Cover Story
Leadership in Higher Education Procurement—A Worthy Purpose

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Pathway to a Successful Bid-Evaluation Process

Five Tips for E-Commerce

Sandy Hicks, CPPB
Assistant Vice President/Chief Procurement Officer
University of Colorado
NAEP Board President, 2010-2011
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**NAEP Diversity Conference**  
**August 1-4, 2010 at the Hilton Providence**  
Providence, Rhode Island  
Registration is now open at www.naepnet.org.

**NAEP Tier I Foundation Academy**  
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### 2010 Fall Regional Meeting Schedule

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*Combined meetings

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**Now Available On-Demand!**

- **2010 NAEP Green Procurement Survey Research Results** (Presented June 9)
- **Procurement Professionals Reach for the STARS** (Presented June 16)
- **American Recovery and Reinvestment Act: Resources for Higher Education**

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**2010 Fall Regional Meeting Schedule**

- **REGIONS**: Metro NY / NJ*, DC / MD / VA*, DE / PA/ WW*, TOAL, MINK *, MN / DAK *, Upstate NY, Northwest *, Rocky Mountain *, British Columbia, Alberta, Saskatchewan CN *
- **MEETING DATE**: September 15-17, September 19-22, September 26-29, September 28-October 1, October 3-6
- **CITY/STATE**: Gettysburg, Pennsylvania, College Station, Texas, Omaha, Nebraska, Brockport, New York, Seattle, Washington

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**LIVE From Denver: Recorded Sessions from 2010 Annual Meeting**

The following sessions from the 2010 NAEP Annual Meeting were recorded LIVE from Denver and are now available on-demand from www.naepnet.org.

- **Best Practices with Suppliers**
- **An Interview with Leaders: Their Thoughts & Journeys**
- **Req to Check—Live in the Trenches**
- **They Told Us Where to Go**

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N AEP has just released a new study done in cooperation with the American Association of State Colleges and Universities (AASCU), which reveals that significant opportunity exists to increase cost savings, efficiency, and productivity through the reform of state and institutional policies in public higher education procurement.

Based on a survey of procurement officials at the nation’s public four-year universities, the report looks at the impact of state policies on institutional efforts to better control costs in campuses’ purchasing operations. This study, called Public College and University Procurement: A Survey of the State Regulatory Environment, Institutional Procurement Practices, and Efforts Toward Cost Containment, provides actionable insight on how both institutions and states can make significant improvements through a variety of reforms, while maintaining transparency and accountability in the multibillion-dollar higher education procurement enterprise. Some highlights from this report include suggestions to:

- Build a campus culture of procurement accountability. This begins with creating a campus-wide culture that recognizes the importance and value of procurement policy in improving efficiency and cost savings, along with implementing institutional policies to ensure that administrative purchases are made through established contracts, to reduce so-called “maverick spending.”
- Ensure that system and institutional procurement officers receive adequate training and ongoing guidance regarding current state procurement statutes, regulations and policies.
- Where state policy allows, seek to fully utilize opportunities to participate in group purchasing consortia.

Key Recommendations for States
1. Provide greater autonomy to systems and institutions regarding procurement policy.
2. Review and, if warranted, increase the minimum dollar threshold for purchases requiring state approval, as well as adjust minimum thresholds involving formal competitive (sealed) bids.
3. Make participation in state purchasing contracts voluntary.
4. Allow institutions to participate in group purchasing consortia.

Key Recommendations for Systems and Institutions
1. Where state policy allows, seek to fully utilize opportunities to participate in group purchasing consortia.
2. To the extent that institutional resources permit, further analyze institutional procurement expenditures through greater utilization of e-procurement tools.
3. Review current system/institutional procurement rules with the goal of developing a cohesive and comprehensive policy.
4. Build a campus culture of procurement accountability; implement institutional policies to ensure that administrative purchases are made through established contracts.

The report offers recommendations for key stakeholders—state lawmakers, state procurement officials, college/university and system leaders, and those integrally involved in campus-level procurement operations—that can facilitate cost reduction, improve efficiency, and enhance quality in public higher education.

The report is available free at the NAEP website at www.naepnet.org/costcontainmentstudy. I encourage everyone, whether you are in a public or private institution, to download this terrific and timely report.
Leadership in Higher Education Procurement—A Worthy Purpose

by Sandy Hicks, CPPB
University of Colorado

Too often, we become mired in the daily details of our jobs and we lose sight of the important contributions we make to a very worthy purpose—graduating the future of America. I have dedicated my entire career to higher education, and I am honored to find myself in an official leadership role at the University of Colorado. But long before I held a leadership title, I was fostered in a culture of leadership. I learned early on that leadership occurs at all levels in an organization, whether or not you have staff responsibilities, and that is a culture that perpetuates to this day, with my own staff.

