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Letter from the CEO

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For more information on any of our programs or to register, go to www.NAEPnet.org.

Watch the Pro-D menu of www.NAEPnet.org for new webcasts, podcasts, and other on-demand learning options, including our “Live from Providence!” sessions that were broadcast at our 88th Annual Meeting.

Foundation: Second offering – TBD
Professional: TBD
Sr. Professional: TBD

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Regional Meeting Schedule

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* Combined meetings
^ Combined meetings

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Welcome to our new new normal. We've had a bunch. We had one after 9/11. We had another one when oil prices hit incredible highs. Then another one when the economy went into a tailspin. And now another new new normal that includes both bailouts and cutbacks, market recoveries and continued job losses – a new normal characterized by oxymorons. I guess there will always be a new new normal, but this one is extra special, so I've taken the liberty of giving it a name. And that name is *Spaghettification*.

One of our Members recently told me that even though her total departmental operating budget increased only $40K for the year, the spending that went through her department increased by more than $40 MILLION. Her new new normal is a stellar example of *spaghettification*.

Nope, I didn’t make up that word. It’s a real word. Neil DeGrasse Tyson, famous astrophysicist, explained it all to me the other night on TV. *Spaghettification happens* when you are pulled so hard in two separate directions that you literally get stretched like spaghetti. Of course, he was referencing what happens should you find yourself too close to a black hole. You would suffer from spaghettification. But if you can harness just a little of that energy, you might be able to fuel your next big idea. My marketing director would like to stand near a black hole, and perhaps help you stand near a black hole. And that name is *Spaghettification*.

From all that I hear, it does seem that procurement is being spaghettified. Do more with less and do it cheaper. Save us more. Get creative. Reduce department size. Deploy technologies that will lower our administrative costs (and help hold tuition costs at bay) but don’t spend anything to do it.

Ease your own spaghettification by leveraging the collective intelligence of colleagues who may be a little further down a road. How do you navigate through the American Recovery and Reinvestment Act? What is the best way to buy fuel, set up the campus in Beijing, or which surplus inventory can you sell and to whom? Ask your colleagues at NAEP. NAEP is your GPS for this new new normal – offering you immediate access to the largest network of higher education procurement professionals in the world. Get quick answers by tapping your peers real time. NAEP Members are dedicated to helping each other not only survive today’s new new normal, but thrive as key players in their school’s strategic plan. Whether it’s networking with peers, connecting with business affiliates, attending a webinar or annual meeting or obtaining professional recognition through the NAEP Awards program, NAEP is at the core of your success.

So the next time that ol’ spaghettification feeling comes on, let your fingers do the walking over to www.naepnet.org. We’re as close as your keyboard and we’ll help you figure it all out. And perhaps help you stand a bit taller afterwards, too. Just don’t tell my marketing director.

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Are Departments Our Allies or Our Enemies?

by Cory Harms
Iowa State University

I know, stupid question, right?

But seriously, how many times have you heard staff talk about departments as if they were the enemy? Do they ever say things like, “Our faculty always do things they aren’t supposed to (sign contracts, order items outside the process, talk with vendors while a bid is on the street, insert your favorite ________________).” Or, “I can’t get anything done because people keep calling with questions (system help, p-card problems, billing issues, insert your favorite ________________).” Or maybe, “That department is nothing but trouble.”?

One of the main problems between departments and Purchasing is that each side tends to perceive the other differently than the way it wants to be perceived. Departments may view Purchasing as policy police, impediments to their purchases, too slow, a necessary evil, a nuisance, or worse. We may see departments as always trying to go around our processes, not aware of policy and procedures, wasteful, or sometimes even downright stubborn.

So how do we change these perceptions and positively try to influence the way departments view us? How do we get departments to see us as an asset, a benefit, or at least as a non-liability?

One of the easiest ways is to meet with departments and ask them to explain their processes and needs so that you can help facilitate their procurements. These meetings should take place in person and preferably at the department’s office. The department then sees you as a person and not just a voice or email address. Not only do you get to understand the why’s and how’s of their processes, you also get to explain why Purchasing does what it does. The stereotypes and preconceptions can get set aside quickly and the relationship builds from there. Although this approach takes time and effort, the payoffs are worth it.

Another way is to make sure you are responsive. Return phone calls and emails quickly. Make sure to explain timelines. Let your key customers know when you’re going to be out of the office and give them a way to contact you in an emergency. Heads-ups like that can be invaluable; it shows them that you care and can be reached if absolutely necessary.

Purchasing also can look to its systems. Not only should we design or acquire systems that eliminate bottlenecks and paperwork, we also should ask our users for input on how they would like the systems to work. Using focus groups is a good example.

Larger Purchasing departments may even assign agents as “business partners” to units that have a high level of, or particularly difficult purchases. These agents can meet regularly and discuss upcoming actions. They can review annual purchases for contracting opportunities. They can help solve problems. By being the go-to resource, they will help build a strong relationship that is naturally characterized by compliance and cooperation.

So the next time a department is driving you crazy – and I do admit there are times when I want to strangle a faculty member – try to push that feeling aside and find a way to make that department your ally. It may be all right to feel frustration; the trick is not to show it. 

