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© Photograph by Jenny Friesenhahn

In the death of Moez four have been sentenced; please see the back cover.
Faculty in the Reengineering Process

Over the years the Faculty Senate Executive Committee has encouraged the administration to effect cost-containment measures so that proportionately more resources could be devoted to academic programs. The new Executive Vice President has been charged with a major restructuring effort to that end.

The President and Executive Vice President have expressed a serious interest in involving faculty in this effort. I believe it is essential that representatives of the faculty participate appropriately in task forces, work groups, and committee endeavors. Now is the time to respond affirmatively when called upon to serve so that the process will have the benefit of our perspective, experience, and expertise.

William L. Kissick, Chair

Actions and Reports: SEC Actions for March 6 are below. On page 6 are two Senate Committee reports referred to in the SEC Actions (on extension of maternity leave policy, and on the merger of Almanac and Compass).

University Trustee and former Chairman Paul F. Miller, Jr, W’50, Hon’81, and his wife, Ella Warren Shafer Miller, CW’51, have given $2 million to endow the Ella Warren Shafer Miller Professorship in Architecture.

The chair recognizes three generations of Penn women who shared an interest in the arts, said Dr. Judith Rodin in announcing the gift. Ella Warren Shafer, Mrs. Miller’s mother, graduated with a fine arts degree in 1925; Mrs. Miller minored in art; and the Miller’s daughter; Ella Warren Miller Merrill, C’78, majored in the Design of the Environment Program.

Ella Warren Shafer, originator of the family’s interest, found the door blocked to a career in architecture, for in 1925 Penn did not allow women to take the life-drawing required for a degree in architecture. That interest stayed alive however, with her daughter who would one day help design the family’s Adirondack-style lake house in New Hampshire.

President Rodin praised the Millers for their record of philanthropy to Penn and said the new chair would greatly enhance an already strong program in architecture. “We are thrilled that Paul and Warren Miller have chosen the Graduate School of Fine Arts to be the latest beneficiary of their charitable giving,” she said.

Previous gifts from the Millers have supported the School of Arts and Sciences through the Paul F. and Warren S. Miller Professorship and the Wharton School through the Sherrerd-Miller Professorship and the Sherrerd-Miller Teaching Awards and the Paul F. Miller, Jr., Scholarship Fund.

Both Paul and Ella Warren Shafer Miller are second-generation Penn alumni. Mr. Miller’s father, Paul Fetterolf Miller, Sr., Wh’22, G’44, taught at the University and his uncle’ sister and brother-in-law were all Penn graduates. Paul Miller, described in the citation for his honorary degree from Penn as “more knowledgeable about Penn than any chairman of the Trustees since Benjamin Franklin,” has served the University in numerous leadership positions. A member of the Board of Trustees since 1966 he chaired the Board from 1978 to 1986.

Actions Taken by the Senate Executive Committee

Wednesday, March 6, 1996

1. Academic Planning and Budget Committee and Capital Council. Past Senate Chair David Hildebrand reported that following years of planning by a Medical School Committee Chaired by Professor Perry Molinoff the Capital Council approved construction of the Biologico Research Building II. BRBII will be financed entirely by the Penn Health System. It will substantially increase faculty laboratory space and bring together departments that were scattered.

The Academic Planning and Budget Committee has reviewed plans from the Medical School, Graduate School of Education, and the Nursing School. The Medical School has improved its standing considerably. For example, it has had the greatest increase in NIH funding of any of the medical schools in the country. It is wrestling with the major changes that are occurring and will continue to occur in clinical care and medical education. Its clinical facilities are being expanded at sites throughout the region. A major reevaluation of its curriculum is underway. Competition for admission is extremely strong; yields are quite high. The school is financially solid, though concerned about all the changes in prospect.

The Graduate School of Education has established areas of strength, particularly in literacy training and in city schools’ educational issues. It is necessarily much smaller than many of its competitors, but doing well where it chooses to concentrate. Its financial situation is at least adequate and has improved recently.

The School of Nursing is consistently ranked within the top three in the country. Its research efforts are widely recognized and its graduates are widely sought after. Its financial situation is adequate with financial aid a major problem. The school hopes to increase the size of its faculty considerably in part to help in its increasing clinical role.

2. Mandated Guidelines on Postdoctoral Fellows and Research Associates. (Almanac July 18, 1995). Committee on Administration Chair David Brownlee brought SEC a unanimous recommendation for adoption of the draft guidelines. Acting Vice Provost for Research Ralph Amado explained that the document had been under development for several years in the University Council Committee on Research and reviewed by the University General Counsel. Several concerns were raised and are reflected in the following motion. It was moved and adopted that: “The Senate Executive Committee applauds the Draft Policy for Postdoctoral Fellows and Research Associates, dated February 13, 1996. SEC recommends the Vice Provost for Research work with the University General Counsel with working with individual schools develop a policy consistent with this document, applicable to specific school needs. It is important in particular that issues of data ownership, benefits, grievance procedures and stipend level be further considered. SEC requests that the Vice Provost for Research bring a new operating document responding to school needs to the Senate Executive Committee for review in one year.”

3. Committee Nominations for 1996-97. Senate Committee on Committees Chair Peter Kuriloff presented nominations for a range of committees to which SEC annually makes appointments including the Senate committees on Administration, Faculty, Publication Policy for Almanac, Students and Educational Policy, Academic Planning and Budget, Committee on Open Expression, Committee on Research, Faculty Grievance Commission, Research Foundation, and Faculty Liaisons to Trustee Committees. SEC made additional nominations. A mail ballot will be circulated to SEC members and appointments will then be made.

4. Proposal on Faculty Maternity Leave and Extending the Tenure Probationary Period. Committee on the Faculty Chair Sheila Murnaghan described the proposal (see p. 6). The proposal was enthusiastically adopted.

5. Informal discussion with the President and Provost. Provost Chodorow stated that he had met with students and worked out the remaining problems in the Judicial Charter (Almanac March 5, 1996). The revised charter will now go to the schools for discussion and adoption. A SEC member urged that faculty attend their school meetings and participate in this important decision. Concern was expressed on how and who will be involved in modifications of the charter. The Provost pointed out that the charter is school-based and would be modified in the schools. SEC members raised other issues ranging from concern about the status of financial aid and need-blind admissions, to the need for communicating with students and Educational Policy, Academic Planning and Budget, Committee on Open Expression, Committee on Research, Faculty Grievance Commission, Research Foundation, and Faculty Liaisons to Trustee Committees. SEC made additional nominations. A mail ballot will be circulated to SEC members and appointments will then be made.

6. University Council Agenda for March 20, 1996. The agenda was reviewed (see page 7) and SEC members were urged to attend.

7. Almanac/Compass Merger. Committee Chair Martin Pring presented the report (see page 6). The following motion was moved and adopted: “The Senate Executive Committee in approving the Report of the Senate Committee on Publication Policy for Almanac, dated February 28, 1996 reaffirms its belief in the importance of Almanac’s editorial independence.”
Jacob M. Abel, Professor and Ombudsman

Jacob M. Abel was a distinguished educator and scholar whose contributions extended well beyond his formal training in engineering and mathematics to include letters and the law. Fluent in French and German, widely read in English, knowledgeable in Sanskrit, a skilled writer, brilliant in applied mathematics, Professor Jacob Abel was the embodiment of the teacher-scholar spirit. He very recently and affectionately wrote about a few of the “self-exploited committed” at the University of Pennsylvania where he served for nearly 30 years on the faculty of the School of Engineering and Applied Science (Almanac, January 23, 1996). Jacob Abel epitomized such a person and influenced the lives of very many students, faculty, and staff. He was the perfect choice to serve as Ombudsman for the University of Pennsylvania. In this period he

Norman Palmer, International Political Scientist

Norman D. Palmer, a distinguished scholar and tenured member of the faculty of the University of Pennsylvania from 1947 to 1979 died in Seattle on February 21. He was New England American, firm in his views, dedicated to his country, generous in his teaching, and committed to an international “community” of scholars.

He was born in Hinckley, Maine, in 1909, graduated from Colby College, summa cum laude and Phi Beta Kappa, where he taught history and government from 1935. His graduate study was at Yale where he held the Currier Fellowship.

During World II, he served as an Air Combat Intelligence Officer, received three combat stars, was awarded the Bronze Star Medal, and retired from active duty in 1946 with the rank of Lieutenant Commander. Throughout his career he was a consultant to the Department of State.

Thousands of students in America and abroad learned their basics in international politics from “Palmer and Perkins” (Howard C.). Their text, International Relations: The World Community in Transition, had its first edition in 1953 and its last in 1969. It also had British and Indian editions. The Indian Political System was the standard in the United States and Britain for nearly two decades.

Professor Palmer was revered in India. He moved to Washington state to be near his daughter, Patricia Lee Baisch. After the death of his wife Evelyn, he married Gurina McIhrath. Also surviving are a sister, Mary Mills, stepsons and stepdaughters.

During his retirement Professor Palmer continued a vigorous life of professional activity, traveling, attending conferences, and lecturing. He also published three books, the last of which, The New Regionalism in Asia and the Pacific completed his written legacy to scholars around the world, hundreds of whom were colleagues he kept contact with for more than a half century. —Henry Teune
also chaired the Personnel Benefits Committee and the University of Pennsylvania Chapter of AAUP. Countless other committees called upon Dr. Abel to contribute his wisdom and energy to their charge. Again, his virtuosity as a teacher was recognized by both school-wide (Reid Warren) and university-wide (Lindback) awards in 1975. In 1978, he answered the call to chair the department and graduate group in Mechanical Engineering and Applied Mechanics. In 1981, Professor Abel was promoted to full Professor and a few years later served the University in its highest elected faculty office, Chair of the Faculty Senate.

Professor Abel’s research was always characterized by consummate attention to mathematical rigor. He has made lasting contributions to system stability and structural dynamics. More recently he had been involved in the design of robotic manipulators. Insight into his thoughts can be gained from a paragraph he has written on the topic, “One never appreciates the exquisite, subtle complexity of the human body until he tries to create a machine that can perform a human task...Something we take for granted so routinely in our lives, the ability to hold and manipulate an object, becomes a staggeringly complex problem of analysis and mechanical design. Little babies can do things without thinking that require pages and pages of equations to describe. The attempt to design and instruct a robotic manipulator that can even come close to having the dexterity of a human hand is a marvelous challenge and a humbling one.”

In 1991-92, Dr. Jacob Abel served the nation as Program Director for Undergraduate Education at the National Science Foundation. When he returned to Penn, he served two years as Associate Dean for Educational Development and Special Programs. He created several new courses including a freshman seminar on the technological experience in literature and a discovery oriented laboratory. This was offered for the first time one year ago and it gave Dr. Abel great pleasure. Jacob Abel’s commitment to education included the training of Philadelphia area elementary school science teachers who came to campus during summers as part of a Penn-Merck program. He was in the process of completely revising an introductory course in mechanical engineering he created years ago and writing an entirely new undergraduate mathematics curriculum when he was stricken by cancer and died on March 8, 1996.

His life, while all too short for the many he touched, was dedicated to worthy goals. He spoke often about having derived strength and his love for people from his wife, Evelyn, and his daughters, Trudi and Erica. He was a scholar, a teacher, and a dear friend. He made the best of every day, giving of himself to his family, his colleagues, and to the University he loved. He was a kind, persistent, caring human being—a mensch. All of us who knew and loved him will miss him for the rest of our own lives.

To perpetuate his memory, and in accordance with his family’s wishes, the department of Mechanical Engineering and Applied Mechanics has established the Jacob M. Abel Memorial Fund. The proceeds from this fund will be used to promote excellence in undergraduate education. Donations should be made payable to “The Trustees of the University of Pennsylvania” with a notation that they are for this fund and sent to Dr. Ira M. Cohen, chair, MEAM department, 297 Towne Building, University of Pennsylvania, Philadelphia, PA 19104-6315.

— Colleagues in the MEAM Department

FROM THE PROVOST

On Graduate Groups and Chairpersons

Following consultation with the Vice Provost for Graduate Education, the Graduate Council of the Faculties, the Council of Graduate Deans, and graduate group chairs, I have revised the Provost’s Memorandum on “Organization and Responsibilities of Graduate Groups and Graduate Group Chairpersons” originally issued by Vartan Gregorian and revised by Thomas Ehrlich.

There are a few changes in substance to that memorandum. The earlier versions had required that all members of Ph.D. examination and dissertation committees be members of the Standing Faculty or the Associated Faculty. The current version requires that this be the case for at least half of the committee. In addition, it requires that members of the committee who are not members of the graduate group serve only with the written approval of the graduate group. The revised memorandum also requires that the chairs of all committees be members of the Standing Faculty in the graduate group, although the chair does not have to be the primary adviser. The committee chair is responsible for convening committee meetings, advising the student on the rules, and advising the graduate group chair that all graduate group requirements have been met.

Another change is an addition to the rule in the previous memorandum that instructors in Ph.D. courses must either hold the Ph.D. degree or be members of the Standing Faculty or the Associated Faculty. The addition is that “No one may teach a required core course for more than one semester without becoming a member of the Standing Faculty or the Associated Faculty.”

These changes all appear in the document below that constitutes the full memorandum. The changes I have described can be found in Section II.

— Stanley Chodorow, Provost

Organization and Responsibilities of Graduate Groups and Graduate Group Chairpersons

February 11, 1980; Revised February 10, 1984 and Revised February 16, 1996

I. The Graduate Group

In the University of Pennsylvania, graduate programs leading to the Ph.D. and related master’s degrees are carried on by associations of faculty members called “graduate groups.” Many of these groups are founded on individual departments. In such groups, all members of the Standing Faculty of the foundational department are ipso facto members of the graduate group, but there may be many members of the group who come from other departments or schools. These groups typically provide disciplinary training.

A significant number of groups are not founded on any one department. These graduate groups are composed of faculty from several departments or schools and typically provide interdisciplinary training. (In cases in which the type of a graduate group is not clear, the Graduate Council of the Faculties determines its character.)

The graduate group structure provides the adaptability necessary to mount graduate programs in newly developing areas of some national importance or to phase out programs in areas of declining vigor, without profound and perhaps premature perturbation of the underlying structure of the traditional disciplinary departments and schools. The price paid for this adaptability is continuing vigilance over the academic quality and vigor of each graduate program, particularly those that are not founded on a single disciplinary department or school. The purpose of this memorandum is to outline the organization and responsibilities of the faculty who are members of graduate groups, and of the group chairpersons, all within the context of the graduate organizational structure established in the spring of 1977.

II. Graduate Group Faculty

Only members of the Standing Faculty, the Associated Faculty and Emeritus Faculty are eligible for membership in Graduate Groups.1 Thus, Instructors, Lecturers, Research Associates, etc. are not eligible. Moreover, scholars and scientists employed by, or visiting from, other universities are not eligible unless they have an appointment in the Associated Faculty.

The fundamental responsibility for the academic quality and effectiveness of a graduate program rests with the faculty of the appropriate graduate group. The essential duties of this faculty include: 1. Design of an academic program that meets the requirements of the student and of the University for depth, breadth, and academic quality of the highest order. Equally important is the continuous adaptation of this program in response to the challenges by and opportunities for new developments in its scholarly field.

2. Establishment of well defined academic standards and requirements that are rigorous and flexible and that ensure quality and encourage the free development of the scholarly abilities of individual students. These standards and requirements must be consistent with the intellectual style and spirit of the field and also with the minimum base requirements of the University, as established by the Graduate Council of the Faculties.

3. Establishment of standards and procedures for admission of graduate students and the
operation of an admissions program that will attract and admit students of the highest possible quality. Such admissions standards and procedures must be consistent with University-wide standards and procedures established by the Graduate Council of the Faculties, the Council of Graduate Deans or the Vice Provost for Graduate Education.

4. Wise and intensive counseling of graduate students in matters both academic and nonacademic, to encourage their rapid progress toward their academic goals.

5. Active participation in the quest for financial resources for support of graduate students and in the allocation of available resources so as to optimize the quality of the program and its students.

