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NAEP Annual Meeting
April 6 – 9, 2008
Austin Convention Center
Austin, Texas

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Steelcase LearnLab™ Environments
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Sustainability Essentials for Higher Education:
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Look for the symbol in our program guide to identify all the Sustainability Essentials sessions including:

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Sustainability 101
Facilitator: Anthony Cortese, President, Second Nature

The Business Case for Sustainability
Facilitator: George Bandy, Vice President, Interface Americas

Sustainability: What is Happening in Higher Education?
Facilitator: Kevin Lyons, Director of Procurement, Rutgers University

ACUPE and The Clinton Climate Initiative Value Proposition
Facilitator: Brian Yeoman, NAEP Director Education & City Director, Houston, William J. Clinton Foundation

Sustainability Mini Institute: “History of Sustainable Design & Life Cycle Costing”
Facilitator: Pliny Fisk, Co-Director Center for Maximum Building Systems

Greening Healthcare
Facilitator: Gail Vittori, Co-Director Center for Maximum Building Systems

Austin’s Green Building Program
Facilitator: Richard Morgan, AE Green Building Manager

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Dear Readers,

As you can see by my picture, my staff has turned me into an avatar. They told me that my avatar is my persona in cyberspace. The entire national office staff each has his or her own avatar. Hmmm. Apparently my staff sees me as a vertically challenged, stout little creature with a very large head. "Is this how I am to go through life in cyberspace?" I asked. "No knees, no nose, and a big silly hat?" "Yes", was the reply. "None of us have knees or noses. As far as the hat goes, the higher up on the corporate ladder you are, the bigger your hat gets. And we gave you a bag that says, 'I am not a plastic bag,' because we know you are big on sustainability. Pretty cool, huh?" No one sees the immediate internal struggle the word "cool" sets off (my daughter frequently reminds me that I am not SO cool; wait until she sees my avatar) and so I said, "Yes, that is way cool, just like me. Carry on."

Head down, I walked briskly back to my office and immediately looked up "avatar."

Dictionary.com Unabridged (v 1.1)

avatar (əˈvər-tər) n.
Computers. A graphical image that represents a person, as on the Internet.

And I thought, well there must be more to the word "avatar" than that. So I went a bit further and found:

American Heritage Dictionary

avatar (əˈvər-tər) n.
An embodiment, as of a quality or concept; an archetype.

Eureka! I get it – just as all of the elements of my avatar – my nonplastic bag, my big hat – provide information on who I am and what I stand for, the NAEP is kind of like an avatar for Procurement. It embodies the principles we all bring to work with us every day, a highly developed sense of professional ethics to protect our own and our institution's reputation for fair dealing.

But there's more to our NAEP avatar. Our persona must also reflect our keen sense of community, the incredible knowledge-sharing and support all of our members provide to each other. Our avatar needs to clearly demonstrate our ability and strategic value to our institutions, our local communities, and through sustainable practices, our entire planet. Whew. Our avatar would be wearing one very big hat.

If you are registered for this year's annual meeting in Austin, Texas (which both I and my avatar strongly recommend), you'll be an important participant in this community of ours. The 2008 Annual Meeting will host a gathering of the best minds in Procurement – including your colleagues and suppliers with the products and services that will fuel your next big idea. You'll discover strategies that will elevate your contributions high up on the value continuum. And you'll have some fun enjoying some good old-fashioned Texas hospitality. This year's event is bigger than ever before – with over 150 exhibits, nearly 50 sessions, and a whole host of networking opportunities. Well, you know what they say – "Everything is bigger in Texas," and I guess it's true. Especially when it comes to hats. See you in Austin!
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Price Reasonableness for Federal Funding

by Cory Harms
Iowa State University

There are some days I come to work in purchasing and wonder what will be next. What is going to be the next thing that we are required to keep an eye on? Is it going to be chemical tracking? Export control? Debarred vendors? Lab animal tracking?

It is a miracle that, with all of the changes in bid limits, equipment definitions, agents and staff, software systems, etc., we can remember all of the different rules and requirements that we are responsible for. So today I thought I would throw federal price reasonableness back on the radar screen.

