open, competitive marketplace at that moment and that the "best value" is a fair and reasonable one.

If we only get **two offers**, we must make some kind of determination about how well we have penetrated the marketplace and whether or not we should try again, perhaps with different specifications or promotional methods. Some jurisdictions treat the receipt of two offers as seriously as they do a single offer and utilize the same rigorous process. Others treat the receipt of two offers the same as the receipt of three or more.

If we get no offers (which does happen on occasion), we are bound to cancel the solicitation and to try some other form of solicitation again, perhaps resorting to negotiation with one or more potential providers.

**The Dilemma**

But what if we only get one offer? The problem with one offer is that it tells us nothing about the market, about comparative prices and about the reasonableness of the price.

One offer is the bane of all purchasing solicitation responses.

A single bid!

The dominant problem with the submittal of only one bid is the determination of whether or not the price is fair and reasonable.

When there are two or more offers, we can claim that a competitive market has spoken. When there is only one, there is no competitive gage.

In the final analysis, we must decide whether or not we can proceed with an award on the basis of that single offer.

Much to my surprise, in a recent exchange on the NIGP Listserv, a large proportion of jurisdictions did not have a process for awarding on the basis of a single bid, and many purchasing officers had few or no reservations about processing such awards.
Having spent five years of my life as a public purchasing CO under the auspices of the federal department of Housing and Urban Development (HUD), I can say from experience that HUD’s process for making awards on the basis of single bids was thorough and wise. Based upon that, and the rules of some other agencies, let me define what should be standard practice for making such awards.

Let me also restrict my comments to bids, although my comments apply, for the most part, to proposals as well.

**The Primary Criteria**

There are two issues which come to the fore when deciding whether or not to make a single bid award:

- Is the price fair and reasonable? and,
- Was the market penetrated to a reasonable extent?

If these questions can be answered in the affirmative, with supporting documentation, it’s reasonable to proceed with award to the sole bidder. If they cannot be answered in the affirmative, and if there are no other extenuating circumstances such as an emergency need or a latent sole source condition, it is reasonable to make the determination that rejection of the bid is in the best interest of the jurisdiction.

**The Issue of a Latent Sole Source**

Before the two primary criteria are addressed, the first question to be answered when confronted with a single bid is whether or not the bidder is the only source of the requirement. Ideally, this determination is made long before a solicitation is even contemplated. However, occasionally a solicitation is inadvertently issued for an item or a service which is available from only one provider. When that situation is discovered after the submittal of a bid, the only proper course of action is to cancel the solicitation and negotiate for the fulfillment of the need from the sole provider. Even if the bid price is fair and reasonable, the award should be processed as a sole source and all that such a determination implies in terms of process, classification, substantiation and documentation rather than as an award on the basis of a competitive bid process.

**Validating a Single Offer**

When only one bid is received in response to a competitive solicitation, the agency does not have price competition. If the CO decides to award on the basis of a single submitted bid price (without negotiation), he or she must justify that the price is fair and reasonable. At a minimum, the CO should compare the bid price to the in-house estimate and to past prices paid for the same or substantially similar item(s). If the CO decides to cancel the sealed bid and negotiate a contract price with the single bidder, he or she should obtain a complete cost breakdown and perform a cost analysis of the proposed price (since, obviously, a price analysis can not be done). If the bidder declines to provide a breakdown of its costs, the CO may have no other choice than to resolicit bids.

**When Is a Cost Analysis Required?**

A cost analysis should be done whenever a single source of a service or commodity is being contemplated. Usually this applies to cases of a single bid AND in cases of contract modifications. Contract mod’s are especially tricky because they are essentially sole source negotiations; coming to terms with a fair and reasonable price — and being able to document it — is no simple task.