6. Active assistance in the placement of the program’s graduates in positions where their abilities and training are utilized to the fullest degree possible.

At least half of the members of Ph.D. examination and dissertation committees must be members of the graduate group at the time of appointment to the committees. Faculty who are not members of the graduate group may serve only with the written approval of the graduate group. The authority to approve membership on committees may be delegated to the graduate chair. The chairs of dissertation committees and of all examination committees must be members of the Standing Faculty in the graduate group. If the chair of a dissertation committee leaves the Standing Faculty before the dissertation is completed, then a new chair from the Standing Faculty must be appointed as chair. The dissertation committee chair is responsible for convening committee meetings, advising the student on graduate group and university expectations, and assuring the graduate group chair that the group’s requirements have been met. The committee chair does not have to be the primary dissertation adviser.

Instructors in courses that satisfy the requirements for the Ph.D. must hold the Ph.D. degree or be members of the Standing Faculty or the Associated Faculty. No one may teach a required core course for more than one semester without becoming a member of the Standing Faculty or the Associated Faculty.

The selection and appointment of faculty to membership in a graduate group are the responsibility of the appropriate dean, in consultation with members of the graduate group and such other faculty groups or individuals and academic administrators as may be appropriate. The standards and criteria to be used in selection and appointment of members of the Standing Faculty or the Associated Faculty to graduate groups are established by the dean in consultation with his or her faculty and include academic excellence and commitment to the academic goals of the program.

In cases where a graduate group is founded on an academic department or school, appointment to membership in the graduate group accompanies and is implicit in a primary appointment to the Standing Faculty in the department or school and is for the same term. In all other cases, appointment to membership in a graduate group is for a term specified at the time of appointment.

All appointments to membership in a graduate group carry full voting rights in the deliberations of the group unless otherwise specified at the time of appointment.

All appointments to membership in a graduate group must be reported to the Vice Provost for Graduate Education at the time of appointment.

It should be noted that this procedure for appointment of a faculty member to membership in a graduate group not founded on his or her department or school differs from and is independent of the group unless otherwise specified at the time of appointment.

Thus last, but not least:

ENIAC Thanks

Four additional names were not included in the previous lists (Almanac February 27). Members of those Penn people who made the recent ENIAC Celebration “picture perfect,” according to Dean Gregory Farrington. Thus last, but not least:

Anne Deschen
John Fore
Mike Upham
Mitch Zuiuo

Spring Blood Drive

The American Red Cross’ spring blood drive for Penn faculty and staff is scheduled for Thursday, March 21. “It comes at a critical time for blood supplies in the Philadelphia area. During the Blizzard of ’96, blood collections were brought to a standstill,” said Colleen Maiden, account manager for Red Cross Blood Services, Penn-Jersey Region. To maintain adequate blood supplies, Red Cross centers across the country rushed blood to Philadelphia.

The Red Cross considers a three-day supply the optimal amount of blood to have available for lifesaving transfusions and emergencies. As of the end of last month, local supplies of most blood types were below optimal levels, in some cases as low as 45 to 50 percent of the desired amount. While this and other area blood drives are expected to restore much of the depleted supplies, “we still continue to import smaller amounts of blood in order to keep our inventory to the necessary levels,” Ms. Maiden said.

Every weekday, the Red Cross must collect 1,750 pints of blood from donors in southeast Pennsylvania and southern New Jersey to meet local patient needs. Donated blood is used to provide transfusions for operations, accident victims, cancer patients, and others with life-threatening conditions.

The Red Cross hopes to obtain 60 pints of blood from Penn’s spring blood drive, said Ms. Maiden. Donors will receive a home cholesterol-testing kit courtesy of Johnson & Johnson/Advance Care as a thank-you for participating. Advance sign-up is currently taking place in offices across the campus, but walk-in donors will not be turned away. The drive will take place from 9 a.m. to 2 p.m. at the Faculty Club, 200 S. 36th Street.

Transition at Compass

With this issue, Compass Managing Editor Martha Jablow returns to her primary career as a writer and co-author specializing in the health care of the young, with a new book assignment with a member of the pediatrics faculty.

Ms. Jablow has overseen with great skill and sensitivity the process of converting the onetime tabloid, The Compass, into a features section of this older publication, and we are all deeply grateful to her. We look forward to working with her acting successor, the assistant managing editor Jenny Janda, and with the Compass designer Jenny Friesenhahn, as well as with the many writers of the News & Public Affairs office and other University news offices.

—Karen Gaines, Marguerite Miller and Mary Scholl, Almanac staff
In December 1994, the Senate Committee on the Faculty was asked by Deputy Provost Walter Wiles to consider whether Penn should institute an extension of the tenure probationary period for junior faculty members who give birth. At present, such extensions are granted only in the cases of those who elect reduced duties with reduced compensation for child care and, occasionally, in situations of exceptional hardship.

The committee decided to broaden the scope of its discussion and undertake a full-scale review of Penn’s parenting policies. This led to a preliminary report, which was discussed by the Senate Executive Committee on September 6, 1995 and published for comment in Almanac on September 19, 1995. After consideration of the responses to that report and further discussion, the Committee now recommends two distinct policies.

The first is a revision of the current Faculty Maternity Policy; it spells out more explicitly, for the benefit both of female faculty members and of chairs and deans, a uniform policy for reconciling the incapacity caused by pregnancy and childbirth with the demands of the teaching calendar.

The second is a new policy allowing extensions of the tenure probationary period, not only for faculty members who become parents, but also for faculty members who experience similarly career-disrupting events. In identifying those events, we have followed the provisions of the Family and Medical Leave Act of 1993.

1. Faculty Maternity Policy
   A member of the standing faculty who bears a child will be relieved of teaching duties, without loss of salary or benefits, during an academic semester if incapacity due to the prenatal, delivery and recovery period would reasonably require her to interrupt the teaching of her courses in that semester for three or more weeks. For purposes of determining whether teaching would be interrupted, it is presumed that a woman will be incapacitated for six weeks following delivery. In such cases, the chair of the department or the dean of the school, in consultation with the Provost’s Office, will make such arrangements as are necessary and appropriate with regard to covering her teaching responsibilities, including the canceling of an affected course or the employment of substitute instructors. This relief from teaching duties is not a leave of absence. Outside the period of incapacity that is compatible with her particular situation, the faculty member will be expected to meet her other normal departmental and University responsibilities, including research, committee membership, and advising. The preceding sentence does not authorize assignment of additional such duties to compensate for the period of necessary absence from the job.

2. Policy on Extension of the Tenure Probationary Period
   a. A nontenured member of the standing faculty shall be eligible for an extension of the tenure probationary period (or, in the case of clinician educators in the health schools, the promotion review that normally occurs in the ninth year) corresponding to the semester or year during which:
      (1) a child is (or, provided that the child had not reached his or her second birthday, was during the immediately preceding semester or summer) born, adopted, or placed for foster care, into the faculty member’s household;
      (2) by reason of a serious health condition (as defined in Section 2611(11) of the Family and Medical Leave Act of 1993) persisting for a substantial portion of the period for which the extension is sought, the faculty member is required to act as the primary caregiver for a parent, child, spouse, or domestic partner (as defined in the domestic partner benefits policy); or
      (3) by reason of a serious health condition (as defined in Section 2611(11) of the Family and Medical Leave Act of 1993) persisting for a substantial portion of the period for which the extension is sought, the faculty member is unable to perform the functions of his or her position.
   b. The length of the extension shall be one year unless the faculty member requests a one-semester extension and the department chair and the dean agree to its feasibility in light of the school’s tenure review process.
   c. Extensions of the tenure probationary period shall be without prejudice to the obligation of the University to provide faculty members with twelve-months’ notice of termination.
   d. Requests for extensions of the tenure probationary period shall be made in writing, subject to timeliness requirements adopted and publicized by the faculty member’s school. A timely first-time request will be viewed favorably by the University, and granted unless specific and compelling factors require its denial. A request from a faculty member who has already sought and obtained a prior extension may be denied in the considered discretion of the chair or dean, without a presumption in its favor. The recommendation of the chair or dean and the action of the provost shall be communicated in writing to the faculty member, and shall specify any revised date of tenure review and termination date of the probationary period, and (in the event that the request is denied) shall specify the grounds for the denial.

N.B. The statute defines a “serious health condition” as “an illness, injury, impairment, or physical or mental condition that involves—(A) inpatient care in a hospital, hospice, or residential medical care facility; or (B) continuing treatment by a health care provider.” “Health care provider” is defined (2611(6)) as: “(A) a doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; or (B) any other person determined by the Secretary [of Health and Human Services] to be capable of providing health care services.”

Janet A. Deatrick (nursing)
John C. Keene (city & regional planning)
Howard Lesnick (law)
Rob Roy MacGregor (medicine)
Sheila H. Murnaghan (classical studies), Chair
Paul Shuman (statistics)
ex officio
Senate Chair William L. Kissick (medicine)
Senate Chair-elect Peter J. Kuriloff (education)
staff: Carolyn P. Burdon (exec ass't to the Faculty Senate Chair)

Merger of Almanac and Compass
February 28, 1996

The Senate Committee on Publication Policy for Almanac considered the development of the merged Almanac/Compass over the past ten months and a majority of its members recommend that the merged publication continue. We were unanimous that close attention should be paid to the following issues:

1. We recommend that the substantive division of material between Almanac and Compass be maintained, and that this be accompanied by a clear visual distinction. The Committee acknowledges the expertise of the Editor of Almanac in layout and design and will work with her to achieve the latter aim while enhancing the quality of the publication as a whole.

2. Subject to adequate staffing (see below) Almanac should continue to develop its news function, both print and electronic. For this to be successful a substantially higher level of cooperation from the News Bureau and other on-campus news sources will be required. We recommend that rapid, complete and open forwarding of news items to Almanac, exactly as received, be implemented as a matter of routine.

3. The merger has led to an increased workload for Almanac staff that has not been offset by concomitant reduction. The full development of the news function of Almanac and any other new initiatives will not be possible with the current staff. We recommend that this deficiency be remedied.

Jacqueline M. Favvett (nursing)
Phoebe S. Leboy (biochemistry/dental)
Ann E. Mayer (legal studies)
Martin Pring (physiology/medicine), Chair
Paul F. Watson (history of art), ex officio
Senate Chair William L. Kissick (medicine)
Senate Chair-elect Peter J. Kuriloff (education)
staff: Carolyn P. Burdon (exec ass't to the Faculty Senate Chair)
The following report of the University Council Committee on Communications is on the agenda for discussion at Council Wednesday, March 20.

Draft Policy on Privacy of Electronic Information

October 16, 1995

I. Policy

The University of Pennsylvania is committed to protecting the personal privacy of members of the University community. Violations of privacy can take many forms, sometimes inadvertent or well-intended. The mutual trust and freedom of thought and expression essential to a university rest on a confidence that privacy will be respected and disclosures of personal information will not be made without the informed consent of the individual. The ultimate protection of our privacy comes from a community-wide awareness of the importance of privacy in our society and the many ways it can be eroded.

Privacy of Institutional Data

Information about individual students, faculty, and staff (as well as former students, faculty, and staff) must be maintained by the University to support its mission. It is University policy that such information be collected, stored, and used only for appropriate, necessary, and clearly-defined purposes. Access to such information must be controlled and safeguarded in order to ensure privacy. The ease and flexibility, and transparency, with which electronic information can be accessed, linked and displayed can set the stage for abuse of privacy. When systems are designed, upgraded or integrated, the application steward (the primary business sponsor of the application), working together with the data steward (the individual with primary responsibility for the data) should address the issues of confidentiality and privacy, and the need for informed consent to the release of personal information. Inadequate attention to the issues of privacy of personal information will be subject to sanctions.

When personal information is solicited from a member of the University community, that person should be informed of the purpose for requesting such information, the intended use of the information, and the consequences, if any, of not supplying it. In addition, the University collects personally identifiable information about members of this community in the course of its routine operations (e.g. computer logins, building access via PennCard). Such collection should be well-publicized and University community members should be informed of the intended use of the information, safeguards against unauthorized access, and their options, if any, to prevent its collection. All information provided by or collected about University community members should, when individually identifiable, be used only for the stated purpose(s).

To the extent that it is consistent with the privacy of others, with the University’s policies on confidentiality of student and employee records, and with the traditional confidentiality of faculty peer review and evaluation, an individual should be provided the means for seeing and obtaining copies of records about him or her maintained by the University, as well as for challenging the accuracy and completeness and the propriety of the use of such records.

Persons with responsibility for records containing personal information should exercise diligence to ensure accuracy and completeness. Safeguards must be provided to protect personal information against accidental or intentional misuse or improper disclosure within or outside the University. Misuse or improper disclosure of such information may lead to sanctions against the responsible individuals.

The educational records of current and former students are subject not only to the policies stated in this document but also to the University’s policy on the confidentiality of student records.

When records containing personal information are no longer needed, the records should be appraised to determine whether they should be destroyed or archived with appropriate protection of privacy under the Protocols for the University Archives and Records Center.

Privacy of Personal Electronic Information

Any information created or controlled by individuals is personal (with the exception of records generated or received by administrative officers of the University relating to their official duties, which are institutional). All such information is personal not only when it is unique, but also when copies have been shared with other individuals or when it has been obtained from or copied to public or institutional data. Personal electronic information includes electronic mail, files and directories of messages and files. When this information has not been intentionally made publicly accessible it is private. The privacy of the original extends to any copies made in backing up any system on which it is stored, temporarily or permanently.

Faculty members, staff and students are afforded the same protection against the intentional invasion of the privacy of their personal electronic information stored on their own equipment or residing on or transmitted over University equipment as over the contents of an on-campus office or dormitory room. This information may not be searched without the same level of authorization as for physical searches of comparable on-campus facilities. The rights to privacy and due process must be observed.

Restrictions on access to staff members’ electronic information may be less severe because such information is used in carrying out the individual’s job. In the event of absences, material related to that job may be needed by others and it should be assumed that the supervisor may authorize access. This does not provide the supervisor with blanket permission to view all of the staff member’s electronic information. Departments should inform their staff members which information may be accessed in their absence and the level of privacy afforded such information. In the event of suspected misconduct, care must be taken to obtain the same level of authorization to view personal electronic information as would be required for gathering tangible evidence.

Faculty or staff members or students leaving the University have the same privacy rights over personal electronic information remaining at the University as they enjoyed prior to their departure.

Exceptions

In the case of court orders, subpoenas, or other requirements with the force of law, institutional data containing information about an individual or personal electronic information may be released. That individual should be notified of the request and consequent release of information as soon as possible within the constraints of the order or subpoena, and the required information should only be released by an authorized officer of the University. The Director of Internal Audit may access institutional data or personal electronic information in the course of an investigation carried out under the guidelines laid out in the Policy on Safeguarding University Assets.

The University will reject all other requests from individuals and extramural organizations—government, professional associations, business enterprises, etc.—for the release of institutional data containing personally identifiable information, for purposes not foreseen and made clear at the time that it was collected. Requesters will be informed that release of such information is contrary to this policy. At its discretion the University may offer to the requester to seek the permission of the individuals affected for the release of the requested information and to release only that for which such permission is granted.

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II. Policy Interpretations

The technology environment at the University of Pennsylvania is large, rich, and complex. Different procedures for handling electronic information including electronic mail and personal files are used at different sites across the institution. While it is not necessary that uniformity be achieved, it is desirable that there be coherence among the systems and that a minimum level of privacy be sought throughout the University. Those with access to the electronic information of others who violate the minimal privacy standard, or permit others to do so, will be subject to sanctions. In this way users can be confident that privacy will be respected as long as their communications do not leave the University. Expectations regarding these services must be made clear to all service providers. The following guidelines for the implementation of this policy will be expanded as necessary to clarify its interpretation and requirements.

1. Access to electronic information should not be substituted for good administrative and personnel management practices. For example, if a manager is concerned about an employee’s improper use of electronic mail or electronic news groups the manager should first:
   a) Make certain that expectations and standards in this area have been made clear to the employee, and
   b) Speak directly to the employee about the issue.