Leveraging Leadership Skills Every Day

We have all attended conferences, seminars, and webinars and read articles on leadership. To be a good leader, it takes passion, commitment, being a good communicator, being an even better listener, being in the know, and knowing who is in the know. It also takes some special magic ingredient that no one can quite identify.

My experience in managing the procurement group at the University of Colorado tells me, very clearly, that while all of those qualities are great to cultivate—especially the magic ingredient—I believe that without a tactical plan on how to leverage those skills in your everyday working life, they are just words from one of those seminars we’ve all attended.

So rather than fill this article with concepts and theories, this will be a practical discussion on how to apply a few key leadership skills in your everyday life, and how to tailor those skills so that your leadership style is best adapted to the unique environment of higher education.

Keep Your Finger on the Pulse: Cultivate Your Internal Relationships

It is critical to stay connected to what is going on at our institutions, in our local communities, and inside our profession. That’s where relationship building comes into play in a big way. It’s through the day-to-day interactions with our colleagues, management, suppliers and local community that we build our knowledge base.

Our colleagues appreciate when you have a global overall knowledge of what is going on. It can assist us in providing better service and command a better overall understanding of the University. Stakeholders will appreciate procurement’s value-add to the process when they are confident that you understand their needs, their issues, and their requirements and are able to map those to the bigger goals of the institution. Be the player on the team who can provide the bigger picture and the solution, and you’ll be part of these conversations while the plan is taking shape. Involve stakeholder departments in your decisions while they are taking shape and you’ll get buy-in. Effective communication is always “full duplex.”

What makes higher education so different from any other environment is the range of diverse functional groups we interface with—from housing to research, from maintenance to architects, from students to faculty to staff. It is important to realize our campus departments are not independent, and procurement is one of the few groups on campus that crosses all the functional lines. We can unify what are seemingly discrete groups to create a successful team. Now that’s leadership!

“Many persons have a wrong idea of what constitutes true happiness. It is not attained through self-gratification but through fidelity to a worthy purpose.”
—Helen Keller
Procurement’s success relies on the interdependencies we can foster and maintain within the institution. For example, we recently implemented an expense system for reconciling procurement card and employee travel reimbursement. There were numerous departments involved in this project. It was important to have this cross-institution involvement to bring everyone’s concerns to the table. It was important to know where to go for help and where to find trusted allies to aid in keeping the project moving.

**Include Suppliers in the Mix**

Strategic, appropriate relationships with suppliers are also the hallmark of a successful leader. Intellectual capital abounds at most supplier organizations. Many times, this information can be extremely valuable to your institution, and conversely, you have intellectual capital that can help your supplier build better solutions. Engage vendors for insight and content but manage them in a way that is win-win for both of you. Strong relationships with your key suppliers give you a finger on the pulse for new products, technologies, and solutions. Strategic, well-managed relationships with your key suppliers can also enhance your institutional ecosystem for faculty, staff, and ultimately all other stakeholders, including students, alumni, parents, vendors, sponsors, community, and government.

**Stay Plugged into Best Practices**

When we are speaking with our leadership, it is important to demonstrate that you understand the most current best practices and that you know how to apply those best practices to the advantage of your institution. There are many ways you can stay current within our profession. Of course, the many resources of NAEP are extremely valuable to achieve this goal. The NAEP Educational Procurement Journal, website, listserv, classes, webinars, and meetings are excellent resources. In addition, it’s important to stay connected to the professionals you meet at NAEP events and through their online communities. One of the greatest benefits of belonging to NAEP is the utter willingness of our colleagues to share. Whenever I reach out to any Member, they are more than willing to share an experience, a solution—or even more importantly—what didn’t work. I say there is no point in reinventing the wheel. And thanks to my fellow Members at NAEP, I don’t need to.

While leaders need to be plugged into best practices at a strategic level, it is also critical to support and encourage our teams to plug in to best practices at a tactical level. The most effective leaders are those who understand that the more your staff knows, the better they can perform and, ultimately, innovate to improve processes that support your goals. The most effective leaders cultivate leaders. And on it continues.

As I said in my NAEP Board President acceptance speech in March at the NAEP Annual Meeting, “My wish for all of you is that you share a passion for the procurement profession, and that you enjoy your life work as much as I do. My request of you is that you strive to mentor others, in order to enhance our profession, and that you have fun doing so, and my final challenge to you is to go out and change the world—one Procurement at a time.”

Sandy Hicks, CPPB, is Assistant Vice President and Chief Procurement Officer at the University of Colorado. In this capacity, she is responsible for directing all phases of purchasing and payables operations at CU’s multi-campus system and for overseeing annual procurements in the amount of almost half a billion dollars. Her current staff of 55 includes Purchasing Agents, Contracts Administrators, Procurement Card Administrators and Compliance Analysts, vendors, Account Payable Technicians, and Travel Accounting Specialists. She has launched, and sustains, CU’s small business program and is spearheading its strategic sourcing and green purchasing initiatives.

