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Procuring Utility Scale Solar Power
Project Management for Procurement
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The blessing and the curses of the P-Card. We love ‘em, but they can be very scary when our folks out on campus misbehave, or when a store’s database is breached. Still, the organizational benefits outweigh the risks, especially with a good system of controls in place and working well.

As a result of the University of California’s leadership in the procurement of renewable energy, procurement departments in higher education institutions across the country can take valuable notes in how to facilitate the successful execution of projects in their respective regions.

Expertise in Project Management is an eminently valuable skill to have within a higher education procurement office. It virtually assures “a seat at the table.”

Unlocking potential through collaboration. Read how NAEP is collaborating with organizations on several projects to help procurement gain a seat at the table.

The wonder of NAEP Membership doesn’t just stop at the Annual Meeting. The upcoming Regional Meeting season provides outstanding opportunities to continue networking, learning, solving problems, having fun, and cultivating friendships!

If you are interested in professional development for yourself or your staff, this timely article directly speaks to you. Opportunities lie within!

When change is thrust upon you, how do you handle it? Sure, it’s pretty straightforward to answer that personally. But what if you’re the leader and the task of implementing that change throughout the organization is thrown at you? Sometimes the best answer comes from a leader who is “blessed” with a change-averse personality.
Watch www.naepnet.org for more information on exciting programs that are coming this year!

IN-PERSON EVENTS

CONTRACT MANAGEMENT INSTITUTE
December 6–8, 2015 • Las Vegas, NV

2015 ANNUAL MEETING
May 22–25, 2016 • San Antonio, TX

2016 PROCUREMENT ACADEMY
Foundation | Professional | Professional Plus
January 31–February 2, 2016 • Phoenix, AZ

RFP PROCESS INSTITUTE
February 2–4, 2016 • Phoenix, AZ

FEDERAL PROCUREMENT INSTITUTE
February 2–4, 2016 • Phoenix, AZ

COMPLIMENTARY WEBINARS
Visit www.naepnet.org to see a full calendar of complimentary webinars on various procurement topics.

REGIONAL MEETINGS

Great Plains
Sept. 13–16, 2015 Overland Park, KS

Florida
Sept. 16–18, 2015 Ft. Lauderdale, FL

TOAL
Sept. 20–23, 2015 Rogers, AR

Kentucky
Sept. 27–30, 2015 Hebron, KY

Great Lakes
Sept. 30–Oct. 2, 2015 Sandusky, OH

Michigan
Sept. 29–30, 2015 Rochester, MI

TAGM
Oct. 5–7, 2015 Birmingham, AL

District VI
Oct. 5–8, 2015 Tempe, AZ

Upstate New York
Oct. 6–9, 2015 Syracuse, NY

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Oct. 11–14, 2015 Chesapeake, VA

New England
Oct. 25–28, 2015 Portland, ME

Carolinas
Nov. 15–18, 2015 Asheville, NC

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Unlock Your Potential Through Collaboration

Doreen Murner
CEO, NAEP

Higher education has a long history of collaboration, and a core belief of NAEP is working together we can affect positive change and progress throughout higher education management. Procurement sits at a pivotal space in your institution and should be involved with senior levels of administration. NAEP is collaborating with NACUBO on one such project that you should be aware of as you work with your chief business officer.

NACUBO is currently updating the 7th edition of its core reference work for higher education management: College and University Business Administration (CUBA). Two NAEP Members recently had the opportunity to write the updated CUBA chapter on procurement. Nancy Brooks from Iowa State University and Richard Taylor from the University of California Berkeley and San Francisco dedicated considerable time and talent to share best practices in higher education procurement, and we owe them our thanks for undertaking this impressive project. If you have not yet read the procurement chapter in CUBA, visit the NACUBO website to download your complimentary copy.

But that is not the only project you should know about! Recently, NAEP brought together a wide variety of thought leaders and talented people from across higher education and private industry for our fourth annual Innovators Forum. The thoughtful interaction of more than 20 individuals sharing best practice and success stories has shaped our white paper on procurement branding. If you wonder why you even need a procurement brand, let me ask you these questions: What do other departments at your institution think of when they think about procurement? What do you want them to think? Is there a gap in that answer? Procurement branding in higher education helps to close that gap and allows you to make the business case to advocate for the resources, investments, and talent necessary to build a world-class procurement team delivering world-class results. I highly encourage you to visit the NAEP website to download and read this engaging paper. It is complimentary for NAEP Members.

Collaboration and idea sharing is helping to show business officers that procurement belongs in management discussions and planning. The tools and resources from NAEP will help you have productive and meaningful conversations with the business officers on your campus. This is just the beginning. We are constantly working to bring you the most up-to-date best practice tools that will help your institution thrive, as well as help the higher education world as a whole thrive.

What type of collaborative projects is your institution involved in right now? What do you hope to accomplish in the near future? Share your stories on the new NAEP National Forum on our website.
Purchasing Card (P-Card) fraud is a well-known risk, but there are other important realities to acknowledge up front, too. All payment methods have risks. Checks consistently emerge as the biggest fraud target. As for P-Cards, industry studies have consistently shown that most organizations suffer little to no monetary fraud losses. Cards have built-in protections, such as liability waivers and chargeback rights. The rollout of EMV chip cards (smart cards) in the United States adds to the controls, protecting against card cloning, point-of-sale fraud, and cross-border fraud.