2. Potential uses of personally identifiable information that were not anticipated at the time that it was collected will arise. However desirable or innocuous those uses may appear, if informed consent to release of personal information has not been sought, and therefore not given, such uses are proscripted. Community members should, however, be aware that when they consent to release of personal information in one context, that consent is assumed to extend to analogous contexts. Submission of one’s home address to the University Telephone Directory, for example, could permissibly lead to its inclusion in a list of home addresses by ZIP code circulated within the University.

3. The University assigns certain individuals responsibility for maintaining computing resources. In the normal course of duties, some individuals may have special access privileges to hardware and software and therefore to the content of mail and personal files. The University will strive to protect personal privacy by ensuring that the number of individuals with this level of access is limited, that they are selected for their judgment and ethics, as well as their technical expertise, and that such individuals are aware of the policies stated in this document. Such positions, and the individuals who hold them, will be governed through defined responsibilities and procedures. (See section III, “Standards for Postmasters,” and section IV, “Interpretive Guidelines and Procedures for System Administrators and Computing Service Managers,” below.)

4. Electronic information may pass out of one machine environment, across a network, and into another totally different machine environment while remaining within the University. Despite these complexities, protection of privacy must remain a central University goal. It is important for individuals to understand, however, that once information leaves the University and travels between universities, states and nations there can be no assurance that privacy will be respected.

5. Electronic mail may be compromised because of an individual’s own difficulty in sending a message to an intended recipient. The sender may be uncertain about remote addressing; the message may not be deliverable, and a rejection message may be generated. If such rejections can be delivered to the original sender, ordinarily no other person sees the message. If, however, the message cannot be delivered to the original sender, systems can be configured to either pass the message to someone (a postmaster) for assistance or to discard the rejection without the sender knowing anything about the problem.

Postmasters are individuals who have the specific duties of enabling undeliverable mail to reach its destination, handling other delivery problems, and answering user questions about mail travel. Users should be assured that the privacy of mail sent to postmasters is protected to the fullest extent possible consistent with the proper discharge of their job responsibilities (see III below).

6. Procedures for backing up systems may vary widely across campus. Users need to be informed about the back-up procedures in the environment in which they are working because those procedures will ultimately determine what information has been retained in the course of backing up the system and perhaps what may be accessible by others through legal means.

7. System backups should be routinely purged when no longer required.

III. Standards for Postmasters

Postmasters have specific responsibilities and access capabilities. Because of these access privileges, they are expected to exercise special care to protect the privacy of the individuals whose electronic communications they handle.

Postmasters at the University of Pennsylvania shall adhere to the following standards:

1. Respect privacy by staying informed about and following University policy regarding privacy in electronic communications.

2. Make every effort to only use mail headers and machine-generated messages in order to return undeliverable mail, and if possible, first consult users if it seems necessary to go beyond machine-generated headers.

3. Avoid reading message content to the greatest degree possible.

4. Keep confidential the content of any message that was inadvertently read in the course of redirecting undeliverable mail.

IV. Interpretive Guidelines and Procedures for System Administrators and Computing Service Managers

System administrators at the University of Pennsylvania are responsible for taking specific actions to ensure, to the greatest degree possible, the enforcement of this policy. Since the maintenance of privacy depends on system security they should be diligent in staying informed about and implementing security-related corrections to their operating system and other system software. They should ensure that users of their systems are made aware of their privacy rights and the level of privacy they can expect, and encourage them to follow practices that optimize the security of their accounts. In particular they must maintain the level of security of mail and other information that is deliverable under conditions described in section III, “Standards for Postmasters.”

System administrators should keep confidential the content of any electronic mail message or personal file that they incidentally or necessarily see in the course of performing their duties.

A copy of this document together with explanatory and illustrative materials should be distributed to each system administrator when he or she assumes such a position and annually thereafter. Receipt of this information should be acknowledged. Failure to maintain the standards specified in this document may result in sanctions.

V. Attribution

This text is based, in part, on policy statements from the Massachusetts Institute of Technology, the University of Michigan and Colby College.

Council Committee on Communications
Chair: James O’Donnell (classical studies)
Co-Chair: Ira Winston (SEAS computing)
Faculty:
Dennis DeTurck (mathematics)
Alan Filreis (English)
Steven Kimbrough (operations and information management)
Mark Liberman (linguistics)
John Lubin (management)
Martin Pring (physiology/medicine)
Burton Rosan (microbiology/dental)
Administration:
Carol Meisenger (publications)
Jennifer Conway (Leonard Davis Institute)
A-3:
Gene Haldeman (undergraduate admissions)
Gregory Smith (Wharton)
Students:
Venkat Krovi (SEAS Ph.D.)
David Shapiro (Col/Wharton ’97)
Amy Stover (Col ’98)
One graduate/professional student to be named Ex officio:
Barbara Beck (news and public affairs)
Paul Mosher (Libraries)
Steven Murray (business services)
Peter Patton (information systems and computing)
Making Connections: Wharton Models a Two-direction Mentoring Program

By Jerry Janda

Charlotte Daub started working at Wharton in 1989. And she doesn’t look back at her first year fondly. “It was horrendous,” she said.

Penn’s sheer size overwhelmed her. When she had questions about her career, she didn’t know where to turn. When she needed advice that would help her succeed in the workplace, she didn’t know whom to consult.

Needless to say, she felt frustrated. “That first year, I floundered so much that I felt sorry for anybody new coming into the University,” she said.

Now, Ms. Daub, business administrator of career development and placement, doesn’t have to feel sorry for anyone. As part of Connections, a new mentoring program at Wharton, she can offer assistance to other employees—new or otherwise. Connections matches Wharton employees with more-experienced co-workers.

Mentors and mentees who volunteer for the nine-month program complete a questionnaire designed to gauge their goals and abilities. This makes matching easier.

“We request that the mentee and the mentor fill out a profile, and we pair them based on what they are looking for from the program,” said Anna Loh, assistant director of human resources at Wharton. “For instance, if you are looking for someone who has a technical background, we’ll pair you with someone with that kind of background. If you are interested in getting into fundraising, but don’t know that much about it, we’ll find a mentor who has a fundraising background who can work with you and give you the scoop, if you will, of what it’s like to be a fund-raiser, and what you need to do to get those skills.”

The idea for Connections came in early 1995. Although mentoring had already existed informally at Wharton, Dean Thomas P. Gerrity and other administrators decided that the school needed an official program. So they charged Ms. Loh with developing one. Ms. Loh carefully chose nine Wharton employees from various departments. Their goal was to create a mentoring program that could benefit anyone who worked at Wharton. “I made sure that I was looking at all levels throughout the school in all departments, so they were represented equally,” Ms. Loh said. “We have academic departments, research centers and administrative departments, so I tried to touch on all of them.”

Under Ms. Loh’s supervision, the group first met in April. “The work the committee put into this was crucial,” Ms. Loh said. “They devoted a lot of time, a lot of energy, and they were very committed to making this successful.”

Ms. Daub, who took part in the committee, agrees: “We worked very hard on trying to make Connections a very good, very structured program.”

The group spent months doing research on mentoring. They read material on the subject and attended conferences. They discussed the components a successful mentoring program would require. They marketed Connections. And, with the help of Wharton’s communications department, they created a training seminar for the mentors and mentees.

As 1995 came to a close, Connections was ready for launching. The program kicked off in December with a luncheon. “Before the luncheon, mentors and mentees were given notice of who they had been paired with,” Ms. Loh said. “The luncheon was an opportunity for them to meet face-to-face. Then they were given the mission to go out and succeed.”

Mentors and mentees meet at least once a month, and they keep in constant telephone contact. All conversations are held in the strictest confidence.

Only an employee with at least a year of experience at Wharton can be a mentor, but any Wharton staff member can be a mentee. Even long-time employees can profit from the experience.

“The program will certainly help new employees,” Ms. Loh said, “but it can also be very beneficial for employees who have been around for quite a while who are thinking about looking in a different direction for their careers or who just want to make new contacts.”

“The person I’m mentoring now actually has been here longer than I have,” Ms. Daub added. “She has some very specific things that she thinks that someone else’s input could help her with, even though she’s been here many years.”

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Graduate Students Get a (Social) Life

By Martha Jablow

Pity the poor grad student? Slaving 12 hours a day in a lab? Barricaded behind books in Van Pelt-Dietrich? Sweating about future job prospects?

Not entirely. Grad students do have a life outside the lab, library and classroom. In past years, though, Penn graduate students' social lives have been fairly confined to their individual schools. And most—coming from other undergraduate colleges and universities—find themselves without old friends on an unfamiliar campus in an unexplored city.

But this year, the Graduate and Professional Student Assembly (GAPSA) has pumped new energy into the social lives of grad students across the University. A nursing master's student ice-skates at midnight with a Wharton MBA candidate. A med student introduces herself to an engineering grad student while they wait on line to get into Circa, a Center City restaurant and night club. A law student buys a beer for a GSFA artist during a GAPSA happy hour.

Call it dual-degree dancing or multidisciplinary mixing, it's the social equivalent of curricular collaboration on the academic side.

This semester alone, GAPSA is sponsoring 11 social events that, so far, have been “huge successes,” according to Victor Prince, GAPSA chair, Wharton student and self-described “overgrown undergrad.”

“We’ve really tried to beef up” the sense of community among graduate and professional students across Penn, he explained.

The numbers back him up. Some of last year's GAPSA happy hours attracted an average of only 100 people. This year’s happy hours—enhanced by live music and DJs—are packed with 500 or more. The Mardi Gras happy hour Feb. 16 drew 600 people to the Gold Standard. Eight hundred attended the Winter Holiday party.

When GAPSA planned its “Vogue Party” for Feb. 22 at Circa, its board expected, perhaps, 300 people to attend. Instead, 890 appeared, creating a queue that stretched from the club at 1518 Walnut St. down the block and around the corner to 16th and Locust Streets. Circa’s manager couldn’t believe the size of the turnout, Mr. Prince reported.

The Vogue Party was “an excuse to dress up,” he added. “It was our largest event and we wanted it to be more upscale than usual.”

Thursday evenings have proven to be popular nights for socializing as well. The first GAPSA ice-skating party, Jan. 25, drew an unexpectedly large crowd of 300 to the Class of 1923 Ice Rink between the unlikely hours of 11 p.m. and 2 a.m. The sequel on Feb. 29 was another hit. The beer and guacamole more than made up for any falls on the hard ice.

GAPSA also will host a “Back from Break Happy Hour” March 22 and a “Plain Old Happy Hour” April 5, both at the Gold Standard from 5 to 9 p.m. A gala “End of Year Party” will be held April 25 at the University of Pennsylvania Museum of Archaeology and Anthropology from 5 to 9 p.m.

But partying isn’t GAPSA’s sole purpose. The assembly is the University-wide student government for Penn’s 10,000 graduate and professional students. Social events “go hand in hand” with the group’s representative function, in Mr. Prince’s view, “and they are a way to communicate” among students across all 12 graduate and professional schools.

One of the sparks that has ignited the revival of grad-student life is electronic. Through e-mail and list servers, graduate students are staying in touch and promoting social events and committee meetings with greater ease.

GAPSA has also enhanced communications by creating a home page on the World Wide Web (http://dolphin.upenn.edu/~gapsa), and it has an e-mail address (gapsa@dolphin.upenn.edu).

Photograph by Jenny Friesenhahn

Graduate students hit the ice.

Ice-skating parties are just some of the social events GAPSA sponsors to help grad students “chill” out.

In the past, it has sometimes been “hard to get grad students’ attention and involvement,” Mr. Prince said. “Some schools are tight-knit and have a lot of their own activities, while others don’t seem to have as much of (continued on page 13)
Peggy Reeves Sanday Takes a Historic Look at Rape and Accountability

By Esaúl Sánchez

For all the advances that America has made towards justice for all, when it comes to victims of rape, we may still be in the Dark Ages.

“It is surprising that society’s response to rape has changed very little over the past 300 years,” said Peggy Reeves Sanday, professor of anthropology. In her newest book, “A Woman Scorned: Acquaintance Rape on Trial,” Dr. Sanday examines America’s views of male and female sexuality through a close look at landmark cases of rape in America and England from 1631 to 1991.

In the legal cases covered in her book, Dr. Sanday describes how defense lawyers portrayed the women bringing rape charges by a host of stereotypes: the sexually insatiable, the blackmailer, the extortionist or the woman scorned.

“Consistently, the forensic evidence was and is swept under the rug, eyewitness evidence is ignored, and the defense concentrates on attacking the character of the woman,” said Dr. Sanday. The complainants, not the perpetrators, end up standing trial.

This wasn’t true in earliest Puritan times when both genders were thought to have the same sexual desire and both were expected to keep this desire under control.

“It was in the 18th century, at the birth of the nation, that we embraced the dual notion that men have uncontrollable sexual desires and women are passionless,” Dr. Sanday noted. Proper women were expected to keep men in control. If a situation got out of control, it was considered the woman’s fault.

Societies that hold both sexes equally responsible for sexual situations have fewer incidents of rape, Dr. Sanday argues. She has lived on and off for years among the Minangkabau of Indonesia, complainants from being tried according to the old stereotypes.

Yet the old stereotypes prevailed, especially in cases of acquaintance rape. Dr. Sanday’s book was prompted by the comment of a juror, explaining to a reporter why he voted for acquittal in a rape trial involving students from St. John’s University in 1991. “What was that thing that Shakespeare said?” he asked. “‘Hell hath no fury like a woman scorned?’” Similar arguments were used in the Anita Hill-Clarence Thomas case and in the William Kennedy Smith case, which Dr. Sanday also examined.

Today, anti-rape activism is widespread on college campuses. Dr. Sanday believes that this movement constitutes a sexual revolution far more profound than the 1960s sexual revolution because male and female students are in it together, struggling against the old ideas.

A backlash against this movement began in the 1990s with books by Camille Paglia and Katie Roiphe, who argued that uncontrollability is a natural—not a social—force among men. “As defenders of existing stereotypes, these women became heroines of the status quo,” said Dr. Sanday.

“As long as men are not accountable for their actions, women will be sexually abused,” she argued. “We have to extend the dialogue of anti-rape activism to universities and high schools across the nation. We must talk about our notions of sexuality and about who should be accountable for what.

“Men should realize that if a woman doesn’t say clearly that she wants to have sex with him, he may have to account for his actions in court. We must treat sexual aggression for what it is, a criminal, not a manly, act. That’s how we can advance the cause of greater equality between the sexes,” she concluded.

“A Woman Scorned: Acquaintance Rape on Trial” was published by Doubleday on March 8.

Dr. Sanday believes that the courts blame rape on the female victims. The male defendants receive better treatment.
Penn Temps: A Solution for Service and Savings

Just before 9 a.m., a key person in Wharton Reprographics’ bindery called in sick. Sheaves of papers were piling up for a priority job, so Assistant Manager of Client Services Leroy Heartsfield called Todays Penn Temps. A worker showed up by 10:30 a.m.

“They’re response is absolutely phenomenal,” said Mr. Heartsfield. “We have used them a lot, especially during peak periods like at the beginning of a semester when we’re putting out course packs for all 5,000 Wharton students over a two-week period. And Todays Penn Temps always sends us responsible people.”

Calling in a temp on short notice used to be a bit of a gamble. But the Executive Vice President’s Office, Human Resources and Purchasing inaugurated a new single-source arrangement in September that streamlines the process, improves worker quality and service, and saves the University money. An important additional benefit is that Todays Penn Temps offers job opportunities to Penn’s neighbors in West Philadelphia, “which will support the University’s goal of building stronger community ties,” noted Executive Vice President John Fry when he informed the University about the arrangement in August.

“Until this past summer, we had used five vendors—temp companies that we’d made agreements with about rates and arrangements,” explained Susan Curran, assistant manager of employment in Human Resources. “We were interested in establishing a partnership that would improve service and reduce costs at the same time. After a lot of research, we decided to go with one preferred vendor, Todays Temporary,” a nationwide firm that had already been a provider of temps to Penn for six years.

In the “partner-on-premises” arrangement, Penn leased an office in the Funderburg Information Center, 3401 Walnut St., to Todays Temporary, and the on-campus service was renamed Todays Penn Temps.