Just a few years back this was something that we didn’t deal with at our University. With the lower equipment and bid limits we had, we were already documenting some of the aspects of this, but admittedly not fully complying. So when this came up on our radar screen, I wondered how many others out there might be in the same boat. It may be that many, if not all, who are reading this are aware of what needs to be done to comply with the federal policy, but my hope is that we have some new agents out there who are saying “What the?” right now.

For anyone still reading this, it means you either want to see if I screw it up or have an interest in knowing what the heck I am talking about, so let’s get to it. When expending federal funds for purchases of supplies and equipment, it is required that a price reasonableness analysis be performed and documented. The exact phrasing from OMB A-110 is, “Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action.” This analysis should consist of a review of the price proposed by a supplier and an assessment by the agent of whether the price is fair and reasonable to both parties, considering the quality, delivery, etc. This analysis can be done in a variety of ways, but it must be documented by the agent. How can you comply with this at your institution is the million-dollar question.

Some of the most acceptable methods of price analysis are competition, comparable established federal pricing, established price lists, market price, historical price, prior competition, sale of a similar item to other institutions, independent University estimate, similar item comparison, specifically identified item in the award, or a cost analysis.

Competition is the most obvious. Requesting informal or formal quotes from at least one other supplier and choosing the lowest cost provider would be shown to be fair and reasonable. You can also compare the price of your selected supplier with established federal pricing like a GSA contract. If the offer is the same or less, it would be considered reasonable. Established price lists or publicly available catalog pricing can also be shown to be reasonable. An established market price (i.e., gold or commodities), a comparison to historical prices paid by the University, or evidence of the price paid for a sale of the same item to another institution could be used to establish a fair price as well.

Sometimes information may not be readily available. In these cases, a University may make an independent estimate of the value or compare the value to another similar item that was purchased by the University.

In other cases, the award specifically identifies a person to perform work at a rate or a specific make, model, and part number of an item to be purchased for the award. This would be deemed reasonable as the contracting officer would have reviewed this when the proposal was submitted.

Finally, if there are several components of the purchase (i.e., items, labor, overhead, etc.), then a cost analysis may need to be done. While a price analysis looks at the whole price, the cost analysis looks at all the components of the price for reasonableness.

Once the method is determined, then the comparison needs to be documented. This may be as simple as receiving a quote from another vendor, referencing an earlier order or invoice, printing a commodity price from a market index, or writing a narrative of how the reasonableness was established. The important thing is that it MUST be documented.

As always, I hope that I have found someone out there that needs this information to start a discussion. There is a lot more to this than I can fit in this small space, but I hope that the wheels are turning in your head. To find more detailed information, you can visit the links provided below.

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Calculating Procurement’s Value
Part 2: Sourcing Savings

by Brian Rounsavill, Princeton University; Chris Mihok, Yale University; Jim Hine, University of California, San Francisco; Judy Smith, University of Michigan; John Riley, Arizona State University; Kevin Lyons, Rutgers University; and Michael LaPointe, University of Illinois.

Editor’s Note – An excerpted version of the authors’ article was published in the December 2007 issue of the Educational Procurement Journal. We are pleased at this time to share the full text of the “Sourcing Savings” portion of this article. At NAEP’s 87th Annual Meeting in April in Austin, Texas, additional background information will be provided by members of NAEP’s Ad-Hoc Cost Savings Committee. The complete article will be published as the first NAEP monograph and made available in Austin and on the NAEP Web site.

Introduction

Achieving measurable savings is one key method by which Procurement can demonstrate its value in supporting the institution’s educational mission. A general definition of cost savings that encompasses many areas, such as cost avoidance, competitive bidding, and value-added services, can be segmented into four categories:

1. Sourcing
2. Consumption / Usage / Inventory
3. Supplier Incentives
4. Process Efficiency / Compliance / Risk Reduction

While these categories vary in their specific definitions of savings/benefits as well as in their contribution to the bottom line, the focus instead is on identifying the savings opportunities.

Following are specifics related to the Sourcing Savings category.

