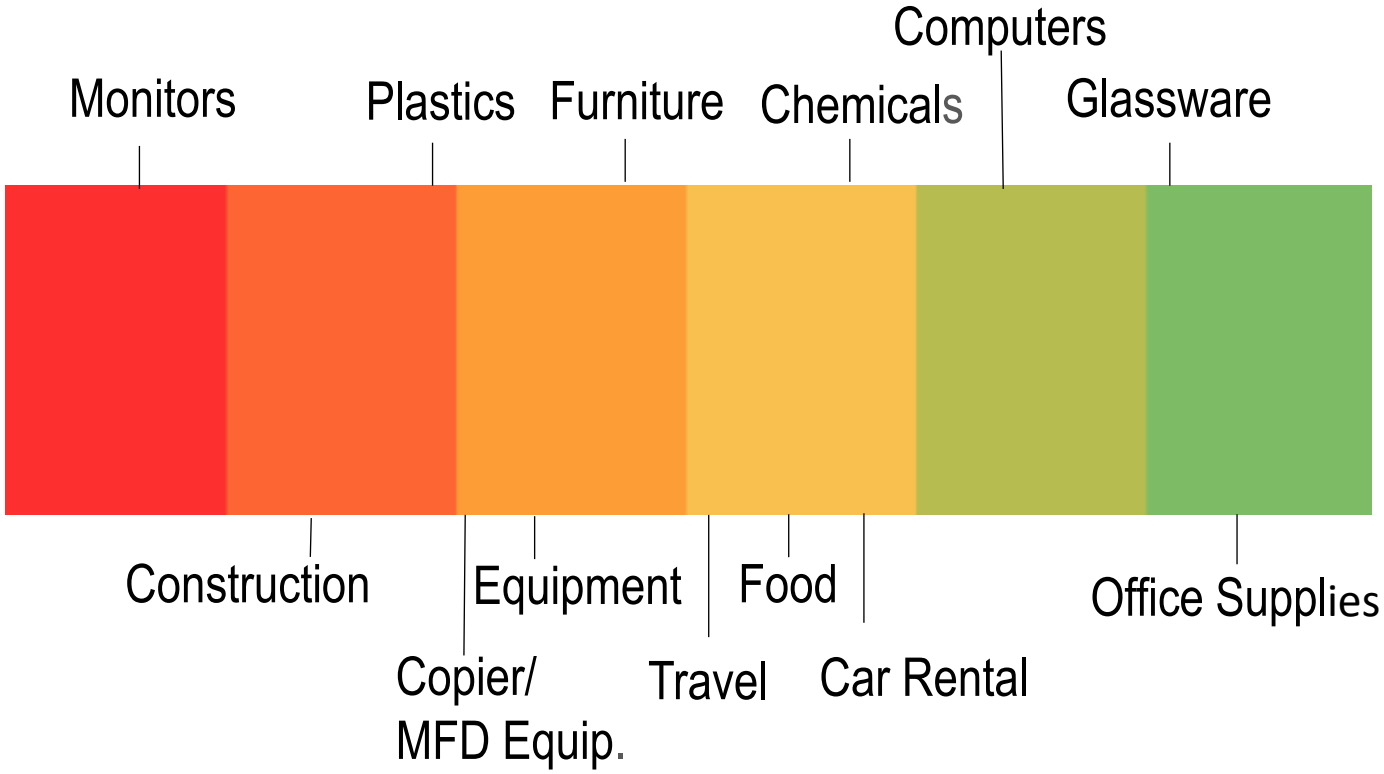
Supply Chain Insights

JANUARY 2022

University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus



The Procurement Service Center (PSC) encourages all staff to determine buying needs well in advance for all products. Labor shortages, the COVID-19 pandemic, and other global crises are contributing to the delay for many items.

The image to the left is a snapshot of how significant the constraints are for certain items/categories. The remainder of this report provides more detail to the constraints of these items, along with recommendations.