The single-provider relationship means that the temp needs of University schools and departments can be filled quickly with qualified personnel. The service also is developing an extensive database on departmental temp employment needs and preferences.

Mr. Heartsfield isn’t the only one who finds that Todays Penn Temps provides productive, skilled workers. Across the campus, administrators like Trudi Sippola are happy with the new system. The assistant director of Division Support in the School of Nursing, Ms. Sippola said, “We’ve really gotten good people. Todays Penn Temps is very quick in their response. I think that, because they are trying to serve the whole University, they are sending us better temps overall in their quality than we used to get [from a variety of agencies].

“In the past, you’d get uneven quality,” Ms. Sippola continued. “You’d try to remember the names of the better temps and request them when you needed to fill a spot, and often you couldn’t get them again. But now there’s more consistency.”

Through a concerted effort, Todays Penn Temps is developing a pool of workers who temp only at Penn. And 56 percent of them live in West Philadelphia. In the last quarter of this fiscal year, 170 temps who worked at Penn were West Philadelphians, according to Ms. Curran.

“They’ve been even more successful at recruiting from the community than we had hoped,” she added. “They have very quick turnaround time. And if they cannot fill the position, they will subcontract and negotiate the best rates for Penn.”

The sole-source arrangement has already brought about a projected annual cost savings of approximately $140,000.

Todays Penn Temps will also assist Human Resources in testing qualified applicants for full-time jobs. The agency will test and pool qualified applicants for regular staff positions and several different types of jobs without additional cost to the University.

The arrangement also will give an advantage to former Penn employees whose positions have been discontinued. By joining the temp pool, they can be in a better position to step into a permanent job slot when one opens. The arrangement allows Penn to hire temps into full-time or part-time positions without paying a placement fee. For support positions, this is seen as a valuable and cost-efficient recruitment device.

Becky Kilkenny, Todays Penn Temps operations manager, said that the new arrangement has been a substantial success. A survey of departments that have used the service was recently conducted, and 98 percent of those surveyed said that they thought the on-site, single-source provider has been beneficial, reported Ms. Kilkenny.

Temping is “one of the fastest-growing industries in the country,” she added. “These are people who want to work and they are effective, productive workers. There’s a lot of pride. Many have great skills.” Temps also enjoy the flexibility of working when they need to work, as well as the benefits offered, she pointed out.

Todays Temporary provides temp workers with health benefits as soon as they sign on, and they accrue holiday pay after working 300 hours. They earn two-weeks’ vacation pay after working a year, with a minimum of 1,500 hours within that year.

For added incentive, Todays Penn Temps holds giveaways—monthly prizes such as shopping sprees, CD players and restaurant meals. An annual sweepstakes in December features a grand prize of a Jeep Grand Cherokee. To enter the drawings, temps have productivity cards filled out by supervisors. If their productivity exceeds expectations, they are eligible for the drawings.

The partner-on-premises arrangement is working so successfully that Todays Penn Temps is about to add a second full-time staffer to assist Ms. Kilkenny.

Mr. Fry believes that the Todays Penn Temp arrangement demonstrates the value of partnering with commercial entities to help achieve the University’s restructuring goals. “By offering vendors an exclusive relationship based on performance criteria, which we constantly monitor,” he said, “we are able to guarantee the University better service, lower costs, and the flexibility to make special arrangements that serve other goals, such as providing job opportunities for West Philadelphians.”
ALMANAC  March 19, 1996

Features

Connections

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Not only can veteran employees be mentees, so can mentors. Ms. Daub, for one, is both. “When I’m involved in my job, I know that I am very good at some things, but I know that there are other things I need to work on,” she offered. “So when I went into the program, I volunteered to be a mentor and asked for a mentor, because there are certain skills I need to develop.”

Currently, 60 people are involved in the Connections program: 30 mentors and 30 mentees. There’s also a reserve list of five mentors that continues to grow. “We’ll approach people and ask them to do it,” Ms. Loh said.

Five members of the original Connections committee—Ms. Loh included—serve as team leaders. Each is responsible for six mentor/mentee pairings. “Team leaders are sort of the mentors’ mentors,” Ms. Loh explained. “They touch base with the mentors periodically to make sure everything is going along well. They answer any questions the mentors may have, because we anticipate that the mentees will come to the mentors with questions they just aren’t prepared to answer.”

The Connections committee regularly surveys participants to make sure that they are pleased with the program’s progress. So far, mentees and mentors alike have reacted positively.

“It certainly is a morale booster,” Ms. Loh said. “We’ve gotten incredible feedback.”

Once the program ends in August, another will begin. Ms. Loh expects even more participants next time. “We anticipate that our mentees will be able to be mentors, and so our pool of mentors will grow,” she said. “And since the word is out there that the program is successful, the demand will be greater.”

And when Ms. Loh says “the word is out there,” she doesn’t just mean at Wharton. Connections has caused quite a buzz around the University. Perhaps, in the future, other schools will adopt similar mentoring programs. That wouldn’t surprise Ms. Loh at all.

“Central Human Resources talked to me a little bit about how we got the program started,” she said. “It is certainly adaptable to any environment.”

Everyone needs a helping hand. GAPSA brings together graduate students from across the University.

The program will certainly help new employees, but it can also be very beneficial for employees who have been around for a while.

—Anna Loh

GAPSA

(continued from page 10)

a need.” Through more—and more-popular—social events, GAPSA is pulling growing numbers of graduate students into its other activities.

“Eleven of Penn’s 12 grad schools regularly send representatives to GAPSA’s monthly General Assembly meeting, a far higher percentage than in previous years,” Mr. Prince noted.

As GAPSA representatives, grad students have a voice in University policy and operations by sitting on Trustee, University Council and Independent Council committees, as well as the Affirmative Action Council, Houston Hall Board, Dispute Resolution Board and 10 other committees. GAPSA has increased coordination with University Administrators this year and passed joint resolutions with the Undergraduate Assembly.

GAPSA has also offered input for the President’s Strategic Plan for the University and “improved channels of communication” with President Judith Rodin and Provost Stanley Chodorow, said Mr. Prince. “They are really listening to us.”

A brighter social life and a more-influential role in the University community are just part of a larger achievement, some GAPSA leaders believe. “Penn’s graduate-degree programs stand to benefit,” said Surya Ghosh, first vice chair. “Penn will be able to attract the best graduate students in all of its schools because we will be the only one of its competing schools with an enjoyable graduate-student life.

“We will be the only university producing Ph.D.s where the student doesn’t say that life sucks as a graduate student,” he added. “That is certain to attract prospects when they think of where they want to spend two to five years of their lives. And, as always, better graduate students will affect the entire University in better teaching and research.”
Grant Takes WEPIC Beyond West Philly

By Sandy Smith

Just over a decade ago, two Penn faculty members had an idea: Urban universities can help solve community problems through service projects that bring together local youth and university students and faculty. From their idea emerged the West Philadelphia Improvement Corps (WEPIC), a project of the West Philadelphia Partnership, a nonprofit organization dedicated to revitalizing the surrounding community.

From its origins at Shaw Middle School, WEPIC has expanded to include nine West Philadelphia public schools. Its university-assisted community-school programs bring Penn students, faculty, public-school pupils and the community together to create opportunities for enriched learning.

Three years ago, the DeWitt Wallace-Reader’s Digest Fund, impressed by what they saw happening with WEPIC, awarded Penn a $250,000 grant to plan ways to duplicate WEPIC elsewhere. Last spring, three universities were selected to participate in a three-year program funded by a $1 million DeWitt Wallace-Reader’s Digest Fund grant. Now, almost one year later, each of the participants in the WEPIC Replication Project—the University of Kentucky in Lexington, the University of Alabama at Birmingham (UAB), and Miami University, Ohio—are well on their way to creating successful university-assisted community-school programs.

Joann Weeks, director of the WEPIC Replication Project, noted that the three universities have made “excellent progress toward the goals they established in their proposals,” and that “the ability of the projects to draw faculty and student participation, engage new partners from the community, and tap new sources of funding has exceeded expectations.”

Miami’s program operates from the Bloom Middle School in Cincinnati’s West End, a neighborhood that project co-leader Katherine Hooper-Briar notes closely resembles West Philadelphia. The Bloom-Miami program seeks to create a comprehensive center for community service and development. It works with teachers and the community to identify children at risk of failure or dropping out, and help them get back on track. Last summer, 21 such students were placed in an intensive support and educational program at Bloom. All 21 successfully graduated from the eighth grade.

Dr. Hooper-Briar said of the group, “When we interviewed them [at the start of the program], they felt that the main block to their graduating was that they would be dead. Now they dream of college.”

Like WEPIC, the Kentucky program began with one-on-one tutoring. It started as a project at Lexington’s Winburn Middle School in 1993 and quickly expanded into a full-fledged community-school program, the Winburn Community Academy. The grant to Kentucky allowed the program to be expanded into the summer; the university is now working with the city of Lexington to create three additional summer community schools.

“The WEPIC grant has helped the University of Kentucky have a say in programs that affect the community and that link schools and communities using our human and other resources as a framework,” said Ann Gerrity, project coordinator.

The city of Birmingham has a well-established community-school program, offering a wide variety of after-school and evening programs for youth and adults. UAB’s Center for Urban Affairs had been working with West End residents on housing and development issues; the grant to UAB allowed the center to link its work to the community-school program. Undergraduates are now tutoring after school. Betty Bock, program coordinator, and Robert Corley, center director, are working with a team of West Enders and university faculty and staff to develop a peer mediation program focusing on conflict resolution and HIV/AIDS prevention. Students trained under the program will serve as mediators and mentors in West End High School and its feeder schools.

In addition to funding community-school programs, the DeWitt Wallace-Reader’s Digest Fund also provides money for the WEPIC Replication Project staff to organize national conferences where participants can meet and compare notes. The National Conference on Community Service and University-Assisted Community Schools took place last November and drew over 150 people from schools, colleges, and communities across the country. At the conference, the participants discussed current community-service efforts of middle schools, high schools, colleges and universities; heard community-school advocates discuss the challenges they faced in setting up successful programs; and received status reports on the three replication sites.

There was also spirited discussion of a paper written by Ira Harkavy, director of the Center for Community Partnerships, and Lee Benson, emeritus history professor. The paper called for reorienting American education away from the Platonic ideal towards a more-practical, problem-solving approach based on the ideas of John Dewey, Nancy Rhodes—director of Campus Compact, a national coalition of educators promoting academic community service—said of the discussion, “The notion that we should focus on doing has been underdiscussed as a theoretical basis for learning. [Drs. Harkavy and Benson] put that back on the agenda in a forceful way.”

Planning is now underway for a second national community-service/community-school conference to be held at Penn this coming fall.
Closing of HIV Testing Site

The Office of Health Education, a division of the Student Health Service, regrets to announce that the on-campus anonymous HIV Testing site will cease to offer services after March 28. The decision was made by Hanemann University Hospital administrators, whose employees have come to the Penn campus every Thursday to provide free and anonymous HIV counseling and testing. Financial constraints—namely, the failure of Federal HIV prevention resources to keep pace with growing national demand—have forced many grant-funded testing programs to curtail services to populations whose rate of HIV infection remains relatively low. Since it began operating in October 1993, the Penn site has yielded a comparatively low rate of HIV-positive test results.

There are currently two other anonymous, free HIV testing sites within walking distance of the Penn campus. Children’s Hospital of Philadelphia recently began a testing program focusing on clients in the age range 18-24. Testing is done on a walk-in basis (no appointment needed) every Wednesday evening from 5 to 8 p.m. on the first floor of St. Leonard’s Court, 39th and Chestnut Streets. Another testing site is available at The Consortium, 451 University Avenue, appointed for additional hours per week.

April: Peer Health Recruitment Season

Starting April 1, Penn’s Office of Health Education (a division of the Student Health Service) will be recruiting undergraduate, graduate, and professional students to be trained as peer health educators and peer health advocates. Applicants who are accepted into the program in April will be trained in late September and early October to conduct peer health activities in the 1996-97 academic year. Our office encourages faculty and staff to identify and refer health-interested students to this valuable service-based program.

Peer health groups to which students may apply are:
- DART (Drug & Alcohol Resource Team)
- FLASH (Facilitating Learning About Sexual Health)
- GUIDE (Guidance for Understanding Image, Dieting, & Eating)
- STAAR (Students Together Against Acquaintance Rape)
- SHAB (Student Health Advisory Board)

Each group consists of 15-25 student members who are trained in the issues specific to the group’s mission. SHAB members do not conduct educational workshops, unlike the other groups. Rather, SHAB serves as a consumer-advocacy group which shapes Student Health Service policies and procedures.

Students may apply to one group only; dual membership is discouraged. Applicants who are accepted make the following commitment:
- One full weekend of training in late September/early October
- One full weekend of peer health cross-training in February 1997
- One meeting per week during the fall and spring semesters (2 hours per week)
- Service conducting workshops or other educational activities (2 additional hours per week)
- The program is voluntary and does not provide pay or academic credit. The program is competitive—not all applicants get accepted.

Applicants do not need previous expertise in the issue of the group to which they apply, but they must demonstrate a willingness to learn health information and facilitate/advocacy skills. Previous facilitation, advocacy, or activism experience is a plus.

Applications may be picked up after April 1 in the Office of Health Education, 310 Houston Hall.

Deadline for submitting applications is Friday, April 12 at 5 p.m. Applicants must attend a 30-minute interview during the week of April 15. Decisions about applicants will be made no later than Wednesday, April 24.

If you have questions about the peer health application process, please contact the Office of Health Education, 310 Houston Hall, at 573-3525 or by e-mail: she@pobox.upenn.edu

—Kurt Conklin, Health Educator, Student Health Service

Centrifuge Safety Warning

Savant Instruments Inc., and E-C Apparatus have notified us about a potential safety problem with one of their discontinued lines of centrifuges, the HSC10 series, produced from 1983-1993. Under normal operation all centrifuge rotors are subjected to forces which could cause them to fragment if the rotor has been damaged, misused or previously over-stressed. This condition is exacerbated by high speed operation. In the event of such rotor failure, the HSC10 may not provide complete containment of the fragments or sample being centrifuged and personal injury or property damage may result.

Because of the potential for injury, Savant advises people who possess one of these units to call 1-800-327-2643 or 516-244-2929 for a rotor inspection. A replacement upgrade or modification of the existing unit, if not too old, may be required to provide an additional margin of safety.

—Harriet Izenberg, Biosafety Officer
Office of Environmental Health and Safety

Occupational Exposure To Animals

As part of the University’s Animal Welfare Program, a medical surveillance program is available to all investigators, technicians, husbandry staff and others who have significant occupational exposure to animals at Penn. The program, which is administered by the Occupational Medicine and Health Services in the Hospital of the University of Pennsylvania (HUP), consists of physical examinations, immunizations, and treatment of animal-related bites or injuries. Supervisors are encouraged to enroll employees in this program.

Personnel who incur an animal injury or are interested in obtaining more information about the program, should contact Occupational Medicine and Health Services, Silverstein Pavilion, HUP, telephone: 662-2354. Services for students who have significant contact with animals are provided by the Student Health Service, lower lobby, Penn Tower Hotel, telephone: 662-2850.

For any injury that occurs after hours, students and staff are advised to go to the Emergency Room, Silverstein Pavilion, HUP.

—Dr. Marilyn Howarth, Director
Occupational Medicine and Health Services
The University of Pennsylvania Police Department

Community Crime Report

About the Crime Report: Below are all Crimes Against Persons and Crimes Against Society listed in the campus report for February 26 through March 10, 1996. Also reported were Crimes Against Property including 48 thefts (including 14 of bicycles and parts), 10 incidents of criminal mischief and vandalism, 2 of trespass and loitering, and 1 of forgery and fraud. Full crime reports are in this issue of Almanac on the Web (http://www.upenn.edu/almanac/v42/n24/crimes.html).—Ed.