Unfortunately, the media usually reports negative stories, especially ones involving internal commercial card fraud. They omit the benefits of P-Card usage and do not put fraud into perspective. As an example, consider a case of a cardholder using the P-Card to make $5,000 worth of personal purchases in a year before being caught. Imagine the news headline, but the accompanying story likely will not include how this compares to the overall P-Card picture. If the cardholder is part of a $15M program, such fraud would equate to 0.033 percent of the annual spend. Then factor in the organization’s process savings and rebate from P-Card usage, which might exceed $3M and $100,000 per year, respectively. The financial facts are clear. Nevertheless, no organization wants to be victimized like this and suffer the public backlash that would be almost certain.

Be proactive now to avoid landing in the news.

Effective Controls Are the Key to Curtailing Fraud

News reports about card fraud provide a learning opportunity. For every internal fraud and misuse case I read about, there are measures the organization in question could have taken to prevent the issues and/or detect them sooner. As the saying goes, hindsight is 20/20, but your institution can operate with more foresight. Control P-Card risk through a combination of prevention and detection. The key is avoiding the two extremes:

1. A lack of effective controls, which increases the likelihood of fraud, misuse, and abuse; and
2. Over-controlling a program, which is costly and affects P-Card process savings.

Such naivety and lack of enforcement open the door to fraud, sending messages to employees that P&P are optional and no one is really watching what they do.

Where does your institution fall on the spectrum? Work toward reaching the ideal middle. Keep in mind that more control does not mean better control and less fraud. Organizations with the most issues are the ones that will not take the time to learn to follow P-Card best practices (see sidebar). A lack of P-Card education tends to cause an organization to focus on restricting card usage and overlook aspects of a well-managed program.

Universities Face Unique Challenges

While P-Card control best practices are generally applicable to all types of organizations, universities face challenges that most private corporations do not. Katy Stump, Senior Purchasing Agent and P-Card Program Administrator at the University of Denver explains, “We have such an array of purchases—supplies for dorm rooms, office supplies, medical items for scientific research, credit checks, etc. We also have a great deal of travel to all sorts of places. There are very few merchant category codes (MCCs) that we can block.” Although light MCC blocking might seem risky, Stump’s university is right to establish card controls that will support the needed purchases. The control environment is not one-dimensional; other actions help prevent and detect fraud.

The wide variety of university purchases creates another challenge when it comes to external fraud. Stump notes, “Our cards have a lot of exposure. It’s hard to find a pattern that might indicate why our cards are compromised.” Some instances have known origins, such as broad data breaches at large retailers, and card providers respond accordingly, closing cards as needed. Just because card providers and networks have fraud-monitoring systems does not mean an institution can leave fraud detection in their hands.

Ensuring effective controls is everyone’s responsibility. It begins at the top with the setting of the internal culture. Sometimes universities are reluctant to:

- believe that long-time employees, including high-ranking individuals, can and do commit fraud; and
- consistently enforce program policies and procedures (P&P), regardless of job position.

Such naivety and lack of enforcement open the door to fraud, sending messages to employees that P&P are optional and no one is really watching what they do.

Hold Employees Accountable for Transaction Review

Within your institution, cardholders are the first line of defense for spotting external fraud. P-Card P&P should require a monthly transaction review, at a minimum, by cardholders. The University of Denver takes this responsibility a step further. Stump relays, “We strongly encourage cardholders to review transactions weekly. Cardholders who do not do this and who do experience fraud usually have more fraudulent transactions than those who check their accounts regularly.” She also
observes that cardholders who have experienced fraud learn the importance of vigilance.

The role of a cardholder’s manager or similar (the approver) is equally important, as they must look for potential cardholder fraud and misuse. Saundra English, CPCP, Card Systems Manager at West Chester University of Pennsylvania, conveys, “We require the immediate supervisor to sign off on the Purchasing Card statements. We also ask that the supervisor be the person who forwards it to the card systems administrator. We believe this helps promote accountability within the department and eliminates the chance of a cardholder forging a name.”

If cardholder managers/approvers are chronically late with completing their respective review activity, then they are not doing their jobs. The institution should treat it as a job-performance issue. Cardholders and managers alike need to understand the importance of their roles and receive appropriate training to help them be successful.

**Improve the Training Program**

Mandated P-Card training for card applicants and managers/approvers prior to card issuance should be a given, and fraud prevention and detection should be a training topic. If training is limited to telling them to read the policies and procedures (boring!), along with instruction on how to use the P-Card technology for transaction review, there is room for improvement.

If possible, offer more than one training option to accommodate busy schedules and different learning styles; for example, classroom and online options. Make training more interactive to increase interest and retention, which play a role in combating fraud. (See related training tips from the University of Alabama at www.recharged-education.com/training-tips.) P-Card training should also complement other internal training, such as training focused on ethics and information security.