Sandy has been involved in professional purchasing at CU since 1988, rising from Purchasing Agent, to Supervising Purchasing Agent, to Director of Purchasing, before achieving her current position. She has a lengthy record of commitment and service to NAEP. Sandy has been an active Member of NAEB/NAEP for 20 years. At the national level, she is well known as a strategic planning participant, conference program presenter, Program Committee Co-Chair/Member, and Professional Development / Electronic Communications Committee Co-Chair. At the regional level, she has hosted the District VI meeting and served as First Vice President, President, Host Committee Chair/Member, panelist, and presenter. Throughout this time, Sandy has worked to promote Association goals and Membership, with a special focus on new attendee orientation.

Sandy’s enthusiasm for the purchasing profession has also been evident in her service to the Rocky Mountain Governmental Purchasing Association (RMGPA), the regional organization for NIGP. In addition to maintaining her RMGPA membership for the past 16 years, Sandy has served the association as Treasurer, Vice President, President, and Elections Committee Chair. E-Mail: Sandy.Hicks@cusys.edu.
Now more than ever, procurement professionals are seen as stewards of their campuses. Financial and economic challenges have put pressure on supplier diversity programs across the U.S. At a time when the need for creative problem solving is at an all time high, now is NOT the time to lose programs that may provide exactly those solutions. This year’s Diversity Conference is geared towards making the business case for supplier diversity programs on campus. We will explore strategies and opportunities to engage your campus community in supplier diversity, and we will look for holistic and integrated approaches to combine supplier diversity into the campus framework.

**Actionable Strategies and Best Practices to Engage Your Campus Community in Supplier Diversity**

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**Room Rate: $149.00 plus applicable taxes**

(Hotel cut-off is July 1, 2010)

**Go to www.naepnet.org/diversity for more information and to REGISTER TODAY!**
Five Tips for E-Commerce

by Cory Harms, M.S.
Iowa State University

One of the biggest projects for purchasing departments around the country is the development of e-commerce solutions. Many of us have already automated our requisitioning and PO process and have had p-card programs for years, but the newest area of development is some form of e-commerce catalog management system for our major contracts. These catalog management systems allow users to access university contract pricing and either create a requisition or place an order directly with these vendors.

If you are currently working on something like this, are looking at new vendors to add to your system, or are in the process of designing or choosing a system, then here are some tips from lessons I learned the hard way.

Vendor Processes
Ask questions about the vendor’s processes for accomplishing e-commerce. One issue that I have run into is the need for the vendor to establish an account for every shipping address. This makes it more difficult for you to add new users, as their orders may go into an exception queue because no account exists for them. You need to know how they handle substitutions so that you can account for them on the reconciliation side, or let them know that you do not allow substitutions. You also need to know their data capabilities. If you have implemented in (SciQuest, Ariba, etc.) most used on campus to see how the vendor sites operate with each of them. Even alternate versions of the same browser may work differently or not at all.

Pricing
One thing you can negotiate by allowing vendors to be on your implementation is better pricing, because you are eliminating some of the manual processes involved on their end—like paper invoices, check cashing, order entry, etc. I would also suggest that you check their pricing on a regular basis. Automated catalogs do have errors and many times may not reflect the pricing you have in your contract. If your users see prices that are higher than those of alternative vendors (when those higher prices would, in fact, be lower if they were the correct contract prices), your program can be dealt a sharp blow in user adoption. Checking your pricing regularly will help keep your vendors on their toes and save your users from getting overcharged. Ask for some pricing validation guidelines when you put your card provider to understand the fields that are available to you and what they are called. If you want to do line-item matching, you will need to investigate whether the vendor can transmit that back to you, and if not, how you will address that.

User Involvement
Involve your users at the beginning of any enablement. Ask them how they interact with the vendors you are putting on your system and how orders are placed. What things would they like to see improved? How do they communicate with the vendor now? What information should the site make available?

Browser Issues
You need to know what browsers are supported by each vendor and what your user-base uses. You will also want to try the browsers (Internet Explorer, Safari, Firefox, etc.) most used on campus to see how the vendor sites operate with each of them. Even alternate versions of the same browser may work differently or not at all.

Vendor’s Experience
Know what experience and expertise your vendors have with e-commerce. If you are putting out an RFP for a commodity to be put on your platform, you need to ask their experience and capabilities. You will want to ask what platforms they have implemented in (SciQuest, Ariba, etc.). Do they provide online order status? Can they provide online quote-to-order? Can users access packing lists and invoices on the site? You may also want to ask them to include shipping in the contract price and if they can’t, ask that shipping be shown on the site before an order is placed, or determine if it is shown separately in their data transmission for level III or on the electronic invoice. You may also want to know what shipping options are available on the site and if you want to allow your users the availability of those options. Depending on the way you transmit orders and how the vendors receive the orders, expedited shipping may not be an option, and you will need to address that with your users as you roll out the solution.