This summary is prepared by the Division of Public Safety and includes all criminal incidents reported and made known to the University Police department between the dates of February 26 and March 10, 1996. The University Police actively patrol from Market Street to Baltimore Avenue and from the Schuylkill River to 43rd Street in conjunction with the Philadelphia Police. In this effort to provide you with a thorough and accurate report on public safety concerns, we hope that your increased awareness will lessen the opportunity for crime. For any concerns or suggestions regarding this report, please call the Division of Public Safety at 888-4452.

**Crimes Against Persons**

34th to 38th/Market to Civic Center: Robberies (& attempts)—4, Aggravated assaults—1, Simple assaults—2, Threats & harassment—4, Indecent exposure & lewdness—1

02/28/96  7:39 AM Blockley Hall Harassing message left on voice mail
02/28/96  11:38 AM 38th & Market Robbery by unknown male
02/28/96  1:49 PM Clinical Res. Bldg. Harassing message received on telephone
03/02/96  4:46 PM 3744 Spruce St. Assault between employee and student
03/02/96  10:17 AM Lot # 17 Robbery of cash/arrest
03/03/96  2:48 PM Warwick Dorm Complainant harassed from prior incident
03/03/96  3:29 PM Warwick Dorm Harassing message left on door
03/04/96  4:38 PM 3731 Walnut St. Male demanded money per note at bank/led
03/05/96  10:59 PM McNeil Bldg. Male exposed self
03/05/96  9:18 PM 3405 Walnut St. Robbery of cash/injuries
03/07/96  8:59 AM 3400 Blk. Sansom Rollerblader assaulted by vehicle driver

38th to 41st/Market to Baltimore: Robberies (& attempts)—2, Simple assaults—2, Threats & harassment—2

02/28/96  1:07 AM 4042 Walnut St. 2 robbed by 3 males w/gun/3 arrests
02/28/96  2:24 AM 40th & Locust 3 males assaulted by 10-12 unknown males
03/04/96  5:08 PM 208 S. 40th St. Complaint report being harassed
03/04/96  10:48 PM 4000 Blk. Pine Attempted robbery of cash by unknown male
03/05/96  1:04 PM Levy Building Dispute between employees
03/09/96  4:03 PM 4000 Spruce St. Complainant harassed by restaurant

30th to 34th/Market to University: Aggravated assaults—1, Threats & harassment—1

02/28/96  2:50 AM Lot # 2 Complainant struck on head by panhandler
03/08/96  1:01 AM Music Bldg. Harassing message left on voice mail

**Outside 30th to 43rd/Market to Baltimore: Robberies (& attempts)—1, Simple assaults—2, Threats & harassment—1**

02/26/96  8:11 AM Walnut St. Bridge Male jumped out of vehicle/executed complainant
02/28/96  7:50 PM 200 Blk. S. 45th Phila. Police officer shot in leg during carjacking
02/28/96  11:40 PM 4700 Walnut St. Attempted carjacking/complainant shot in arm
03/02/96  4:02 AM 30th St. Station Male struck in face
03/04/96  4:02 AM 3508 Market St. Unwanted calls received

**Crimes Against Society**

34th to 38th/Market to Civic Center: Disorderly conduct—2

02/27/96  4:19 PM 3423 Walnut St. Male disorderly/arrêt
03/05/96  7:52 PM 3409 Walnut St. Person causing disturbance/arrest

41st to 34th/Market to Civic Center: Disorderly conduct—2

03/01/96  7:07 PM 4200 Blk. Walnut Male arrested for disorderly conduct
03/04/96  4:44 PM 4200 Blk. Pine Male drinking & urinating on street/cited

**MUSIC**

24 Recital: Music by Bach, Mozart, Bax and Ginestra: David Austin, oboist, David Kim, violinist, and other musicians; 1:30 p.m.; Bodek Lounge, Houston Hall.

**TALKS**

20 Errant Mystics: Meister Eckhart, Ibn Arabi, and Abraham Abulafia; Bernard McGinn, Chicago; Michael Sells, Haverford; Moshe Ide., 5 p.m.; Rosenwald Gallery, Van Pelt-Dietrich Library (Center for Judaic Studies; Library University).

21 The Epics Program: Long-Term Community Service Project in the Engineering Curriculum: Ed Coyle, Purdue; 11 a.m.-noon; Room 216, Moore School (Electrical Engineering).

26 Buried Under Cherry-Blossoms and the Moon: Saigyo’s Attachment and Enlightenment; Manabu Watanabe, Nanzen U./Harvard; 5 p.m.; Room 110, Williams Hall (East Asian Studies).

27 Parental-Origin Effects, Sex-Ratio Distortion and X Chromosome Inactivation; Carmen Sapienza, Temple; noon; Pharmacology Library, John Morgan Bldg. (Center for Research on Reproduction and Women’s Health; Penn Medical Center).

Cultural Diversity and the Crisis of the Modern Note: Bhikhu Parekh, visiting professor, Harvard; University of Hull, UK; 4:30 p.m. Room 109, Annenberg School for Communication (Center for the Advanced Study of India; Department of South Asia Regional Studies).

28 Islam, Modernity, and Postmodernity: Khalid Blankenship, Temple; 5:6:30 p.m.; Bodek Lounge, Houston Hall (Religious Studies).

**Shopping for a Home?**

The Office of the Treasurer continues its Mortgage Seminars March 25, 27 and 28. The presentation by the Treasurer’s office and a mortgage company covers topics including: real estate terminology, who the players are, qualifying ratios, closing costs, credit, the University’s guaranteed mortgage program. Attendees are invited to bring a brown bag lunch to the seminar, at noon and 1 p.m., in Room 720, Franklin Building. Call 898-7256 for reservations.

**Shopping for a Gift?**

Friday, March 22 is the A-3 Assembly’s Entrepreneurial Day. This small business fair held in Bodek Lounge, Houston Hall from 10 a.m. to 4 p.m., features vendors selling arts, crafts, jewelry, financial and photography services, and other items. For more information, call 898-9245.
Actively Open-minded Thinking

by Jonathan Baron

Colleges can improve students’ thinking. We may be able to do this more effectively if we have a better idea of what we are doing. “We” means students and faculty; students apply standards of thinking to each other, just as faculty apply them to students and to other faculty. In early universities, the standards came from Aristotle. Logic was an essential part of the curriculum. We still sometimes criticize each other for begging the question, non sequitur, and other Aristotelian fallacies. Recent scholarship has given us a clearer idea of what good thinking is, where thinking goes wrong, and how education can help.

Thinking concerns the resolution of doubt about what to do, what to believe, or what to value. It consists of search and inference. (Logic concerns inference only.) When we think, we search for possibilities, which are ways of resolving the doubt; for evidence, which bears on the merit of the possibilities; and for relevant values, which allow us to evaluate the possibilities in the light of the evidence. In buying a car, the possibilities are cars (and perhaps other options such as the train), the evidence is about quality, safety, price, etc., and the values are what we care about, from avoiding hassle to minimizing pollution. During and after our search, we make inferences from what we have found. Possibilities strengthen and weaken, sometimes getting rejected or adopted.

In good thinking:
1. search is sufficiently thorough for the question;
2. search and inference are fair to all possibilities under consideration; and
3. confidence is appropriate to the amount of search that has been done and the quality of the inferences made.

People often depart from good thinking by:
1. searching too little when the issue is important (or too much when it is unimportant);
2. searching and making inferences in a way that favors possibilities that are already strong or that the thinker wishes were adopted;
3. having high confidence when this is not warranted by the search and inference that have been done.

Examples of such shortcomings are easy to find. Irving Janis, for example, has shown how just this sort of thinking has led to such fiascos as the Bay of Pigs invasion. Tom Gilovich has written a nice little book about overconfidence. Lots of psychology experiments show these kinds of problems, and some experiments show that they can be remedied, at least in the short term. Other studies show that undergraduate and graduate education have lasting effects on how people think, as well as on what they know.

Education can help by insisting on thorough and fair search, fair inference, and appropriate confidence. I call this actively open-minded thinking because we must work actively against wishful thinking and bias toward pet possibilities. Because good thinking involves competition among possibilities, evidence, and values, it is almost always quantitative, in the sense of weighing things against each other. When we pit safety against price, we must ask how much safety for how much price, and how much we care about each. Sometimes it may help to make the quantitative aspects explicit.

Actively open-minded thinking is fundamental to academic inquiry. When I submit a paper to a journal, the criticism I get concern my failure to search—e.g., for opposing views in the literature or for alternative interpretations of my result—and they concern biased inference, such as dismissing discrepant results. We criticize students this way too.

In some of my classes, I explicitly try to encourage actively open-minded thinking. For example, I ask for a reflective essay with the following suggested outline:
1. Explain your question and why it is important.
2. Present the most obvious answer or answers.
3. Consider less obvious alternatives, or objections to the obvious answers.
4. Rebut the criticisms, or explain how the original answers can be modified to deal with them.

Many students have trouble with this, although some, not otherwise the best students, take it to easily. Good thinking is encouraged in other ways, e.g., by encouraging discussion in which alternative points of view are requested and debated. Even in grading exams, we can give credit for bringing up an alternative or a criticism. Most importantly, we can help students learn to think by telling them explicitly what our standards are and then acting consistently with these standards both in the classroom and when assigning grades.

Further reading

The Talk About Teaching series was developed by the Lindback Society and the College of Arts and Sciences. Dr. Baron is a professor of psychology.
To the University Community

The University, in consultation with the Health System, has completed a broad analysis of procurement activities across campus. The review, done in conjunction with the implementation of the new financial system, assessed how effectively and efficiently the University was purchasing goods and services and if there were opportunities to achieve cost savings without negatively impacting choice and quality. To assist in this effort, the University engaged Coopers & Lybrand to work with a group of procurement specialists and faculty to ensure a thorough review of Penn’s procurement practices.

The study found substantial opportunities to achieve savings in the $640 million of goods and services purchased annually. Through negotiating volume contracts, University-wide discounts, reducing the numbers of vendors within specific commodities, and combining purchasing activities with the Health System, Penn can achieve significant cost savings in its procurement activities. The study further recommended that the University set goals for individual procurement offices and develop a comprehensive data base to track future procurement activity and costs throughout the University.

The study also reinforces many of the things we were already doing—ProCard, On-line Access to vendor catalogues, commodity negotiations, but indicates we still have major opportunities that we have not yet harvested. The central Purchasing Office has taken steps to make Penn’s procurement process more efficient. However, if Penn is to achieve the savings envisioned in the following report, each member of the campus community must play an active role in ensuring this project’s success.

Given that the restructuring of our procurement activities can make an enormous contribution to our $50 million administrative cost savings target, without a substantial displacement of employees, we urge the Penn community to make a whole-hearted commitment to making this effort a resounding success.

Judith Rodin
President

Stanley Chodorow
Provost

John Fry
Executive Vice President

Building our Commitment

Background

In 1993, a reengineering team developed an outline for transforming procurement operations in order to produce a dramatically more effective and efficient process at Penn. Implementation was dependent on the University’s commitment to:

— radically changing and supporting the new process,
— making a significant investment in infrastructure and automated systems,
— assigning greater procurement responsibility and accountability to the Schools and Centers,
— addressing organizational structure changes and related issues, and
— addressing various issues related to employee displacement, retention, and reward.

Plan implementation has been an ongoing process over the last three years resulting in changes that have already had a material effect on the procurement process. Significant additional changes will occur with implementation of the Purchasing component of our new financial system on July 1, 1996. It would be appropriate to characterize the entire effort as a three-phase program that has been in effect since February, 1993. Those three phases can be identified as:

Phase 1: Conceptual Development
Phase 2: Incremental Improvements
Phase 3: Breakthrough Improvements

Phase 1

In February, 1993 a team was formed for the purpose of reengineering the procurement/disbursement process. The reengineering team included representatives from schools and central administration and was facilitated by an outside consultant.

The team considered all aspects of the procurement process, developed a model of the ideal procurement process for Penn, validated the concept with key constituencies, and finalized the reengineered design.

The concept defined dependencies to be addressed and benefits to be realized. Breakthrough ideas were explored and validated.

A summary outline of the model was presented to various members of the community for their response. Reaction to those presentations was favorable and virtually no changes in the design were made as a result of the feedback from the presentations.

Phase 2

During the period July, 1993, to the present, the following improvements have been launched:

Commodity Matrix: A commodity matrix was developed and distributed to the entire campus as an aide to business offices in determining the appropriate method for handling various procurement transactions. Benefits include reductions in the number of information requests handled and reductions in the number of request returns.

Penn Purchasing Inquiry (PPINQ): With UMIS assistance, an interim inquiry capability was made available to the entire campus, which provides on-line access to purchase order and payable information. Benefits include reduced information requests and availability of information to the campus community on a timely basis.

Confirming Order Form: An interim confirming order process for use on critical needs valued up to $1,000 was developed and implemented on an interim basis. Primary benefits occur at point of purchase where an urgent requirement can now be processed immediately.

Accounting Business Certification Program: This program, implemented in October, 1994, provides the necessary training to
prepare business administrators to conduct business transactions quickly and efficiently.

**Credit Card:** The reengineering team recommended that an investigation of the potential use of procurement credit cards be conducted. The Division of Finance led a team effort in evaluating products, designing a program, conducting a pilot project, and implementing campus-wide use of the Master Card Procurement Credit Card Program (ProCard). This program has run successfully with purchase volumes against credit cards increasing every month since inception.

There are currently 550 credit cards in use on campus. Current monthly credit card activity exceeds 2,000 transactions with a value in excess of $250,000.

**System Implementation:** A team was charged with evaluating technical support for a new financial management information system (FinMIS) which included a Purchasing/Accounts Payable component in support of the reengineered process. The team recommended the acquisition of application software which includes general ledger, purchasing and accounts payable. UMIS, Purchasing, and the Comptroller’s Office are working on the implementation of the new system. The system is scheduled to be operational on July 1, 1996.

**Penn Purchasing Home Page Creation:** This provides business information to the entire campus community and has prepared us to take advantage of the various World Wide Web services that are being developed by our commercial suppliers. Benefits include the immediate availability of vendor product information to campus.

**Outsourcing:** Most of the procurement process associated with the acquisition of office supplies and laboratory supplies (the two largest purchase volume areas) has been outsourced. Full-time vendor employees are on site handling order placement, vendor service, product information, on-line vendor processing of purchase requests, problem resolution and customer service, all of which had previously been the responsibility of Penn Purchasing.

**Phase 3**

Implementation of FinMIS is scheduled for July 1, with a simultaneous transfer of responsibility for low dollar value purchase transaction processing to school and center business offices.

Effective July 1, Penn Purchasing will become Penn Acquisition Services. It will be staffed by a team of procurement professionals whose primary responsibilities will be contract negotiation, value analysis, cost reduction, product and service improvement, identifying and integrating new technologies, supplier management, promoting minority and community business, standards establishment, and enhanced customer interaction. The new Acquisition Services organization will be a smaller, professionally-based organization and one that will focus its efforts on high return, value added activities.

The departmental restructuring plan has been developed in consultation with Human Resources. It will establish a professional organization that manages procurement activity and information, and delivers high quality procurement services to the campus community. New job descriptions have been completed for all staff positions. The skill sets needed in the new environment have been incorporated into the new job descriptions.

Six positions have been discontinued as a result of the various incremental process improvements made to date as part of the reengineering of Penn Purchasing. These position discontinuations were accomplished with no decrease in departmental response time nor reduction in service levels. In fact, in several areas there have been increases in response time, improvements in service, and reductions in the cost of products and services. To date, all position discontinuations have been accomplished through attrition. Upon implementation of Penn Acquisition Services on July 1, 1996, an additional five positions will be discontinued. Combined savings will total $237,000 in salaries and benefits.

Some interim improvements that simplify the procurement process and lower costs of acquisition have already been adopted. The ProCard has eliminated paper transactions and the costly process associated with issuing a purchase order. This program ensures that the University is not incurring as much administrative expense to buy a $30 paper punch as $5,000 of office furniture. Use of the card has produced an estimated $320,000 to date in process cost savings University-wide.

Some of the savings to date have been reinvested into a review of procurement practices at Penn in order to find additional opportunities for reducing the cost of purchased goods and services. That review, recently completed by Coopers and Lybrand, suggests many opportunities for Penn to leverage its significant purchasing power.