**When Is a Cost Analysis Done?**

Cost analysis is used whenever price competition is not available. For example, a cost
analysis should be done when:

1) Analyzing non-competitive or negotiated proposals;

2) Negotiating a contract with a sole source;

3) After receiving a single bid on a formally advertised solicitation and that bid differs substantially from the internal or independent estimate of the contract price;

4) Negotiating a modification (including change orders) to any type of contract, if the modification changes the work authorized under the contract, and changes the price or total estimated cost, either upwards or downwards; the CO must obtain a detailed breakdown of the contractor’s proposed cost as well as lump sum proposal, before negotiating the change in contract price.

Analyses Not Required
Two situations do not require price or cost analyses when single submittals are received. They are:

1) When the price can be established on the basis of catalog or market prices of commercial products or services sold in substantial quantities to the general public;

2) When the price is set by law or regulation.

Performing a Price Analyses
In performing a Price Analysis the CO should use as many of the following techniques as may be applicable and appropriate:

1) Compare proposed prices with prices under existing contracts and with prices proposed in the past for the same or similar items/services. Be sure to factor in any recent influences or market changes such as commodity price changes, inflation, supply forecasts, financial disruptions such as stock market pressures and even social disruptions such as war in its various forms or in various venues.

2) Apply rough yardsticks such as dollars per pound, per square foot, per hour, etc., to compare prices and highlight significant inconsistencies that warrant additional pricing inquiry.

3) Compare competitive price lists, published catalog or market prices of commodities and products, similar indices and discount or rebate arrangements.

4) One way of ascertaining the reasonableness of costs is to ask one or more vendors to provide copies of invoices for the same items that were supplied to another jurisdiction. Usually a vendor has no problem providing this information. Failing that, a list of vendor references will yield names of prior purchasers of the same items or services. Prices can be obtained from these other agencies.

5) Compare proposed prices with independent and/or in-house cost estimates.

Performing a Cost Analyses
To be considered reasonable, proposed costs must meet three critical tests. The costs must be:
1) **Allowable:** The applicable cost principles will usually state whether a type of cost is allowable or not; e.g., types of reimbursables, overtime rates, entertainment, additions for inflation, unidentified contingencies, transportation charges, demurrage charges, etc.

2) **Allocable:** This means that the costs are logically related to, or required in the performance of the contract; some costs may be allowable but not related to the work required under the contract.

3) **Reasonable:** This term is generally defined as what a prudent business person would pay in a competitive marketplace; a cost can be allowable and allocable, and still not be what a prudent businessperson would pay; e.g., first class airfare, high cost hotel accommodations, air freight versus overland costs, use of certain consultants when the same services may be available in-house, fringe benefits, etc.

**Market Penetration**

So far we have dealt only with the "fair and reasonable" aspect of the single offer. Dealing with market penetration is somewhat easier. The objective here is to ascertain that a reasonable effort was made to publicize the availability of the solicitation and that responding to it was not so difficult as to discourage even the most ardent bidder. The steps to take here are:

1) **Advertising** Ascertain that the solicitation notice was advertised in a manner that ensured broad exposure to the notice (not just the minimum requirement). Sometimes, simply posting availability on the jurisdiction’s website is not good enough. Sometimes advertising in several publications and on several web pages is necessary to ensure the notice reaches the intended market, and even then, these so-called "excesses" may not be good enough. It is one thing to meet the minimum statutory requirement for advertising — it is an entirely different matter to broadcast the solicitation availability to the widest possible market (if the notice was only posted on the jurisdiction’s bulletin board, you can be assured that it got no market exposure at all). In order to validate exposure, the CO should telephone several leading purveyors in the market and ask if they were aware of the solicitation. If none of them were, we can be fairly certain that the entire solicitation needs to be repeated, this time with more aggressive advertising.

As is common these days (and in my view, totally unacceptable), many state governments, institutions of higher ed, and other jurisdictions simply post the requirements on their websites. Then the procurement folks sit back and wait for the bids to trickle in. Indeed, considerably more effort than that is required if an active market is to be addressed and penetrated to any reasonable degree!

