



National Association of Purchasing Management Northwest Indiana



NEWSLETTER



www.napmni.org

October 2009

www.ism.ws

2009-2010 Calendar

October 21, 2009 Wednesday

Plant Tour-
South Shore Railroad
601 N. Roeske Avenue
Michigan City, IN 46360
Educational Meeting
Rodini's
4125 Franklin Street
Michigan City, IN 46360

November 11 & 12 2009 Wednesday Thursday

C.P.M. Study Session- 18th
CPSM Study Session- 19th
Dr. Russell Morey
Valparaiso University
Valparaiso, IN 46385

November 18, 2009 Wednesday

Educational Meeting- Dr. Russell Morey
Strongbow's Inn
2405 E US 30
Valparaiso, IN 46385

December 4, 2009 Friday

Christmas Gala- Networking
T. J. Maloney's (Holiday Star & Radisson Hotel)
I-65 & US 30 800 E 81st Ave.
Merrillville, IN 46410

January 13, 2010 Wednesday

Joint Educational Meeting AWM/NAPM-NI
Center for Visual & Performing Arts
1040 Ridge Road
Munster, IN 46321

March 17, 2010 Wednesday

Educational Meeting
Professor Jonathan Furdek- tentative
Caf'e Borgia
10018 Calumet Ave
Munster, IN 46321

April 21, 2010 Wednesday

Plant Tour-
Three Floyds Micro Brewery
9750 Indiana Parkway
Munster, IN 46321
Educational Meeting
Three Floyds Micro Brewery
9750 Indiana Parkway
Munster, IN 46321

May 19, 2010 Wednesday

Educational Meeting- Election- Marty Harper Award
T. J. Maloney's (Holiday Star & Radisson Hotel)
I-65 & US 30 800 E 81st Ave.
Merrillville, IN 46410

WE HAVE LOTS GOING ON AS WE START OUR NEW SEASON!!!!!!!!!!!!!!!!!!!!

Golf Outing

Monday September 21 we had another successful rain free Scholarship Golf Outing. Once again, Charlie Ward with the help of Donna Meeks and Pam Hale did most of the heavy work leading up to the date. Doug Beal and myself helped the above with checking in the golfers. We also raffled off a set of irons and bag, a wrench set donated by ASC Industries in East Hazelcrest, IL and finally a few small NAPM-NI articles. Here are the results of the golfing:

First place team with a 58

Dominic Mastronardi
Kevin Cohn
Tim Greyil
Wally Hanis

Second place (match of cards) with a 61

Reno Brunsvold
Joe Brunsvold

Steve St. Germain
Greg St. Germain

Third Place with 61

Nick Paul
Pete Lanman
Frank Fano
Charlie Ward

Closest to Pin #4 – Jim Donley
Closest to Pin #15 – Joe Brunsvold
Closest to Pin #17 – John Dhaemers

Longest drive women – Candice Modesto Walton
Longest drive men – Greg Mocabee
Longest putt – Mike Sullivan

2009-2010 NAPM-NI Officers & Board

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Charlie Ward, C.P.M.

IMPORTANT C.P.M. NEWS!!

The deadlines are drawing near, are you on track?

Last day to **take** the C.P.M. exams:
December 31, 2009

Last day C.P.M.'s may **take** Modules 3 & 4 for recertification:

December 31, 2009

Last day to **apply** for C.P.M. designation:
December 31, 2013

Last day to **register** for the C.P.M. to CPSM bridge exam:
December 31, 2013

Last day to **take** CPSM bridge exam:
December 31, 2014



President's Pen

Dear NAPM Members,

Thanks to all of those members and players who made our annual Scholarship Golf Outing a success.
Doug

Resolving Issues with MRO Purchases

Every company and organization buys maintenance, repair and operating supplies; commonly called MRO items. These items consist of paper towels, light bulbs, scotch tape and thousands of other products. The buyer assigned to purchase MRO items is often overwhelmed with work. Every department and every employee needs some of the items sooner or later. Often the need is urgent, especially for repair parts. The difficulties involved in MRO purchases are the same as with any other type of purchase, but in addition there are unique problems.

MRO items are normally obtained from distributors and warehouse service centers, although some manufacturers do sell direct. Of course, purchasing can also be made on the internet through one of the normal sources or through other Web based companies. The major problem with source selection is that few suppliers handle all MRO products. Suppliers tend to specialize in a particular product category or product function. The MRO buyer, in addition to dealing with dozens or hundreds of requisitioners, must also deal with many different suppliers.

A second problem is involved in the fact that each requisitioner may have his or her own brand and specification preferences. This prevents obtaining volume discounts and restricts keeping inventory of every frequently used item without incurring a prohibitively high inventory cost.

Still another issue relates to repair parts that are difficult to find in the marketplace. They may no longer be

available without having them custom made. MRO purchases may be neglected by management when other types of purchasing take precedence. Emphasis is usually placed on the need for capital equipment or production goods. The reason for the neglect is low item cost and low volume of the goods required for MRO items relative to the high cost of capital equipment and high volume of production goods.

