Vendor Relations
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Matrix of Vendor Relationships

High Switching Few sources

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<tr>
<th>High Spending</th>
<th>Commodity</th>
<th>Strategic</th>
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<td>Low Spending</td>
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Some examples:
Strategic -- Dell (executive level care, high spending)
Commodity -- furniture, fleet cars, projectors (think about reverse auction for these)
Standard -- USB drives, flash drives

What makes a vendor important?
- service
- responsiveness
- quality
- critical to an individual unit or entire University
- custom/sole sourced
- high switch-over costs
- Amount of spend

Strategic Vendors
- best overall value
- win-win relationship
- developed over time -- continuous improvement
- communication
- mutual investment

Discussion:
University Development and U Purchasing must be "at arms length" we can't buy based on future gifts or vice-versa. You can put things like "would you be willing to fund a scholarship?" as long as all vendors have a chance to respond.

We might want to prefer local vendors, proximity (think printing at the campuses).

Q: Do we have a contracts list? Can College of ? know what ITS is doing and vice-versa?
A: The commodity goes through a common buyer/agent in Purchasing, so they might know. We're also a member of various purchasing consortia, including CIC. Take advantage of eBuy opportunities. If we see an opportunity where a contract may benefit other departments, we'll try to do this.

Starting Out with New Vendors
- Short or long term engagement?
- Small vs. Large companies
- References
- Scope of work -- devil is in the details
- Progress updates and payments
- A way out?

Discussion: Source code in escrow with smaller companies as insurance against buy-outs. Scope of work is important especially in the professional services contracts. Also recommend progress updates with professional services. Tie payments to progress/deliverables. Scope of work is important if not satisfied. Make sure it's clear. Get the vendor to draft it. They know the industry better most times. If you're doing a
competitive bid, you might have to do most of this yourself. Purchasing will work with you early on if you think it should be a sole source. >10K proof of competition. >25k need to do RFP. >10k Board of Trustees business (need to get BoT approval. Need to get on the agenda). If there's a competitively bid contract (e.g. eBuy), you can buy off that contract w/o having to do a new competitive bid.

Sole source: when negotiating with a new strategic partner, what role do you want Purchasing to play? We prefer to be involved from the beginning. When the formal proposal goes out, before T's and C's are negotiated, Purchasing should be involved.

We think we have a pretty good relationship right now between Purchasing and IT orgs. Do you have like an "Angie's List" of vendors? We learn from our mistakes.

Things that change:
- personnel changes
- change in business direction (both ways)
- technology
- economy

Guidelines
- get promises in writing
- document problems in wiring and early
- do not disclose if project is sole sources
- during RFPs and other negotiations confidentiality is critical
- Donations and gifts are just that "arms length"
- Development and Purchasing are separate activities.

Q: what about non-disclosures?
A: Individuals should not sign them. Need the attorney form signed by someone who can. Individuals sign that they can understand the terms. What is confidential is marked as confidential. What does Risk Management think. We’ve worked on some guidelines for NDAs. The belief is that we should standardize this process a little. This was clearly a TODO from this meeting.