

**COUNCIL OF BUYERS
MEETING MINUTES
March 31, 2015**

Members/Attendees	School	In Attendance	Conference Call	Absent
Antoniak, Ed	UOM		√	
Arnold, Jon	COSCC	√		
Barker, Elaine	TSU	√		
Blain, Judy	APSU	√		
Browder, David	TCAT Jacksboro		√	
Carrier, Heather	WSCC	√		
Clark, Debbie	PSCC			√
Clark, John	PSCC	√		
Curtis, Elaine	COSCC			√
Desrochers, Suzanne	APSU			√
Fox, Alisha	CLSCC		√	
Greenwood, Valerie	TTU			√
Hamer, Lynn	WSCC	√		
Harris, Lana	SWCC		√	
Hemrick, Dart	JSCC		√	
Hull, Judy	TTU		√	
Hyland, Robert	NESCC			√
Jones, Ivan	TCAT Shelbyville	√		
Jones, Ben	MTSU	√		
Jones, Randall	NESCC	√		
Lowe, Doris	ETSU	√		
Martin, Ron	CHSCC		√	
McAteer, Linda	TCAT Murfreesboro			√
McGovern, Terry	VSCC	√		
Mount, Diane	RSCC	√		
Nabors, Jim	UOM		√	
O'Quinn, Danny	TCAT Elizabethton		√	
Owenby, Wilma	CLSCC			√
Presley, Dana	RSCC	√		
Pritchett, Will	MTSU		√	
Ridgeway, John	TCAT McKenzie		√	
Rouse, Lynn	JSCC			√
Rozell, Carol	MTSU	√		
Sims, Joel	TSU	√		
Smith, Jo	NSCC	√		
Stafford, Camilla	MSCC		√	
Watts, Amy	DSCC	√		
Young, Jerry	TCAT Crossville			√
Ellavsky, Blake	SciQuest	SciQuest		

Madden, Phillip	SciQuest	SciQuest		
Couch, Pat	TBR	√		
DeLoche, Cathy	TBR	√		
Flynn, Angela	TBR	√		
Hall, Deanna	TBR	√		
Hodges, Mark	TBR	√		
Pugh, Wayne	TBR	√		
Young, Stacy	TBR	√		

The meeting was called to order at 9:00 am.

Attendance was taken by Angela.

SciQuest Presentation – AP Director / AP Express

The meeting began with an overview of the AP Director and AP Express products. Presenting were Phillip Madden, SciQuest Account Executive, and Blake Ellavsky, SciQuest Solution Engineer. The presentation initially focused on differences between the Express and Director products, both of which are similar but which offer different levels of complexity. Both AP products, however, offer various options for tailoring to specific needs.

Within the SciQuest supplier network such common accounts payable issues as manual processing costs, accruals, and routing inconsistencies are dealt with in both time- and cost-efficient processes. Utilization of the AP products allows minimization of data entry costs required to process paper invoices, as well as delays in invoice payment times caused by manual processing cycles. Several specific AP value-delivered components mentioned by Mr. Ellavsky included eInvoicing (electronic, no-touch invoicing environment in which matching guidelines are preselected), the ability to flip orders to invoices with one click, direct pay automation, a digital mailroom, and OCR integration. The process of matching with the AP products provides an automatic receiving capability. The invoice approval process allows decreased cycle times, and creation, tracking and capture of early discount opportunities. Additionally, the AP products allow institutions to work proactively with vendors.

According to Mr. Ellavsky, market information obtained from independent organizations indicated the cost of processing one invoice can amount to as much as \$38.00, while the AP products may be processed for a cost as low as \$4.00.

Descriptions of the features of the two SciQuest products were provided. While options exist to add to the basic features of Express, AP Director provides more advanced options, including advanced supplier portals for flipping invoices and advanced dynamic functionality of the matching capabilities. Filtering options are available, i.e., for vendor selection and time frames. Information can be exported via charts and reports, and the end results displayed reflect benefits of early payment analyses, lost discount opportunities, and the monitoring of cycle times from submission to payment.

