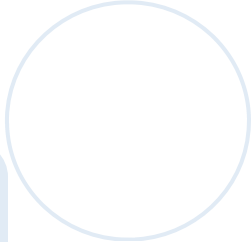




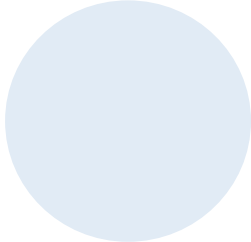
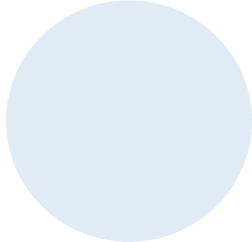
The BuyLine

Training Dates

- eProcurement Training to be held Wednesday—September 15th—contact Joe Pickul at jpickul@admin.umass.edu or 545-2119
- Procard Trainings to be held on Friday—September 24th and Monday—October 18th — contact Leasa Roberts at lroberts@admin.umass.edu or 545-0363
- Procard Reallocation Training is arranged as needed — contact Holly Lankowski at lankowski@admin.umass.edu or 545-1748
- Procurement Overview through WL&D on Thursday—November 4th—see details under FAQ section



September 2010



Volume 2, Issue 4

Reducing Costs on Full Service Maintenance Contracts



Staff from the Procurement Department have been meeting with representatives of Specialty Underwriters LLC, to discuss how they can help us reduce our costs on full service maintenance contracts. Their program will give us the ability to manage, control and reduce our costs on certain full service maintenance agreements by 15% to 30%.

they can reduce our costs on cover communication, data processing, mail, laboratory, medical, security alarm and office equipment. Specialty Underwriters will work with the vendor that currently does the maintenance on your equipment, to ensure the response times and service levels that you currently receive will not be impacted.

Representatives from Specialty Underwriters are coming to the Amherst Campus on September 23rd and 24th to meet with representatives from de-

partments that could benefit from their services. If you want to meet with the representatives from Specialty Underwriters to discuss the opportunities for cost savings in your department, please contact Gary Duggan at gsduggan@admin.umass.edu or 545-6231.

Gary will also be reaching out to departments that have been identified as having potential for cost savings.

The type of contracts that

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Bottled Water Price Reduction

Effective May 1, 2010, Nestle Waters of North America/Poland Springs has forwarded a price reduction on all purchases of 5-gallon Purified and Spring Water under the UMass Amherst Campus Contract: CA09-RH-3242. The cost has been reduced 11% from \$2.29 per 5-gallon container to ONLY \$2.03 per 5-gallon container! To review the price changes from Poland Springs, please go to the Procurement Web-site and link on Contract Access, then to Campus Contract# CA09-RH-3242 for Bottled Water.



Recycling of used bottles is a priority for the University of Massachusetts Amherst. In 2007 Jack Wilson, UMass President, signed the President's Climate commitment. The University supports this effort to reduce the adverse environmental impact of our purchasing decisions. We are committed to buy goods and services from manufacturers and suppliers who share our environmental concern and commitment. We encourage vendors to include economical and environmentally friendly products and service options which serve to minimize waste, reduce excess packaging, recycle, reduce, reuse, prevent pollution and/or offer resource efficiency in their bids. It is our goal to maximize environmental responsibility on the UMass Amherst Campus. See link for more information: www.presidentsclimatecommitment.org.

Indemnity Clauses

Have you tried to purchase a \$300 software package or even a \$5 app from Apple and been informed by the Procurement Department that you couldn't? The culprit is the "I Agree" button at the end of the on-line agreement that you have to accept before you can purchase the software or app. – Those two words are causing all of the problems. In 95% of these small dollar agreements, there is an indemnity clause that has wording that states that you agree to "indemnify and hold harmless" the vendor. When you accept that clause on a personal level the vendor can come back to you and sue you for Damages, Breaches, etc. However, when you accept it in the name of the University it means that the vendor can sue the University for Damages. Without a



maximum amount of damages listed in the agreement, i.e. \$10,000, in theory the damages would be unlimited. Legally we (any staff member or faculty at UMass) can't commit the University to an indemnity clause so that's the reason we have to deny requests for these items. Our legal counsel has advised that we cannot approve an indemnity clause at any dollar level. Even though it's only a \$300 software package, the vendor could sue us for millions of dollars...the purchase price isn't relevant to the cost to settle a suit.

We are working with legal counsel to come up with an acceptable way around these small purchases and will let you know when we come up with a solution. In the mean time, we appreciate your patience.

Regardless of the cost, indemnity clauses are something the University can not agree to.

How to Access your Corporate Travel Card Account Online

U.S. Bank provides University corporate travel cardholders with real-time access to their VISA account information including online transaction activity, billing statements, payments, and account status through AccessOnline.

To use AccessOnline, you need to register.

1. Go to: <https://access.usbank.com> and click on the **Register Online** link at the bottom of the screen.
2. Complete the required fields:
 - Organization Short Name = **umass**.
 - Account Number = 16-digit VISA account number without spaces or dashes.
 - Account Expiration Date = the actual expiration date on your VISA card.
 - Account Zip Code = 5-digit zip code on your billing statement (do not include + 4 zip code digits).
 - Click "**Register This Account**". The Licensing Agreement displays - read and click "**I Accept**".
3. Create your User ID. User ID must be 7 to 20 characters in length and can be alpha and/or numeric.
4. Create your Password. Password must be 8 to 20 characters in length, with at least one alpha and one numeric character.
5. Authentication Question is used for security purposes to authenticate your account if you forget your User ID or Password.

When entering information in self-registration, invalid entries will return an error message. You have three attempts register. If all three attempts fail, your account will be locked out from self-registration. To unlock your account, or if you have any questions regarding AccessOnline, please contact U.S. Bank Customer Service at 1.877.887.9260 or the UMass Amherst Travel Card Program at 413.545.0361.

