

University Of Massachusetts Lowell	
Date: July 01, 2001	Section:3.2
Subject: Massachusetts Higher Education Consortium (MHEC) Contracts	

MHEC Contracts are a valuable tool designed to facilitate the timely purchase of a wide variety of goods/services at the best cost to institutions of higher education located throughout the Commonwealth. MHEC Contracts are bid, established, and controlled by the MHEC.

1. There are approximately one hundred MHEC Contracts, totaling several thousand pages. Departments that need a listing of MHEC contracts should contact the Purchasing Department or see the MHEC web site, www.mhec.umassp.edu/.
2. In order to prepare a Purchase Requisition against an MHEC contract, refer to the appropriate MHEC Contract to ascertain all the variables that are needed i.e., the appropriate contract vendor, whether the item is covered by the contract, the contract terms, the contract structure, etc.
 - a. One of the things that needs to be established is the F.O.B. point. The F.O.B. point determines who will pay the freight and where title passes. If a vendor's terms are F.O.B. Destination, then that means the vendor will pay the freight and title to the goods will pass to the University upon acceptance at the University. If the F.O.B. point is other than destination, then that means the University will pay the freight and that title will pass to the University at the F.O.B. point. The University's standard delivery terms are F.O.B. Destination. If the F.O.B. point is other than Destination, make sure that you so indicate on your purchase requisition. If freight is involved, ask the vendor to estimate cost for freight and include it on the requisition as a separate line item.
 - b. Another variable that needs to be determined is how the contract is structured. If the Contract is based on a percentage of discount off the manufacturer's suggested list prices, (which is the way that many of the MHEC contracts are set up), then contact the vendor (contact people's names and telephone numbers are listed in each contract), ask for the current list prices, and verify the appropriate discount(s) for the item(s) you wish to order. Make sure that the discount matches the discount reflected in the contract. If they don't match, then the item may not be covered by the contract.

- c. When the Requisition is made out, the following should be reflected: the noun name, brand name and model number, a description of what is being ordered, the list price, the appropriate contract discount, and the net price for each item. This information is vital. It is the only way to determine that the University is getting contract pricing, and is an audit requirement.
3. Just because a vendor is on a contract does not mean that everything sold by that vendor is covered by that contract. If it is determined that what is needed is not part of the contract, and the request exceeds \$5000, then the item(s) should be bid in accordance with established purchasing policy.
4. Some MHEC contracts are based on firm net prices. Such contracts reflect the net prices for the items that are covered right in the contract itself, and the prices cannot be increased during the contract term, unless the increase is authorized through the MHEC by written addendum.
 - a. If a model/item within a manufacturer's line that is covered by the contract is not listed in the contract, contact the Purchasing Department to see if the item is new and is going to be added. Purchasing will contact the MHEC Office.
5. Purchase requisitions that are issued against MHEC contracts should be so marked in the description space of the request, together with the appropriate contract number, and the period it covers.

Example: MHEC
Computers #F5
Period of Contract: 1/1/97 through 12/31/97