In contrast, the manual paper invoice process involving details of a low-touch scenario were briefly mentioned, in which a purchase order number is entered to create the invoice, with supplier profile information pulled from the purchase order and adjustments input as needed. The invoice is entered into the system and any matching exceptions may be noted at this point, or further along in the processing. An example was provided on the webinar screen in which the matching tab was examined first to determine the nature of the exception. Various tolerance thresholds had already been

preselected. These thresholds can be tailored in the initial application, or over time, and can be fine-tuned with usage. Both user and supplier issues may be evaluated for resolution, with the supplier portal providing functionality at both ends. With the intent of reducing time in follow-up of flags/issues, the time element is significantly less using AP Express and Director. Additionally, Mr. Ellavsky noted that information is easily captured with the AP system. When asked by Angela about the actual cost and cost comparisons of Express versus Director, Mr. Madden responded that the cost would be fee-based per school, and that he would follow-up with Angela to provide more cost information.

Collaboration with CPO for Goods/Services

Angela provided the Council with a brief TBR/UT/CPO collaboration update. A recent focus group call regarding the HVAC/Plumbing/Electrical collaborative initiative shows successful progression. Angela expressed appreciation to Council members for campus involvement in the project. Additionally, the other current collaboration effort for office supplies is in negotiations phase currently and should have closure in the near future, with Staples being the successful Proposer. The current Staples Agreement was extended until 4/30/15.

The next major collaborative initiative involves procurement cards, which present great potential, particularly to the community colleges, with regard to volume pricing and rebates. It was noted that UT currently has the best rebate in the state at \$1.83.

Various details were discussed regarding variations in stand-alone contracts, contracts in with current banking contracts, and expirations per school. Despite differing contract expiration dates, once the schools are all on the same contract, the schools will benefit greatly from the rebates. Although fall of 2016 is the expected time frame for this initiative, bid documents must be gathered prior to that time. Also, the CFO of each college or university should determine preference for renewing contracts currently in place, or to roll onto the collaborative initiative. It is estimated that, as a system, approximately \$32,000,000 is the current amount of spend on the pcard. Angela mentioned that with many payables departments paying for more and more purchases with a pcard these numbers are likely to move upward. The combination of TBR/UT/CPO purchasing could result in a significant revenue stream.

The next topic discussed was the recommendation for those schools with pcard and/or banking contracts expiring within the year to consider joining an existing agreement until the new combined contract is in place.

Proposed House and Senate Bills

A brief summary of pending House and Senate bills with potential to affect procurement was provided by Mr. Wayne Pugh. Information pertaining to two particular bills was mentioned. The first bill discussed was House Bill 696, and its companion bill, Senate Bill 589, dealing with the collection of sales and use taxes and proposed applicability to subcontractors. Confusing wording contained in the Bill has been noted and a request has been made for clarification from legislative sources. This Bill is currently up for review in a House subcommittee; however, no movement toward placement on the Senate calendar has taken place since February. Angela gave a brief summary, pointing out the \$75,000 value specified in the Bill for pushing down of major contracts to subcontractors was in question - whether the amount referred to was per year, per total value, etc. Another vague point mentioned was the definition of the word 'vendor' and the potential cancellation of contracts due to

vague language and differing interpretations. Additionally, Mr. Pugh pointed out the language in the Bill specifies that these contracts be 'unique to the functions performed by the State agency' but do not pertain to commodities or services common to the ordinary operations of the agency.