Cory Harms
associate director of Purchasing at Iowa State University. He is immediate past president of the MIINK (Missouri, Iowa, Nebraska, and Kansas) Region and serves on the NAEP Editorial Board. He has presented at both regional and national NAEP meetings and has spoken for the Missouri Association of Public Purchasing (MAPP).

e-Mail: clharms@iastate.edu
From time to time you may be challenged with managing a project that crosses departmental lines. Indeed, most projects today require the collaboration and cooperation of organizational units all across campus. It also should be noted that many of your ongoing day-to-day processes involve institutional articulation.

Articulation. Great word. I wager that most people attach to it this meaning:

“the adjustments and movements of speech organs involved in pronouncing a particular sound, taken as a whole”

When we hear the word “articulation,” most of us think of someone we know as an articulate person. For myself, I would put current NAEP Board President John Riley in that category. Whenever I find out John is a presenter of a session at our annual meeting, I always mark that session as one I’ll be attending. I must confess I enjoy his delivery probably more than I appreciate the subject matter he’ll be discussing.

But, that’s not the meaning of “articulation” we’re talking about here. There’s another one altogether more apropos to this discussion. When the Anatomy instructor brings a fully articulated skeleton into the classroom, what is that? When our neighbors in Great Britain talk about articulated lorries, what are those? When a traffic engineer talks about an articulation point in regard to freight distribution, what is that?

A fully articulated skeleton has all the bones connected as they should be. It is a human being – usually standing – without the skin, organs, arteries, veins, and muscles. An articulated lorry is Great Britain’s equivalent to the American 18-wheeler. The trailer is connected to the cab via those big, greasy, flat, round plates we see when they’re not connected. A traffic articulation point is a location that enables continuity of circulation in a transportation system that serves a supply chain.

As Purchasing professionals, we are in the articulation business. Our most important articulative role perhaps is strategic sourcing. We connect – perfectly – our departmental constituents to the suppliers they need to carry out their missions effectively and efficiently. We engineer those connections to be easy and fluid, but sure. We do this through price, quality, availability, delivery, integrity, service, support, terms and conditions. It is our bread-and-butter work. We articulate the business of the institution.

But an equally important role we serve is helping cross-functional teamwork operate smoothly and usefully. Whether it involves the implementation of a new software system, the hammering out of an agreement, or the timely payment of an invoice; we are in the midst of it all, making sure the whole articulates as it should.

The ability to successfully manage cross-functional teamwork is typically characteristic of an individual on the way up. With the many traps and pitfalls one can encounter, it takes a person who demonstrates maturity and a high degree of emotional intelligence. Yes, some display of irritability and anger is allowed, but it should be timed and carried out in small-caliber shots that have specific results in mind. Notorious hotheads will find themselves isolated and completely without anyone to lead. Indeed, the greater virtues are patience, manners, humor, and honesty.

I asked a few colleagues about their knowledge and experience of cross-functional teamwork. Linda Collins, Senior Director and Chief Procurement Officer, Procurement & Contracts, University of California San Diego (UCSD), responded by sharing an article she wrote in 2006.

Cross Function Teamwork

by Burr Millsap
University of Oklahoma
I continue to be bewildered, when attending procurement-related conferences, that the Payables folks are nowhere to be found when process improvements are discussed. I listen to colleagues express dismay about how they are hampered by politics and territories. I ask why their Payables team members aren’t involved, and the responses sound a common theme: “They report to another chain of management so we can’t get them to the table.” The reality is that institution management does not recognize the value of collaboration.

Best-in-class institutions have merged Purchasing and Payables, an encouraging trend. If organizational change is not in the cards, there are other means to achieve strong and collaborative relationships. Management must recognize that procurement is not driven by Purchasing alone, but it is aligned with all enterprise-wide activities: sourcing, contracts, settlement, receiving, shipping, returns/credits, banking, finance, supplier management, asset management, and general ledger, to mention a few.

At UCSD, the procurement process comprises a broad array of responsibilities that include:

- Ordering
- Receiving
- Arranging for a service
- Sourcing and contracting
- Managing assets from inception to disposal
- Issuing payment
- Ensuring overall accountability

The sharing of resources – regardless of organizational territories – helped us achieve an effective vision. The only way we could meet the goals was to connect together the managers and staff from the affected organizations of Purchasing, Accounts Payable and Material Distribution to form a permanent, cross-functional view, and to manage that view as a team. This was not organizational realignment but an assignment to find ways to make things work together. We eliminated organizational boundaries in order to generate process improvements. Our goal was no longer self-preservation. The shared vision led to a breakdown of barriers and resulted in the achievement of remarkable process solutions without additional resources.

We later revitalized our approach with the following elements:

- Focusing on mutual business issues
- Collaborating on projects
- Sharing of expertise
- Providing moral support
- Creating a venue for nurturing ideas
- Satisfying “need to know” relative to shared activities
- Maximizing resources
- Leveraging technology

I asked Linda some related questions, and she responded.