Sourcing Savings

When savings numbers are reported, often they are impressive in their size or scope. Having a set of generally accepted definitions that can be applied to different campus environments is helpful in validating the efforts of Procurement, adding credibility to the profession. For example, some schools report savings in relationship to list price, while other schools base savings strictly on the last purchase price, while still others report multiple-year savings, and yet others do not report any formal savings at all. The calculations included in this article are provided as tools to use in developing a cost-savings and benefits program that can be tailored to fit the institution’s specific needs.

Multiple-Bid Scenarios

For the purposes of a multiple-bid scenario, the moment competitive bids are obtained, the “last buy” price no longer applies, since the economic elements of a perfect market are in play. Thus, Sourcing Savings are calculated as the difference between the awarded bid (what you will pay) and the average of the nonawarded bids (what you would have paid elsewhere in the market with other suppliers), rather than a comparison with the price previously paid.

Formula: Average of Nonawarded Bids – Awarded Bid = Savings

Single-Bid Scenario

It is not always possible to obtain multiple bids for every Procurement need. A sole source is generally one where there is only one supplier capable of providing an item or service, and therefore it is not possible to obtain competitive bids. A single source is generally one where there are multiple sources of supply, but, for specific reasons, the item or service must be purchased from a single supplier. For the particular focus of this article, we do not distinguish between single source and sole source. The only determining factor is that one offering is at play.

In this case, the “last buy” price becomes the most reasonable reference point to determine sourcing savings. The use of list price in these situations can dramatically inflate savings, so in order to bring the “last buy” price current (as its name implies, it is an outdated price), the Consumer Price Index (CPI) can be used as a generally accepted measure to account for inflation and/or new market conditions in specific geographic areas (www.bls.gov/cpi). For some commodities, such as electronic components, the Producer Price Index (PPI) may be the fairer measure of commodity-specific inflation (www.bls.gov/pip). Accordingly, the “last buy” price must be brought “forward” using the appropriate index. In situations where a contract is several years old, this calculation must be performed for each year, using the specific index value for each year (if the contract is two years old, it must be brought forward twice).

Formula: [Last Buy Price x (1 + Δ CPI)] – Awarded Price = Savings

Calculating Total Sourcing Savings

Total Sourcing Savings calculations are often used as a performance benchmark for Procurement and as a metric for senior management. Total Sourcing Savings reports can be time-consuming to compile,

Case Study #1. Calculating Multiple-Bid Cost Savings

- Bid results obtained for a widget were $1.57, $1.15, and $0.87, respectively.
- The contract was awarded to the $0.87 bidder.

Calculation:
- The cost savings would be calculated as: [(1.57 + 1.15) / 2] - .87 = .49
- Average of Nonawarded Bids
- [Awarded Bid] = Savings
- The percentage cost savings would be calculated as: .49 / 1.36 = .36% Savings / Average of Nonawarded Bids = Percentage
but they are a valuable tool. For the purpose of calculating total savings, the following four steps project the estimated annualized total cost savings for each active contract. (Note: We use the example of calculating contract savings; however, the same methodology can be applied to individual transactions.)

1. Days Active: For each contract or sourcing transaction, the date range must be compared against the range of the reporting period (typically a fiscal year or a calendar year) to determine the proportion of time within the reporting period that the contract or sourcing transaction was active. Some measurements may contain two entries, indicating that a contract expired and was renewed within the specified reporting period. The savings associated with each entry will likely be different, which reflects both the previous and renegotiated contract savings.

2. Total Spend: Total supplier spend reports are run for all contracts or sourcing transactions that were active at any time within the reporting period to calculate the total discounted spend with each supplier.

3. Cost Savings: The individual contract or sourcing transaction savings percentages are calculated as outlined previously and repeated below.