On average, the University spends 58 cents of each revenue dollar on goods and services. This offers the University significant opportunity to seek and obtain more value for the dollars spent.

The key to our success will be the development of a creative collaboration within the University and with our suppliers. The aim is to reduce the total cost, not just the price, of each product and service we buy. This will require the formation of a number of partnerships to reduce costs year after year. In exchange for helping key suppliers market, manufacture, and deliver more efficiently, and thereby hold down prices, the University can secure a share of the savings.

With the introduction of FinMIS in July, the University will continue to reduce process costs and will be able to gather information on University-wide purchases of goods and services. This will enable us to combine fragmented purchases into single University-wide contracts. Volume purchasing will further reduce administrative expenses and provide negotiating information that has not previously been available.

The formation of partnerships with suppliers will enable continuous improvement in the acquisition process and the attendant costs. With better information the University can help suppliers manage inventories, reduce waste, and standardize components, steps that can translate into additional cost savings to the University.

In order for the University to deliver more volume in exchange for reduced costs, the University community will be asked to participate in generating increased buying power. This will require departments to change the ways in which they conduct purchasing activities—and it will require Purchasing to work closely with customers to ensure that their needs are being met. The success of this enterprise depends upon all of us working collaboratively, sharing ideas, expertise, and a common goal.

With the infrastructure largely in place and ready for delivery on July 1, the University is poised to move to the next level of opportunity. Over the next several months, you will hear more about this effort. We will be working with our local buying units to prioritize areas for negotiation, developing teams of procurement and user expertise, and communicating how each of us can help ensure that maximum resources are directed to the University’s academic purpose.
I. Executive Summary

The University of Pennsylvania (Penn) is currently undergoing a major restructur- ing effort to enhance its administrative effectiveness and efficiency. As part of this effort, the University has embarked on a joint effort with the Health System to assess current practices to procure goods and services, seek opportunities to increase efficiency, and reduce the cost of goods purchased by leveraging their considerable buying power. To assist in this effort, the University engaged Coopers & Lybrand L.L.P. (C&L) to conduct a review of its procurement practices.

The University and Health System spend $640 million annually in goods and services. We focused our analysis on a set of high profile commodities that may be representative of the potential savings available to the University. Under the guidance of an advisory group comprised of faculty and administrators from the University and the Health System, the sample selected for our analysis represented annual expenditures of approximately $120 million.

Out of the commodity sample analyzed, we quantified potential savings for eight commodities representing annual expenditures of $36 million. Our analysis of these eight commodities in the sample set identifies potential savings in excess of $5 million annually. A summary of those savings is listed below:

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<th>Commodity Findings and Recommendations</th>
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In order to realize these savings, Penn must make some fundamental changes to its buying practice, particularly in the Schools, changes that are consistent with the reengineering efforts currently underway. Specifically, the University must:

- Provide incentives (e.g., cost savings, easier order process, improved vendor service) to the schools to reduce the vendor base and improve the coordination of procurement activities across the campus.

Given that the savings identified in this analysis represent only a small portion of the overall buying of the University, Penn must not lose sight of the much larger opportunity that exists in the remaining commodities and items that make up the $640 million. Penn spends approximately $400 million annually ($640 million less expenditures for utilities, insurance, major construction, etc.) on the purchase of more routine supplies and services, including highly specialized science equipment.

If the University’s buying practices for these remaining commodities are similar to the ones analyzed in this study, we believe that overall savings of $15 to $20 million are possible. Although Penn Purchasing has made inroads in negotiating volume discounts for individual commodities, they have not had the resources or the institutional commitment required to achieve significant savings across a wide range of commodities. In order to realize these savings, Penn must initiate a multi-year University-wide effort to collect better procurement information, strengthen the incentives and degree of accountability for institutional procurement goals held by its buying centers, and dramatically change the procurement practices of both the buying centers and individual members of the University community.

II. Project Context

As part of its on-going efforts to reduce administrative costs by $50 million and improve the service provided by its administrative departments and processes, Penn has undertaken extensive reengineering and systems improvement initiatives focused on its procurement process. These projects are expected to significantly reduce the time and effort required for the University to order, receive, and pay for goods and services. As a companion project to these initiatives, the University has recognized the need to review how it selects and manages its vendors in order to identify opportunities to better leverage its significant institutional buying power to reduce the cost of goods purchased. This project reviewed the procurement practices of the University and not those of any particular administrative department or school.

To achieve its goal of generating cost savings through improved buying practices, Penn must understand the current practices in place in all of its purchasing units, including those in the Health System. In addition, Penn must identify opportunities to better leverage its purchasing power to reduce the costs of goods and services purchased. To assist in this effort, we were asked to review the purchasing practices of the University. The primary objectives of the study were:

- To identify ways in which the University can better leverage its purchasing power to maximize discounts and vendor service;
- To identify redundancies in administrative processes and costs caused by a highly decentralized environment;
- To identify information requirements in order to better manage...
the procurement process;
• To develop a business case that will motivate the University to make changes in its purchasing practices; and
• To develop a multi-year plan that will guide the University to implement the changes required to achieve sustainable cost savings. This report summarizes our analysis, identifies a set of specific cost savings opportunities, and presents recommended approaches for achieving these savings.

Overview of Penn Purchasing Activity
The Purchasing Department at the University of Pennsylvania is the central procurement authority for the institution. University procurement policy permits the Purchasing Director to delegate procurement authority to other organizations. Other University organizations have been delegated procurement authority in order to provide them with the flexibility to be more responsive to their specific needs including:

• University of Pennsylvania Health System $199 million
• Facilities Management $110 million
• Travel Program $24 million
• Bookstore (including The Computer Connection) $18 million
• Dining Services $9 million
• Publications Department $2.1 million

Currently, the combined purchasing volume managed by those organizations is approximately $450 million. The remainder of Penn’s purchasing activity is managed directly by its customers (faculty and staff) and paid for through University check requests (C-Forms). Purchases through C-Forms typically represent slightly less than $200 million and include payments for such major commodities as utilities, insurance, legal and professional services, and payment for items not purchased through purchase order issuance.

III. Project Approach
Our approach to the project was comprised of three phases:

• Phase I: Conduct interviews with Penn staff to identify current buying practices and analyze the relationships between Penn’s authorized buying centers.
• Phase II: Analyze current expenditure data by commodity to identify potential opportunities for leveraging University buying power and quantifying potential cost savings.
• Phase III: Develop recommendations for realizing potential buying savings, both short and long term, including necessary changes to the infrastructure (organization, staffing, technology) that supports procurement at Penn.

Throughout the project, we were advised by a group of Penn faculty and staff who represented its buying centers and select academic departments and other University staff. These University employees assisted in identifying high priority opportunities for savings, reviewing best practices, and assessing the relationship between Penn’s buying centers.

Finally, we conducted a brief external research effort to identify current buying practices and analyze the relationships between Penn’s authorized buying centers. Our approach to the project was comprised of three phases:

• Phase I: Identify potential opportunities for leveraging University buying power and quantifying potential cost savings.
• Phase II: Analyze current expenditure data by commodity to identify potential opportunities for leveraging University buying power and quantifying potential cost savings.
• Phase III: Develop recommendations for realizing potential buying savings, both short and long term, including necessary changes to the infrastructure (organization, staffing, technology) that supports procurement at Penn.

We believe that the savings opportunities identified for these commodities are representative of a larger savings potential for the rest of Penn’s purchases. As Penn continues to analyze its buying practices and obtains improved management information from the purchasing system implementation, it will be able to identify similar savings opportunities for the remainder of its purchases.

Our specific findings and recommendations for each commodity are presented in the following section.

IV. Commodity Findings and Recommendations
This section describes how Penn is currently buying the commodities identified in the sample and our recommendations for leveraging the University’s purchasing power more effectively in the future.

Group 1: Commodities We Analyzed and Identified Quantifiable Cost Savings

A. Publications
Approximately $13 million was spent in FY 95 on publications services at Penn. These services were purchased through several channels. The University and Health System buy printing services from over 120 different vendors. In contrast, industry best practices suggest that using the services of a printing expert to procure printing services and reducing the number of suppliers of printing services yields significant cost savings.

Recommendations
Due to the significant savings that could result from using a preferred printing professional to procure this commodity, we recommend that the University and Health System direct all significant printing purchases through a preferred print-buying group. Penn should consider instituting a policy that would require any areas with a print job of $1,000 or more to get a bid from the preferred print-buying group. Based on current University and Health System spending levels, we estimate that Penn could reduce its annual cost of publications by $1.5 to $3 million annually. By encouraging more work to go through the preferred print-buying group, the institution can consolidate its volume to facilitate better prices, enable Penn to more effectively track vendor performance, and facilitate the collection of more accurate data in this commodity area.
possible if the University is able to consolidate its procurement of printing in this manner.

We recommend that Penn eliminate the procurement surcharge from University Publications and replace it with a centrally budgeted incentive based pricing structure in which University Publications is paid out of the savings they generate. The change in pricing should be coupled with a communication effort that demonstrates University Publications’ commitment to service, including the establishment of a customer review board to evaluate the quality of their work.

B. Travel

The University and its Health System currently spend approximately $24 million on travel and entertainment activities annually. Approximately $15 million represent expenditures for airline tickets, hotel rooms, car rentals, train tickets, and meals. Although the University has a negotiated agreement with American Express Travel Services, the majority of travel services (approximately 60%) are purchased through other agencies or directly from providers. This practice is preventing Penn (or American Express on Penn’s behalf) from negotiating volume discounts with airlines, car rental companies, and hotels. The ability to successfully conduct such negotiations hinges largely on the ability of the institution to guarantee a substantial portion of its travel business to a single vendor. By utilizing such a large number of agencies, Penn is not capitalizing on Amex’s information tracking capability which could track and report Penn’s expenditure patterns to support volume discount negotiations. Importantly, Penn is not capitalizing on the large travel volume it generates in order to maximize the level of service it receives from its contracted travel agency.

Recommendations

In order for the University and the Health System to receive superior service and the lowest possible fares and rates, we recommend that all travel arrangements be processed through one travel agency. We understand the decentralized nature of Penn and the inherent difficulty of mandating the use of one travel agency to its faculty and staff. However, the University and the Health System stand to gain substantially by using a single travel agency. The University and Health System at least make a substantial effort to present a compelling case to all schools and departments showing them the service and cost benefits of using one travel agency. Below is a breakdown of potential savings:

**Airlines:** If Penn collected the necessary airline usage data and consolidated its purchases of air travel with a single vendor, it could save $300,000 to $600,000 annually. Penn spends approximately $7 million on airline tickets every year. To achieve this, the University and Health System (or a travel agent working on Penn’s behalf) should negotiate volume discounts with several airline companies. By consolidating airline reservations to one travel agency, the data collection effort could be centralized and outsourced to the travel agency. Other universities that have opted to use a single travel agency have been able to negotiate volume discounts of 5% to 25% on airline fees.

**Hotels:** The University and Health System should analyze their hotel spending patterns and select the most frequently traveled to cities and negotiate discounted rates at two or three hotels in each city. Total discounts have potential savings of $250,000 to $500,000. The University and Health System spend approximately $4 million on hotels annually. Even if conference attendance represents 50% of hotel spending, potential savings of at least $250,000 exist for this commodity.

**Car Rentals:** Penn should consolidate its car rental spending with two primary car rental agencies, which would result in potential savings of $45,000 to $50,000 annually to the University and Health System. Based on the experience of others, it should be feasible for 90 to 95% of Penn’s business to be sourced to two vendors.

C. Temporary Services

The three major consumers of temporary services at Penn are Penn Purchasing, HUP, and the Department of Medicine. Expenditures for temporary help in FY 95 represented $4 million which was divided among ten different vendors. Only one vendor appears to be used for temporary medical staff, the remaining seven vendors provide general administrative support. Penn Purchasing has recently reduced its vendor base from five contracted vendors to one.

In order to achieve additional discounts, the University and the Health System must consolidate their temporary services business and sole source it. The potential discounts that would be offered to Penn in exchange for greater volume translates into approximately $285,000 in savings for the University and Health System.

Since the University and the Health System spent approximately $4 million on temporary services last year, their combined volume would qualify them for a 10% (about $400,000) discount.

**Recommendations**

Based on the potential savings opportunity, the University and the Health System should combine their buying power and negotiate a contract with a single supplier for temporary services, which would reduce annual spending for temporary employees by $285,000 to $400,000 given current buying levels. By funneling 85-90% of the temporary services business through one vendor, Penn will automatically save several hundred thousand dollars without altering their usage volume. The results of our analysis indicate that there is a potential for one vendor to meet the majority of Penn’s temporary service needs at a reduced cost. Therefore, we recommend that the University and Health System negotiate a joint contract for temporary employment services as soon as their current commitments expire.

D. Office Equipment

The category “office equipment” covers a large number of products that the University and Health System purchase during any given year. The areas of copiers and audio visual equipment were selected as the target commodities due to the total dollars they represent to Penn. The combined expenditures for these areas accounted for approximately $4.3 million of Penn’s total purchasing dollars in FY 95.

**Copiers:** Penn spent $2.9 million on copier equipment and rentals in FY 95 with each of the four major suppliers—Xerox, Xtec (Ricoh equipment), Canon and Kodak. Although the University has contracts with each of these vendors, the distribution of the University purchases dilutes its buying power. Of the major manufacturers, only Xerox and Ricoh appear to offer a broad enough product line to meet Penn’s needs. To further reduce the cost of copiers, Penn needs to consolidate the copier volume of the University and the Health System.

**Recommendations**

The University and the Health System can save $204,000 in the purchase/rental of copiers if they select two primary vendors and standardize the types of machines available for purchase across Penn. This approach could possibly limit the available variety of copiers across the University, the choice of two vendors should provide the Penn community with a sufficient range of options to meet their operating requirements and generate a significant cost savings potential. The potential benefit warrants the formation of a cross-functional commodity team to continue the analysis of current vendors’ offerings to confirm the feasibility of two suppliers. One of the team’s tasks should be to develop clear machine definitions, descriptions, and functions so that departments are not buying more expensive machines with features they do not need. In this way, the team will have simplified the purchasing process for the departments while saving Penn money. The team will also need to assess how competitive Xerox and Ricoh’s prices are for machines with comparable copy speeds and features.

**Audio Visual Equipment:** The total dollars the University and Health System spent on audio visual equipment, rentals, service, supplies, and repairs in FY 95 was approximately $2 million. Audio visual equipment and rentals accounted for $1.4 million of this total. Presently, the University and the Health System do not hold any contracts for these goods and they enlist more than 110 vendors to meet their audio visual needs. In order for Penn to make the most of the $1.4 million spent on equipment and rentals, it must distinguish between the types of audio visual equipment purchased while at the same time reducing its vendor base.
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Recommendations

Penn could save $80,000 to $120,000 if it funneled its audio visual purchases through fewer vendors. We suggest that the University and the Health System assemble a cross-functional commodity team to explore the possibility of reducing the vendor base to three preferred vendors. By working to reduce the vendor base, an audio visual commodity team would not only save Penn time and money but improve the service provided to its end customers, which would provide further incentive for faculty and staff to participate in the preferred buying agreements.

Group 2: Areas of Significant Opportunity Identified but Not Quantified

E. Lab Supplies

The University and the Health System spent approximately $18 million last year on lab supplies and chemicals with more than 115 different vendors. Of those vendors, about 15 have contracts with Penn and four of them are duplicative (Fisher and Baxter both have separate contracts with Penn Purchasing and HUP). Quantifying the size of potential savings for this commodity is complex. Due to the technical nature of lab supplies, these products do not lend themselves to a clean “apple-to-apple” comparison. Further, the current information systems at Penn do not capture the necessary data, with regard to this commodity area, to conduct a meaningful price analysis.

In addition to our efforts to understand and improve Penn’s lab supply procurement, Penn Purchasing has recently renewed its interest in pursuing third-party supplier relationships with vendors in an effort to reduce the vendor base and eliminate excess paperwork. The initiative has potential and Penn Purchasing and the Health System should work together to identify which vendors can be used as third-party suppliers to meet both of their needs.