To ensure that cardholders and managers stay current, incorporate annual refresher training as part of the requirements. Address:
- any P&P changes;
- key points that everyone should know;
- P&P for which you receive regular inquiries;
- areas where there have been compliance issues; and
- new types of scams and fraud trends.

Echoing the importance of fraud training, English says, “We train our cardholders and their immediate supervisors on how to spot fraud and what to do when they find it. We have an email database of our cardholders, as well as a separate database of the supervisors. This way we can communicate quickly when a new trend is detected. We also have a group on campus that meets on a regular basis to discuss fraud in general at the university.”

Expand training for managers to include the red-flag behaviors that might indicate internal fraud, such as living beyond one’s means, financial difficulties, a close relationship with a vendor, and control issues (e.g., unwillingness to give up or share purchasing duties).

**Diversity Program Management Reporting**

The right reporting, plus taking follow-up action, can go a long way toward fraud detection and future prevention. It is common for a program manager to review a declined transaction report for potential cases of cardholders trying to purchase outside the P-Card parameters, but reporting should not end there. English shares, “For the Purchasing Card, the other report that helps identify potential fraud is the single-cardholder-at-a-single-vendor report. With this information, we can see if only one cardholder shops with a particular vendor and how often.”

Other program management tactics include a monthly review of spend by supplier—highest to lowest—and spend by cardholder that reflects each month’s total and year-to-date (YTD) total. If possible, build in...
automated calculations to show the percentage change, up or down, compared to the previous month and year. Define parameters for when research is warranted. For example, a total of $1,000 in spend with a particular supplier in one month might not raise concern. When the YTD total for that supplier reaches $5,000, then it might be beneficial to scrutinize further, especially, as English noted, if all the activity is by one cardholder.

As another example, if a certain cardholder normally spends around $2,000 each month, but suddenly starts spending $4,000 a month, then it is worth taking a closer look. Managers should be watching for things like this, too. You can further aid their review efforts by providing a report of the purchasing history for his or her department, including comparisons between the current month and same month in previous years. This can help a manager more quickly identify out-of-norm spending activity.

Finally, English finds value in benchmarking fraud/misuse/abuse experiences with industry data. She expresses, “Data from RPMG Research is invaluable to us as we compare our performance to that of others.” Indeed, it pays to know exactly where your institution is and whether or not it matches the norm. Regardless, any level of internal fraud and misuse indicates a possible control gap. If caught quickly, then you know your detective controls are working, but evaluate whether you need to change something related to the preventative controls.

For tips on P-Card program management, including controls, visit www.recharged-education.com/education.

Lynn Larson, CPCP, has more than 15 years of Purchasing Card experience. Her related job roles include Education Manager for the NAPCP and P-Card Program Manager for the Federal Reserve Bank of Minneapolis. Her previous experience includes many years in the procurement field. In June 2007, she earned the Certified Purchasing Card Professional (CPCP) credential, which she continues to maintain. Lynn is a frequent industry speaker, having delivered more than a dozen full-day P-Card workshops, as well as dozens of educational in-person and virtual presentations. She has also conducted several industry research studies and approximately 100 polls. In January 2014, she founded Recharged Education LLC, which focuses on commercial card training, consulting and resources (www.recharged-education.com). Email: lynn@recharged-education.com.
In November 2013, University of California (UC) President Janet Napolitano announced the system-wide sustainability initiative. The goal is to become the first research university to achieve carbon neutrality by 2025, in part by re-examining the energy sources powering UC’s 10 campuses and five medical centers. Soon after the announcement, the University of California became a registered Electric Service Provider, allowing the school’s Wholesale Power Program to procure and supply, under California’s direct-access rules, electric power to UC Irvine and its medical center, UC San Diego and its medical center, UC San Francisco and its medical center, UC Merced, UC Santa Cruz, portions of UC Berkeley, and UC Davis.

To facilitate the sustainability initiatives, UC created a new entity known as the Energy Services Unit (ESU). Where possible, the ESU aggregates energy procurement (commodity and energy efficiency) and carbon management to create economies of scale, reduce energy costs, and spread risk effectively. It has relieved campuses from the burden of spearheading project developments and administering energy operations for projects outside the footprint of campuses. Campuses benefit from in-house energy market expertise, assistance with environmental and other regulatory issues such as cap and trade compliance, economies of scale, and reduced operational burdens.

One of the first strategies deployed by the ESU was to increase the renewable content in its electric supply. Solar energy was selected as the first tranche, since various incentives are set to expire in the coming year. The contractual vehicle is a power purchase agreement (PPA). PPAs are long-term contracts between a project owner and an off-taker (such as the ESU), which is the beneficiary of the project’s energy output and renewable attributes. PPAs can be structured in several ways, such as take-or-pay, which requires the off-taker to accept the specified energy output or pay a penalty that may be equal to the contract price. Alternatively, they can be structured as take-and-pay, which requires the off-taker to pay only for the energy that it accepts.

With the UC ESU in operation, the procurement of utility scale solar power was next. How did procurement help pull this off? With four main components: a buyer-friendly PPA; the decision framework; transparency/timing; and project management.