2) **Market Research** At the same time as the CO phones the leading providers, she or he should be asking why the provider declined to respond. Many times, the answer will be that "we’re just too busy." And others may be left field like, "The Owner’s wife was in the hospital and she does all the bidding." Or, "The plant burned down." --- quirky circumstances over which you have no control sometimes occur. However, on other occasions the answers might be, "We know that Fred’s Drainage always gets your business and we just didn’t want to waste our time and lose again.” "We can’t compete against state supported contractors like Prison Industries." "I hate working with government contracts and all that bureaucratic crap you impose — I just don’t bid public contracts." And so on. Each of these is a clue to designing solicitations for a particular marketplace and, at a minimum; they provide the necessary documentation for a decision that may have to be made on the issue of awarding on the basis of a single bid.
Final Analysis
In the final analysis, the CO will have to make a decision about whether or not to award on the basis of the single bid which sits innocuously on his or her desk, awaiting action. If the CO can show that the price is fair and reasonable, and the market exposure was effective, then it’s also reasonable to consider awarding promptly.

Conversely, if the price is questionable or the market approach was flawed, then it’s time to eat dirt and do the whole thing over again with improved processes.

Award on the basis of a single bid is a difficult and stressful decision and should not be taken lightly. The process for such awards should be a fundamental part of every jurisdiction’s rules and should be followed meticulously.

Additional Information
For further information on these issues see:

OMB Circulars: http://www.whitehouse.gov/omb/circulars/index.html

FAR Subpart 31.2: http://www.arnet.gov/far/

HUD regulations at 24 Code of Federal Regulations (CFR) Part 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," require grantees to perform a cost or price analysis for every procurement action, including contract modifications (e.g., "change orders"), using HUD grant funds.

There are numerous URLs at which the CFRs can be found. One of the sources is:


End

Lloyd Rain retired as Purchasing Director of Lane Community College in October 2003 and is now the principal of Lloyd Rain Associates, a firm that provides solicitations for public agencies (www.rainassoc.com).
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Note from Editor: Letters, articles, or announcements for publication in the NAEP Bulletin are due on the 5th day of the month preceding publication. E-Mail to nmarkee@naepnet.org

New job postings daily—check the listings and expand your opportunities.
From the President

A Time for Giving Thanks

By the time you read this column, autumn will be well underway and most of NAEP's regional and district meetings will be a fond memory. This means that Thanksgiving is only a couple of weeks away and many of you will be planning how to best spend this special time of the year. Many will spend this time with families and close friends while some may do some traveling with the extra time away from the office and some will take this time for themselves and have a quite time at home.

Whatever you do, I’m sure you will, at sometime during this period, give thanks for the special people in each of our lives—which brings me to some of the special people I would like to thank: I want to thank all the NAEP members who so freely give their valuable time and talents to our Association. Additionally, I want to thank everyone at E&I Cooperative Services, Inc. for their support of our Association this year. Last but not least, I want to thank everyone at the NAEP National Office for their hard work.

There are lots and lots of people in our association with “IT” (the spirit, willingness, and commitment) who volunteer and make NAEP work. The members with “IT” are the Regional/District Officers, who guide and lead; and there is a supporting cast of members who support Regional/District Officers—the best, brightest, and most untiring group of individuals I have ever met. This supporting cast includes volunteers who serve on host and program committees, work the registration desk, provide leadership by presenting at meetings, or serving as moderators, stuffing bags, providing directions. Let’s face it: our regional/district/national meetings wouldn’t happen if it wasn’t for you, the member with “IT.” Plus, let’s not forget those of you are serving on E&I’s Cooperative’s Strategic Sourcing Committee and RFP teams. On behalf of the NAEP Board of Directors and the National Office, I want to thank you, the volunteers with “IT,” for the things that you do for the Association and the Cooperative.

E&I has, for many decades now, provided support to the Association and our joint membership; this support has been both national and regional. E&I’s support comes in many forms, from helping members solve issues related to individual and institutional growth, to assisting members in identifying best practices, and working with members to define what goods and services should be included in E&I’s “best of class” contract portfolio. On behalf of the NAEP Board of Directors and the National Office, I want to thank E&I’s Board of Directors, the E&I leadership team, and all the skilled and knowledgeable staff for everything they do to support NAEP and our joint membership.