Q What were the hardest lessons you learned?
A Historically, process owners have hard lines between what they “own” versus what their partners “own.” Baggage from the past carries forward in people assigned to teams. Spending the early phase informing each group about what the other group does (who, what, why, when, how) goes a long way to neutralize the “Oh, I didn’t know that” factor of enlightenment.

Q What things/processes worked well?

Q What is more important: the human side of the effort or the task and procedural side? Why?
A Both are equally important.

Q What are your strongest recommendations for pulling off successful results?
A Effective communication and recommendations. A strong team leader. A facilitator and process team expert. Celebrate at the end, and it will be much easier to get buy-in to the next team assigned.
Rex Janne, Executive Director of Strategic Sourcing at Texas A&M University, had this to say.

About 16 months ago, our Division of Finance embarked on a continuous improvement model for reviewing processes. Our VP established a Continuous Improvement (CI) Team to organize and set this in motion. The CI Team is a voluntary group of mid-level managers who commit about 25% of their time to this project. The team went through an extensive training program about continuous improvement theory and practical application before it selected its first project. Each of the Directors within the division could submit a process for review, and the process, interestingly, did not have to be within the Director’s area.

We initially reviewed five processes. The CI Team members facilitated the cross functional teams (made up of people inside and outside the division) and took them through the dynamics of Forming, Storming, Norming and Performing. We asked, and our customers gave us valuable input on our process analysis.

Lessons learned:
1. Commitment must come from the top.
2. Keep teams small enough to get things done.
3. Facilitators must have the proper training.
4. Facilitators must keep the projects moving forward.
5. Teams must report findings to VPs and directors.
6. VPs must acknowledge the work.
7. Measure the results.

I and many of my colleagues were skeptical when the VP rolled this out because we saw it as the latest fad. To the contrary, it has become successful, and we are now on our second round.

Literature and on-line material about effective cross-functional teamwork abound. One Internet search gave us this by T. Noel Osborn, Ph.D., President of TEAM International.¹

Members of functional and cohesive teams:
1. Trust one another.
2. Recognize that ideas are more important than rank.
3. After open debate, commit to decisions and plans.
4. Hold each other accountable.
5. Put the results of the team above their own needs.

¹www.teaminternational.net/Resources/Docs/Improving%20Teamwork.pdf

A Few Lessons About Teamwork from Our Friends, the Geese

To conclude, a different but related view is offered by this wonderful piece, which has no known author.

**Fact 1:** As each goose flaps its wings, it creates an “uplift” for the birds that follow. By flying in a “V” formation, the whole flock adds 71% greater flying range than if each bird flew alone.

**Lesson:** People who share a common direction and sense of community can get where they are going quicker and easier because they are traveling on the thrust of one another.

**Fact 2:** When a goose falls out of formation, it suddenly feels the drag and resistance of flying alone. It quickly moves back into formation to take advantage of the lifting power of the bird immediately in front of it.

**Lesson:** If we stay in formation with those headed where we want to go, we are willing to accept their help and give our help to others.

**Fact 3:** When the lead goose tires, it rotates back into the formation and another goose flies to the point position.

**Lesson:** It pays to take turns doing the hard tasks and sharing leadership. As with geese, people are interdependent on each other’s skills, capabilities and unique arrangements of gifts, talents, and resources.

**Fact 4:** The geese flying in formation honk to encourage those up front to keep going!

**Lesson:** We need to make sure our honking is encouraging. In groups where there is encouragement, the production is much greater. The power of encouragement, which is to listen to one’s own heart or core values, and to listen to the core values of others, is the quality of honking we seek.

**Fact 5:** When a goose gets sick, wounded or shot down, two geese drop out of formation and follow it down to help protect it. They stay with it until it dies or is able to fly again. Then, they launch out with another formation of geese and try to catch up with the flock.

**Lesson:** If we have as much sense as geese, we will stand by each other in difficult times as well as when we are strong.

The next time you see a flock of geese slicing through the sky in formation, will the word “articulate” pop into your head? e-Mail me when it does.

Burr Millsap, CPA, M.B.A., is associate vice president for Administration and Finance at the University of Oklahoma. He earned his Bachelor of Science in Accounting from the University of Central Oklahoma in 1972 and his Master of Business Administration from the University of Oklahoma in 1985. He is the 2002 recipient of the NAEP Neil D. Markee Communicator of the Year Award and the 2004 recipient of the NAEP Professional Perspective Award. He voluntarily serves as president of the board of directors of E&I Cooperative and as associate editor of the NAEP Journal. E-Mail: bmillsap@ou.edu.
It is true that a university’s primary objective is to educate students through its academic departments. But it also is true that a non-academic unit can contribute directly to the institution’s larger mission: building a sense of community through education and outreach. At the University of Maryland, College Park, this truth has been repeatedly confirmed by the Procurement and Supply Unit.
For many years, the department's surplus property operation, known as the “Terrapin Trader,” has served as a key asset to the University's surrounding communities. Under the leadership of Larry Walton, Assistant Director for Physical Distribution, the Terrapin Trader promotes re-use of surplus property by other campus departments; re-sells the goods to members of the University and general public; and donates surplus property to schools and non-profit organizations in the local community.