The UC spent considerable time prior to finalizing a template PPA. For this particular commodity, there are many public contracts that can be adapted, rather than starting from scratch. Why is it important to have these items completed prior to launching the RFP? The institution needs to gain consensus among various internal stakeholders (legal, finance, sustainability) before the competitive process begins, so that interested suppliers know exactly what will be expected. However, the industry is fairly familiar with standard requirements because many of the terms are used by the utilities during their PPA acquisitions.

Important is facilitating the customization of a decision framework that meets the project’s objectives prior to accepting submissions. In this case, the ESU used best value methodology and focused on two main categories: Net Market Value and Project Viability.

Net Market Value considers the cost of the energy, as well as the value of that energy when it’s sold over the life of the contract. The value of the energy is, in part, determined by the solar development project’s market and interconnection point.

Project Viability consists of many subcategories, including site control, permitting and interconnection, key personnel, project experience, community support, long-term operations and maintenance plan, planned panel quality and technology, ramp rate, and generation profile.

There are many company and project attributes to consider. First and foremost, obtaining the project permits can be a lengthy process. The developer should provide a status of all studies and fees. It is also important to request expected or actual dates for: 1) the completion of the various studies associated with the interconnection process; 2) the completion of any upgrades required for interconnection; and 3) the ultimate availability of the interconnection, along with supporting documentation. The farther along a developer is in the permitting process the greater the likelihood of power delivery.

Site control possibilities range from acreage that has merely been identified, all the way to land that is owned in full. If a developer has site control via lease, option agreement, or ownership, the power delivery risk decreases, which may be a critical factor depending on the organization’s objectives.

Key personnel skills can vary widely, from individuals with no experience to veterans of multiple projects. The decision framework’s attributes should focus on and align with organizational objectives and priorities.

Transparency and timing are also important. Substantial interest will be expressed from all types of suppliers. The commitment to be fair lies in the ability to be transparent regarding requirements and evaluation criteria. Sourcing technology can be an excellent tool to document the process and organize the information.
Using integrated project management tools and techniques in the sourcing process helps to integrate the client into the effort. It is important to plan what needs to happen—to point out the contingencies in timing and why one action may affect the timing of another. Planning opens eyes to the complexity of higher education procurement. One doesn’t have to be an expert, just a good facilitator. In most cases procurement is the best facilitator because there are very few departments that interact with all the different groups on campus. Procurement can streamline the process and allow it to drive the benefit.

In September 2014, the UC announced it would make the largest solar-energy purchase by any U.S. higher education institution to power its campuses and medical centers more sustainably. The UC signed two PPAs with Frontier Renewables, a power provider focused on solar photovoltaic technology. The agreements secure solar energy for UC for 25 years, and will supply 200,000 megawatt-hours per year (MWh/year) of solar energy to California’s electrical grid. It will allow the university’s campuses to receive energy that is approximately 60 percent renewable.

“These two quality solar projects were the combined result of the prior hard work by the developer to get the projects far along in the development process, as well as the team work inside UC to consider, evaluate, and negotiate the two contracts. UC will be directly contracting with solar assets that bring new green energy to our supply mix,” said Mark Byron, Wholesale Electricity Program Manager at the University of California.

The projects will use two solar fields in Fresno County, with a combined capacity of 80 megawatts (MW). Construction on the solar fields—which has undergone a full environmental review and has been approved by Fresno County—is expected to end in late 2016. The projects are scheduled to come online at completion. The agreements also allow the developer to consider education partnerships with UC, such as research access to solar fields, a field station on the project site, technology testing, and curriculum development.

Jeremy Meadows is the Associate Director of Strategic Sourcing for the University of California, Office of the President, where he leads the Facilities and Maintenance Center of Excellence. After 10 years in private industry, Jeremy moved into higher education at the University of California–San Diego, leading the Facilities and the Housing and Dining organizations before moving to a system-wide role with UC. He has a degree in Business Administration–Finance from California State University-Long Beach. Email: jmeadows@ucsd.edu.
"If you can shop online, you can use Unimarket."

Jane Altemose, Director, Purchasing Services, Lehigh University, Pennsylvania

Following a smooth implementation process in 2014, around 300 staff and students across Lehigh University's campus are now enjoying access to Unimarket's cloud-based eProcurement system.

"People love Unimarket," says Lehigh University's Director of Purchasing Services, Jane Altemose. "Compared to our previous system, it is easy to use, intuitive and even the training is straightforward."

Lehigh University has reduced its carbon footprint thanks to a huge decrease in paper use. "Unimarket ties in with the sustainability initiative we have here at the university," says Altemose.

The university is also enjoying significant improvements in efficiency. "Our average approval time is down to eight hours from two days, customer purchase orders rarely go over a day, and we're well ahead of our customer base in terms of processing time," says Altemose. "That was previously unheard of."

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Simple and easy to use software that brings all your procurement into one place.
During a session at the 2015 NAEP Annual Meeting in Atlanta, Georgia, Emory University’s Chief Financial Officer, Carol Kissal, discussed a solution to an ongoing issue within procurement departments: “Getting a seat at the table.” It refers to procurement getting a seat at the table where change is created, so that it can be a driver rather than a mere organizational unit that change must go through. The speed of business is simultaneously sprint and marathon, and every step can have consequences that will either shorten the path of success or elongate it insurmountably. Successful procurement professionals accept this risk as being the norm and navigate it in ways that benefit their organizations. The change that happens within organizations is often made up of tactical, well-planned projects that have many phases with intricate work-structures, which, once completed, lead to new operations and organizational processes. One role that can help facilitate a department's internal documenting and implementing change—as well as gain a seat at the table—is project management.