NAEP has been a huge part of my life over the last couple of decades, but more so during the past couple of years. I have had the opportunity to meet and visit with so many talented and knowledgeable people,
not only in the association’s membership and at E&I, but at the National Office as well. I am extremely appreciative of the work that is done by the NAEP National Office staff. So on behalf of the NAEP Board of Directors, I thank everyone at the National Office for their dedication and hard work in making our Association the place to go to for Professional, Community, and Collaborative Development.

So with this in mind, please give thanks to all those around you who have helped and supported your efforts.

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**Early Bird Registration Deadline January 25 for 2007 Annual Meeting**

**86th NAEP Annual Meeting & Exposition / March 25-28, 2007 / San Jose, California**

Online registration form for NAEP’s 2007 Annual Meeting & Exposition is now available. Register by January 25 and qualify for the reduced Early Bird discount, offered to both members and nonmembers. For hotel, travel, exhibit, sponsorship and program information, please visit our Website: [http://www.naepnet.org/AnnualMeeting/2007/index.html](http://www.naepnet.org/AnnualMeeting/2007/index.html)

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**Honor Your Colleagues: Nomination Deadline November 30 for Three Recognition Awards**

NAEP offers three Annual Recognition Awards, for which nominations are open through November 30, 2006. Winners will be announced at the 2007 Annual Meeting in San Jose, California.

**Bert C. Ahrens Achievement Award:** To recognize a former or present member who has made outstanding contributions to NAEP over an extended period of time. This award is the highest form of recognition offered by this Association.

**Neil D. Markee Communicator of the Year Award:** To recognize a member who made the most outstanding contribution to the profession during the year through the written or spoken word.

**Distinguished Service Award:** To recognize individuals who have provided extraordinary service to their institutions, the higher education community, the Association, or the purchasing profession.

**Eligibility**
A Nominee must be, or have been, an active employee of a current member institution of the National Association of Educational Buyers and not a current member of the Association's Board of Directors or Awards Committee.
See guidelines and application form: click here.

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**New: Young Professional in Procurement Award**

This is a brand new award category intended to recognize the efforts of an outstanding young procurement professional. This award will be presented to a young professional that has made great strides and contributions to the education procurement industry.

**Who will be considered?**
All award candidates must be members in good standing of NAEP.

Candidates may be nominated by others or may apply for themselves. Nominated members must have fewer than 10 years experience in the education procurement industry and be 40 years old or less and must be an NAEP member for at least one year.

Each applicant must submit documentation describing their professionalism. A letter from the applicant’s supervisor in support of the contribution to the department is strongly recommended but not required.

**How are winners selected?**
Winners are selected by the NAEP Awards Committee on the basis of the applicant’s contribution to and support of procurement in their department.

For nomination criteria and further details: click here.

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**New: Award of Excellence in Procurement**

**Application Deadline January 1, 2007**

**Who will be considered?**
Institutions may be nominated by others or may apply for themselves.

Each applicant institution must submit documentation describing their communications technology endeavors, products, or services which demonstrate excellence and professionalism as defined in the Evaluation Criteria. A letter from the institution’s President or senior administration in support of the contribution of the department to the institution's mission is also required.

**How are winners selected?**
Winners are selected by the NAEP Awards Committee on the basis of the procurement department's contribution to and support of the mission of their institution. Applications are evaluated on the basis of: scope and complexity of the endeavor, technological leadership, benefit to the institution and key constituents, and demonstration of excellence and professionalism. The endeavor, product, or service
should be innovative and exemplary, and provide significant advantage to the institution, faculty, staff, and/or students.

Up to three awards may be given annually, to one institution in each of three enrollment categories: Category 1, fewer than 5,000 students; Category 2, 5,000-15,000 students; Category 3, more than 15,000 students.