Paint Branch Elementary School in College Park, Maryland, has been a recipient of this support. The school received computers, monitors, and keyboards from the Terrapin Trader at no cost. The computers support teaching English for Speakers of Other Languages (“ESOL”) classes to parents. By providing the opportunity for parents to learn and master English, they are then able to assist their children at the elementary school. Moreover, the parents take those language skills into the workplace.

Another Terrapin Trader beneficiary is the Center for Educational Partnership, a University-owned community center located in nearby Riverdale Hills, Maryland. The Center houses the Engaged University, which fosters academic enrichment, parenting support, adult education, and recreational and cultural programs for the benefit of the Riverdale Hills community. It also creates a University/community resource to offer extended-day instruction, homework assistance, and a range of teen programs. The Center is not simply an after-school hang-out, but a University community partnership site. Terrapin Trader supplied the majority of the Center's furniture, allowing the Center to fund other priorities. It is exciting to see children explore a variety of programs such as gardening, bike repair, mural painting and academic enrichment activities — opportunities and activities that may not have been possible without significant support from Terrapin Trader.

Featured on the cover of this edition of the Journal is the Center's Master Peace Community Farm. The Farm is a half-acre urban farm, youth garden and community garden. University employees are connected here with community members and nearby William Wirt Middle School students. Together, they demonstrate how small plots of land — often found on the urban fringes — can be utilized to grow healthy and affordable food...locally. Consistent with its original charter as a land-grant institution, the University promotes agricultural advancement, demonstrating growing techniques that can be scaled up for urban/small farmers and scaled down for homeowners and community gardeners. This expertise is shared with after-school students and the 22 community gardeners.

University employees within the Department of Procurement and Supply support the local community in many other ways. For example, Marty Newman, Assistant Director for Delegated Procurement, is very involved with the Riverdale community through the Center for Educational Partnership and her neighborhood association. Newman has been an advocate for her community for more than 20 years. Like many communities, Riverdale has changed tremendously due to the influx of new immigrant populations. To address the challenges of the changing dynamic, Newman connects the needs with the resources available through the University. One of her signature efforts has been to organize holiday gift drives for the William Wirt Middle School students by collecting gifts from her neighbors and University colleagues. “It is rewarding to see big smiles from kids and parents when their wishes come true,” Newman says. As president of her community association, Newman consistently supports the Center's grant application efforts. In addition, she collaborates with University personnel to co-sponsor community-based events and programs. She truly cares about the success of her community, and her limitless
energy and enthusiasm are evidence of her concern. Newman was recently recognized with a Staff Award for Outstanding Community Service by the University System of Maryland, Board of Regents.

The University’s Strategic Plan has a goal to “engage more effectively with the community and its leaders.” The contributions from the Terrapin Trader and the leadership shown by Newman are just two prime examples of how the University and its employees are moving toward realizing that goal.

As the state’s flagship university, the College Park campus educates the most talented students from Maryland and beyond. But we realize that our community is larger than just our student body. The University – ranked 11th among all public U.S. universities and 37th worldwide in a recent international survey – was named one of the top 15 “green universities” in the country. These rankings and accolades are indicative of the University’s commitment to excellence in all areas.

The University of Maryland, College Park embraces diversity, and takes advantage of its proximity to Washington, D.C., to educate tomorrow’s leaders and address global challenges. The Maryland experience fosters a commitment to responsible citizenship, critical thought, community involvement, and the development of lifelong campus relationships. Students, faculty, and staff enjoy a campus community teeming with opportunities for involvement and services as well as programs that foster academic success and promote personal growth and well-being. It is for these reasons the University strives to collaborate effectively with – not just our international partners – our immediate community as well. By doing so, our students, faculty and staff are connected with the overall effort of community engagement, thereby enriching all those involved. In all, we’d like to believe that we’re doing well... because we’re doing good.
It is all about choices and making the customer happy. By offering a quick and easy-to-use ordering system, competitive prices, and wide product selection, you are bound to please your customer. New York University’s Purchasing Services believes in this and in offering its end users “intelligent choices.” Intelligent choices give customers what they need while giving NYU Purchasing the ability to use its purchasing power to negotiate better discounts and services. Helping to meet this objective is NYU’s i-Buy e-commerce system.

Introduced in early 2007, i-Buy was created as a one-stop on-line marketplace for NYU staff and faculty to quickly and easily order supplies. Prior to i-Buy, there were a variety of ways to purchase supplies at NYU, some requiring paperwork, recordkeeping and time. These procedures included using Purchasing's on-line e-Requisitioning System to initiate a Purchase Requisition; using a P-card a low dollar paper-based departmentally-issued order; or taking a chance with a personal credit card and hoping to get reimbursed. Using these methods, NYU departments spent more than $400 million for products and services in 2006.

i-Buy not only provides a quick and convenient shopping experience but also substantially reduces payment handling by the Finance Department, freeing staff to do other work, saving time and money. i-Buy reporting tools enable NYU Purchasing to organize and analyze valuable data to negotiate discounts, focus on contract development, and expand the assortment of suppliers and their offerings. The system also is eco-friendly, as it is entirely paperless, and the customer does not need to maintain supporting documents. Every transaction detail is maintained on-line.