The Principals of Project Management

The Project Management Institute (PMI) is the global authority on the subject. PMI defines project management as “the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements” (Project Management Book of Knowledge, 2013). Project Management is created by carefully breaking down a project into a system of four phases that each includes separate processes.

Phase 1: Initiation. A successful initiation phase includes defining the stakeholders and an accurate project scope, qualifying the project, and gaining the go-ahead from executive leadership when all the information has been digested.

Phase 2: Developing the Plan. The successful planning phase is more complex and includes identifying the planning leadership team, ironing out details of the scope, developing an intricate Work Breakdown Structure (WBS), naming the resource requirements, scheduling the timeline for both resources and work, conducting a risk analysis, estimating cost, drafting a formal Scope of Work (SOW), gaining the necessary approvals, and executing a contractual agreement.

Phase 3: Executing and Controlling the Plan. The successful implementation of this phase includes executing the plan in place by obtaining the promised deliverables. It also involves controlling the process by arranging the WBS schedule in a way that maximizes the time and resources, referred to as the Critical Path. By completing the items where interdependencies exist first, it will eliminate both wasted time and redundancy.

Phase 4: Closing the Project Successfully. Successfully closing the project includes accepting the results, closing the contract, and training operational personnel. The importance of this phase is discussed in more detail below.

Each process has its own set of required data, ways of processing this data, and transition into the next process that must be fully completed in order for the project to be considered a success. Accomplishing these processes is only half the task. The other half has to deal with the project's constraints or limitations. There are three constraints for every project: Scope, the defined objectives; Schedule, the time allotted for completion; and Cost, the budget. Procurement's value in Project Management is evident in its ability to include all factors in identifying their relationships to the end goal, managing risks, and providing insight as to how the project will affect the organization.

Project Management in Procurement

From a 30,000-foot view, every procurement department should have a project manager in house. Having the skill to produce effective and necessary outcomes will substantiate procurement's seat at the table. Being the calculated spender of organizational resources, Procurement deserves that seat. Yet, if procurement is seen as nothing more than red tape, that seat won’t be so comfortable. Every project has cost and schedule constraints. A procurement office that understands and communicates the need to control spending, as well as meet critical path deadlines, can be a welcome addition to any project.

Let's examine a few of the tenets of Project Management and how they can aid in procurement.

... a great tool to demonstrate how the most insignificant task in procurement has an effect ...
Cost Estimation
Another component of Project Management is cost estimating. Yes, procurement is well acquainted with RFQs, but how do the quotes fit in the schedule? What risks are associated with the chance that the estimate for the product or deliverable is wrong versus the risk of a wrong price for another item? A much clearer estimate comes from evaluating the portion of the project that has been completed against what is still to come.

Evaluating Risk
Yet another portion of project management is evaluating risk. According to PMI, risk management entails identification, qualitative and quantitative analysis, and response planning (Project Management Book of Knowledge, 2013). Giving Procurement the dynamic of qualifying, evaluating, and suggesting risk-mitigation tactics allows it to be an integral piece of every decision made in the organization. Saving the organization money is one thing, but possibly saving its reputation is something greater.

Closing a Project
This involves communicating the end product to the entire organization and the changes that come with it. More specifically, it entails moving the end product into service or operation. Communicating not only that the item or service is complete, but how it works and what effect it will have on workload is a crucial portion of project management that Procurement can improve.

Project Management skills are crucial to the ongoing success of every procurement office, one that is a forward-thinking source of innovation in the organization.

So yes, as our CFO so eloquently stated in her conference session, if you want a seat at the table, “Just go sit at the table.” If you want to contribute more than bureaucracy to your organization, consider developing project management skills.

To find out more on Project Management and how to get certified as a Project Management Professional (PMP) visit www.pmi.org. For a more compact study, read Project Management for Beginners: Proven Project Management Methods to Complete Projects with Time and Money to Spare by Ed Stark; or Project Management Lite: Just Enough to Get the Job Done—Nothing More by Juana Clark Craig. Even if you are not seeking a formal certification, these resources would be great introductions to the world of Project Management.

Reference

Steven J. Scott is the Business Operations Specialist for Emory University Procurement and Payment Services. He is a graduate of Ashford University with a B.A. in Social Sciences and is currently working on obtaining his Project Management Professional (PMP) certification. Email: steven.scott@emory.edu.

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Regional Meetings Next

by Neil D. Markee

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Here we are: the 2015 NAEP Annual Meeting is over, and not to rush the seasons, summer is at hand. Your next major NAEP professional development opportunity, the Association’s Regional Meeting series, is just around the corner, and it’s time to start planning to participate. Regional Meetings can be seen as a unique, cost-effective opportunity to meet face-to-face with peers whom you might hire as consultants to help you deal with a thorny problem. There are very few all-new problems on campus that have, at least in part, been confronted by one or more of your peers. Sharing your concerns and thoughts at a Regional Meeting with the other purchasing professionals with whom you probably have the most in common can help you develop an effective approach. Face-time with other Members in your area is a primary benefit of attending NAEP’s Regional Meetings.