Recommendations

Penn should consider using a lab supplies commodity team to negotiate agreements that will benefit both the University and the Health System. This team should consist of representatives from all of the major areas at the University and the Health System that buy and use lab supplies. The cross-functional nature of the team will ensure that all points of view are represented in buying decisions. The charge of the commodity team will be to negotiate the best price and level of service in addition to reducing the vendor base. In order for the commodity team to successfully negotiate lower prices, it must first devise a method to collect current expenditure information.

While data limitations make it difficult to estimate the total potential savings available for this commodity, a recent initiative between the Department of Medicine and HUP provides an illustration of the potential for savings. HUP and the Department of Medicine have been working together for several months to improve coordination in the purchasing of lab supplies. As a result, the Department of Medicine has been able to save 30-40% on various supplies by capitalizing on HUP’s buying power and relationships with vendors and by eliminating redundancies in its vendor base.

The commodity team approach is designed to carry these efforts to the rest of Penn by incorporating the lab supply needs of the entire University and the Health System to fully leverage Penn’s substantial buying power.

F. Computers

Overall, according to information from Penn Purchasing, the University and the Health System spent approximately $34.7 million on computer hardware, software, service, and peripherals in FY 95.

Recommendations

Penn should initiate a joint effort with the Health System and the Computer Connection to investigate the possibility of combining organizations in order to leverage the buying power of the University. This strategy has the potential to generate substantial cost savings.

G. Construction

As part of this project, we conducted a high level review of how the University procures construction services.

Recommendations

Penn should continue to evaluate potential suppliers to determine how many of these different kinds of unique they can supply.

H. Other Opportunities

Copier Paper: In FY 95, copier paper cost the University and the Health System approximately $1.3 million. Seventy-eight percent of these dollars were spent with seven different vendors. The remaining 22% of the dollars were spent with multiple vendors. Due to the fact that the cost and supply of paper can fluctuate dramatically, it is necessary to have more than one vendor but it is not necessarily an advantage to spread business over ten or more vendors as is currently the practice at Penn. Penn could have saved between $35,000 and $141,000 last year on copier paper by using Penn Purchasing’s pricing agreement with Unisource. Penn should move to consolidate all copier paper purchases through two vendors, and challenge its vendors to meet or beat the prices currently offered by Unisource to Penn Purchasing.

Uniforms: In FY 95 the University and Health System spent approximately $393,000 on uniforms with 26 different vendors. Only two of these vendors have negotiated contracts with the University. Penn’s purchases are, however, concentrated with five vendors who represent 90% ($355,590) of its total uniform purchases.

While there is an opportunity with uniform purchases to further reduce the vendor base and to establish additional contracts, the actual savings opportunity is difficult to quantify at this time because of the variety of uniforms that Penn purchases (e.g., dining, lab, housekeeping, facilities, police, etc.). Penn should continue to evaluate potential suppliers to determine how many of these different kinds of uniforms they can supply.

Pest Control: Penn spends a relatively small amount on pest control ($241,000 in FY 95) in any given fiscal year. The University and Health System have contracts with two vendors, but supplement the work of these vendors with an additional five vendors. Clearly,
different buildings on campus require adjustments in the actual delivery of the service (e.g., extermination in dorms requires greater sensitivity to the occupants than a classroom building) but the right vendor(s) should be able to accommodate these needs. An initial goal for the University and the Health System should be to negotiate one contract instead of two. A more long-term goal for Penn should be to eventually funnel all of their extermination services business to one vendor. As vendor contracts expire, the University and the Health System should get together to review vendor performance and work towards sole sourcing pest control.

Food: The University spent approximately $5 million last year on food while the Health System spent approximately $3 million. Both organizations have recognized an opportunity for coordinating their purchasing in order to reduce costs. In fact, University Dining Services and the Hospital have already worked together to consolidate their purchases which has resulted in a lower cost to HUP. Through conversations with Dining Services and HUP, we learned that each of their primary food vendor contracts will undergo review next year and they are planning to bid it as one contract. This commodity represents a strong opportunity for savings and should continue to receive management support and required resources to continue joint negotiations.

Waste Disposal: There seems to be an opportunity for savings in waste disposal but a more in-depth analysis needs to be performed on the separate areas of general waste and hazardous waste. Last year the University and Health System spent approximately $1.7 million on all waste disposal; 40% of which is hazardous waste removal. Penn as a whole should consider consolidating all of this business under one vendor.

Furniture: In FY 95, the University and Health System spent approximately $7 million on furniture purchases, rentals, and reupholstering. The University represented $4.4 million and the Hospital represented $2.6 million. Furniture as a commodity is similar to lab supplies and will probably require a cross-functional commodity team to discover savings opportunities. In our experience at other institutions, furniture has proven to be a difficult commodity to consolidate. However, it is possible to reduce the vendor base and to achieve some savings through improved relationships and increased volume with vendors.

Fleet Maintenance: Penn Purchasing has already started to take a closer look at the issue of fleet maintenance and has recommended the establishment of a Fleet Management Program. The University currently owns/leases 225 vehicles. The total annual cost of buying, servicing, and providing fuel for the University’s fleet is $950,000-$1,450,000. We support the Fleet Maintenance Program initiative.

The University should focus on immediately implementing changes in commodities A through G identified above, in order to realize the $2.5 to $5 million in potential annual savings. In addition to those commodities, Penn should further investigate the opportunities listed in section H above, plus opportunities in medical supplies, housekeeping and maintenance supplies, pharmaceuticals, scientific equipment, computer supplies and peripherals, computer software, chemicals, catering, and office supplies, among others.

* * *

Parallel to this analysis, Penn initiated a review of its procurement practices for guard services and on-site storerooms. The Purchasing Department has collected initial expenditure figures for these two areas and has suggested that significant cost saving opportunities exist. Although we did not analyze these particular areas, we recommend that this analysis be continued in order to collect all current expenditure information, quantify potential savings, and recommend a plan of action. Penn’s initial findings include:

Guard Services: There are currently more than 20 individual contracts for guard services with 4 different companies. The total annual expenditures on contracted guard services is $2,662,000. Although most contracts are competitively bid on a regular basis, from time to time an existing contract is cancelled and re-bid as a result of school or center service requirements not being met. Several of the schools and centers have not used a competitive bidding process to select a guard service contractor, which opens the possibility for potential savings if this practice is changed.

On-Site Storerooms: To support the Physical Plant maintenance staff, inventories of regularly used supplies are maintained in on-site storerooms. In addition to the Physical Plant storeroom operation, there are other storerooms operated by:

- Residential Maintenance
- HUP
- LRSM
- Chemistry

Penn should continue to assess this area to identify any opportunities for cost reduction. As part of its assessment, the University might want to consider several alternatives such as:

- Consolidating storerooms; or
- Outsourcing operations to a vendor

V. Organization, Policy, and Technology Recommendations

In order to realize the opportunities described in the prior section, the University will need to implement a series of changes to the policies, organizations and technologies which support procurement at Penn. Many of these changes have already been anticipated by the process reengineering envisioned by Project Cornerstone and the Financial system implementation, while other changes lie outside of these two initiatives. We have organized our recommendations in this area around the following topics:

- Organizational Structure, Roles and Responsibilities
- Changes to Procurement Practices
- Technology Implications

Organizational Structure

1. Buying Centers

The University should continue to preserve its decentralized approach to procurement transactions by continuing the operations of its authorized buying centers around the campus. The inherent advantages of this approach include:

- Supports development of expertise in highly specialized commodities and customer groups (e.g., construction, dining services);
- Provides more responsive transaction processing by enabling the customer to handle many of their own purchasing needs;
- Acknowledges the diverse needs of the Health System—purchasing of specialized equipment, need for just-in-time delivery, etc.
- Enables the University’s central buying groups—Penn Purchasing and HUP Purchasing—to focus on securing best price, managing vendor relations, and monitoring the effectiveness of the University’s buying practices.

However, in order to preserve the University’s buying power while maintaining a somewhat decentralized approach to buying, Penn needs to strengthen the incentives and degree of accountability for institutional procurement goals held by its authorized buying centers. At present, there is no formal process for setting cost savings goals for the authorized buying centers within the EVP center at the University, nor are there joint goals and incentives for collaboration between the University and the Health System.

As a result, Penn is allowing its vendors to in effect “divide and conquer” the institution. During the course of the analysis we found evidence of vendors charging different prices for the same item to the University and the Health System. Additionally, it was reported to us that some vendors would treat the University as a marginal customer and provide it with inadequate service levels even though the Health System was one of this vendor’s major customers. Finally, there is no formally defined role either for Penn Purchasing or another unit within the University to monitor the performance of the units to whom it has delegated buying authority.

In order to strengthen the effectiveness of its decentralized buying
model, we recommend that Penn institute the following practices:

- Annually negotiate joint goals between Penn Purchasing and each buying center for commodity savings, minority and local vendor participation, and implementation of commodity agreements.
- Incorporate the agreed upon goals into the individual performance objectives of the Director of Penn Purchasing, the Director of the individual buying centers, and their respective vice presidents.
- Institute incentive-based compensation for management and staff in each buying center which is tied to the individual and unit goals for buying savings and minority and local vendor participation.
- Create a monitoring and reporting role for Penn Purchasing to measure the effectiveness of all buying centers in meeting their individual and joint goals and to disseminate best practices.

Finally, as the Health System continues to expand through acquisitions, it is essential that the purchasing activities of these new organizations as well as the existing clinical practices be coordinated through HUP Purchasing. While we support the ability of individual doctors and administrators to submit their own purchases through a decentralized purchasing process, it is important that the negotiation and selection of primary vendor contracts be done centrally and that all members of the Health System participate in these agreements. This is essential not only to the Health System’s ability to achieve its cost reduction targets, but it is also critical to Penn’s ability to negotiate vendor discounts based on its entire purchasing volume.

2. Role of Penn Purchasing

In order for the University to be able to effectively implement and monitor the increased number of commodity agreements called for in our recommendations, the role of Penn Purchasing will need to continue to evolve from its primary function of procurement/Disbursement. It is our understanding that the University has begun this process through the implementation of the Financial system, the introduction of procurement credit cards, and the reengineering of the purchasing process. As these policy and technology changes begin to reduce the volume of purchasing transactions which it processes, Penn Purchasing should be refocused on the following responsibilities:

- Managing the negotiation and contracting for complex, high-value transactions;
- Providing negotiation support to Penn’s buying centers in establishing preferred vendor partnerships;
- Leading teams of customer representatives in identifying and evaluating ongoing opportunities for reducing the cost and improving the service provided by Penn’s vendors;
- Analyzing the University’s buying activity (with the implementation of the Financial system) in order to monitor the effectiveness of its commodity agreements and to identify new opportunities;
- Identifying and disseminating information regarding best practices which should be implemented by all of Penn’s buying centers and monitoring their effectiveness;
- Monitoring customer satisfaction and vendor performance; and
- Leading efforts to communicate with University staff and vendors about Penn’s commodity management initiatives.

This change in responsibilities will also necessitate a change in the responsibilities and skills of the staff in the Penn Purchasing department. In order for Penn to be successful in negotiating and preserving effective buying agreements it must ensure that the Purchasing department is staffed with individuals experienced in contract negotiation, financial analysis, customer service, group facilitation, and communications.

3. Purchasing Advisory Committee and Commodity Teams

In addition to augmenting the skill sets of its Purchasing department, we recommend that Penn form commodity teams to support the selection and monitoring of its vendor partners. Furthermore, the University needs to create a Purchasing Advisory Committee charged with overseeing the efforts of all commodity teams. This committee will also assist in prioritizing the efforts of the commodity teams.

Commodity teams have been employed successfully by corporations as effective mechanisms for defining requirements for vendor agreements and building consensus among various customer groups for the selected vendor. The responsibilities of a commodity team are to solicit input from customers regarding their requirements for a negotiated agreement, evaluating vendor proposals, recommending a preferred vendor, and participating in communications with the University community. In order for a commodity team approach to be effective, it must include the following:

- Purchasing Advisory Committee Members: Includes representatives of a cross-section of schools (senior business administrators) and authorized buying centers. This group oversees all commodity teams and supports their efforts by providing resources from their own areas to serve as team members, monitors the overall progress of the commodity management effort, and plays a leading role in communicating with faculty and staff in their areas in order to gain support for maximizing the University’s buying power.
- Purchasing Manager: Responsible for presenting upcoming negotiations to the advisory committee, monitoring the progress of the institution in establishing commodity agreements, recruiting team members, and providing staff resources to individual commodity teams.

The roles within an individual commodity team typically include:

- **Procurement Professional:** Staff member from a buying center who serves as the team leader, participates in vendor negotiations, communicates with vendors, leads the data gathering and analysis to support negotiations, and advises the commodity team as it evaluates competing vendor proposals.
- **Commodity Expert:** A customer or customers with expertise and experience in the use of the commodity being worked on by the team.
- **Departmental Representatives:** University staff who represent units which are high-volume buyers of a particular commodity. These individuals are primarily responsible for gaining input from users in their areas, establishing negotiating priorities (e.g., price vs. service), and participating in on-going communication efforts.

Changes to Procurement Practices

Most of the potential cost savings and service gains available to Penn through better commodity management are dependent upon its ability to deliver all or most of its buying volume within commodity categories to a preferred vendor. In order to achieve this, Penn may have to consider mandating certain buying practices among faculty and staff. For instance, in order to achieve the savings available from better prices for travel expenditures, the University’s travel business will need to be purchased through a single travel agent. Most corporations achieve this by mandating the use of the preferred vendor, applying penalties such as withholding reimbursement if non-preferred vendors are used without justification. Similarly, Penn’s ability to reduce the cost of items such as office equipment would require it to standardize much of the equipment it purchases. Clearly, mandating participation should only be attempted in cases where there is a compelling economic justification and the University and vendor are prepared to meet the service requirements of the majority of Penn’s customers.

In areas where mandating use of a preferred vendor is not advisable, Penn should seek to provide strong incentives for customers to purchase from preferred vendors. These incentives should come in the form of better prices and service from a preferred vendor and easier ordering mechanisms, such as on-line catalogs. By tracking participation of schools and departments in primary vendor programs, Penn should be able to report to a Dean or Vice President both the cost savings generated for their schools by their participation in these agreements and, conversely, the additional cost they bore by not participating. In all cases, lack of use of a primary vendor should be investigated first as a potential failure to meet the customer’s needs rather than a lack of cooperation on the part of staff.

In summary, realizing the financial and service benefits of managed purchasing will require substantial changes in the buying practices of the entire University community, changes that are consistent with the overall direction of administrative restructuring at Penn. It will require greater cooperation.
Technology Implications

The implementation of the Purchasing system, provides the University with an opportunity to improve the ability of its infrastructure to support the implementation of more effective commodity management. Specifically, the system can provide Penn with the information to support more effective vendor negotiations, track vendor performance and customer participation in already established agreements. Further, implementation of the system can provide process improvements that will make it easier to buy from the University’s preferred vendors.

Information: Presently, the lack of information regarding the University’s current buying practices is one of the most significant impediments to better leveraging the University’s buying power. Penn’s information systems are not capable of tracking, in sufficient detail, University purchases by vendor, item type or organizational unit. Based on our conversations with the University project manager for the Financial system implementation, the new system will address these deficiencies.

As Penn begins to use the Financial/Purchasing system, it is important that it begin to track a variety of information, including:

- Purchasing volume and price history for individual items;
- Usage of primary vendors by cost center, department, and school;
- Performance measures by vendor (on-time delivery rate, error rate, etc.);
- Usage of non-preferred vendors by cost center, department, and school;
- Price history for individual items by vendor;
- Distribution of purchases among vendors by commodity.

Further, it is important that Penn track this information for all of its different alternative buying paths including credit cards, check requests, and purchase orders. Finally, as the implementation of the Purchasing system decentralizes much of the responsibility for the data entry of purchase requests and orders, it will be critical for Penn to maintain strict data standards. Specifically, staff must consistently describe their orders with sufficient information (price, catalog number, item description) so that management information can be produced to support vendor negotiations and management.