For nomination criteria and further details: [click here](#).

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**Other Awards: Nancy Tregoe Scholarship; David H. Lord Purchasing Award**

**Nancy Tregoe Scholarship: Nomination Deadline January 31, 2007**
[Click here](#) for more information.

**David H. Lord E&I Cooperative Purchasing Award**
For details: [http://www.eandi.org/imanaged/award.html](http://www.eandi.org/imanaged/award.html)

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**Regional Scholarships**

The NAEP National Office maintains the regional William E. Haas Scholarship Fund. Regional groups, individual members and corporations have made and continue to make donations to this fund.

Scholarships are awarded on a rotational basis, allowing all NAEP regions to benefit from the fund. The $1000 scholarship must be applied toward registration and travel costs for an NAEP Institute, Seminar, Annual Meeting or Fall Regional Meeting. Regions may use their own method of selecting a qualified scholarship award recipient within their region. Some regions choose to send a ballot out to all their regional members asking for nominations.

Award criteria and further details: [http://www.naepnet.org/AM/Template.cfm?Section=Scholarships_Awards&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=2060](http://www.naepnet.org/AM/Template.cfm?Section=Scholarships_Awards&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=2060)

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**MINK Region Creates Roxanne Conrad Scholarship**

In March 2006, NAEP members were saddened to learn of the sudden death of long-time colleague Roxanne Conrad, Director of Purchasing at University of Northern Iowa in Cedar Falls. Roxanne was an active member of the MINK Region, serving five years on the Executive Committee and as regional president in 1992. She chaired the first
MINK Membership Participation Committee and served on the Nominating Committee. Roxanne also served on national committees of membership and nominations. Roxanne was the designer of the MINK Region logo.

At the recent MINK Regional meeting in Omaha, Nebraska, it was announced that $1,060 had been donated to create a scholarship in honor and memory of Roxanne Conrad. Roxanne was a mentor to many, as well as a great friend and colleague within her NAEP family. The Roxanne Conrad Scholarship is a fitting tribute to one who gave so much to our organization and its members.

### Member News

**Richard Geppner** will be retiring as Director of Procurement Services, Boston College, effective December 2006. Rick has been part of the transformation of Boston College for more than twenty-five years. He says he plans to spend his free time improving his golf game and enjoying long walks on the beach with his wife and his dog. Best wishes to Rick on his well-deserved retirement.

**Denise K. Finn**, C.P.M., CPPB, Director of Purchasing and Contracting at Yavapai College, Arizona, announced that, for the second year in a row, her department has earned the National Purchasing Institute's Achievement in Excellence Award. Additionally, the department earned the Fully Certified Procurement Staff Award from UPPCC.

**Candace Townley**, Director of Purchasing, University of Alabama in Huntsville, announced her upcoming retirement, to be effective as of March 31, 2007.

The Principia, St. Louis, Missouri, reports the following changes in title: **Rich Allen**, Purchasing Manager; **Bronna Yeates**, Senior Purchasing Agent; and **Roberta Day**, Purchasing Agent.

**Barbara Mormando**, Procurement Card Manager of New York University’s Purchasing Services, has accepted the position of Assistant Director of Purchasing at Drew University, effective October 2006. Barbara was employed at NYU for twenty years, fourteen of those working in Purchasing Services.

The MINK Region announced that, at their recent fall meeting, they presented their Gale C. Hankins Distinguished Service Award to **John Klopp** of the University of Iowa Purchasing Department (and currently NAEP’s Immediate Past-President).

### Calendar of Events
February 4 - 7, 2007
**NAEP Procurement Academy Tier 3 Senior Professional**
Hotel Monteleone
214 Rue Royale, New Orleans, Louisiana 70130
Phone 800.535.9595
Hotel Monteleone
Room rate: $149/night plus tax
[Online registration](#)

March 25-28, 2007
**86th NAEP Annual Meeting & Exposition**
*Headquarter Hotel: San Jose Marriott*
301 South Market St.
San Jose, California 95113
Phone 408.280.1300; Fax 408.278.4444
Room rate $144
[Click here](#) for online registration with NAEP group code.