I hope these recommendations are helpful. A catalog system takes hard work, but it is well worth it in the long run.

For questions or comments, please feel free to contact me at clharms@iastate.edu and good luck with your projects!
N AEP’s 89th Annual Meeting & Exposition, held in Denver in March, brought together nearly 600 procurement professionals and solutions providers to confront shared challenges and best-practice solutions in the beautiful mountain city. Dynamic and interactive, this year’s meeting was replete with networking, learning, recognizing Member achievements and giving back to the community.

The highlight of the meeting was our Awards Luncheon, where we recognized top performers and achievers in our community. The Association’s highest honor, the Bert C. Ahrens Award for outstanding contributions to the procurement profession over an extended period of time, was given to John S. Klopp, Purchasing Agent IV, University of Iowa. John has served our Association and its Members tirelessly in many high-profile ways, as well as behind the scenes. Serving two terms as National Board President, John also contributes to several committees including the Scholarship Committee and the Educational Procurement Journal Editorial Board. John also makes personal contributions of his artwork each year to our silent auction to help us reach our fundraising goals. It is no surprise that our highest honor goes to such a selfless and tireless contributor to the procurement profession.

Additional 2010 award winners were:

- **Distinguished Service**
  - Thomas J. Fogarty, Executive Director of Procurement & Auxiliary Services at HACC, Central Pennsylvania’s Community College, and Lorelei Meeker, C.P.M., Assistant Vice President Purchasing at Indiana University-Bloomington.

- **Professional Perspective**
  - Cory L. Harms, M.S., Associate Director of Purchasing at Iowa State University for his article, “Are Departments Our Allies or Our Enemies?” appearing in the Educational Procurement Journal, Fall 2009 issue. To view this article, go to www.naepnet.org/fall2009.

- **The Neil D. Markee Communicator of the Year Award**
  - Linda Collins, C.P.M., Assistant Vice Chancellor of Grants Administration, at the University of California-San Diego.

- **The Bob Ashby Mentor of the Year Award**
  - Thomas J. Fogarty, Executive Director of Procurement & Auxiliary Services at HACC, Central Pennsylvania’s Community College.

- **The Young Professional in Procurement Award**
  - Travis Ball, CTPM, Director of Purchasing, Texas A&M University-Commerce.

- **The Nancy Tregoe Scholarship Award**
  - Karen Khattari, Purchasing Coordinator at Cedar Crest College, Allentown, Pennsylvania.

- **The Award of Excellence in Procurement**, an honor reserved for institutions, went to: University of Colorado, Denver, and Emory University, Atlanta, Georgia.

A new and exciting component to our exhibit hall this year was our Build-A-Trike charity event. Five teams joined together to build and decorate tricycles that will enhance the life of a needy toddler while competing against one another in a series of high-energy activities.

Linda Jroski, Lafayette College, holds up her new iPod Touch, which she won in the Exhibit Hall.
What better way to network than to play games, have fun, band together for a little healthy competition all while giving back to the community? It’s a win-win all the way around!

The five tricycles were donated to Warren Village (www.warrenvillage.org), where motivated low-income, previously homeless, single-parent families are assisted in moving from public assistance to personal and economic self-sufficiency.

Thank you to our Build-A-Trike team sponsors: Grainger, NAEP’s District VI, NJPA, U.S. Communities and VISA.

Feeling Lucky?
Denver and our Host Committee bid us farewell from the Denver Center for Performing Arts Sea- well Grand Ballroom, where attendees enjoyed fine dining, live piano entertainment, Texas Hold ‘em, as well as other games of chance.

The Silent Auction
Only the bidding was silent as Members greeted each other in the Host Committee area where they came to donate items and shop for souvenirs. All proceeds benefit the William E. Haas Memorial Scholarship Fund, which awards grants to Members for professional development opportunities. Thanks to the generosity of our donors and attendees, this was a very successful event.

We would like to thank all of our 2010 sponsors for their partnership and support:

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Friends gather after a supplier mixer.

Good-spirited, costumed team members display the five tricycles donated to Warren Village.

Members network at NAEP’s Booth during the exhibition; furniture for the lounge was donated by CCI.

Incoming President Sandy Hicks and then-President John Riley lend a hand to Team No. 1 during their New Attendee Orientation Networking Challenge.

