



Purchasing Sense

Princeton University's Purchasing E-Newsletter



2004 NPI Award Recipient

Welcome

The Purchasing Department presents this e-newsletter to the Princeton University community with the goal of providing timely and effective information to assist you with your procurement needs. We welcome any comments or suggestions for future articles.

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Fly America Act

In support of ORPA, the Purchasing Department recently negotiated agreements with several travel agencies who will certify to the University that a trip has been booked in compliance with the Fly America Act if the traveler identifies themselves as a Princeton employee traveling on federal funds. The Fly America Act requires the use of U.S. flag carriers to the maximum extent possible. With the many code sharing arrangements among airlines, compliance can be both complicated and difficult to monitor. Therefore, it is recommended that travelers call one of the four certified agencies directly to make reservations:

- [Anthony Travel](#) (800) 366-3772
- Attn: [Pat Walsh](#)
- [Class "A" Travel](#) (609) 497-0011 - Attn: [Marianne Murphy](#)
- [Marathon Travel](#) (800) 826-2978 - Attn: [Tanya Yenter](#)
- [Navigant](#) (800) 966-3802
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Travel User Group

The Purchasing Department will be coordinating a travel user group meeting on July 18th. Anyone interested in participating should contact Don Weston no later than July 12th. The focus of the travel user group will be to ensure that the needs of the campus community are being met by the University Travel Portal and travel-related contracts.

Small Business

Mentoring Sessions

On June 28th, Purchasing held the third and fourth in an ongoing series of half-day small, disadvantaged business mentoring sessions. The following vendors were trained on best practices with regard to doing business with Princeton, as well as submitting on-line purchasing contract bids:

- Ad Innovators (*Marketing*)
- AC Optics (*Optical Systems*)
- Alpha Graphics (*Printing*)
- Ardem Inc. (*Document/Data Scanning/Conversion*)
- Armand Corp. (*Construction Mgmt*)
- Buda Consulting (*Consulting*)
- Capital Paint (*Paint Supply*)
- CPMS, Inc. (*Construction Mgmt*)
- IH Engineers (*Consulting*)
- Interior Plants (*Plant Maintenance*)
- IT Bridges Inc. (*Consulting*)
- Mason Display (*Graphic Design*)
- NJ Sign Crafters (*Signage*)
- PInG (*Internet Design*)
- Red Wolf Design (*Marketing*)
- SHM Mailers (*Mail Services*)
- South Jersey Party Supply Inc. (*Party Supplies*)
- Stratus Services Group (*Staffing*)

These sessions are a continuation of the outreach efforts aimed at strengthening our ties to local small, disadvantaged businesses in the community.

Vendor Fair

All faculty and staff are invited to join us on Tuesday, November 1, 2005 between 10:00 AM and 2:00 PM in Dillon Gym for the annual Vendor Fair. Come and see the many products and services offered by our contract vendors. There will be over 100 product displays and exhibits. As in prior years, there will also be sections highlighting “small businesses” as well as “environmentally-friendly” products and services. More details will be available this summer.

Benefits of Purchasing Contracts/Lessons Learned

The Purchasing Department establishes [strategic supplier relationships](#) that leverage the University’s buying power and maximize supplier competencies to create cost savings and efficiencies for the campus community. Typical vendors that Purchasing partners with are ones that handle a large volume of transactions or total expenditures each year. By establishing term contracts, Purchasing strives to leverage economies of scale to provide savings either in the form of cost savings, convenience or simply ease of mind.

Recently, an academic department became concerned about how funds were being spent because they discovered that individuals were routinely going off campus to local office supply stores on their own time to purchase small-dollar office supply items. This practice raised some concerns on several levels, so Purchasing was asked to investigate.

A cost analysis was performed and the results found that by using our preferred contract supplier, Office Max (formerly Boise); savings could be achieved in several areas.

1. **Price:** Our discounted pricing is substantially less than one would pay over the counter at most stores (even when compared to the sales promo flyers). Specifically, on the items in question, we found that the individuals essentially paid double the contract price.

2. **Tax:** In cases where individuals make purchases at local stores, in many instances they are charged sales tax. However, our term contract suppliers have our New Jersey sales tax exemption certificate on file and we are therefore not charged sales tax.

3. **Convenience:** Many of our contract suppliers like OfficeMax provide next day, desk top delivery, which eliminates the need to use personal time and expense to obtain the good and/or services. Furthermore, we look to establish on-line catalogs from our preferred vendors that offer Princeton-specific pricing. For example, Office Max has their complete catalog of over 13,000 items on-line with Princeton-specific pricing (www.officemaxsolutions.com). In the case of office supplies, if all else fails, individuals can pick up the phone and call our on-site rep, Mary Erickson @ 8-3400, who will gladly assist them.