   - Competitive Bids: (Average of Nonawarded Bids – Awarded Bid) = Savings
   - Sole Source: [Last Buy Price x (1 + % Δ CPI)] – Awarded Price = Savings

4. Total Savings: A weighted average is then used to approximate the total savings associated with each active contract or sourcing transaction for the reporting period. This approach provides a reasonable approximation of the total savings for all active contracts or transactions within the period. For multiple-year contracts, this concept accounts for the fact that pricing was held firm for the entire term or may include price increases, each of which are recorded for specified date-ranges over the life of the contract. Since the total spend reports identified in Step 2 above reflect the discounted amounts that were actually paid to suppliers, it is necessary to approximate the undiscounted spend in order to estimate the savings. The following calculation can be used to approximate the undiscounted spend within the period, which is then multiplied by the contract savings percentage to get a weighted-average measurement of total savings for each contract.

   \[
   \text{Pre-Discounted Spend for Period} = \frac{(\text{Days Active} / 360) \times \text{Total Spend}}{(1 - \text{Cost Savings} \%) - \text{Cost Savings} \%} + \text{Cost Savings} \%
   \]

The individual contract or sourcing transaction savings are then added together to arrive at an estimate of the savings for all active contracts or sourcing transactions within the period. See Figure 1 – Contract A was renegotiated on May 31; therefore, it was initially active for 120 days @ 10% savings and then for 240 days @ 5% savings in this example. Contract B was active for the entire 360-day period @ 3% savings.

(continued on page 13)
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Calculating Total Sourcing Savings

The following three contracts were renegotiated during the fiscal year beginning on July 1 and ending on June 30. You are asked to provide data on the total savings achieved for this period:

<table>
<thead>
<tr>
<th>Contract</th>
<th>Date Range</th>
<th>(days active)</th>
<th>Savings</th>
<th>FY Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract A</td>
<td>Aug 1 – Dec 3</td>
<td>(152)</td>
<td>10%</td>
<td>$100,000</td>
</tr>
<tr>
<td>Contract B</td>
<td>Jan 1 – Dec 31</td>
<td>(181)</td>
<td>5%</td>
<td>$250,000</td>
</tr>
<tr>
<td>Contract C</td>
<td>Jul 1 – Jun 30</td>
<td>(365)</td>
<td>-3%</td>
<td>$125,000</td>
</tr>
</tbody>
</table>

Using the total savings calculation outlined in this article, the individual weighted-average total savings are calculated for each contract and added together, which estimates the total savings achieved for the period:

<table>
<thead>
<tr>
<th>Contract</th>
<th>Calculation</th>
<th>Savings Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract A</td>
<td>[(152/365) x $100,000 / (1 – .10)] x .10</td>
<td>$4,627.09</td>
</tr>
<tr>
<td>Contract B</td>
<td>[(181/365) x $250,000 / (1 – .05)] x .05</td>
<td>$6,524.87</td>
</tr>
<tr>
<td>Contract C</td>
<td>[(365/365) x $125,000 / (1 + .03)] x -.03</td>
<td>$3,640.78</td>
</tr>
<tr>
<td>Total Savings for Period</td>
<td>$7,511.18</td>
<td></td>
</tr>
</tbody>
</table>

Again, additional in-depth information including specific case studies will be shared by members of NAEP’s Ad-Hoc Cost Savings Committee during an in-depth presentation at this year’s 87th NAEP Annual Meeting in Austin, Texas, in April. The complete article will be published as the first NAEP monograph and made available in Austin and on the NAEP Web site.

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I Haven’t Seen Your Face in a While...

by Valerie Rhodes-Sorrelle, C.P.M., A.P.P.
Grand Valley State University

Good communication skills are one of the most important tools we need in order to live our lives with others. How we communicate is equally as important as to what we communicate.

There are many forms of communication. I would like to discuss a few that we as Purchasing professionals often use and some, well... we don’t, but should consider using more often:

- e-Mail
- Telephone
- Face-to-Face

Let’s look at e-mail. I understand that it’s easy and often a quick way to get a message to someone. But when you’re sitting right next to someone or in the next office, would it really kill you to get up out of your chair and go have a conversation with them? Just asking.

How about this scenario? You pick up the telephone to ask someone a question. The person doesn’t have the answer but will get back to you. This sounds great. However, he/she then asks you to e-mail them a reminder of your question. Don’t you wonder why they didn’t write the question down during the conversation? Wouldn’t writing the question down while listening be better customer service? Besides, maybe an e-mail message isn’t the best form of communicating the question.