How does i-Buy work? Imagine entering the largest super store with the most product choices and no lines! By using a single secure log-on process, one gains access to a virtual marketplace made up of customized websites or on-line catalogs with discount pricing for the NYU community. In i-Buy, you need only one “shopping cart” to buy from different suppliers. When you check out, the i-Buy system automatically creates detailed Purchase Requisitions for each supplier. After your department’s administrator approves the requisition, a Purchase Order is immediately transmitted directly to the supplier who then ships the order to your office. It is as easy and quick as that. In addition to its convenience, i-Buy offers access to an ever growing and diverse marketplace with millions of product options: scientific, technology, furniture (new and used), office supplies, and books, to name a few. More than 60 suppliers are represented, including Barnes and Noble, B+H Photo, Dell, Fisher Scientific and Staples.

So how did NYU introduce its non-mandated e-commerce solution to its user community? They created “Bob,” the i-Buy spokesman. He is the helpful staff member who represents i-Buy. “Bob” is efficient, cheerful and provides lots of information – he is actually animated! NYU Purchasing created two “Bob” infomercials. Also featured in the roll-out were various promotional items, including: i-Buy mouse pads, mini-shopping carts, caps and – well, you knew there was going to be one – a “Bob” bobblehead.

While the old order methods are still available (they are being phased out), the number of i-Buy users and orders steadily grows. Presently there are more than 3,700 users and in the last 12 months, the number of i-Buy orders has increased more than 65%. Using the non-mandatory philosophy that is prevalent in many higher education institutions, NYU Purchasing Services promotes voluntary participation in i-Buy. Experience has demonstrated that once end users try i-Buy, they continue to use it, which is the hallmark of a truly successful e-commerce program.

i-Buy's “intelligent choices” is beneficial to both campus customers and NYU Purchasing. It enables end users to effectively help themselves and allows Purchasing to function effectively, fulfilling the informational needs of others at NYU.

NYU Purchasing Services – Helping You Help Yourself!

Steve Heller, Associate Vice President, John Jagard, Assistant Vice President-Purchasing Services & Contract Administration, and others at New York University contributed to this article.

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Zen and the Art of Competitive Bidding
(with apologies to William Shakespeare and others)

by Al Brooks
Iowa State University

Zen is usually defined as: acceptance of the present moment, spontaneous action, and letting go of self-conscious and judgmental thinking. It also is described as enlightenment attained through meditation, self-contemplation, and intuition. My purpose here is to convince you, with the help of wisdom (and perhaps humor) from others, to create an environment in which competitive bidding is not only accepted and expected, but also welcomed.

Here are two over-simplified, typical scenarios involving sole source requests:

1. “I, John Que Professor, have determined that only a class A, type 12b Bass-O-Matic processor is suited to my research. No other bass processor is capable of the hyper blending speed of the type 12b. I trust you will process my order promptly as a sole source.”

2. “There is no comparable product to a Maxim® model 1892 automated potato scrubber. The Maxim® 1892 utilizes patented mini-bristle® technology, which has been shown to out-scrub the competition. Mini-bristles® are only made in our manufacturing facilities at Fairlyland Park, New Jersey, and are not available on any other potato scrubber. John’s Potato Boutique is the certified Maxim® dealer in our area.”

“Aye, and there’s the rub!” To bid, or not to bid, that is the question: Whether ‘tis nobler in the mind to suffer the slings and arrows of outraged colleagues, or to take arms against a sea of troubles and, by not bidding, end them?

Sometimes, it honestly feels that way.

I am routinely informed by vendors that their university is one of the few in their territories that seeks competitive bids for complex equipment. One salesman told me that of five recent sales made to universities, ours was the only one that was competitively bid. Can this be true? There were five competitors, three offered fully compliant systems.

So our first mantra on the road to enlightenment is: “Though this be madness, yet there is method in it.” This mantra helps counter the negative vibes of our faculty and staff. “Double, double toil and trouble, fire burn, and cauldron bubble.”

It is important that your institution have a method of conveying to faculty and staff the reasons for competitively bidding. If your school is associated with a state government, you may be compelled to bid at a specified level. Those of us who receive federal funding defer to the Office of Management and Budget (OMB) A-110 (now also CFR 215 2CFR215) _43, which states, “All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. …Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.”

Now, before I suffer any slings and arrows for making that last statement, I know that sometimes federal granting officers will tell you to ignore some CFR provisions….verbally. My advice to anyone who has received such instructions is to get it in writing. Every time I’ve been advised by granting officers to forego federal policy, their advice has been overridden. A grant officer once told me that “to the maximum extent practical” means that if the university is capable of conducting competitive bids, then it must conduct them for federal acquisitions, period. Auditors of federal projects require proof of competition: RFP documents, bid responses, evaluation forms, and any letters relating to the awards.