Team members lend each other a hand during our Build-A-Trike charity event.
Pathway to a Successful Bid-Evaluation Process

by Nicole Lamb, CPIM
University of California, San Diego

It's Monday morning and your manager informs you of an exciting opportunity to lead a competitive-bid process for a complex, campus-wide need. What do you do first? OK, what do you do right after slipping an extra shot of espresso into your coffee? For most of us, the natural response is to compile a spend history; research existing campus, system or cooperative agreements; identify current suppliers; and investigate market trends. All are the right answers, but your manager further explains that you need to manage this process using a bid-evaluation committee. This is more complicated, so you ask yourself, “What are the steps for managing a bid-evaluation committee?” It takes hard work and planning, but by using this method, your manager and the stakeholders involved will be assured that the outcome will be successful.

In the public sector, we are held to a high standard for managing sourcing initiatives. This summary provides a model for managing the engagement of a bid-evaluation committee, and steps required to ensure that fiduciary responsibilities are successfully executed.

Developing the RFP Requirements

To quote Ben Franklin, “failing to prepare is preparing to fail,” so before we get into the basics of running a successful bid-evaluation team, let’s back up and touch on the development of the RFP document itself. Involving experts from the major stakeholder and user community is critical. The RFP is the voice of your campus customers, and it must articulate their requirements in the form of concise questions worded to garner bidder responses that are meaningful and appropriate. Clearly, identify mandatory requirements, responsibility and responsiveness factors, as well as the evaluation and scoring methodology. Include details about the evaluation method being utilized, such as best value or lowest cost per quality point, and explain the calculation processes. The best run “dream team” evaluation committee can’t save a poorly structured RFP, so be sure to fully vet this document before distributing it to the committee. After you’ve established these fundamental elements, the recruitment of committee members can begin.

Forming the Evaluation Committee

For this committee to be effective, you need to have the right mix of people who share an interest in the final outcome. Ideally, you already have the group of stakeholders who assisted you in creating and prioritizing the RFP requirements and in identifying potential bidders in the market. If not, as a good starting point, refer to your initial spend analysis to identify the end users who account for 80 percent of the overall purchases. Ask your professional buyers for names of faculty or researchers who are known subject-matter experts, and don’t overlook the fact that the buyer may be an expert resource, too. Even if these specialists can’t participate, they may suggest other leads to consider. If you have information about customers who have been critical of past suppliers or contracts, call them to make sure their issues are addressed in the new requirements. Include process-owners from accounts payable, receiving, and e-commerce offices who have a vested interest in how the resulting contract will be managed day-to-day.

We all acknowledge—in today’s economy of tight budgets and heavy workload—that everyone is stressed to do more with less. So, don’t be surprised if your phone mysteriously disconnects or people suddenly run away at a dead sprint right after you utter the words “join” and “committee.” (Admit it; you’ve done it, too!) To combat this reaction, you’ll need to put on your sales hat and prepare to pitch the value of their contribution. You should be ready to articulate the desired outcome of the RFP (quality improvements, hard dollar-savings, additional services, etc.), offer a quick summary of the tasks to be performed, and outline the time required. Be certain to follow the proper channels to obtain the OK to involve staff in this effort; doing so will avoid embarrassing repercussions later. Promote this as an opportunity to be involved from the start, and to ensure that the suppliers selected will best support the overall needs of the institution.

Managing the Bid-Evaluation Committee

Now that the dream team has been confirmed, it’s time to take a deeper dive into the details. Following is a checklist of to-do’s for managing the evaluation engagement.

- Create an information packet to share with the committee, so that all team members are familiar with the steps in the process and understand their roles and responsibilities. The package can be distributed electronically. It should include an explanation of the entire RFP process and why it is necessary for compliance with state statutes, polices and regulations. Present the purpose of the RFP and the timeline of events, especially the bid closing, bid evaluation, and projected award-dates.
- Assign a lead for the committee and explain all related duties.
- Clarify the need for confidentiality and explain what to do if a bidder contacts a committee member. There should be only one point of contact from the time the RFP posts until contract award.
• Require each team member to sign a Non-Disclosure Agreement to secure his or her understanding of the obligations as an agent of the institution.

• Define conflict of interest issues such as a financial investment in a bidder’s company or personal/family ties to potential bidders, and provide a written Conflict of Interest Statement, if appropriate, for signature.

• Provide the official RFP documents and scoring matrix to review in exchange for the signed Conflict of Interest and Non-Disclosure Statements.

• Review the RFP documents and make sure everyone has a clear understanding of which questions relate to each scoring criterion in the matrix.

• Review the difference between mandatory and scored evaluation criteria and how responsiveness and responsibility factors will be determined. Identify the sub-teams that will review those factors and contact references, if required.

• Explain the evaluation method being used, provide an example of how the calculation is completed, and assign someone outside the committee to review the financial and pricing submissions.

