

# Boston University

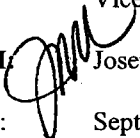
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## MEMORANDUM

**TO:** Vice Presidents, Deans, Directors, Department Heads, and Department Chairs

**FROM:**  Joseph P. Mercurio

**DATE:** September 18, 2006

**SUBJECT:** Strategic Sourcing & Procurement – Bid Policy

I am pleased to report that Boston University has had a number of significant accomplishments in the procurement and sourcing of goods and services over the past two years. The Charles River Campus and the Medical Campus purchasing departments have been consolidated into one coordinated unit, large master agreements have been successfully negotiated and several other key initiatives have also been launched. The University has recently begun to implement a strategic sourcing framework across all major spending areas.

In 2005, the Office of Purchasing Services outlined a strategic initiative with the goal of having 90% of the University's external spending under negotiated contract or agreement by the year 2010. Among our initial steps was to identify the terms and management of current contract and vendor agreements. This step helps Boston University prioritize future sourcing efforts, and also allows faculty and staff to benefit from pre-negotiated vendor programs that offer the best value at the lowest total cost. Through our collective efforts to date, master agreements in areas such as office supplies, laboratory supplies, scientific consumables, capital equipment, and photocopiers will result in institution-wide initial cost reductions of 10-25%. Additional ongoing process and cost improvements will result in savings of 2-10% annually. We will now begin the process of prioritizing categories of spending that are not currently under agreement and organize them by business need for future competitive bidding initiatives over the next 1-3 years. This is a long-range process that will benefit the entire community.

To assist us with accomplishing our strategic sourcing and procurement objectives, the number of university policies related to the competitive bid process and vendor management has been revised effective December 1, 2006. Each of the following topics may be accessed by visiting <http://www.bu.edu/purchasing/resources/bidpolicy.html>. Please take this opportunity to review the documents with your colleagues, or assign appropriate staff to familiarize themselves with this information.

1. Boston University Competitive Bid Policy
2. Boston University Policy on Non-Competition
3. Boston University Vendor Management Program
4. Boston University Vendor Direct Pay Policy
5. Boston University Agreement Administration Policy
6. Boston University Blanket Purchase Order Policy

The Offices of Purchasing Services and Financial Affairs will also be providing online training and tutorials in the weeks and months ahead. For more information, please visit the training links on the Purchasing web site at <http://www.bu.edu/purchasing>. The Purchasing Office is also available on an ongoing basis to assist departments with specific issues as needs arise and with procurement and competitive bidding support.

As we attempt to create more robust economies of scale, improved procurement processing and efficiencies, and appropriate vendor management, it is important the entire University community support these activities and revised policies. I, therefore, look forward to your help and further comments.

Thank you in advance for your cooperation and support.

cc: Karen Antman  
Robert Brown  
David Campbell