The second bill discussed was House Bill 84, and its companion bill Senate Bill 95, which add a new provision under Title XII, Chapter 2, granting General Services and higher education institutions the ability to participate in cooperative purchasing for items typically associated with facilities, as well as for the maintenance of real property. The Bill has been amended per request of the State Architect's Office. This Bill will likely pass based on its current placement in the House and Senate. However, the second part of the Bill rewrites TCA 12-3-5-12, which is the Protest Statute under State law. Concerns regarding the rewrite of this Bill surround the discontinuance of requiring a petition by the protesting party for a stay. Under this bill the stay would be automatic upon filing the Protest. Although a purchase subsequently would still be possible, this revision would require that the protesting party be heard prior to making a purchasing decision. However, the Statutes rewritten in 2012 have resulted in confusion due to language in Chapter 3 declaring all procurements by UT or TBR Institutions exempt from the entire Chapter. This would lead to the interpretation that the revised protest requirements would not be applicable to TBR or UT. Mr. Pugh stated that Vice Chancellor Sims will meet with UT legal officials to determine efforts to be extended in clarification of these issues. Angela suggested the possibility of addressing these issues in the spring 2016 legislative session.

Additional notes:

- Senate Bill 95, §2, possibly may allow interstate contractual consortium purchasing among higher education institutions.
- The Protest Committee is comprised of current Central Procurement Commission members, including Comptroller and head of Central Procurement Office.
- Limitation of Liability clause rewritten under the Chapter provides additional information regarding intellectual property matters and limits of general liabilities.

TBR Purchasing Policy and Contract Guidelines

Since the previous Council meeting, Dana Presley at Roane State, Will Pritchett at MTSU and Judy Hull at TTU have volunteered to be on the TBR Purchasing Policy and Contract Guidelines working sub-group. Angela requested additional volunteers, particularly community college participants. Alisha Fox from Cleveland State volunteered.

SciQuest

- **Audit Finding UOM**
Canty Robbins, Ed Antoniak and Jim Nabors were asked by Angela to report on recent State Audit findings at UOM regarding SciQuest in order that information may be shared with other campuses encountering similar issues. The most recent State audit resulted in a finding regarding inadequate segregation of duties for procurement transactions. It was noted that the procurement system allows one individual to initiate, approve and receive purchases. Although compensating controls exist, they noted the finding. Ed further stated that modifications were now being made at UOM to require that a requester no longer act as approver. The Physical Plant and Athletics departments were noted as being particularly vulnerable in this respect. All changes are expected to be in place by the end of April. Additionally, a caution was advised by Mr. Joel Sims involving pcard usage in work flow involving both requisitioning and approval,

stating that auditors will likely monitor systems and documentation of policies and procedures in this regard as they are currently at TSU.

- **New Release 15.1 Changes**

Highlights of changes in the new SciQuest release which went live on March 29th were presented by Mr. Mark Hodges. Dashboard changes and customization issues were discussed. Many levels of shopping dashboard, administrative dashboard, and personal dashboard upgrades were noted. Although easy to customize, these features are turned off as a default, and must be turned on. Mr. Hodges requested feedback and examples from those schools who do have the opportunity to review and experiment with the various levels of dashboard customization. Jon Arnold has been working on the ability for customization at Columbia State. A suggestion was made by Angela to add any examples provided by the schools to the TBR SciQuest webpage. Mr. Hodges also noted that handbooks are no longer available from the administrative dashboard. Mr. Hodges stated that the most helpful change in the new SciQuest version was the ability to now view histories of draft cart items.

- **Metrics/Dashboard**

Beginning with the next Council of Buyers meeting in June, Council members will be requested to provide institutional departmental procurement data, customer service data for its departments or data that is provided to senior staff at the institution. These schools will be randomly selected to provide this information. A question was raised as to whether or not an investment in Spend Radar to obtain information would be worth the expenditure. Angela noted that, reports can be generated with the current System but if there was enough interest by institutions, the Systems Office would work with SciQuest to obtain the best possible pricing on Spend Radar.