• Outline the official steps of the evaluation process and provide guidelines on scoring objectively and consistently, based on the format and scale chosen. Make sure everyone grasps what constitutes an excellent, good, average, and poor response score. It is essential that all members score every bid, and if a second phase of scoring is required, they must be able to attend and score that phase as well.

There is a great deal of information to share during this phase of the process, so allow ample time to answer questions after the team has read and digested the RFP documents.

Conducting the Evaluation

The moment of truth. Populate the final scoring matrix with the names of the responsive bidders (those that met the minimum mandatory requirements). Ask once again for confirmation that there are no conflicts of interest with the list of finalists and remind everyone of their confidentiality obligation. Provide all the tendered bid-documents, except for financial data, to the committee and highlight the sections that need to be scored on the matrix. Since you’ve already taken the time to go over the process details, you will only need to provide a refresher on the scoring steps, scale, and guidelines. Have the team agree upfront on how irregularities, missing attachments and requests for clarification will be handled. Set up a regular conference call to check in on everyone’s status, and address any issues as they arise.

After submission, the team lead should review the individual scores for outliers or large deviations. If any exist, set up a meeting to discuss those areas as a team and then allow time for those team members to make changes before tallying and sharing the final quality point totals. Upon the team’s approval, these scores are given to the data sub-team to calculate the final results.

Following Up

Congratulations are in order, but your work is not complete. Let the team know what the next steps are in the negotiation and award process and keep them posted on the progress. You might be surprised to discover that some of the participants are interested to join the negotiation and implementation stage. Find ways to continually improve the process by asking the committee members to provide feedback or complete a short survey.

A good evaluation committee is the key to establishing agreements that truly meet the needs of the organization. This is an accomplishment to be proud of, so always say “Thank You” with a personal note summarizing the impact of their time and effort, and be sure to copy their manager!

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Two topics will shape green purchasing in the near future. The first is the quest for a true green-products labeling system. The second is clearly and concisely capturing spend data in the vast enterprise systems employed by higher education.

Labeling System

For a very long time, purchasing has been chasing this pot of gold with, at best, disappointing results. 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 these are important characterizations of where purchasing has been and, to some extent, where purchasing is now. A single, ubiquitous, valid product-certification simply doesn’t 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, who is talking about doing something similar, will fall short of the mark, but it is to say that, for professional purchasers, it simply will not be good enough.

Capturing Spend Data

In these difficult financial times, the amount of pressure that procurement professionals are feeling about green purchasing is immense. Quite frankly, there is a lot of pressure to back off and wait. But the fact is that the really good times may never return. So the argument may be made that there is no better time than now to meet the need for a solid data-capture system. Sadly, today’s ERP systems are poorly designed and are not easily changed. Thus, when Purchasing Departments most need the data to support the green purchasing, the tools are sorely lacking.

Vision for 2015

Since June of 2007, 675 university and college presidents have signed the American College & University Presidents’ Climate Commitment (ACUPCC). The range of institutions engaged in this practice is a mirror of higher education, from the smallest and most technically oriented institutions to the largest public universities. This bodes well for the higher education purchasing profession.

According to the ACUPCC website (www.presidentsclimatecommitment.org/about/mission-history):

“The American College & University Presidents’ Climate Commitment (ACUPCC) is a high-visibility effort to address global climate disruption undertaken by a network of colleges and universities that have made institutional commitments to eliminate net greenhouse gas emissions from specified campus operations, and to promote the research and educational efforts of higher education to equip society to re-stabilize the earth’s climate. Its mission is to accelerate progress towards climate neutrality and sustainability by empowering the higher education sector to educate students, create solutions, and provide leadership by-example for the rest of society.”

These institutions must clearly understand that for success to be in the offing they must make fundamental changes in the 800-year-old culture that is higher education. The three major undertakings for higher education are:

- Realizing and accepting that society is demanding change in the sector;
- Being accountable when responding to society and understanding that leading by example (not merely “do as I say”) is imperative when accepting compensation for creating change agents in the form of undergraduate and graduate students; and
- Meeting the expectation to create and implement activities, policies, programs, and projects that are scalable, reproducible, and financially viable.

If they are to succeed, these institutions must develop green purchasing practices as part of this transformation and to meet their ACUPCC commitment. What this means is that a fully integrated, holistic approach to green purchasing is being developed and deployed, thus transforming higher education purchasing. This is a major undertaking for higher education and its purchasing professionals. It can and must be done prior to 2015.

The critical components of an integrated holistic green purchasing program are:

- Increased organizational visibility and accountability;
- Shared mission, vision, and strategy;
- A seat for purchasing at the leadership level;
- Increased skills in professionals;
- Robust data systems; and
- Relationship management focus.
Increased organizational visibility is necessary for institutional success. Climate neutrality can only be achieved through the supply chain and the 16%–18% of institutional spend that flows through the process. The public reporting required of the ACUPCC signatories superimposes a higher level of commitment and accountability. Presidents and chancellors, once visibly linked to the success of a green purchasing program, will provide the necessary support to allow the program and related projects to succeed. In essence, when the chief executive becomes the champion, there is every reason to believe that significant results are achievable.