Process Incentives: In addition, the University’s vision for distributed, on-line processing of procurement transactions will provide opportunities for making it easier for a user to buy from a primary vendor. For instance, the use of on-line directories that guide a user to a particular supplier for a commodity that they wish to buy, or the inclusion of default lists of vendors for a type of commodity, provide incentives for staff to use preferred vendors. Further, by incorporating on-line catalogs, direct electronic ordering (EDI) or ordering via the Internet, the University can provide additional benefits in the form of an easier ordering process for staff who use primary vendors. It is our understanding that these capabilities could be available after the initial implementation of the system is completed. Therefore, after the first phase is complete, it will be important for Penn to develop a Phase II plan that includes the implementation of these more advanced ordering vehicles.

Procurement Cards: The University’s initiative to implement a procurement credit card should continue to expand. The credit card provides an easy order process for staff to make small dollar purchases without sacrificing the collection and tracking of information about the purchase. As use of the card grows, Penn will be able to reduce the number of purchases through C-forms for which information tracking is so difficult. We recommend that the Health System join the implementation of the procurement card program in the clinical practices, as it would provide a convenient and efficient method for doctors and staff to make low dollar purchases, while affording better controls and information than the current CPUP checkbooks provide. An added benefit of the credit cards, for both the University and the Health System, is that use of the card can be linked to primary vendors to provide a further process incentive for participating in negotiated agreements.

VI. Implementation Plan and Additional Savings

In order to maximize its likelihood for success, we recommend that Penn adopt a phased approach to implementing our commodity recommendations contained in section IV of the report. This will enable the University to balance the demands of completing the system implementation with those of the commodity negotiations. In addition, it has been our experience that building support for these types of changes is dependent upon building early successes. Therefore, we recommend that the University not attempt to launch too many commodity teams or negotiations simultaneously.

It is important to understand that the estimated savings identified will not be realized by the completion date but instead they will start to accrue from that date forward. The time to realize the total projected savings will vary by commodity and depends heavily on the results of each negotiation. Several of the commodities identified will require the use of a commodity team to prepare and support the negotiation effort. Although each commodity team will modify its activities to best suit its commodity, primary activities to be considered are:

1. Develop commodity team
2. Collect data and prepare team materials
3. Develop requirements and vendor list
4. Send information to vendors
5. Receive vendor responses
6. Compile and analyze responses
7. Negotiate contracts/agreements
8. Select preferred vendor(s)

In addition to moving forward with implementing these changes, Penn should start a parallel effort which investigates the much larger opportunity that exists in the $330 million of purchases that were not included in this analysis.

The University should begin to formally assess the skill sets of the current staff within the Purchasing department to identify training and/or hiring needs. This assessment should be done in light of the anticipated impact of the Financial system implementation on the staffing requirements for Penn Purchasing. The goal should be to have developed a comprehensive staff training and redeployment plan by the end of the current year, so that new staff required to support commodity management can begin work by the beginning of the next year.

Finally, Penn must move forward in analyzing its procurement practices for the remaining commodities. Many universities and corporations have gone through efforts to substantially improve their procurement practices which have brought dramatic improvements. The sample used covered $120 million out of the $640 million total spent annually by the University. Further, Penn has factored out expenditures for utilities, insurance, and major construction there remains $330 million of procurement activity that has not been analyzed. Judging from what others have been able to achieve, and the results of this initial analysis, we believe that Penn has the potential to realize at least 5% in savings which is equivalent to $16.5 million. By adding this to the $5 million identified in our sample, the University stands to save over $20 million annually as a result of this multi-year improvement effort.

In addition to implementing the recommendations listed in our report, Penn must develop a plan for analyzing the remaining commodity areas. Given the limitations of the current information system, Penn must assess the amount of information currently available on the remaining commodity areas and use that information to set the timeline for the remaining analysis. In some cases, it will be necessary for the system to be implemented and enough transactions processed to have the necessary commodity data prior to proceeding. However, Penn should not wait until the Financial system implementation is complete to start analyzing those commodity areas where data does exist.

The University’s plan of action begins on the next page.
The Business Plan for Procurement

The Coopers and Lybrand (C&L) report titled “Analysis of Procurement Practices” presents a set of recommendations to reduce the overall cost of products and services acquired by the University.

As part of their work, C&L has identified a select number of other organizations that were able to reduce their costs of goods and services from 5% to 15% by establishing a structured program that focused efforts on cost reduction and procurement efficiency and effectiveness.

C&L recommends that Penn institute a similar structured effort incorporating the commodity team approach as an integral part of Penn’s procurement program. Team members would include high-volume departmental buyers, individuals with specific commodity usage expertise, and procurement professionals.

It will be necessary to modify the current decentralized approach to procurement in a way that will enable the University to take advantage of its considerable purchasing power by combining like requirements on contract negotiations and purchases.

I: Program Elements

C&L suggests establishment of a project-oriented approach to ensure program continuity and success. The following elements of the program will sustain the work and establish a consistent structured effort:

A. Formation of a Procurement Steering Committee

A standing committee will work with Purchasing to ensure program implementation and success. A primary role of the committee will be to establish a commonality of purpose among the various campus purchasing organizations. One key representative from each of the following major procurement areas will serve as committee members:

- Penn Purchasing
- Facilities Management
- Health System
- Business Services
- Comptroller

Four additional committee members will be selected from a cross-section of schools and centers. They will serve for a specified term and be replaced by new members on a rotating basis. They will provide advice and assistance to the Committee in the following areas:

- Communications to and from the user community.
- Help in recruiting commodity team members from the user community.
- Assistance in reviewing project objectives.
- Acting as a sounding board regarding program issues.

The Executive Vice President, Vice President for Finance, and Senior Vice President and Chief Financial Officer for the Health System will be ex-officio members.

The functions of the Steering Committee will be to:

- Evaluate and prioritize areas that should be designated for commodity investigation by analyzing the savings potential on a University-wide basis.
- Identify and assign appropriate resources to commodity teams.
- Identify commodity areas where savings can be achieved quickly and without the need for full commodity team investigation. Assign those projects to appropriate purchasing organizations or individuals for completion on a fast track basis.
- Gather information from each campus purchasing organization regarding proposed target areas for commodity investigation, estimates of potential cost savings, and outline of plans for achieving those savings.
- Work with individual campus procurement organizations to establish realistic annual goals and ongoing programs for minority/community business development. Those goals must not conflict with the goal of maximum utilization of University purchase dollars.
- Monitor progress against goal in the areas of cost savings and minority/community business development.
- Maintain liaison with the Executive Sponsors (President, Provost, and Executive Vice President) and campus community.
- Develop a communications strategy aimed at informing faculty and staff regarding cost reductions and service enhancements achieved through project work. Provide regular updates on project successes to Schools/Centers.
- Evaluate and review all new vendor proposals to verify total University-wide applicability and participation has been considered.

Steering Committee work must be considered a primary function of all committee members.

B. Other Issues

C&L has recommended expansion of Procurement Credit Card usage throughout the institution. Credit card applicability in all procurement areas should be evaluated by the Steering Committee and action taken wherever usage of the credit card as a point of purchase ordering tool is desirable. A report describing an effective means of achieving optimal credit card usage will be completed by the Steering Committee and submitted to the Executive Sponsors by September 1, 1996.

Work is under way to evaluate technologies that can or will have an impact on University procurement/disbursement. The advisability and integration of these technologies (ProCard, World Wide Web, EFT, EDI, etc.) will be more fully developed by the Steering Committee. This will lay the groundwork for continuing an aggressive but well-crafted campaign to assure integration with current system investments.

II: Communications

A: Regular communications to the campus community will stress the following concepts:

- Price reductions and service enhancements that benefit schools and centers will be the driving forces of the program.
- Cost savings achieved through the program will benefit schools and centers by lowering costs of goods and services they purchase.
- Program results will depend on school and center support, commitment to contract compliance, and the user community’s willingness to change the way the procurement process is carried out.
- User community participation in commodity team projects will be an important requirement. Customer requirements will drive vendor selection process.
• University-wide buy-in to the concept of “least total cost” is necessary.

B: The Steering Committee must instruct all Penn Procurement Centers and all Commodity Teams to make clear to outside suppliers the existence of a new institution-wide program that will enhance Penn’s ability to meet total volume targets on negotiated contracts.

III: Commodity Savings Opportunities

A. FY 97 Negotiated Contract Savings

Contract negotiations covering requirements in several commodity areas have been recently completed by Penn Purchasing. Those new contracts will yield cost savings totaling more than $1.6 million during FY 97 in the following commodity areas:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>FY 97 Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction/Renovation projects</td>
<td>$319,200</td>
</tr>
<tr>
<td>Furniture</td>
<td>$75,000</td>
</tr>
<tr>
<td>Research Supplies</td>
<td>$555,000</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$325,000</td>
</tr>
<tr>
<td>Facilities/Physical Plant</td>
<td>$252,000</td>
</tr>
<tr>
<td>Misc. Products &amp; Services</td>
<td>$30,000</td>
</tr>
<tr>
<td>Guard Services</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

These cost savings represent only those contract areas where negotiations have already been completed, and do not represent total savings on all contract negotiations that will provide lower costs to the University in FY 97. Many additional FY 97 contract negotiations will be completed over the next several months.

B. High Priority Savings Opportunities

The specific commodity savings opportunities cited by C&L have been carefully reviewed to determine what can be achieved within the framework of existing resources. This review has resulted in a plan that calls for immediate work to begin in five areas:

Publications Services (Annual expenditures: $13 million)

A commodity team will be formed of representatives from Publications Services, Penn Purchasing, and major user organizations. This should be a high priority project with a starting date of July 1, 1996, and a targeted completion date of November 30, 1996.

Travel (Annual expenditures: $24 million)

A commodity team will be formed to review cost savings opportunities in this commodity area. Team members will include representatives from the Travel Program office, Penn Purchasing, and major user organizations. This should also be a high priority project with a starting date of July 1, 1996, and a targeted completion date of December 31, 1996.

Personal Computers (Annual expenditures: $8.6 million)

A commodity team will be formed to review opportunities in this commodity area. Computer purchases are made through Penn Purchasing, HUP Purchasing, and the Computer Connection. This project can be handled by staff members from those three organizations, working cooperatively with ISC, to determine how best to proceed. Work should begin July 1, with a targeted completion date of September 30, 1996.

Copier Paper (Annual expenditures: $1.3 million)

This project can be initiated without the need for a commodity team. Since copier paper is purchased by Penn Purchasing and HUP Purchasing, this project can be completed by staff members from those two organizations working cooperatively to determine how best to proceed. Work should begin immediately with a targeted completion date of June 30, 1996.

Fleet Maintenance (Annual expenditures: $1.3 million)

A commodity team consisting of representatives from all Penn’s major vehicle user organizations was formed by Penn Purchasing in November 1995. The team has identified their requirements, and an RFP has been drafted. This work will continue with a targeted completion date of June 30, 1996.

Additional work will be scheduled to begin during FY 97 in the following four areas:

ALMANAC SUPPLEMENT March 19, 1996

Temporary Services (Annual expenditures: $3 million)

A team will be formed to determine the potential for combining requirements of the University and the Health System. Because of prior work in this commodity area, this project will not require a full commodity team assessment nor a lengthy investigation. Representatives of both purchasing areas will work with representatives from the Human Resources areas to establish requirements, draft an RFP, and conduct competitive bidding. This project will be scheduled to begin July 1, 1996, with a targeted completion date of November 30, 1996.

Copiers (Annual expenditures: $1.5 million)

A commodity team will be formed to determine how best to combine the office copier needs of the entire organization in order to lower copier acquisition costs. Penn and HUP Purchasing will work with a group of major users to define requirements. That will be followed by either formal competitive bidding or contract negotiation, with the selected methodology depending on agreement of team members. This project should be scheduled to begin on July 1, 1996, with a targeted completion date of December 31, 1996.

Lab Supplies (Annual expenditures: $18 million)

A team will be formed to review cost savings opportunities in this commodity area. The University and the Health System should consider opportunities to combine similar requirements to maximize buying power and contracting potential. This will be a continuation of the work already underway in Penn Purchasing to determine the feasibility of using “Third Party Procurement” as a primary means of lowering costs and reducing vendor base. This project should begin July 1, 1996 with a targeted completion date of December 31, 1996.

Furniture (Annual expenditures: $4.5 million)

This should be a two tier project with work being conducted by representatives of Penn and HUP Purchasing to determine the cost savings potential resulting from combining common product needs of both organizations, followed by reduced contract pricing. This work should begin July 1, 1996, with a targeted completion date of December 31, 1996.

A commodity team should also be formed to investigate potential methods for reducing costs of all furniture acquisitions. This team should include representatives from major user organizations and Facilities Planning. This work should begin July 1, 1996, with a targeted completion date of December 31, 1996.

C. Additional Commodity Cost Savings Opportunities

Additional cost-saving opportunities, not included in the C&L report, need to be further analyzed and prioritized.

The timing of each of the additional commodity area investigations will depend on the amount and quality of information, the potential for savings, and the availability of resources needed to conduct each study. Schedules for each commodity analysis must be built around:

• The research work required to formulate each plan of action and assemble the necessary information regarding purchase history, total institutional purchase volume, commodity specifications, supply sources, and customer needs.

• The work to be accomplished by the commodity teams.

• The negotiations phase of the project.

With the implementation of FinMIS on July 1, 1996, procurement data availability and collection will be significantly improved. However, historical data will have to be collected over a long period in order to be of optimum use. Further, there are no current plans to collect Health System procurement data in FinMIS. Data collection will continue to be a priority.

Additional resources will be dedicated to this program in order to accelerate overall program impact. Two major projects will be selected for assignment to outside providers on a contract basis. The outside contractors will serve as commodity team project leaders for those two commodity investigations and take the projects from initiation to completion. They will concentrate their efforts on work areas that determine user potential and identify cost savings opportunities.
need assessment, RFP creation, pre-bid conference attendance, bid analysis, and contract negotiation. Results of this approach will be evaluated and further use of outside contractors determined based on results of the two initial projects.

Following is an overview of the major areas to be investigated as part of phase two:

A. Facilities *(Total annual expenditures: $110 million)*

- Construction *(Total annual expenditures: $100 million)*
  
  Work already underway regarding analysis of the construction bidding process will be continued. HUP and Residential Maintenance should be included in the process to assure maximum results.

- Physical Plant *(Total annual expenditures: $10 million)*
  
  Work will be initiated to determine the likelihood of combining common requirements of multiple storerooms. Vendor capability to deliver materials on a “just in time” basis should be investigated as a potential means of downsizing and/or outsourcing.

B. Guard Services *(Total annual expenditures: $2.5 million)*

A team will be formed for the purpose of identifying specific requirements, defining specifications, introducing electronic means of surveillance wherever appropriate, and conducting competitive bidding to assure lowest possible cost of optimum services at all locations now serviced by guards. The commodity expert on the team will be the Director of Security. A procurement professional from Penn Purchasing, and a select group of team members from major usage areas will also participate on the team.

C. Food *(Total annual expenditures: $8 million)*

The analysis will include the potential for outsourcing all or part of this service function.

D. Office Supplies *(Total annual expenditures: $5 million)*

Scheduling to be determined.

E. Waste Disposal *(Total annual expenditures: $1.7 million)*

Scheduling to be determined.

F. Books *(Total annual expenditures: $4 million)*

Scheduling to be determined.

G. Audio Visual Equipment *(Total annual expenditures: $2 million)*

Scheduling to be determined.

H. Pest Control *(Total annual expenditures: $240,000)*

This project will be scheduled as an early agenda item for action by the Procurement Steering Committee. Despite the relatively small amount of dollar volume in this commodity area, this is an area that can produce another early success with relatively little work, due to the amount work that has already been completed.

** * * *

The annual expenditures listed in each commodity area to be investigated as part of phase two represent the totals spent at the University but do not include amounts spent by the Health System for those same commodities. The total annual expenditures of the Health System are $199 million.