- **Consortium Suppliers**

HD Supply and Insight have made inroads with TBR to become consortium suppliers. A procurement market basket analysis has been conducted by TBR Purchasing. The findings indicated that Grainger seemed to be a better value, but all vendors were close in pricing overall. Although comparison numbers are still pending, Angela requested that any particular requests for HD Supply and Insight be relayed to her. It was mentioned, also, that Amazon is now available as a consortium supplier. A question was raised by Mr. Hodges to Mr. Jon Arnold at COSCC regarding work flow effects of Amazon being a punchout supplier and also requiring pcard usage. Mr. Arnold responded that Amazon has begun encouraging use of business accounts.

Another question was raised by Angela regarding requests that Dell has suggested some of our schools have made to personalize Dell punchout pages for each particular school. According to Dell, TBR schools are having difficulty obtaining e-quotes through the schools Dell punchout. In an informal question to the Council as to how many people were have trouble with eQuotes through their Dell punchout, there was a mixed show of hands. Angela asked the group to send her their Dell contact information. Marilyn at APSU agreed to send Angela the Dell contact information to Angela for follow-up.

- **TSM**

Ellucian/SciQuest integration and partnership with five additional schools has been in the works for over a year and there have been several delays along the way. New personnel at

Ellucian will meet with Lou Svendson to determine where we are at and what our next steps are.

Pilot Agreements

Angela advised Council members of two cautionary notes regarding pilot agreements. 1) Language must be included within the pilot agreement that makes it clear that at the end of the pilot contract term, applicable procurement procedures will be followed and, 2) renewals should not be a part of pilot agreements. Angela further stated that in the event a pilot agreement which involves renewals, the total potential value of the Agreement (including renewals) should be evaluated to determine if the pilot agreement should have Fiscal Review approval prior to implementing the Agreement. It is not a valid justification to continue with a vendor because they were used during a pilot process.

Next Training

Angie reminded the Council that training is done by the System Office approximately every three years, and will occur in 2015. From the procurement standpoint, Angela suggested contacting SciQuest to request a day training. Also, Angela requested comments from Council members regarding training from the contracts perspective. Note was also made that, in the fall of this year, the SciQuest Regional User Group (RUG) will be in Nashville. Angela will try to time the fall COB meeting in conjunction with this event to assist with travel expenses so that institutions could possibly attend both events. SciQuest's National Conference, Next Level, will be in Nashville next year, as well.

NIGP Codes

The cumulative annual cost of the contract for NIGP licensing has been \$7,200 in the past. Now that the five-year contract is expiring, Angela has been negotiating new contract details. The new NIGP contract cost will increase from \$7,200 to \$12,500; however, this will occur in incremental amounts through each of the next five years. It was specified that this fee applies to one user per campus only; additional seats may be purchased at a cost of \$40 per seat.

Renewals of Contracts that have been Approved by the TBR System Office

Angela reminded the Council that institution contracts that are simply being renewed, with no changes to the other terms, do not need to be routed through System Office for signature, but a copy of the executed renewal amendment **does** need to be provided to the System Office for contract logging/updating purposes. Particular mention was made of bookstore contracts that appeared to be expired but have actually been renewed at the campus level.

Updates

Office Supplies Contract: As previously mentioned, Staples was the successful proposer for the office supply contract. The partnership of TBR, UT and CPO has resulted both in better discounts and a much larger core list, now encompassing 600+ items.

Cisco Contract: The RFP process is complete and TBR's system-wide contract for CISCO equipment, network software and services has been awarded to Pomeroy.

Title IX/Campus SaVE Training RFP: The System Office has issued the RFP for Title IX/Campus SaVE Training for the TBR and UT Systems and has received two responses. Heather Stewart from TBR Legal and Heidi Fleming from TBR Academic Affairs are heading up the initiative. Currently, TBR is in the Technical evaluation phase of this process, which is scheduled for completion on 4/13/15.

Online Course Management System RFP: The presentations phase involving the three vendors that proposed: D2L, Blackboard and Canvas is complete. Presentations by all vendors were held at the MTSU and Pellissippi State campuses. A three-month testing phase will now begin on April 16th to assess efficiency and flow of information within the proposed Systems. The cost phase will then follow.