We all agree that you can get many things accomplished through the use of e-mail and the telephone. However, face-to-face communication with your customers both internally and externally is very important. Sometimes e-mail messages can be misinterpreted and/or misunderstood by the person reading them. A quick meeting on a subject followed by an e-mail to confirm the meeting discussion can be much clearer than just an e-mail alone. Besides, sometimes it can take several e-mail messages just to understand the message originally sent.

There are opportunities to learn more about the product and/or service you are purchasing – as well as getting to know the person you are assisting – with face-to-face communication. You should take advantage of as many face-to-face opportunities as you can because it helps to build relationships and expand your knowledge, which in turn can make you a little more valuable. The old saying, “Knowledge is power,” can sometimes be true.

I’m not saying that face-to-face meetings are necessary for every question, contract agreement, or bid you are processing. Nor am I saying never use e-mail, because e-mail is an awesome tool. However, I am asking you to ask yourself these questions: Do I know a little about the goods and/or services that I’m purchasing? Do I have a general understanding of the operation and needs of my customers, and would a meeting or telephone call be a better means of communicating in order to obtain needed information? It’s sometimes hard to find out this information through e-mail alone.

Remember, getting to know your customer doesn’t necessarily mean you are currently working on a project for them. You can take the initiative to just stop by their office and let them know that you are available for any upcoming projects and/or to answer any purchasing policy and procedure questions that they may have. This is just another opportunity for your Purchasing department to be more visible to your campus community, thereby creating and showing value and your Purchasing department’s commitment to serve.

Information discussed in this article is about things already known. However, we sometimes get so busy that we take what we think is the quickest or easiest form of communicating with others though it may not always be the best. Communicating with others in whatever form we choose is simply how we get things done, how we accomplish goals, and how we express our wants and needs. As Purchasing professionals, sharpening our communication skills should be an ongoing process. We need to look at each situation to determine the best communicating tool to use. Our communication technique and style can not only make or break a deal when it comes to negotiating terms and conditions, but also can affect our relationships with our campus departments. We can have a positive effect on the people we come in contact with when we show our FACE and show that we care about their needs.

Valerie Rhodes-Sorrelle is a buying specialist at Grand Valley State University in Allendale, Michigan. She is currently the president of the NAEP Michigan Region and serves on the NAEP Editorial Board. Valerie is also a member on E&I’s (Educational and Institutional Cooperative Purchasing) Strategic Sourcing Committee.
E-Mail: rhodesv@gvsu.edu
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The Sky Is Falling, The Sky Is Falling

by Bob Ashby, C.P.M., CPCM
University of Nevada, Las Vegas (Retired)

When eating her lunch one day, Chicken Little announced the sky was falling (an acorn fell on her head). Well, in our case, she was right. As noted in earlier articles, the C.P.M. sky is indeed falling. After December 31, 2008, the Institute of Supply Management (ISM) will no longer allow anyone to register for any of the four exams leading to the Certified Purchasing Manager (C.P.M.) designation.

ISM will allow testing until December 31, 2009, but only for those who register by December 31, 2008. The ISM Web site, www.ism.ws, has extensive details on the dates, the testing requirements, and other particulars. For those of you who truly understand the need to be professionally certified, I highly recommend you delve deeply into the site.

NAEP has offered its membership many opportunities to prepare for the exams in the past. But since the C.P.M. sky is falling, there are only two such workshop opportunities remaining.

Opportunity No. 1 will come as a preconference workshop at the 2008 National Conference in Austin, Texas (early April 2008). Check the NAEP Web site for details. Previous articles on this subject have demonstrated the spectacular successes our attendees have achieved.

Opportunity No. 2 will come at the various NAEP District Conferences in the fall of 2008. Some Districts will offer Modules I and II testing while others may also offer Modules III and IV. Contact your District leadership to remind them that Chicken Little has spoken and that you want assurance that the Preparation Workshops will be offered. The leadership can contact me, and I will find them an instructor for this last opportunity.

But wait! Not all is lost. There will be different opportunities. Also at the 2008 National Conference, NAEP is offering the tests for Certified Public Purchasing Officer (CPPO) and Certified Public Purchasing Buyer (CPPB) designations. Again, check the NAEP Web site for details. Unsure if the CPPO or CPPB designation (for governmental buyers only) is right for you? Go to the Web site of the Universal Public Purchasing Certification Council (UPPCC), www.uppcc.org, to learn more.