The main reason for transparency was revealed when an RFP officer started us on the road to enlightenment: “All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.”

Governance performed in the light of day is good for the people. Whatever rationale you choose to convey, it is helpful for your campus to understand, in real terms, the need for, and benefits of competition. Without a clear and well-reasoned argument for competitive bidding, we can take a hint from Julius Caesar that: “Men freely believe what they want to.”

Which leads us to our next mantra: “Spoken words fly away, written words remain.” This saying reminds us to make sure that all important aspects of a transaction are in writing. The five Ws taught in journalism class apply to a well written RFP: Who, What, When, Where and Why. When dealing with complex procurements, some people adopt the negative: “But, for my own part, it was Greek to me.” Sole sourcing does allow an easier path to follow, especially when pressed by faculty and staff. Before taking it, remember that “necessity does not have any law,” and that you likely will have audit issues. I urge all to follow the positive: “Knowledge is power.” Take time to discuss requirements with your faculty. Many times you will find there are only a few key performance features that distinguish one product from another. This helps reduce the complexity of bid documents and increases the likelihood that only compliant products are offered. And, of course, by bidding you won’t have to worry about others saying “you pay a great deal too dear for what’s given freely.”

“No rule is without exception!” This is true even for a competitive bid policy. There will exist a need at times to sole source. But it should be very limited. For example:

• Items to add to an existing piece of equipment,
• Items required to participate in collaborative research projects,
• Items to match a suite of the same teaching or research equipment.
The reason should be documented and confirmed, not just taken at face value. If you must sole source, make sure appropriate terms and conditions accompany the order. Once you head down the path of sole sourcing, “the die is cast.”

Sole source should never be allowed on the basis of only one manufacturer being capable of making a product. In my 23 years in purchasing, I can recall only a dozen true sole source cases by manufacturer and only a few of those were sold exclusively by the manufacturing company.

“Let the buyer beware!” In my experience, I’ve found that some sort of promise by the vendor is made to the faculty. Usually these promises are performance-related, but in rare cases, personal gifts such as jackets, i-Pods, computers or travel packages are offered. By creating bid documents, you not only provide clarity, you also set the framework for the vendor’s response. Note I said “university” and not faculty. The OMB in A-110 defines the grant recipient as: “… an organization receiving financial assistance directly from Federal awarding agencies to carry out a project or program.” Also, beware of specifications and justifications written by vendors. OMB Circular A-110 states: “In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements.”

“The best laid schemes o’ mice an’ men oft times go astray.” And then there is the issue of correcting non-performance. It is much harder to have a company correct deficiencies when an item is sole sourced under the company’s terms and conditions. Terms and conditions agreed upon through competitive process help to relieve us of our baser instinct in times of trouble: “The first thing we do, let’s kill all the lawyers.”

“There are more things in heaven and earth, than are dreamt of in your philosophy.” While our faculty and staff are the experts in their fields, they are not the experts in product sourcing and contract formation. While faculty may look at a few instruments, they normally do not explore all qualified systems. The fear should always be the assumption that faculty or staff have done a thorough review. The result is almost always sole source requests that haven’t been scrutinized. By creating sound bid documents and publicly bidding we present the greatest number of compliant alternatives for faculty and staff review.

“The proof of the pudding be in the eating.” Document and report the gains made through the competitive process. While “a penny saved is a penny earned” is a good start, monetary return is not competition’s only reward. Here are some examples from our university:

- Approximately 20% of our faculty selected better instruments than they had originally requested;
- More than 70% of our competitively bid orders yielded significantly lower pricing (5%-50% or more);
- Incentives gained through competition have created three teaching laboratories on campus;
- All campus buildings were modified for 100% cellular phone reception at no additional cost;
- Our teaching nuclear reactor was decommissioned and removed at one-half the anticipated cost and the project was completed on time;
- In the last 20 years, any breach of contract and bid challenge issues were handled without the necessity of the courts.

So the next time a questionable sole source request comes in, simply say: “Let’s make an end of this foolishness and get down to work.” And keep these quotes handy:

“Though this be madness, yet there is method in it.”

“Spoken words fly away, written words remain.”

“Knowledge is Power.”

“There are more things in heaven and earth, than are dreamt of in your philosophy.”

“The proof of the pudding be in the eating.”

Then, you and your faculty will be able to proclaim: “Why then the world’s mine oyster!” and “All’s well that ends well!”

References:
2. Worded borrowed from Hamlet, Act III, Scene I, by William Shakespeare
3. Hamlet, Act III, Scene II, by William Shakespeare
5. Pro bono public, Roman Anonymous
6. Verba colant, scripta manent, Roman Anonymous
7. Julius Caesar, Act I, Scene II, by William Shakespeare
8. Necessitas non habet legem, Roman Anonymous
9. Francis Bacon
11. Nulla regula sine excetione, Roman anonymous
12. Julius Caesar
13. Caveat emptor, Roman anonymous
14. To A Mouse Analysis, Robert Burns
15. King Henry the Sixth, Part II (Act III, Scene III), by William Shakespeare
17. English 1600, Anonymous
18. Ben Franklin
20. The Merry Wives of Windsor, Act II, Scene II, by William Shakespeare
21. All’s Well That Ends Well, by William Shakespeare

Al Brooks is a procurement contract manager at Iowa State University and has a B.S. in Biology and Psychology. He is responsible for major scientific, telecommunications projects, international and collaborative research agreements. He has been with ISU Purchasing Department for 23 years.
As a former Michigander and General Motors (GM) employee, I have been particularly saddened by the demise of this company, once considered “too big to fail.”

