



Supplier Procurement Guide
for interfacing with
SAS Strategic Sourcing & Procurement

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Introduction

Dear Current or Prospective SAS Supplier,

We are pleased to take this opportunity to explain the procedures and guidelines required of suppliers who are interested in conducting business with SAS. These guidelines will serve to acquaint both current and prospective suppliers to our company's procurement process and the relationships with our suppliers.

We view our suppliers as valued assets and extensions of our own business; it is therefore imperative that we share the same goals. Quality, price and service are the three overarching goals to our continued success. We strive for continuous improvement in these three critical areas and seek to establish relationships with suppliers that are equally passionate in their quest for better quality, price and service. By exceeding our requirements and expectations, you'll not only be more likely to maintain current business, you will be positioning yourself for more business in the future.

Because SAS is not a typical manufacturing environment, we often concentrate our procurement activities around services, with specific needs for professional, technical and operating services. We also maintain a clear focus in staying abreast of the latest changes in information technology to support our R&D Division in the development of new SAS products for our customers. We expect our suppliers to be on the leading edge of technology relative to the products that they supply us.

We believe the process of continuous improvement is highly dependent upon open and thorough communication. Much of what is contained in this brochure is just that – communication of our policies, procedures and expectations. It is our hope that by giving you the following information, we communicate a clear understanding of our goals so that quality, price and service always exceed our expectations.

Sincerely,

Daniel B. Southwick
Director, Strategic Sourcing

SAS Mission

We empower organizations around the world by delivering superior software, solutions and services that provide knowledge which allows them to transform the way they do business and give them ***The Power to Know***[®].

SAS Facts

SAS is the world leader in business intelligence software and services, enabling customers to turn raw data into usable knowledge. For current SAS Facts, please visit:

http://www.sas.com/presscenter/bgndr_statistics.html

Strategic Sourcing & Procurement (SSP) Department

Our mission is to wisely invest company dollars in the sourcing of goods and services for SAS with the goals of minimizing risk, maximizing customer satisfaction and adding profit back to the company's bottom line.

SSP Goals

- To assure the supply of purchased goods and services essential to SAS' operations at the lowest total cost of ownership.
- To develop relationships with suppliers who represent the "best in breed" and exemplify "best practices."
- To seek ways to make purchasing opportunities available to competitive minority- and women-owned businesses.

Procurement Policy

The following information is provided to assist suppliers in understanding SAS' procedures, policies and practices that govern our supplier relationships. This brief outline is intended to be a general overview and not a complete summary. The procurement staff is able to provide additional details where necessary.

SAS rarely outsources services, or leases or rents goods. SAS employees perform most services, including housekeeping, security, landscaping and networking. Although this may appear to limit supplier opportunities, part of the mission of Strategic Sourcing & Procurement is to provide support to these functions at the lowest total cost to SAS. This requires our suppliers to be creative and provide services such as hardware maintenance on an "a la carte" basis so that our procurement staff, working closely with other cross-functional team members, can select the best solution for our needs.

1. **Purchase orders:** No merchandise may be shipped nor any services performed without a purchase order (PO) or a P-Card number and its expiration date. In the case of telephone orders, a purchase order or P-Card number will be provided. Purchase order numbers must appear on all shipments, delivery slips and invoices. Orders are understood to be shipped F.O.B. destination unless otherwise specified in the purchase order.
2. **Payment:** The supplier will only be able to ensure payment by receiving a valid purchase order number (issued by Strategic Sourcing & Procurement) or a P-Card number and its expiration date. If a PO is received that authorizes work or services, then the PO information must be reflected on the invoice to ensure proper and timely payment.
3. **Contracts:** SAS prefers that all acquisitions for goods and services take place on our internal form contracts. Services chargeable against a P-Card must be supported by an executed services agreement.
4. **Quality:** SAS expects high-quality goods and services that conform to our business needs on a consistent and ongoing basis.

5. **Delivery:** Our policy is simple. SAS and its supplier will agree upon lead-time for orders in advance. Except where trade practices permit, all shipments must reflect the actual quantity ordered. It is also the general policy of SAS to pay for goods and services only after completion or delivery. Our payment terms are n30 after delivery of goods or invoice, whichever is later.
6. **Value analysis:** Our suppliers, both prospective and current, are encouraged to provide input and direction on opportunities that can reduce maintenance and service costs for SAS. Do not hesitate to present your ideas or ask for assistance in this regard.
7. **Pricing:** In general, our preference is for fixed-price contracts with the ability to adjust for changes in business and market conditions.
8. **Warranty:** We expect the supplier to provide express warranties for all goods purchased.
9. **Return policy:** At a minimum, we expect the right to either return and reject nonconforming goods (or goods that proved defective) and purchase them somewhere else, or to require the supplier to satisfactorily repair or replace any defective goods.
10. **Confidentiality:** Inasmuch as SAS is continually striving to stay ahead of the competition, it is essential that discussions of any nature be held in the strictest confidence. Depending on the circumstances, a supplier may be asked to sign a formal non-disclosure agreement. Furthermore, at no time may a supplier publish any information about SAS' use of such goods or services without the prior written approval of SAS.
11. **Ethics:** All procurement personnel within SAS and the suppliers they deal with are expected to conduct their business in accordance with all applicable governmental laws, ordinances and regulations. Furthermore, our policy states that we do not accept gratuities during the course of the year. Business lunches are permitted on a limited, reciprocal basis. Please assist us in this policy.