Library Agreements

Library agreements are now in place with two vendors, EBSCO and ProQuest, although ProQuest is community college specific. Legal negotiations have been completed, but refining is ongoing relative to users and functionality of the software. Angela is working with Peter Nerzak at PSCC regarding these issues, which should be resolved quickly.

Regarding master contract discussions in which master terms are available for referencing of any campus purchase, work with two vendors, Springshare and EBSCO, is close to completion. Work is continuing with Alexander Street Press and with Lexis Nexis.

AON

Angela provided updates on the following insurances:

Student Health Insurance. It was agreed at the student health insurance meeting held in February that the International Student Plan Offering would be continued. The exchange for domestic students will continue and will enable these students to shop for coverage. Efforts are underway to have all marketing materials to the schools by May 1.

Student Athletic Insurance. Discussion regarding student athletic insurance has been ongoing between Systems Office and the school campuses. Inconsistencies have been noted in the reporting of numbers of athletes, the groups of students covered, deductible levels and coverage levels. The student athletic survey was conducted to determine accurate, consistent information for purposes of coverage. AON has now received this information and will analyze the data in several ways. CFOs at all schools will be involved and updated, as changes could result.

Student Liability Insurance. Now that all institutions, with the exception of Motlow, Northeast, and TCAT McKenzie, have transitioned to the new broker, the next step of the process is to align all institutions to a common annual cycle which will be August to July of each year. As a result, some schools may be required to pay a small prorated amount in addition to the full year premium. An email will be sent within the week enclosing the yearly application and detailing the estimated dollar amounts due. It was noted that AON will not bill for this until the 2015/2016 fiscal year.

Expiring State of TN Contracts

Angela has started receiving information from the State regarding timing of upcoming contract expirations. Small package delivery service (SWC 380), digital mail machines (SWC 419) and building materials (SWC 102) are three of the contracts soon to expire. The State will begin providing a report of these expiring contracts to the System Office. Any institutions that wishes to be a part in any of these solicitations should like Angela know and she will communicate this information to the State.

OMB A-81 Update

Under the new Uniform Guidance, procurements of \$3,000 and more of \$3,000 or more now require a competitive process. A procurement leadership group representing 25 colleges and universities (with TBR being a collective entity within the 25), has sent communication to Washington DC requesting the micro purchase threshold of \$3,000 be raised to \$10,000, to match our current procurement guidelines. It is possible this request may receive approval upon governmental receipt of additional data. Angela and Mr. Pugh will attend a discussion with Mr. Michael Brunstein this week regarding the new guidance. It was emphasized by Mr. Pugh that the OMB is a guideline, not a regulation, and, as such, can be revised departmentally.

U.S. Communities Update

A brochure was attached to each agenda reflecting new contracts, including utility vehicles and pharmaceutical supplies, offered by one of our cooperative contracts, U.S. Communities.

Cooperative Contact List

Also attached for informational purposes is a revised list of cooperatives' representatives.

DocuSign

TBR Human Resources will begin piloting the DocuSign Software, in which methods of automation and electronic approval will be tested. Upon completion of a successful pilot, Purchasing and Contracts and other System Office departments will migrate to use of DocuSign. And, although documents will still have to be physically routed to the TBR System Office for approval and signature, internal TBR signatures previously obtained manually will now be electronically obtained, improving the timeliness of processing.

New Systems Office Employee

Anita Jansen will be joining the Purchasing and Contracts Office of TBR as Administrative Assistant I, beginning Monday, April 20. We welcome her to our staff!

Angela also wanted to take the time for the Council to thank Stacy Young for her assistance during this transition period.

Additional Staff Changes

Samantha Johnson has taken another position within the UT system and is no longer UT Director of Procurement Services. Blake Reagan, previously UT contract point person, will be now be assuming the procurement role.

The meeting adjourned at 11:40 am.

Minutes recorded by Stacy Young.