*Alternate Hotel: Hilton San Jose & Towers*
300 Almaden Boulevard
San Jose, California 95110
Phone 408.287.2100; Fax 408.947.4488
Room Rate $129
[Online registration](#)

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**Invitation to Suppliers: Become an NAEP Business Affiliate**

Do you supply products and services to higher education, K-12 schools, hospitals, research laboratories? If so, you are eligible to join NAEP as a Business Affiliate and connect your organization with...

- 1,400 Institutions
- 4,000 Members who manage procurement spend budgets in the billions

**Why NAEP Members Are Your Target Audience:**

- More than 71% of NAEP members cite one of their roles in the procurement cycle as “selecting and recommending suppliers.”
- More than 67% of NAEP members have FINAL APPROVAL in over 19 categories of goods and services including:
  - Office equipment and supplies
  - Furniture
  - Building products
  - Technology
  - Communications
Visit Our New Sustainability Website

Brian Yeoman, NAEP’s Director of Education, edits our new sustainability microsite. Here you will find important information on renewable energy, construction and demolition waste, green building, green purchasing, and Brian’s Top 5 Sustainability Articles.

http://www.naepnet.org/Microsites/sustainability/sustainability.html

Sustainability on Campus

Four University of Wisconsin Campuses to Be Energy-Independent By Year 2012
Wisconsin Governor Jim Doyle has announced that the University of Wisconsin - Green Bay, UW-Oshkosh, UW-River Falls and UW-Stevens Point will take part in a pilot program to make their campuses completely energy independent within the next five years. Upon completion, the schools will be the first state-owned facilities capable of acquiring or producing renewable energy equivalent to their consumption. The campuses will work with the Department of Administration’s Division of State Facilities to identify and implement technologies capable of replacing external power supplies currently serving their locations. Possible replacements include the use of solar or wind power, fuel cells, a greater emphasis on renewable fuels, and a switch to biomass. The project will also emphasize energy conservation strategies to curtail overall energy demand. Currently all four campuses produce their own heating and cooling by burning fossil fuels.

http://www.wisgov.state.wi.us/journal_media_detail.asp?locid=19&prid=2344

http://www.uwgb.edu/univcomm/news/archive/2006sept.htm#energy

University of Vermont Opens Green Residence
University of Vermont recently celebrated the opening of University Heights Residential Learning Complex, an 800-bed, $60.6 million project – three-plus years in the making – that is a model of environmental design. The new complex houses two residential colleges: the Honors College in the north complex, which opened in January 2006, and GreenHouse in the south complex, an environmentally themed residence hall that opened for the fall 2006 semester. In keeping with UVM’s green building policy, the new complex is designed for LEED certification. The complex uses 68 percent less energy than comparable buildings and features such demonstration projects as composting toilets, green roofs and cork floors. Over 75 percent of construction waste material generated by the building project was recycled or reused. Over 20 percent of all construction materials were purchased locally or regionally manufactured, and approximately 60 percent of the major vendors and subcontractors were from Vermont. A highlight of the new complex is a 500-foot vegetative swale that treats the stormwater created by the new project.

http://www.uvm.edu/~uvmpr/?Page=News&storyID=9027

Monmouth University Completes 455 kW Solar Installation
Monmouth University recently completed the installation of a 455 kW solar installation. The solar panels provide at least 6 percent of the campus's electricity needs, thereby saving the University $150,000 a year in energy costs. The $2.8 million project was partially funded by a $1.7 million grant from the New Jersey Board of Public Utilities's Clean Energy Program. http://www.app.com/apps/pbcs.dll/article?AID=/20060928/BUSINESS/609280360/1003/NEWS03

Listing of campus solar installations: http://www.aashe.org/resources/solar_campus.php

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The Top 10 Lessons from Trial Lawyers: How to get what you want out of life

Many of the psychological techniques that top trial lawyers use to present their cases and convince juries can be used by anyone trying to win over an audience. Here are tried-and-true courtroom strategies and how they can help you get where you want to go.