These problems can be solved by establishing proper MRO policies and procedures. For example, a policy may be established to have requisitioners anticipate their needs and order office supplies or similar products only once a week rather than every day.

The buyer should limit the number of sources when possible. Paying a little more for some low-cost low-volume item is worth it, if you can build up the volume with a supplier and make the amount of your business more valuable. This facilitates negotiations to obtain better prices and better service. The buyer should negotiate with key suppliers to establish price arrangements for an extended period of time, say one year, and to stock all items that are needed in that category of products. Using blanket orders and systems contracts will achieve better results.

A policy should be established to negotiate the supply of repair parts when purchasing capital equipment. Manufacturers know which items are likely to fail or need replacement. Thus the buyers can purchase and inventory a quantity of such items when the new equipment is purchased. Alternatively, the agreement to purchase the capital item should require the manufacturer to have repair items available for a specified number of years.

Setting up policies and procedures and then negotiating with the suppliers will take additional time in the beginning, but an enormous amount of time and effort will be saved from then on. In addition, better service will be obtained and lower costs will be achieved.

Doug Beal C.P.M.
President NAPM-NI 2009-2010

**OCTOBER PLANT TOUR
NORTHERN INDIANA COMMUTER
TRANSPORTATION DISTRICT**

DATE: OCTOBER 21, 2009
TIME: 4:30 PM C ST
PLACE: 601 NORTH ROESKE AVENUE
MICHIGAN CITY, IN 46360

4:30 PM – MEET AT 401 NORTH ROESKE AVENUE –
ENGINEERING BUILDING

Safety briefing Hosted by Dale Kelley, Director of Safety
& Training

Brief overview of the history of the CSS/NICTD – Hosted
by Victor Babin, Chief Engineering Officer

4:45PM - TOUR MID-LIFE – Hosted by Greg Yovich,
Assistant Chief Mechanical Officer

Type and Series of EMU's
Explain refurbishment of 82-92 cars, 200 Series Cars

4:55PM – TOUR STORES DEPARTMENT – Hosted by
Randy Welch, Purchasing Manager

5:10 PM – TOUR NEW SHOP – Hosted by John Ochab,
Chief Mechanical Officer

View Wheel Shop, Air Brake Room, Drop Table, Wheel
Truing Machine, Tour 300 Series Car

5:30 PM – TOUR WASH HOUSE – Hosted by Skip Smith

5:45PM – TOUR OCC – Hosted by Trainmaster

Gather in main conference room to view Dispatcher's
Office
View new simulator

6:15 PM – CONCLUSION OF TOUR

6:30 PM – Meet at Rodini's for networking

**BE SURE TO MAKE YOUR RESERVATION
NOW ON THE NAPM-NI WEB SITE FOR THIS
TOUR!**

**November 11, 12 will be our 2 day
C.P.M., CPSM Seminar with Dr.
Russell Morey at Valparaiso
University. Please make plans to
attend this presentation. There is
NO COST except for food for
NAPM-NI members!**

**Dr. Morey will also be presenting
at our Educational Meeting
November 11!**

Don't Miss Out!

**Free Seminar for
NAPM-NI members!**

November 11 & 12, 2009

**NAPM – Northwest Indiana
Proudly Presents
Dr. Russell Morey, C.P.M.**

**Free Seminar for
NAPM-NI members!**

**Crusader Room
Valparaiso University**

**Day 1
C.P.M. Review
(Summary of Modules 1, 2, 3, 4)**

**Day 2
C.P.S.M. Bridge Review**

Dr. Russell Morey is Professor Emeritus of Supply Chain Management at Western Illinois University. He is currently the Present of Morey and Associates, an industrial training organization, and has conducted many training programs for more than 25 Fortune 500 corporations in North America and Europe. He has published numerous articles and cases and has given presentations at various regional, national, and international conferences. Dr. Morey has received more than 100 awards and certificates of achievement for his contributions to education and the purchasing profession. He was also a contributing author of an Introduction to Management textbook.

DON'T MISS OUT!! MARK YOUR CALENDAR!! PLAN NOW TO ATTEND!!

If you are an NAPM-NI member, cost is \$35 for meals for both days.

If you are an ISM member from another affiliate, cost is \$50 per day (\$100 total)

Plus \$35 for meals for both days.

If you are not an ISM member, your cost is \$75 per day (\$150 total)

Plus \$35 for meals for both days.

(Cut along dotted line and return with payment)

Location:	Crusader Room Valparaiso University Harre Union, Ballroom A (Second Floor) 1400 Chapel Drive Valparaiso, IN 46383	For additional information contact: Debra Cavey, Pro-D Chair Email: debra.cavey@ChicagoBooth.edu
Date & Times:	November 11 & 12, 2009 8:00 a.m. to 4:00 p.m. each day	
Meals Cost:	\$35.00 – includes continental breakfast and lunch for both days A non-refundable payment must be received no later than October 31, 2009.	Please send your reservation and check payable to: Donna Meeks, Treasurer NAPM-Northwest Indiana PO Box 1048 Chesterton, IN 46304

Name & ISM Number

Company

Address

City, State, Zip Code

Phone

E-Mail