Following on the heels of actions taken by the chief executive is the critical step of achieving consensus around a shared mission, vision, and strategy for the elimination of greenhouse gas emissions. Early results demonstrate that this is an essential step. When sufficient dialogue has taken place, the academic culture can get behind the process. These are intelligent individuals who know that the second largest slice of an institution’s budget is the supply chain, involving funding for maintenance, operations, and capital projects. They also know that they can directly affect the procurement cycle both positively and negatively. When shared mission, vision, and strategy come together, the synergistic result is truly greater than the sum of the parts. Faculty and staff know that Purchasing Departments can deliver the results expected under the ACUPCC commitment.

The quest to maintain a shared mission, vision, and strategy is not easy to pursue. The long-term success of the green purchasing program will not be realized if the Purchasing Department functions as a third- or fourth-tier operation. The Purchasing Department, particularly at large public sector institutions, must be elevated to the leadership level. It is illogical that the second largest element of the budget and the place where the “rubber meets the road” on greenhouse gas emissions would not be elevated to the executive level. There must be direct interaction with the champion in order to serve his or her quest to meet publicly avowed goals under the vision. It is the primary building block in the strategy, mirroring what is taking place in the private sector.

Clearly, if the Purchasing Department is going to be performing this critical role, the skill sets of the departmental personnel need to be updated. It cannot be assumed any longer that buying is buying, or that contracting is contracting. Understanding the intricacies of an integrated holistic approach to the supply chain—where equal consideration is given to environment and equity as well as to economy—is a dramatic shift in behavior. There is no reason to believe that this cannot be accomplished. It will require investing and re-investing in personnel, and monitoring their performance against the goals. They must have the necessary tools. For example, if the institution’s enterprise resource planning (ERP) system is generations behind in data collection, ease of use, and reporting, a disaster is likely in the making.

Robust data systems are a critical component of my 2015 view of purchasing. It has been a slow evolutionary process in higher education to get more controls in place for the second biggest slice of the budget, but the time will have arrived when this issue is addressed. Leadership will have been willing to invest in the tools for the success of the Purchasing Department because it cannot reach its higher objectives without equipping the supply chain with the requisite knowledge and systems. Along the way, Purchasing Departments will make major contributions to the body of work regarding total cost of ownership. This is critical because institutions and their spending patterns are here for the long term. Thus, it is a logical extension that lifecycle analysis, which is a valid and generally accepted concept, will be codified in software solutions.

Finally, the Purchasing Department—once properly situated, staffed, trained, tooled, and committed to a shared vision—can make the huge shift to relationship management. The 2015 environment is one in which the total cost of ownership is celebrated by all business partners. Long gone is the attitude that the supply chain for higher education is adversarial in nature (i.e., suppliers are regarded as adversaries rather than strategic partners). This shift will fundamentally propel the entire profession into high gear. The energy expended in supply chain management can be focused on results typified by long-term relationships that deliver value consistent with the vision, not merely lowest price or (ill-defined) “best value.” When institutional leadership recognizes the power of this approach, purchasing professionals will truly be able to say that they have transformed the supply chain. Please consider this as the opportunity of a lifetime to do great things!
The State of Nevada is a little short of money to balance its 2010 budget—almost one billion dollars short. No, that was not a misprint. That means all departments within the state must tighten their belts to meet our constitutional mandate to balance the budget. (Is the same thing happening in your state?) The University System in Nevada cries that we absolutely cannot even consider cutting our higher education budget since education is the key to the state’s growth, attractiveness, and ability to draw commerce. Both the system and our state legislature agree that a state without an emphasis on education will lose out to states that do emphasize it as core to their business climate. But that does not change the bottom line, which is that we must cut our budget—just as all state departments must. Does this sound familiar? Need I go on? Aren’t all of us who work for state universities in the same fix during these tough economic times? Aren’t private universities likewise affected?

The State of Nevada sympathizes with us but directs that we must cut our budgets by 6.9% (down from an original mandate of 10%), even though we had previously been forced to cut 24.2%. The University of Nevada Reno (UNR) solved at least a portion of its problem by eliminating its entire College of Agriculture. Yep, the whole thing—all professors and all support staff. The University of Nevada Las Vegas (UNLV) is looking to follow UNR’s lead and has already identified its departments that are not cost-effective. Professors and support staff are all very nervous right now. Again, is your university facing similar scenarios?