4. **Electronic Payment:** By placing orders via an on-line portal, payments are made electronically so there is no need to manually process paperwork associated with personal reimbursements.

In conclusion, utilizing Purchasing contracts makes sense and can save you a lot of time and money.

Terms and Conditions: The Battle of the Forms

Purchasing, along with the Office of General Counsel, recently updated the standard Purchasing terms and conditions that are issued with all purchase orders and pre-signed by vendors on orders greater than \$25,000.

In today’s business environment, it is common to see several pages of fine-print attached to vendor bids or quotations. This “fine print” is often a proverbial mine-field that contains language that typically strongly favors the seller in many areas such as limitation of liability, indemnification, insurance, termination, warranty, etc.

In what is commonly referred to as “the battle of the forms,” vendor quotations are issued with terms that favor the seller, then a purchase order is issued with terms that favor the buyer, which is then confirmed by an order acknowledgement that again includes terms that favor the seller. With no written record of acceptance, it is difficult to determine which, if any, apply.

In most cases, end-users are not lawyers or trained buyers, they are primarily concerned with getting the goods/services delivered at a specific time, so the fine-print is often overlooked until something goes wrong. Purchasing then gets involved to resolve the issues and the “fine-print” is a vital part to successfully resolve the situation.

Purchasing now obtains the vendor’s written acceptance of Princeton’s terms and conditions in advance of issuing a purchase order to document vendor acceptance for use in resolving disputes.

Disadvantaged Business Vendor Fair

The Purchasing Department is participating in the New Jersey Higher Education Purchasing Association's Disadvantaged Business Development Vendor Fair that will be held on August 17, 2005 at Rutgers University.

The focus of this fair will be to provide small, disadvantaged businesses with the opportunity to network with representatives from NJHEPA member institutions to learn how to do business with participating organizations.

The Princeton University Purchasing Department has been a member of NJHEPA since 1988 and has been one of the primary institutions involved with coordinating this event.

Environmental Intern

Sponsored by the Princeton Environmental Oversight Committee (PEOC), a Princeton University student intern will be working in various departments including the Purchasing Department this summer to conduct research on the usefulness and effectiveness of Energy Star appliances and develop recommendations. A final report will be submitted to the PEOC.

Capital Inventory

This summer, the Purchasing Department will be coordinating the physical inventory of capital equipment. Departments will be contacted in the next two weeks to schedule appointments.

Sales Tax Exemptions

The Purchasing Department maintains state sales tax exemption certificates for the following states:

- [Arkansas](#)
- [Colorado](#)
- [Connecticut](#)
- [Florida](#)
- [Idaho](#)
- [Illinois](#)
- [Massachusetts](#)
- [Michigan](#)
- [Missouri](#)
- [New Jersey](#) (*Princeton is not exempt from the [NJ State Hotel/Motel Occupancy Tax](#).)*
- [New York](#)
- [New York City](#) (*Hotel Room Occupancy Tax only*)
- [Ohio](#)
- [Oregon](#)
- [Pennsylvania](#)
- [Rhode Island](#)
- [Tennessee](#)
- [Texas](#)

Computer Standards

The University has established standards for computers purchased and used for university business. The Desktop Systems Council (DeSC) recommends specific configurations that include:

- Network compatibility
 - Standard hardware components
 - Software applications
 - On-site service
 - Extended warranty
 - "Premier" internal and external technical support
- The purchase of non-standard computers is not recommended. A decision to purchase a computer that is not consistent with the established standards needs to recognize the computer:
- Will not be eligible for on-site service, but must be returned to an off-site repair facility.

- Will not include standard hardware components, which may cause compatibility problems with other hardware and software used on campus
- Will not be eligible for DeSC or for DeSC services such as automatic software updates or use of key-served software.
- Will not include the same software as the DeSC standard.
- Will be charged sales tax and University policy is that Sales Tax is not a reimbursable expense and will be the responsibility of the individual.

New Contracts

- Bernard Hodes (*HR Advertising*)
- Britton Industries (*Mulch*)
- Chamberlin & Barclay (*Specialty Blend Fertilizer*)
- Englewood Co. (*Athletic Tape*)
- Hampton Inn (*Local Hotel*)
- Hights Farm Equipment Co. (*Farm/Snow Equipment Parts*)
- Medco (*Athletic Tape*)
- Oliver Communications Group (*Wire Subcontracting*)
- Town & Country Aluminum (*Westchester Doors*)
- Verdicon (*Pesticides*)
- Viand Ingredients (*Solar Salts*)

Upcoming Events

- Capital Inventory, *Summer 2005*
- Travel User Group, *July 18, 2005*
- NJHEPA Small Business Fair, *August 17, 2005 @ Rutgers*
- ShoeMobile, *October 21, 2005*
- Princeton University's Annual Vendor Fair, *November 1, 2005*

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