Maybe you are a regional officer planning your next meeting program and looking for meaty topics to cover. You might take a good look at the Annual Meeting program and focus on those likely to be of most value to your Members. Are you planning an exhibit? Inviting the national meeting exhibitors is a good place to start, especially if they have, or are seeking, a presence in your market. If you are not an officer, but attended NAEP’s Annual Meeting in Atlanta, Georgia, you probably found that one or more of the many workshops were especially useful. You might want to volunteer to share what you learned with your peers at your local meeting. You could enlist a few others to join you in a panel to discuss the topic as it applies in your region.

The cost/benefit ratio is positive. It does cost to attend these meetings, but the expense is likely to be reasonable because travel costs are likely to be manageable. Many of the meetings are within reasonable driving range of the Members they serve. Of course, the definition of reasonable varies. Some folks in the west are accustomed to driving hundreds of miles, while those in New England are likely to have a much shorter trip. I recall that one of the regulars at the fabled Rocky Mountain meeting regularly drove with staff members from Las Cruces, New Mexico, to Colorado or Utah. Baylor University’s Earl Newland drove during the gas shortage from Waco, Texas, to Philadelphia, Pennsylvania, for an Annual Meeting. In any case, three or four staff members from one or more schools driving together to a meeting results in a
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Finally, you deserve a break. This break will help you develop or strengthen your personal relationship with your regional peers. Generally, people are much more likely to share sensitive information with people they know. When you need candid information, friends help friends. When you get back to the office, write a report to your boss covering what you learned and how you intend to use the information. That’s among the best ways to ensure funding will be available next year.

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My running schedule during the spring of 2015 racing season called for five long-endurance races. Since I was scheduled in the fall to compete in four additional endurance races, I decided to rest during the summer. What better way than to hike 166 miles of the Appalachian Trail (AT), a 2,160-mile path from Springer Mountain, Georgia to Mt. Katahdin in Maine?

Since I had minimal hiking experience, I Googled numerous hiking websites to help prepare. While each website had its own idea of what constituted necessary versus desired equipment and supplies, they all agreed that I needed hiking sticks. Those who have hiked any part of the AT know that the rock-and-tree-root strewn paths climb steeply and then reward your ascent by immediately descending back to the original elevation. It is physically taxing—no walk in the woods. I cannot imagine powering up those hills or maintaining my balance coming down without those aluminum poles. They gave me confidence that I could overcome the challenges that were constantly assaulting me and thwarting my attempts to reach my goal.

But those were not the hiking sticks that every website told me I needed. No, my truly necessary hiking sticks were hiking partners. I followed the advice of the websites and chose hiking partners who, like aluminum sticks, would provide physical support when I needed it, would right my mental ship when I seemed to be floundering with the enormity of the task, and would share the physical and mental tricks which, they knew from experience, would see me to my goal. They understood that a one for all and all for one attitude was mandatory if we were going to succeed at this seemingly insurmountable task. They knew their encouragement would power me on when I wanted to quit. As it also turned out, they would have to be strong enough to convince me that failing to reach my goal did not mean total failure; it just meant redefining the parameters of success.

My hiking sticks were NAEPers James Harris of the Medical College of Georgia and Larry McCalop of Georgia State University. We took turns leading, trailing, and sitting comfortably in the middle as we trudged past the obstacles we constantly encountered. When one of us floundered, the other two took up the slack, offered encouragement, and ensured we always kept our eye on the prize of at least making it past the Georgia/North Carolina state line. Even when one of us had to quit due to a knee injury, that person stayed on as our support team and transported our gear by car to the next checkpoint. And when we recognized that we could go no farther than 109 of those 166 miles, we made that decision collectively. Without using each other as hiking sticks, we all agreed, we absolutely could not have accomplished our goal.
As you try to overcome obstacles to success in your profession, such as a lack of education, lack of appreciation, or lack of defined goals, what sticks have you turned to for support? If your boss isn’t showing appreciation of your worth, have you decided to just give up and start doing just enough to get by? Or are you still convinced that you can accomplish your goals all by yourself? Or have you searched out help?

Everyone should either be a mentor or be mentored—or both—since mentoring is simply giving someone a hand up instead of a handout. One of my mentors in my early days of purchasing was the Director of the City of Albuquerque Refuse Department. My boss showed no appreciation for my work and learning. Want to grow in your profession and in your organization? The best way is to be someone’s hiking stick. The second best way is to search for someone with strong skills and a willingness to use those skills to help you climb the ladder of success. Stop for a minute and look around. Do you see someone who could use your sticks? Offer them up. Are you the one who needs help to maintain your balance or a boost in power to overcome a hurdle? Ask your boss, your co-workers, or some trusted person from another department.

As with hiking, life is easier if you prepare and have the right gear. Need help? See someone in your office who could use you but you don’t know how to offer your services and talents? Drop me a line at ashbybob@embarqmail.com and I will show you how.

