

Advisory Committee on University Resource Management (ACURM)

Meeting Minutes

Open Meeting of December 6, 2021

Attendees

- **Present:** Lisa Di Carlo (chair, faculty), Christine Geib-Ayala (staff), David Muller (alum), Mark Blyth (faculty), Meaghan Carley (grad), Michael Santoemmo (staff), Mukul Khanna (undergrad), Sara Cunningham (alum), Ana Boyd (undergrad)
- **Presenters:** John Luipond, Jeanne Hebert
- **Guests:** Eli Grossman, Leslie Nevola
- **Absent:** Melvin Rogers (faculty), Tiffany Amaral (staff)

Agenda

- Guest speakers John Luipold and Jeanne Hebert (open to the Brown community)
- Discussion of SBCA petition (closed)
- Approval of minutes from last meeting

Notes

- (Open) Presentation - Purchasing and Strategic Sourcing Operations and Policies
 - Luipold: VP of Real Estate & Strategic Initiatives
 - Hebert: Senior Director of Strategic Purchasing, Contracts & Insurances
 - SPCI Organization
 - 9 members
 - What is purchasing and strategic sourcing?
 - Purchasing: the process of acquiring goods and services, typically in a non-strategic manner; decentralized
 - Strategic sourcing: an organized, collaborative, data-driven approach to making informed purchasing decision that result in improved services and efficiencies; focus on total cost of ownership
 - Example of typical purchase:
 - Under \$3,000 purchase
 - Pcards to purchase allowable goods (from any supplier they choose)
 - Or department orders
 - Over \$3,000
 - Department obtains quote(s) from supplier(s) to purchase good or service, or simple order (quote & purchase order creates contract)
 - Complex order: contract is negotiated and executed

- A number of challenges... to address these, new tool called “Brown Buys” that allows departments to work directly with 15 strategic suppliers to achieve long term savings
 - Allows them to see where spending is going compared to the Pcard
 - Automatic Workday integration, more seamless process
 - Strategic suppliers: how did we choose them?
 - Identified top suppliers in the past, looked at competitive pricing,
 - Strategic suppliers should always be used unless the product is unique and not available through the strategic supplier
- Purchasing policies:
 - Policy environment that governs purchasing decisions/policies
 - Compliance with laws, codes, and regulations policy
 - Supplier diversity policy
 - 12,000 active suppliers, but in total about 65,000 suppliers
 - Uniform guidance
 - Broader policies: University conflict of interest policy, university code of conduct for employees, conflict of interest in research policy
- (Open) Questions about presentation:
 - How does the employee code of conduct policy fit in with purchasing?
 - Appropriate use of resources and general tenets of appropriate conduct and doing business on behalf of the university
 - Is there a code of conduct policy for suppliers?
 - Yes, for suppliers that have Brown logo/trademark on them
 - There isn't a general one for suppliers (common among peers to mainly focus on trademark issues)
 - How much of purchasing is driven by Pcard vs Brown buys?
 - Hard to tell; some Pcard purchases would still be acceptable
 - Rigorous due diligence process for suppliers prior to connection, how is this maintained throughout the relationship?
 - Not a staff within the department doing ongoing review and monitoring of suppliers at Brown
 - But difficult to determine where the line is of what we're going to buy and what we won't
 - What bars suppliers from being government suppliers?
 - Terrorist organizations, probably more but uncertain
 - Accessibility to the Brown community? How do community members know what vendors are approved and what aren't?
 - There are not vendors for every single category (ex: no program for hotels unless it's local)

- In the past, people contacting the office to help form vendor list if they note that a category doesn't exist
- In the past with problematic hotels, they have removed a hotel from their list
- An amendment to Brown's ethics policy that would impact procurement: Brown should not do business with organizations that are climate deniers. How would this impact the SPCI group's policies and monitoring?
 - Two responses: completely on board, but potentially unrealistic to do all of this vendor monitoring (potentially third party groups, but this is a question of available resources/capacity for payment)
 - A third party would be helpful for vetting vendors in an objective manner