

THE PURCHASING CONNECTION

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CONNECTING

One very important aspect of Purchasing's Mission Statement is how we are going to achieve the values and goals of the mission statement. The Process as we see it is identified in our Values Statement. Let's look closer at the first element found on www.HACC.edu, Business & Community Page under Purchasing.

Connecting: Purchasing will reach out to Faculty, Staff, and Business Community's needs by:

- Listening** - to better understand their needs in procuring goods and services, and
- Respecting**— their knowledge and expertise in their areas of discipline.



The Chartres Labyrinth

CONNECTING in an effort to be effective, Purchasing is LISTENING TO and RESPECTING the Faculty, Staff, and local Business Communities. HACC's Purchasing Department is committed to this value. We continue to expand upon this value to help in meeting HACC's Strategic Plan and assist in each Department's established procurement needs.

I have recently contemplated the concept of the Labyrinth and how it is like Purchasing at HACC in so many ways. The Labyrinth takes us through countless twists and turns; it holds all our experiences in life and in work. At HACC, Purchasing often takes us through many twisted paths in order to reach a goal, giving high quality education to our HACC students as we move towards the center of the labyrinth. Sometimes the walk can be long and at times we may drift away from our destination—Purchasing is committed in achieving the goal. After reaching the center of the labyrinth, the goal is met by sending forth highly motivated and educated students.

Purchasing's role is to acquire requested goods and services that will either directly or indirectly meet each department's objective. And to acquire these goods and services providing the same level of expected quality at the best overall cost.

This is not accomplished by just placing an order with a vendor. Purchasing needs to listen to the Faculty, Staff, and Business Communities to really understand their needs and requirements. We need to place ourselves in your environment—to be able to see, touch, hear, and even smell the product(s) and or service(s) needed. As Ben Shneiderman is quoted as saying, "A picture is worth a thousand words. An interface is worth a thousand pictures". Say you are asked to go to the grocery store to buy some bananas. Now we all know what to buy—right. WRONG! Do you realize how many different sizes, colors, and shapes of bananas there are. There are brown ones, yellow ones, green ones, big ones, medium ones, small ones—the next time you are at the grocery store, check them out. The point is—by seeing and listening to what is needed, the selection process becomes so much easier.

This leads to the next element of Connecting—Respecting the knowledge *Cont'd Page 2*

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**Respecting
the knowledge
and expertise
of Faculty,
Staff,**

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CONNECTING – Cont'd

and expertise of Faculty, Staff, and Business Communities. They are not the experts—The Purchasing Staff are not plumbers, electricians, librarians, nurses, chefs, musicians, actors, programmers, computer technicians, teachers, or day-care providers. The Purchasing Staff buy things; test the markets; instill competition; stretch operating, capital, and grant fund dollars; develop fair playing fields among the suppliers; and use Purchasing Methodologies that are consistent with HACC's Policy and Procedures. Purchasing relies on the

Faculty, Staff, and Business Communities expertise and knowledge of the goods and services required. Who better understands these environments than the users. In the classrooms, the Faculty know what works best in educating their students through many, many years of experience. In the multifaceted departments throughout each campus, the staff knows what products and services are best needed to accomplish the goals set forth by their department heads. In the Business Commu-

who better than the Business Leaders communicate to the Procurement Department what is happening in the mainstream in business, technology, and the environments.

In supporting the goals of HACC Strategic Plan, the Purchasing Staff is anxious to identifying the many procurement opportunities to connect with the Faculty, Staff, and Business Communities. Let us help guide you through the Labyrinth.

UNDERWRITING MAINTENANCE

You have equipment—you ensure its availability through a manufacturer or service provider agreement to fix the equipment should the system go down.

You pay an annual fee for this service. A fee that the service provider is pretty sure, unless carefully managed, to make a significant profit on at the end of the agreement.

It is like an insurance policy to protect against huge repair bills. You may need it and you may never use it but your willing to pay for that security.

NOW, HOW WOULD YOU LIKE PURCHASING TO SAVE YOU SOME OF YOUR MAINTENANCE OPERATING BUDGET.

It is simple to do—"underwrite" the maintenance with an insurance firm who utilizes the buying power of multiple organizations and statistical repair estimates of thousands of pieces of equipment spread throughout the country to charge the college a reduced rate on the maintenance agreements. HACC Purchasing is currently working with Riverview Consultants, LLC (RCL) to do just that.

HACC currently has 54 pieces of equipment covered with RCL which is saving HACC \$9,084 per year. The labs in the

Select Medical Building just included 33 pieces of equipment yielding a \$4,733 annual savings.

How does it work—HACC shares with RCL the maintenance agreement from the service provider to make sure that RCL coverage will include everything the existing contract covered.

The same service provider is used—but service is provided on a "Time and Material" basis. When the equipment needs servicing, the service provider is called to work on the equipment. An invoice is sent to Purchasing, who forwards the invoice to RCL for payment.

RCL will review the invoice for accuracy and process for payment at no charge to HACC. RCL also assist in managing the service provider to ensure timely repair of the equipment.

HACC is currently working with 12 different service providers to maintain the various college equipment. The service providers have accepted this arrangement very favorably.

The RCL program provides real-time evaluation reports on the covered equipment performance detailing the service history of each piece of equipment via an internet portal. From

these history reports, life expectancy of the equipment can be thoroughly analyzed, with replacement plans well thought out for capital requests.

So, if you are currently paying for a maintenance agreement on your equipment—contact Purchasing to see how you can save on average 17% on your equipment maintenance. We will be glad to discuss the program with you.