Bob Ashby, C.P.M., CPCM is retired from his position as Director of Purchasing and Contracts for the University of Nevada, Las Vegas, where he also served as an Adjunct Professor in the Management Department. Bob has been active in NAEP since 1997. In 2006, he received NAEP’s Distinguished Service Award, and in 2008, he won the newly established Mentor of the Year Award. NAEP renamed the award in his honor to the Bob Ashby Mentor of the Year Award in 2009. Email: ashbybob@embarqmail.com.
We hope you enjoyed our new Book Reviews series, which we introduced in the Summer 2015 issue of Educational Procurement Journal. This is the second installment. Partake of them! If you are interested in purchasing any of the books, I've provided the ISBN number with each review. Enjoy. And remember: it's all about the journey, not the destination.

Cradle to Cradle
Remaking the Way We Make Things
By William McDonough and Michael Braungart
Published in 2002

McDonough, an architect from the U.S., and Braungart, a chemist from Germany, teamed up to produce this influential work. As the subtitle indicates, this book challenges the typical linear processes we find in production today. The concepts are not hypothetical and dreamed up in the hallowed halls of academia. Instead, they have been implemented successfully in the business world. The value of this book is found in these real examples.

One major concept tackled by the book is environmental impact. Being sustainable is not simply “being less bad” (a concept the authors termed as eco-efficiency) but rather being good. As an example, the authors discuss a contract their company undertook to design office chairs. Every aspect of production was scrutinized, not just to decrease environmental impact, but to actually create environmental and design benefit. Instead of selecting fabric dyes that were less toxic, they settled on dyes that were completely non-toxic. The selected fabrics were natural and readily compostable. The chairs themselves could be disassembled and the parts could be reused or recycled. The result was a superior product, very well designed and easily recycled. Attention to detail extended to production as well. For example, the process used water, and the German facility was subject to strict water quality standards. Environmental inspectors were surprised to discover that the water leaving the facility was cleaner than the water entering it.

Another major concept addressed in the book is that of upcycling. The authors agree that the concept of recycling was important but suggest something better. Recycling the plastic from used bottles into doormats does divert solid waste from landfills. However, there is a limited demand for doormats. Can the used plastic be turned into items of higher value? The authors argue that the focus should be on materials that can be reformed into other high-value products. It is this upcycling concept that led to the title of Cradle to Cradle (instead of cradle to grave), in essence closing the loop. This cyclical approach is found throughout natural systems, where waste from one source equals food for another. In fact, the book itself is made to do just that. It is the first large scale example of the design process advocated by the authors in that it is made of a high-grade polymer that can be upcycled. It is water resistant and even compostable. Imagine a book that can be endlessly redeployed with no harmful footprint.

McDonough and Braungart have since refined this cradle-to-cradle approach based on conversations with Janine Benyus about how natural ecosystems process waste. Modeling industrial energy and material flows are enhanced by mimicking the energy and nutrient flows in ecosystems.

I must admit that I have a rather biased opinion of the authors, having known each of them for a long time and having hired them on numerous projects. Bill McDonough (“The Great One”) is a former Dean of Architecture at the University of Virginia. He is a frequent contributor to dream teams that undertake challenging design projects across the globe. He also has been recognized as a “Hero of the Planet” by Time magazine. He personally advised me on my notions regarding the concept of full-service service contracts before that effort was launched in cooperation with the Interface Corporation. This is a seminal work in the sustainability field and should be read by all.
Amory Lovins is a bona fide genius, advisor to Presidents, Kings, Queens, Prime Ministers, and Captain’s of Industry, and he has also become a great friend. I have great admiration for his tireless work and hope that everyone will come to understand and apply it. I hope you have enjoyed these reviews of two important works and that you will continue to follow this series. Remember that you, too, can do great things! Invest in yourself.

Factor Four: Doubling Wealth, Halving Resource Use
Amory and Hunter Lovins, Ernst Weiszacker
Published in 1997

I have found this book to be useful in my more than 15 years of work on climate change and the broader notions of sustainability. Factor four is a powerful yet simple concept that holds most of the keys to sustainable development. It refers to a hypothetical fourfold increase in resource productivity brought about by simultaneously doubling wealth and halving resource consumption.

The concept was introduced in 1997 as a report to the Club of Rome. The chapters are entitled Energy, Transport, Materials, Profitability, and Tax Reform; they cover a wide range of topics. The primary concept is made understandable with 50 examples of technologies that could be called upon to deliver the necessary improvement in resource efficiency, including ultra-fuel-efficient cars, and low-energy homes. The book also enters the policy arena through concepts such as rewarding desired behavior (e.g., assigning value to reducing one’s carbon footprint) as opposed to punishing behavior (e.g., levying a carbon tax on excess emissions).