Finally – and importantly – I have expounded in previous articles regarding the Certified Professional in Supply Management (CPSM) designation, the one ISM has developed to replace the C.P.M., post-December 2008. At the ISM Web site, there is an absolute wealth of information on this new designation: why it is being added, who can qualify for testing, what those qualifications are, what key deadlines come into play for transitioning from C.P.M. to CPSM, what the CPSM exam specifications are, what study materials are recommended, and information relative to those holding the C.P.M. and their retaining of that certification.

I receive many queries each month from our membership about the C.P.M., CPSM, CPPB, and CPPO. In almost every case, I can go to the ISM or UPPCC Web site to find answers. Check them both out. You will be doing yourself a big favor.

Have questions? Contact Bob Ashby, C.P.M., CPCM, Retired Director, University of Nevada, Las Vegas, at ashbybob@sbcglobal.net.

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 9 years and in 2006 was given NAEP's Distinguished Service Award.

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Are you an Overlooked Strategic Partner?

by Brian Yeoman
NAEP

Sustainability is likely the single most strategic initiative you will address in your Purchasing career.

Is your campus embracing sustainability? If so, is your department a critical player? Instead of looking far and wide for an organizational home to begin the process, your campus could look to Purchasing, assuming it is — and assuming you are — ready.

Your campus probably hasn't given this much consideration, because Purchasing is one of those drab operational departments. This is not atypical, but it will continue unless you take the lead. This column offers the logic, rationale, and compelling reasons for you to deploy your considerable skills.

There is no doubt that sustainability is a hot topic on campus. It is an issue front and center with students. They are looking closely at the actions of their alma mater—walking the walk or simply talking the talk?

Being the role model is important because higher education plays a major role in the formulation of sustainability theory. Our students carry it forward into industry and government. Due to the immensity of its economic impact, higher education plays a huge role in sustainability at the local, regional, and national levels.

What's Happening at Your Campus?

The stronger leaders argue that this is the strategic imperative of the decade and on into the future. In answer, they've initiated a wide range of academic enterprises — from creating interdisciplinary centers to rewriting curricula that emphasize integrating sustainability science into higher education's very fabric, to creating entire new colleges.

What is Your Campus Doing?

Sustainability teaches us to think globally but act locally. In the end, it is local. Whether small or nothing at all, what folks do on your campus influences current and future leaders. The art of leadership will be to choose the course that does this favorably. The issue is not going away. It is becoming dominated by students, with the potential to be as big as the social consciousness and civil rights movements of the '60s and '70s. This is where the drab Purchasing department can jump start things. It touches 13 percent to 18 percent of the dollars expended annually by many institutions. The only thing bigger is payroll. Purchasing can assist in shaping a response consistent with what senior institutional leadership wants from the sustainability initiative. Purchasing is a critical leverage point, demonstrating that the university "gets it" and is doing something about it. Here's why:

- It defines the spending process;
- It determines the participants;
- It is the interface to the community;
- It deals in fairness, facts, and well-defined specifications;
- It faces no competing theory;
- It thinks in terms of cost/benefit;
- It is future-oriented.

Purchasing can lead because it governs the vendor-selection process. It can affect behavior by defining the economic impact of a sustainable campus. It can assist senior institutional leadership with the institution's associations and expectations.

For example, your campus spends money to control pests. Your current contract enables this but is silent on methods. By specifying integrated pest management and the use of nonpesticides, you can help your institution make a clear statement. The thousands of dollars you spend on this one contract each year can be redirected to a more environmentally responsive vendor pool. The institution benefits by knowing that the campus is a much healthier place. Students, faculty, and staff will appreciate not being exposed to the endocrine disruption that is correlated to long-term pesticide exposure.

Be prepared to provide your institutional leadership options demonstrating your attention to the sustainability initiative. A component validating the underlying research is highly recommended. As Purchasing continues to be a key player in revenue enhancement (e.g., pouring rights, naming opportunities, Procard rebates, travel, information, technology, licenses), each contract will have a sustainability opportunity.