11. **Equal opportunity policy:** SAS is an equal opportunity employer. In addition, our procurement policy supports the use of competitive minority-owned, women-owned, small disabled-owned, and small disabled-veteran-owned businesses.
12. **Semi-annual review:** Suppliers currently providing goods and services to SAS are expected to review the status of the goods and services being provided at least semi-annually.
13. **Supplier visitation:** Due to the volume of solicitations SAS receives by procurement personnel, we cannot personally respond to each submission or follow-up phone call. Regardless, we appreciate your interest in SAS. If a supplier is selected for an interview, we request that all prospective suppliers follow the "Procurement Process" outlined below.

Supplier Diversity Process

SAS customers represent a wide range of industries, people and locations – and we want this same diversity reflected in our supplier community. It is our mission to continuously seek ways to make purchasing opportunities available to minority-owned, women-owned, small disabled-owned and small disabled-veteran-owned businesses.

SAS is a national member of the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC). We participate in local chapter events and are committed to the community in numerous areas, such as education and literacy.

The director of strategic sourcing is responsible for SAS' Supplier Diversity process. Initial contact can be accomplished by sending e-mail to SupplierDiversity@sas.com. Please reflect the type of goods and/or services your company provides in the "Subject" line.

Suppliers are first screened for certification, so it helps to include this qualifying information in your initial contact. A business review is then conducted to determine if the goods and/or services being offered can meet SAS' needs. If the goods and/or services do meet our needs, then the supplier will meet directly with the procurement analyst and/or business unit manager that has a business need.

If your goods and/or services are used by SAS, but a current business need does not exist, a meeting will still be held to provide you the

opportunity to network with Procurement and, when appropriate, the business unit. We will keep your company information on file for future use.

The Procurement Process

Where do you start?

You have a product or service that you want to sell to SAS, but where do you start? The first step is to do your homework!

1. Get to know SAS.
 - a. Visit our Web site (www.sas.com).
 - b. Review trade journals.
 - c. Understand our business.
2. Decide which of your products and services may offer the best match for SAS' needs.
3. Contact the procurement receptionist by sending e-mail to SASProcurement@sas.com. Use SupplierDiversity@sas.com if you are a minority- or women-owned business.

This is an important initial contact because whenever making sales visits to SAS and visiting other than procurement personnel, we request you inform us of your agenda by contacting our procurement receptionist at the e-mail address above. This commitment has the following advantages:

1. Ensures continuity of the procurement/supplier relationship.
2. Minimizes processing delays, particularly when contracts are involved.

The initial contact may be as simple as sharing information or submitting a proposal. All proposals will be routed to the appropriate procurement team. If a procurement analyst then determines that additional information is required or a meeting is necessary, the analyst will arrange an appointment with you.

If you are a current supplier, your company will only be contacted if the SAS contract for your product category is up for renewal or bid. If your product category is still under contract, any unsolicited submission will be kept on file for future reference. When and/or if

your product category is up for renewal or bid, SAS may contact you for further information if necessary.

If you are not a current supplier, we ask that you please not phone us to inquire about receipt or status of your submission. Your unsolicited submission will be kept on file for future reference. When and/or if your product category is up for renewal or bid, SAS may contact you for further information. If you feel a need to follow up or stay in contact, then feel free to submit quarterly reminders of your services by sending e-mail to SASProcurement@sas.com.

Interviews and hours

Strategic Sourcing & Procurement is located in Building H on SAS Campus Drive. You are assured a prompt reception only if you have an appointment. Walk-in appointments are not accepted. Please note that we request initial interviews be limited to 20 minutes. Hours are 9:00 a.m. to noon and 1:00 p.m. to 4:00 p.m., Monday through Friday.

Your visit starts

When you arrive at SAS, please stop at the front gate and check in with Security. A security officer will direct you to Building H. Upon arrival at Building H, sign in with the receptionist, who will provide you with a visitor's badge and inform the appropriate analyst of your arrival.

Thank you

We are most appreciative of your assistance and acknowledge the courtesies and services extended to us by each company's sales representatives. Just as you value our business, we value the service and cooperation that your organization provides.