Dental chairs covered under the RCL Agreement

THE PURCHASING CONNECTION

DEFINITION: PREVAILING WAGES

Pennsylvania Prevailing Wage Act (43 P.S. §§ 165-1 – 165-17) - Every contract to which the Commonwealth, its political subdivisions, an authority created by the General Assembly of the Commonwealth including authorities created under the Municipality Authorities Act of 1945 (53 P. S. §§ 301–401) and instrumentalities or agencies of the Commonwealth is a party, for construction, reconstruction, demolition, alteration or repair work other than maintenance work where the estimated cost of the total project is in excess of \$25,000, which requires or involves the employment by a contractor or subcontractor of laborers, mechanics, skilled and semi-skilled laborers and apprentices in the performance of services directly upon the public work project shall include in its specifications a provision stating the general prevailing minimum wage rates as determined by the Secretary which shall be paid for each craft or classification of workmen needed to perform the contract during the anticipated term thereof in the locality in which the public work is performed.....

NOW WAIT—I know that is the technical version. Let me try to explain in more “Layman terms”.

With all the construction, repair work, improvements and educational equipment at all the campuses—a lot of these

jobs cost in excess of \$25,000. When the estimated cost for a job exceeds this \$25,000 threshold, the job must be formally bid requesting “Prevailing Wages” - a wage rate determined by Labor and Industries.

Note, this includes both material and labor. If the labor cost is \$15,000 and the material cost is \$20,000—the total being \$35,000, the transaction must be at “Prevailing Wage”, even though the labor cost was only \$15,000.

If the job is bid with an estimated cost of \$28,000 and a bid came in at \$24,000, the job still is required to be billed at the “Prevailing Wage”. The thinking here is that the bidder who came in at \$26,000, could have bid something lower than \$26,000 if Prevailing Wage was not required. So in order to keep all bidders on a fair playing field, they all must bid at the Prevailing Wage Rate.

So the next time you are contemplating a purchase which includes equipment with installation, such as test equipment for the Midtown labs, or improvements to

the “Bullet Traps” at PSC—those firms you may be opening dialogue with will need to be advised about Prevailing Wage.

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BANNER CONNECTION

As we go into the last half of the fiscal year, keep an eye on your committed dollars on your operating budget. These committed dollars may occur in several ways:

1. A Requisition created in Banner but was never approved. If the Requisition is never approved, it is still setting aside dollars that can be used for another spend.
2. A Blanket Purchase Order has been created, such as
3. A Purchase Order is created for goods or services—say 50 items are ordered at \$100 each. Only 25 items were received and it was agreed to with the supplier not ship the other 25. \$2500 is still committed to that

Purchase Order, reducing your available funds. Purchasing should be notified to close the Purchase Order to increase your available dollars to be used elsewhere.

Go to FGIBAVL or FGIBDST and review the lines with committed funds. Research those dollars to determine if dollars could be freed up. Ask Purchasing to close purchase orders if balances will not be used. Review now –don’t lose your budgeted dollars—fiscal year end is approaching.

BANNER TRAINING: Requisition/Receiving

Location: Stabler 102—Video Conferencing all Campuses

Dates:
February 08, 2008
May 05, 2008
August 15, 2008

Time: 10:30am to Noon

No pre-registration required.

DID YOU KNOW?

Did you know that a Purchase Order is a Contract? When we think of a Contract, most would say that it is the document from a vendor with a whole bunch of terms and conditions (Ts & Cs). And in most cases, these Contracts favor the vendor—not HACC. We want to make sure that the best interest of the college is being met should anything go wrong in the transaction.

Most of the transactions that occur through the use of a Purchase Order do not have a vendor contract associated with them. When this occurs, the Purchase Order becomes the binding contract between HACC and the vendor. If HACC and a vendor sign the vendor's contract, then Purchasing references the vendor's contract on the Purchase Order making the vendor's contract the sole source of the Ts & Cs.

Before agreeing and signing any contract, Purchasing and/or outside counsel will review the contract language and negotiate more favorable Ts & Cs.

Remember, all contracts are negotiable—even contracts in your everyday personal life.

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**WE'RE ON THE
WEB. GO TO
WWW.HACC.EDU
UNDER "BUSINESS
& COMMUNITY"**

KENYA—AN UP CLOSE CONNECTION

HABARI = HELLO



Meet Eve Mwangi. She has been working in the Purchasing Department as a Student Worker for the past year and a half.

Eve was born and raised in Nairobi, the capital and largest city in Kenya. She says that the education grade structure between the US and Kenya schools are very much alike. Kenya starts off with Kindergarten, followed with Pre-Unit 1-8 which covers first through the eighth grade. Eve completed her secondary and higher level education (Form 1-4) at Limuru Girls School which would be high school in

America. After Form 1-4, she went to Catholic University of Eastern Africa (college) where she majored in Biology. In 2006, Eve moved to America to continue her education here at HACC. Her major is nursing with an ultimate goal of obtaining her Bachelors Degree in Nursing.

Kenya lies across the equator in east-central Africa, on the coast of the Indian Ocean. It is twice the size of Nevada. Kenya borders Somalia to the east, Ethiopia to the north, Tanzania to the south, Uganda to the west, and Sudan to the northwest. The monetary unit is the Kenya shilling. And the official language is English, with Swahili being the national language.

The annual rainfall over most of the country is surprisingly low and rather inconsistent from year to year. Temperatures in the costal area are similar to those of California. Only the coastal lowlands experience the constant high temperatures and the humidity. There is a rainy season between March and May and between November and December. With such a favorable climate sunny, moderately wet, and not too hot, Kenya offers a great variety of scenery, wild life and game parks, providing many attractions for the tourist.

Eve brings to Purchasing an opportunity to learn about another culture from another part of the world.

KWAHERI = GOODBYE

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