



*“...When our 11 month old pumps went down The Health Center was forced by circumstances to pay almost \$XX,XXX... to replace the faulty pumps. Your department was immediately involved in expediting an emergency PO to cover the cost of the pumps, then when it seemed that my complaints were falling on deaf ears regarding the financial loss to the university again your department worked with us to recover our loss... and an additional system was added onto to the pumps to assure optimal function at no additional cost to the university.”*

**Carolyn Mills**  
Operations Manager

The Dental Health Center

### **The Situation**

The Dental Health Center had its primary vacuum pump and back-up fail simultaneously which resulted in cancelled appointments and lost revenue for the clinic. The failed vacuum pumps, which are supposed to flush water from the system into the sewerage, broke down entirely and needed to be replaced. Prior to the pump failures, Boston University (BU) staff had reported excessive noise being generated by the pump system on several occasions. The supplier that designed, sold, installed, and maintained the system had dismissed any problems on these occasions.

### **Challenge**

The supplier would not release new equipment and parts without a purchase order (PO) because it considered the warranty period to have expired. Sourcing was tasked with issuing an emergency PO to fix the broken equipment, get the center back in operation to minimize cancelled appointments and lost revenues, and negotiate an out-of-warranty recovery.

### **BU Sourcing & Procurement Solution**

BU Sourcing & Procurement negotiated with the supplier on behalf of The Dental Health Center. Sourcing was able to document that the problem had been identified during the warranty period by clinic staff but not properly addressed by the supplier. Sourcing argued that the supplier should have identified the problem when presented by BU staff and that it had additional opportunities during regularly scheduled preventative maintenance to detect a problem and prevent the failure. Sourcing also speculated that the initial design was flawed – that the system would never be able to handle the volume of water being handled.

The supplier agreed that more could have been done to prevent the incident. The supplier also conducted a thorough analysis of the water evacuation system and learned that water flooded back into the system as the result of plumbing that was not up to code. The supplier asserted that the company could not have been privy to or responsible for the plumbing because it was downstream from the area where it had responsibility and recommended that BU pursue action against the general contractor for not building to code.

### **Benefits**

Sourcing negotiated the following concessions from the supplier:

- The supplier would not invoice the two brand new pumps installed in the facility
- Two multi-trap units would be installed at no cost to ensure that the supplier’s design never allows this to happen again
- Additional monitoring of the system would be provided regularly and on-call at no additional cost
- One broken pump was salvaged at no cost and returned to BU for use as a spare
- Broken pumps would be removed and disposed at no additional cost to BU
- A credit memo was issued for 80% of time and materials provided for repairs prior to failure

Total cost avoidance = \$XX,XXX