The Dollar Threshold for Competitive Bids for Material Purchases Has Increased



In accordance with established Board of Trustee purchasing policies, effective August 1, 2010, the minimum

limit for requiring the use of competitive bids for material purchases obtained by the Procurement Department was increased from the current level of \$5,000 to a new minimum level of \$25,000. As of August 1st all material purchases between \$5,000 and \$25,000 that **are not** covered by a recognized **contract** (University, Campus, MHEC, or State) will only require the department to obtain three valid quotes. These quotes will be submitted to the Procurement Department for review.

Non-contract purchases in excess of \$25,000 will continue to be processed through the Procurement Department for public bidding.

1. Exceptions:
 - The policy for labor and materials construction contracting remains unchanged.
 - The policy for contract purchases remains unchanged.
 - The policy for Sole Source purchases remains unchanged.
2. Except as noted in item 1 above, for material purchases between \$5,000 and \$25,000, departments shall obtain three written quotes and submit them to Procurement referencing the requisition number to which the quotes apply:
 - The purchase will be subject to the review and approval of the Procurement Department.
 - The requesting department shall go with the lowest of the three quotes – exceptions must be supported by a written justification explaining the reason for rejecting the lower quote.
 - Purchases may not be dovetailed to avoid the bid limits. A department cannot put in multiple requisitions or buy smaller quantities to avoid the public bid process...e.g. a department cannot purchase a 4 month supply or enter multiple requisitions to avoid a public bid for an annual quantity.

◆ **Contract Purchases** must be accompanied by a quotation from the contract vendor to support the purchase at \$5,000 or higher – there is no change in this policy. Please remember that all contract quotes must reference the contract name and number, the contract discount where applicable, and the contract FOB point (determines who pays the freight and where ownership passes).

◆ **Sole Source Purchases** must be accompanied by a written quotation from the vendor to support a purchase at \$5,000 or higher together with the appropriate *Sole Source Justification* form – there is no change in this policy. The Sole Source Justification form is unnecessary if the purchase is covered by a University, Campus, MHEC, or State contract and is purchased from the contract vendor. In such a case, at \$5,000 or higher, all that is required is the written quotation and the contract name and number.

To qualify for sole source, the product must be unique and the specified vendor must be the only known vendor from whom the product can be purchased. For the complete definition of Sole Source, please go to the Procurement Department website under Forms. See http://www.umass.edu/procurement/Fill-In_Forms/formindex.htm and select the appropriate Sole Source form.

◆ **Competitive Purchase:** A competitive purchase is defined as any purchase type that is not unique or is available from more than one source of supply.

◆ **Dovetailing:** Procurement defines dovetailing as when a user enters multiple purchase requisitions, either short or long term, to the same vendor to avoid the dollar limitations placed upon purchases for competitive bids.

These new limits will decrease the time required to obtain the products and allow the department more leeway in selecting an appropriate vendor. If you have questions, please contact the Procurement Department for guidance.

The acquisition process has been streamlined for material purchases under \$25,000.

Amherst Procurement Department

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We're on the web - <http://www.umass.edu/procurement/>

A few words from the Director—John O. Martin



Internal Audit



The thought of being audited can strike fear into even the most stoic person. Late last year, the Procurement Department was informed that an audit would be conducted by the University Internal Audit Department. This department is led by Robert Harrison as Director, whom many of you may remember from when they were located at the Hadley Mass Ventures Building. Bob assigned two of his senior auditors, Christine Galica, and Sarah Mongeau to perform the audit. They spent several weeks going over records and reports, meeting with Procurement and Accounting staff as well as staff in other departments to review the Procurement and Accounting Audit process. They reviewed Procard files, purchase orders, invoices, etc to determine if policies and procedures were being followed. We are very happy to report that the audit team was very complimentary of the staff in the Procurement and Accounting departments and we were cited for several best business practices and innovative procedures. While this is a little of “tooting our own horn” it really reflects how we...all Campus departments...have worked together to insure the University receives the best quality services and products at a reasonable cost. We have received many ideas from departments over the years that have lead to some of these improvements. We thank Bob, Christine and Sarah for their professional attitude and friendly demeanor... they were a pleasure to have on our campus. We also want to thank each of you for your past cooperation and suggestions and we look forward to continuing to work together as we provide our services to the campus community.

Returning an IKON or Ricoh Copier

We have received a few calls from departments who are having issues with returning copiers that are off lease from IKON or Ricoh. The issue is that the vendor is stating that the department is responsible for the cost to pack and ship the copier back to them. Please note that this is NOT accurate. All copiers from Ricoh and IKON that were leased under the State of Massachusetts con-



tract, which 99% are, should be picked up by the vendor at no cost. If you have this issue with a vendor, please bring this information to their attention. If necessary, you are welcome to have them contact us in Procurement. We'll make sure your department isn't charged.



"I would like to commend your Print Services Department for their excellent service. They are extremely courteous & professional. Working in the Contracts Dept., there are times when we need Contracts printed immediately, and they always come through!"

John Sullivan
Physical Plant
Contract Office

FAQ—

- **What happens if I haven't used my Procard in a while?**
If your Procard remains unused for longer than one year then it will be automatically canceled unless separate arrangements are made.
- **How do I learn more about the Procurement Department?**
You should consider signing up for the Procurement workshop offered through Workplace Learning & Development. The next session is Thursday—November 4th—9:00-Noon.
Course objectives:
 - An overview of the Procurement Department functions and responsibilities
 - Purchasing Procedures
 - Contracts and Contracts for Services



Registration will be available by mid-September at <http://www.umass.edu/wld/registration.php>.

Please consider this workshop and the chance to meet some of the Procurement Staff.