One critical concept driven throughout the book is that, globally, consumption needs to be halved, and the greatest reductions should be borne by those countries that are currently the most wasteful. This has been a sticking point—made both by developing nation states and by rapidly growing nations such as India and China—in all CO2 treaty discussions since the book was published. Now years later, this appears to be the context of the current COP 21 negotiations. I use Factor Four to shock some of the technical non-believers into understanding how keeping on doing what you have always done, is in fact highly wasteful and economically damaging and, alas, you keep on getting what you always got.
Leading Change
(Even When You Don’t Like It)

by Finesha Colton-Lee, MBA, CPSM
Emory University

On a Tuesday morning, my supervisor came into my office and asked, “Are you ready for this?” To which my response was, “I’d better be.” On that day I was tasked with—on top of my current duties—heading up a new team, during a somewhat turbulent time. My org chart was essentially tripling in size, and I was to provide leadership through the transition of a major enterprise resource planning (ERP) system upgrade, all while increasing the efficiency of our current operations. The opportunity was scary, but it was also exciting. As I reflected on all of the textbook guidelines on managing change, it was all too real at that moment how my leadership would affect my team (and myself, even if I was still trying to figure out the big picture).

Let me begin by saying that, by nature, I do not like change. On the Birkman personality test (www.birkman.com), my Change score was 17 out of 100, which is low—and not in the good way. As an example, when I moved to my office to be closer to my new team, I had my original furniture moved down the hall with me. This doesn’t seem like a big deal, except that there was a similar desk in the new office—it just wasn’t my desk. The only new thing in the move was an ergonomic desk chair, which was clearly an upgrade. Still, I wasn’t sure that I didn’t like my old squeaky leather chair better, even though it had tried to throw me on the floor on more than one occasion.

All of the letters to the right of my name would lead one to believe that I should know better. Organizational development gurus preach that change is good and necessary for growth. And, if you don’t understand the benefits of the change, it can be terrifying. In the midst of reviewing the strengths and improvement areas for my new team, it
occurred to me that I wasn’t the only one under stress. In the hushed conversations outside my new office (with my old desk), my team was freaking out. They had no idea what was really going on beyond the fact that they were now under my leadership—and that more change was coming.

In order for both me and my team to be successful, I needed the expertise of those in the trenches to create the vision. Then, not only would the team communicate that vision, it would represent the essence of the team itself.

By not understanding what was going on, my team had become victims of change. If allowed to fester, this would threaten their job satisfaction and ultimately hinder their productivity—and that alone would hinder my productivity. Yet, the articles on change leadership assume that the leader has carefully considered the oncoming situation with time to put together a vision statement and internal marketing plan. This is rarely the reality. Sometimes, change is thrust upon us, and we have no choice but to lead the way. It was my job to act fast and to do so with as much transparency as possible.

A good leader needs to know when to ask for help. While I could definitely come up with a plan of what I thought was best and communicate the benefit to my team, something about that approach didn’t feel quite right relative to a group with more than 100 years of experience. Leadership is too often about creating a new org chart and reassigning duties, and often loses the focus on how those changes will affect the team. In order for both me and my team to be successful, I needed the expertise of those in the trenches to create the vision. Then, not only would the team communicate that vision, it would represent the essence of the team itself.

So, I began to take walks with my team members, share my lunch with them (I routinely pack more than one turkey sandwich for the occasion), and make sure to keep a jar full of good candy on my desk. Most importantly, I continually emphasized that their input is valuable. While we are still working out the details, we have established goals and a timeline for success. With solid leadership and team support, change isn’t so scary, even if not everyone is quite sure what is coming. My team is excited, taking the initiative, and beginning to thrive.

And—I have settled into that new chair just fine.

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ePROCUREMENT CASE STUDY AT CAL STATE

PROBLEM

After migrating from multiple disparate financial systems to a common Peoplesoft system, CSU analyzed their spend across locations and realized they needed to focus on procurement improvements and increased spend visibility.

CHALLENGE

Campus department users were constantly asking for “contract pricing,” but with contracts widely dispersed among university entities, it was difficult to help them navigate to a contract site, identify the right contract, and tie their purchase to the contract pricing. The result of this was staff shopping on the “Wild Wild Web”.

“What this project has helped us to show real savings along with improved efficiencies. We were able move quickly and this resulted in better benefits than we had even expected.”

Kathleen Prunty
Director Procurement & Support Services

What we needed to do

- Reduce off-contract spending
- Consolidate multi-campus spend to common vendors
- Share marketplace expenses and reduce administration costs
- Improve spend visibility - need line item detail

How we did it

- Like-minded campuses partnered for initial rollout
- No need to train. Focus on marketing. Users do the right thing
- System-wide Marketplace: common website, catalogs and contracts
- Existing p-card program ensures control
- Shopper cart routes to p-card holders for approval
“This project is a huge step towards driving our campus users to a common site, educating people on spend management, building our competency and preparing us for the eventual full procure-to-pay opportunities.”

“We’ve already improved our ability to negotiate favorable terms with vendors as they realize they have visibility across 13 campuses versus just one. At the same time, better spend visibility is improving our reporting and compliance activities.”

David Taylor
Director of Procurement & Support Services
Dual Purchasing Tools To Utilize Instead of Bidding

PEPPM For TECHNOLOGY and KPN for EVERYTHING ELSE.

Serving schools, government agencies and other nonprofit organizations. With cooperative purchasing you save time and money by piggybacking on quality contracts from KPN and PEPPM. All contracts are publicly and competitively bid and awarded. Visit our websites to shop for the products you need.