Your efforts can demonstrate to leadership the values important to a solid campus initiative. This is possible because you deliver personal, welcoming, quality attention to the community through positive vendor relations. You become a preeminent face for your institution. The community connections provide a tremendous opportunity for classroom instruction in sustainability, for outreach, and for civic engagement. You can be the one to showcase the institution's culture of leadership and volunteerism, and you will help create the seeds of success in your strategic sourcing accomplishments. It will be an investment with a great ROI for the entire campus.

Acting in full partnership with institutional leadership, environmentally responsible Purchasing under your guidance will add value to the sustainability efforts taking place on your campus. You, too, can do great things in advancing the initiative in higher education.

Brian K. Yeoman,
Director of Education and Development at NAEP, is the retired associate vice president for Facilities Planning and Campus Development at the University of Texas Health Science Center at Houston.

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Provista, one of the country's leading group purchasing organizations (GPO), is dedicated to lowering and controlling supply costs for education and health care organizations. Provista's agreements are contracted and managed by Novation, the nation's largest contracting services company. Its core business is helping colleges and universities achieve their supply chain objectives. By combining purchasing volume and leveraging purchasing power to competitively bid agreements with manufacturers, distributors, and other vendors, Provista helps increase savings and efficiencies for its customers.

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Visit us at NAEP's Annual Conference, Booth #531
NAEP Code of Ethics

by Victoria (Tory) R. Windley
University of Delaware

Purchasing professionals at just about every point in their careers are reminded of their unique — and let's admit it — rather Spartan responsibilities as they relate to ethical behavior on behalf of themselves, their institutions, their communities. NAEP has a Code of Ethics that many higher education Purchasing offices post prominently. Ethics is a topic discussed in professional development sessions at all levels. Situations that present dilemmas are hashed over while professionals network. Case studies are posted on NAEP's listserv.

Each of us has developed a comfort zone for our relationships with suppliers as these relationships reflect our stewardship of institutional monies. Some of us draw the line of accepting suppliers' gifts at a certain dollar level — often set by policy or state law. Others of us don't accept suppliers' promotional items, like company names or logos on our desks, so as not to appear partial or biased. And still others of us don't accept anything from suppliers.

But sometimes the best-laid plans can go awry.

Not long ago, a Midwest supplier, having had a good year, decided to send its best customers year-end holiday “thank-you” messages, along with summer-sausage gift baskets of a well-known brand. The supplier identified its top 300 or so customers, put the shipping list together, and placed the order for timely holiday delivery.

A very, very ethical Midwest Purchasing agent had made a name for himself on campus as one of those folks who accepted nothing from suppliers. His desk and office were pristine; there was absolutely no hint of favoritism or partiality. He did not “do lunch.” He didn't participate in supplier-sponsored outings. He didn't put his name in drawings at trade shows.

So, imagine Mr. Perfect Agent's surprise, and perhaps discomfort, when a uniformed delivery fellow showed up in his office asking for his signature for a package boldly labeled “A Gift for You” from Hackberry Acres (the name was changed to protect our editors and publishers — a little humor)! Well, Mr. Perfect Agent politely asked the deliverer to return the gift to the sender. But the delivery guy politely responded that that would not be possible; he had unloaded the gift, and any return arrangements would need to be made separately. Ho! Ho! Ho! Mr. Perfect Agent was not happy with that. He questioned why one small box would be such a big deal. The big deal was that ALL 300 packages had been shipped to Mr. PA’s office.

Eventually, it was all straightened out, but to this day, those that know Mr. Perfect Agent and that episode swear that he is now called Mr. Perfect “S” Agent… the “S” standing for “Sausage.” Folklore says there may even have been a sausage sign posted over his door for a long time.

“Each of us has developed a comfort zone for our relationships with suppliers as these relationships reflect our stewardship of institutional monies.”

Victoria (Tory) R. Windley recently retired as the Director of Procurement Services at the University of Delaware. She was a regular contributor to NAEP's Journal and Purchasing Link, was past faculty for NAEP's Procurement Academy, and past District II Board representative. Tory also served on the Board of E&I Cooperative.

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