1. Use a theme to structure your thoughts convincingly.
Trial lawyers obsess over finding the right theme for each case. A theme helps to focus on the big picture, and keeps arguments from becoming muddled or confusing. A theme should define the point of a presentation and set the boundaries. What is the overriding topic? What is the major point that will make the audience most receptive? How does every piece of information fit into my theme?

2. Draw from stories that have built-in emotional appeal.
Themes for emotional appeal can be found in the moral lessons of mythological stories and fairy tales. Stories like "Cinderella," "David and Goliath," "Beauty and the Beast," and the Biblical story of "Job." When these kinds of things are incorporated into a theme—("Given enough time, goodness will win over evil;"
"The little guy can beat the big bully if he's clever;" Beauty is more than skin deep"—an audience instinctively will know who is good and who is bad. Such themes come with built-in outcomes that are difficult for people to shake once you've hitched your argument to them.

3. Focus on your opening--and closing--remarks.
Whether designing opening statements or determining the order for witnesses to appear, top trial lawyers have a great appreciation for the psychological power of order. Nothing is more important than how you express yourself at the beginning of your presentation—and at the end. The middle won't be remembered, but you can't leave it out or do a gloss-over and hope the ends will cover it. Your audience will think that you take them to be fools. However, a great middle without an exceptional beginning and end will be lost.

4. Convey disapproval subtly.
Trial lawyers are used to hearing arguments that are in conflict with their own. The good ones resist making faces that say, "Can you believe what that idiot is saying now?" Instead they frown—and hold the frown as long as jurors continue to listen to the opposing argument. This shows disapproval of the content listened to without implying disrespect. It is helpful to maintain the frown for as long as the person with whom you are at odds is speaking. Important: your objective isn't to express yourself, but rather to persuade others to your point of view.

5. Change the volume of your voice to win a point.
Melodrama doesn't play in courtrooms and even less in everyday life. Use of the "build-drop" strategy becomes potent because it has a dramatic effect without seeming dramatic. How it works: the technique consists of a setup and a point you want to establish as highly significant. The setup is spoken in a consistently rising pitch. After your voice builds, pause and deliver your point in a pitch that is several notes lower. For example, say the following with rising pitch: "Did Mary run from the scene of the crime?" the drop your voice several notes and say "No, she didn't." Practice this technique before you use it. Avoid being too theatrical, which can make your point seem silly.

6. Use stillness to bring attention to an extremely important point.
Make your body still—cease all mannerisms and gestures. Lift your chin so your posture is straight. Using clear, direct eye focus, make your point in a steady, even tone of voice. Pause before going on. "Framing" your point in body language and tone enhances its importance.

7. Keep your body language consistent with your words.
This is usually referred to as congruence. This means that if there is a disparity between what you say and your body language, people will believe your body. It has been asserted that as much as 85 percent of what is communicated is done so nonverbally. Watch others' body language also.

8. Disclose weaknesses to increase trustworthiness.
People are willing to forgive human weakness. However, they will not forgive a lie. Nothing is flawless, and nothing is all of anything. Lawyers know that people hate perfect people, because they prefer people like themselves.

9. Don't insist that your argument is the perfect solution.
Avoid making your point seem too ideal a solution. Avoid talking too long in support of a point—or when the point is held up as something that can solve all problems at once. Your argument is best presented, not as perfect, but as the one which makes the most sense, given what everybody knows.

10. Make it your mission to inspire the imagination of your audience.
You are working at inspiring others of your view, not shoving it down their throat. Once inspired, they will want to give you what you want because it will be what they want too.

Quote of the Month

"My personal view of power is that it's my job as chief executive officer to empower those around me."

—Zane Barns, CEO of Southwestern Bell