These actions caused me to wonder if UNR or UNLV considered outsourcing Purchasing, Receiving, Fixed Assets, etc. If that happened, what would the purchasing director do? I know what I would do: I would evaluate my staff in the following four areas:

- Those with a college degree and a professional certification;
- Those with either a college degree or a professional certification;
- Those with neither a college degree nor a professional certification but who are currently working on attaining one or the other; and
- Those with neither a college degree nor a professional certification and who are not trying to attain one or the other.

Saving jobs would be difficult (along with helping those who lose their jobs to get new ones), but I would try. For those in the top tier, I would try the hardest. But my odds of being successful would diminish the lower I got in my four categories.

If your school requires cost-cutting, downsizing, or outsourcing, which of the above categories describes you? What educational goal do you need to set for yourself? If you are in a state university, you may attain your CPPB if you do not have a degree and your CPPB and CPPO if you do. NAEP may not be able to help you attain your degree, but it can guide you by identifying which study materials you need, which supplemental materials can be invaluable, sample exam questions, valuable feedback from previous test takers, and online support. Now that is a help in saving your job and/or preparing you for the next one.

What are you waiting for? Contact Bob Ashby, C.P.M., CPCM at ashbybob@embarqmail.com. Let’s get you started toward the top tiers.
Thirty years’ experience making important strategic decisions and here’s where we are: where to go for lunch?

Back in the days when the informal agreement with my institution was that I pretended to work and they pretended to pay me, out of necessity, I packed my lunch. After eight years of bologna with warm mayo (thinly disguised by my spouse as a weight-loss program), the well-deserved raises finally came, and occasional lunches off-campus were finally possible.

The need for lunch breaks with friends was more than calorie consumption. Lunches became stress-relief valves made of laughter—cheap therapy—as we struggled to cope with marriage, children, older cars, bosses, and second opinions on office politics. Most of all, they were sanity checks.

Lunch logistics could probably be developed into an entire psychology class, negotiation course, or at least a Ripley’s Believe It or Not episode.

The initial process begins with three simple questions: Whom to ask? When to leave? Where to go?

Whom to Ask?

In the early years, my invitee list was longer, and my attitude more egalitarian. Bad experiences have cured that.

Yes, I have taken folks to lunch to get to know them better—which is code for, “They can’t possibly be as weird as they seem!” (I was wrong; some are.) Or to smooth out a rocky relationship based on the assumption that the offending party will either give in or offer to pay. Or the etiquette-training lunch where the instructor interrupted our conversation every 30 seconds to offer tidbits of advice like, “Keep your hands above the table; no one wants to wonder what you’re doing.” “Say what?”

Then there is lunch with the vendor who, on the surface, appeared rigid and void of personality. Guess what? He actually is rigid and void of personality.

Those memories are filed under “A Good Lunch Ruined.”

When to Leave?

Axiom: Departure delay worsens as the number of diners increases. “Sorry, I had to ________.” Fill in the blank with lame excuses: “go to the restroom;” “finish an email;” “talk to an unexpected walk-in (apparently more important than you).” Delay is more palatable with a bit of creativity. “Sorry, I had to put the flag at half-mast because I knew you would kill me for being late for the 25th time.”

With more than three, it’s impossible. “Just tell me when everyone is at the door ready to go.” If more than one person is too precious to wait, you may just want to pull the fire alarm.

Where to Go?

Three of us, close friends for years, got in the car and began the “Daily Dance.” The guy who just made a brilliant presentation to the C Suite now has the analytical ability and creativity of an amoeba.

“Where shall we go?”

“Oh, I don’t care. Anywhere is fine.” Blah, blah, blah.

So, I stop in front of a Chinese restaurant where my favorite hot and sour soup is served. One guy, with a look of disgust, says, “I didn’t know you were going to come here! I’m walking back to campus to swim.” And he did. Now he’s decisive! Or, in Las Vegas after a convention, everyone wants to go out to dinner except for one who demands to be taken back to the hotel. That’s how the invitee list gets shorter and why there is increasing paranoia in being accountable for the decision.

Ideas to Break the Deadlock

What kind of food do you feel like? Hamburgers? Mexican? Roasted grubs? Leftover mayo and bologna reheated on the radiator as we drive to the emergency room?

Bring a coupon for a restaurant you actually enjoy. (There’s no room here to talk about splitting the bill: “Uh, I don’t have any cash but here is my two-for-one coupon.” Yeah, right.)

Choose an unfamiliar trough. If it’s good, great! If it’s bad enough, even better! (Like that green stuff that looked like something from the farm but tasted worse.) The memories will accumulate like war medals on a hero’s uniform.

Combine a “short” errand with lunch. That narrows down the possibilities.

And the latest idea in vogue: “Whoever drives chooses.” It has some merit, but only because my buddies haven’t figured out that the guy who came up with the plan commutes by motorcycle.

So—why do we persist? Not for the food or location; those don’t really matter. It’s the conversation and friendships that do.