Had GM, Chrysler, or any of those other companies asked me why their market share has dropped so significantly, I could have provided them the simple answer: they positioned themselves to compete only in today’s market. Their successful forward-looking competitors positioned themselves in today’s and tomorrow’s markets.

Shouldn’t we Purchasing professionals be learning from their mistakes? Shouldn’t we be positioning ourselves for tomorrow’s challenges and opportunities rather than concentrating solely on today’s problems? Should we not be analyzing our situation, regardless of our place on the organization chart, in the event our institution determines it must trim its budget by trimming staff? In such a situation, will you be considered “too big” for the downsizing list?

I repeat the question, “Have you positioned yourself for the now or for the future?” Are you “too big to fail?” If I were your manager and needed to downsize staff, I would base my decision on three main questions:

1. Have you earned a college education? As an education-oriented organization dealing solely with other education-oriented organizations, should I not embrace staff who have embraced the concept of being as educated as those we serve? Taking classes and becoming more educated would show me that you are not stagnant in the learning process, that you recognize the need to continue growing your body of knowledge, and that you recognize that the more knowledge you bring to the table the more value you add.

2. Have you earned a professional certification? Having one – whether it be a C.P.M., a CPCM, a CPSM, a CPPO, or other – would demonstrate that you are committed to continuing education within your profession, that you recognize that Purchasing is evolving to encompass the entire Supply Chain. It says that as a Supply Management professional you realize that we can’t do our jobs in a vacuum but, rather, that we must know – and understand – the role of others in the supply chain so we can better assist in the integration of the entire process.

3. Are you demonstrating leadership talent and positioning yourself to assume greater responsibility? Or are you just “doing your job?” To be ready for a higher position, have you taken the time and interest to mentor another to step into your existing position? If not, the decision to move you from your current position will be more difficult. Never thought of that as mentoring? It is one thing to perform your job well but it is quite another to develop a subordinate or peer. Are you a mentor?

Of course, those scoring highest in response to these three questions would be my best candidates as truly “too big to fail.” Did I forget experience, years of service, and other considerations? No. While these also are important, they only show that you have the talent to get the job done today and that you show some measure of loyalty. But when downsizing becomes a reality, I will evaluate less on the past and more on the future. That being the case, it is my responsibility to retain those who can best serve our institution tomorrow. In this scenario, are you the one I should retain? Will you truly be “too big to fail” or will you be the GM definition of the term?

Is it too late to start? No! Now is the best time. For more information on how you can start to best serve yourself and your institution, e-mail me at ashbybob@embarqmail.com.

Bob Ashby, C.P.M., CPCM, is retired from his position as the Director of Purchasing and Contracts for the University of Nevada, Las Vegas (UNLV), where he also served as an adjunct professor in the Management Department. Bob has been active in NAEP for nine years and in 2006 was given NAEP’s Distinguished Service Award.

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During a lively session at the annual meeting in April in Providence, it became crystal clear to me that we cannot continue to debate “green certifications.” It is crazy to do so. This flies in the face of conventional wisdom and it is not supported by the data resulting from the NAEP Green Purchasing Survey.

The survey asked, “What green product certifications are used in your procurement system?” One hundred twenty five of our members said they used the following certifications with the related frequency.

<table>
<thead>
<tr>
<th>Certification</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>EnergyStar</td>
<td>55%</td>
</tr>
<tr>
<td>Made from Recycled Material</td>
<td>45%</td>
</tr>
<tr>
<td>Green Guard</td>
<td>25%</td>
</tr>
<tr>
<td>Made from PCW Recycled Material</td>
<td>18%</td>
</tr>
<tr>
<td>Green Seal</td>
<td>18%</td>
</tr>
<tr>
<td>Green Products</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

And, surprisingly the survey yielded this amazing statistic: **We don’t use green product certifications.** 39%

The data indicates that there is market penetration for green product certifications. So, why am I saying it is crazy to debate? For a very long time it has been the case that we all have been chasing the pot of gold at the end of the rainbow. The reasons for this are many but chief among them have been the degree to which independence could be demonstrated by the owner of the certification system, the costs of certification, the criteria used to confirm a product as green, and the robustness of the testing methodology. All of those are important characterizations of where we have been and, to some extent, where we are now; but, to my way of thinking, they are entirely trivial to this subject. A single, ubiquitous, valid product certification simply cannot usefully exist for professional procurement personnel. That isn’t to say that the magazine *Good Housekeeping*, now in the business of putting its label on green products, and Wal-Mart, which is talking about doing something that is years away, will fall short of the mark for individual consumers. It is to say they likely will fall short of professionals’ needs.
The facts are that the current dominant economic system on the planet is predicated upon a take-make-waste paradigm. That is, **TAKE** the raw material from earth, **MAKE** the product as quickly and cheaply as possible, and dispose of the **WASTE** in local communities. The consequence of this process is that finished goods represent no more than 4% to 6% of the raw material inputs. Two small examples: 1) a 5-pound laptop computer, to find its way to you, took 37,000 pounds of raw material; and 2) a 10-gram gold wedding band took 6,000 pounds of rock and minerals. This relationship is known as Material Intensity Per Service (MIPS) or “ecological rucksack.” An ecological rucksack can be defined as the total quantity (in mass) of materials moved from nature to create a product or service, minus the actual weight of the product. Ecological rucksacks look at hidden material flows, take a life cycle approach, and measure the environmental strain of the product or service.

The business-as-usual argument (relying on eco-labeling) is a bit like the tail wagging the dog. We professional procurement people need to be looking at the entire supply chain process – from beginning to, hopefully, a closed loop reentry – and not looking for a quick fix that, as to how or why it came about, we don’t understand.

**What is the alternative?**

A life cycle assessment (LCA) tool values every living thing and values human, natural and social capital in addition to manufactured and financial capital. LCA is commonly defined as a technique to assess the tangible and intangible potential impacts associated with a product, process, or service. It accounts for environmental aspects by: (1) compiling an inventory of relevant energy and material inputs and environmental releases; (2) evaluating the impact of the inputs and releases; and interpreting the results, to help humans make more informed spending decisions. Such an approach could demonstrate to the buyer a scientifically based, full-costing of systems. It might be onerous to certain procurements, but entirely appropriate for others.

For those of you who might feel that practical application of the LCA approach is unlikely, there may be hope. An international organization is creating a bridge between green certification and LCA. The system is known as the Environmental Product Declaration (EPD), and I think it is a logical next step. It could be argued that a procurement person won’t have the time to read entire LCA studies for different products under consideration, but with the EPD approach it is not unreasonable to believe that the comparisons could be easier, faster, and more meaningful. In my opinion, the EPD process offers objectivity, credibility, neutrality, and comparability. It is open to all products and services worldwide and to all interested parties, is environmental impact-oriented, and offers instructive data for analysis. Check it out at www.environdec.com/pageId.asp?id=100.
I have one unfulfilled, work-related fantasy. Just once before I retire, I want to have a boring day. By the end of my second year in purchasing, I realized that day-to-day demands had utilized nearly everything I had ever learned, formally and informally, except…

…for the information I picked up from that Boy Scout Magazine article revealing how to escape from the giant octopus that’s pinned you against a rock. OK, that’s not totally true. It sort of came up once when I was ordering frozen seafood for the cafeterias, noted octopus on the order form and mentioned to a co-worker that I had eaten it often in Japan, to which the reply: “I refuse to eat anything that won’t let go of my tongue.”

Collective bosses tried to increase my skills and knowledge by sending me to manufacturing plants, conferences, and seminars. I absorbed as much as possible, never knowing what the next requester may need. Without protest, I endured specialized training on humane treatment of lab animals, I memorized scientific jargon and I was certified by mine safety officials on rescue techniques and the deployment of emergency breathing apparatuses.

Much of that training hasn’t exactly been useful, but if, during a scientific experiment, I’m ever trapped in a mine with a giant octopus needing humane rescue, I’m ready. If that doesn’t materialize, at least my background should look great someday on a Wal-Mart employment application.

When asked what we wanted to be when we grew up, it is doubtful any of us answered, “procurement professional.” At least I don’t remember dressing up as one on Halloween. (Do they even make strait jackets in children’s sizes?)

I think I was tested once to match interests to my ideal career. The results were, “You are weird and not suited for any job.” Hah! Little did they know that whereas a bit of “weirdness” might be a detriment in other professions, it is actually an asset in procurement.

School requisitions are amazing, indeed. They show the diversity of each school’s need.

Consider the following, if you will

Typical requests for us to fulfill:

Tootsie rolls and vaulting poles,
Pinking shears and tractor gears,
Artist’s pallets and rubber mallets,
Clarinet reeds, watermelon seeds,
Arbors for roses, nozzles for hoses,
Stage lights for drama and globulins, gamma,
Cows’ hooves trimmers, magazines for swimmers,
Track shoes petite for Tongan feet,
Tire patches, suitcase catches,
Butcher cleavers and pain relievers,
Soup, turkey noodle and trumpets to tootle,
Handbooks for elders and goggles for welders,
Children’s little rubber dolls, base-, soft-, and ping pong balls,
Films on udders and how they function,
Ordered without the slightest compunction,
Strawberries and earthworms, preserved of course,
Pinkeye spray to treat a horse,
“March Militaire” for a sax quartette,
Helmet liners with bands for sweat,
Yes, a school requisition has many surprises.
If–they’d only reveal–
What color, how many, how soon,
and what sizes!

By Ralph Wolters, written about 1972. Now deceased, he was a buyer at BYU and an active participant of NAEP for many years.
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