Ground Transportation Supply Chain Issues

SUMMARY

- Although manufacturers are catching up to demand, there are still logistical issues regarding delivery. Trucks, ports, and shipping are all experiencing significant labor constraints, which is causing products to be delayed.
- In many cases, items are taking **3-15X longer to get from point A to point B. The U.S. is currently down over 80,000 drivers needed to sustain demand.**
- We encourage all users to utilize our **catalog suppliers** as much as possible, as most of them have warehouses in the Denver metro area.

Scientific & Research Category
SUMMARY

- Products such as **plastics, equipment using chips, chemicals, and Safety/PPE** are all experiencing long lead times due to high demand and transportation issues. Glassware is stabilizing. We encourage all users to review their current inventory, and procure necessary items needed through mid-2022 as soon as possible.

- Note that the University's primary supplier for lab supplies, **Fisher Scientific**, is shipping quicker than many industry competitors, but staff is encouraged to place orders for the products below well ahead of projected need dates. Medline has also made significant changes to their transportation logistics to ensure quicker lead times.

- We encourage users to check with our **catalog suppliers** first for necessary products. If you continue to have issues finding items you need, you may reach out to the Scientific & Research Category Manager for assistance: **Bethany Highfill** **bethany.highfill@cu.edu**

Scientific & Research Category

IMPACTED ITEMS

Lab Consumables	Lab Equipment	Chemicals	Safety/PPE
Lead Time: Unpredictable. Recommend ordering 4-8 weeks in advance.	Lead Time: Unpredictable. Recommend ordering 8+ weeks in advance.	Lead Time: Unpredictable. Recommend ordering 4-8 weeks in advance.	Lead Time: Unpredictable. Recommend ordering 4-8 weeks in advance.

• Pipet tips
• Centrifuge tubes
• Serological pipets
• Bottles (media, general storage, sterile)
• Cryogenic vials
• Cell culture plastics
• Plastic tubing
• Glass vials and tubes
• Sharps containers
• Specimen collection
• Drosophila products
• Polypropylene (bottles, tubes, racks, etc)
• PET products
• HDPE, LDPE & LLDPE products
• PP products
	• Biosafety Cabinets
	• Centrifuges
		• Production Chemicals/GMP
		Life science
		  • Salts/Buffers
		  • Tris
		  • HEPES
		• Solvents, Tetrahydrofuran (THF)
		• Silica
		• Dry Chemicals
			• Nitrile Gloves
			• Apparel
			• Sterile PPE
			• Sterile Gloves
			• Respiratory – N95
			• Safety Storage Cabinets
			• Spill Control
			• Packaging
			• Mailers/Shippers
			• IPA
			• Medical-grade Tyvek

Information Technology (IT) Category

SUMMARY

- Lead times for **laptops** are returning to pre-COVID levels through Dell, despite the continued global shortage of semiconductor chips. Lead times for **monitors and some accessories** such as docks and adapters have increased significantly.

- We encourage staff to order laptops well in advance. Note that the University's primary laptop supplier, **Dell**, is shipping quicker than many industry competitors. **CDW** is another resource if Dell has substantial lead times, however, if you would like to purchase a computer from CDW, you will need to get a quote from **Brett Johnson: brejohn@cdwg.com**.

- We encourage our customers to check these two catalog suppliers prior to ordering. If you continue to have issues finding items you need, you may reach out to the IT Category Manager for assistance: **Bryan Pasternak bryan.pasternak@cu.edu.**

Information Technology (IT)

IMPACTED ITEMS

Laptops

Lead Time: 2-5 weeks

Monitors + Accessories

Lead Time: 11-14 weeks

Workplace Solutions Category
SUMMARY

- The delivery of **copier / MFD equipment, office supplies, MRO, furniture,** and **food** are taking longer than usual due to the ongoing impacts of COVID-19 on global manufacturing suppliers and transport. Customers should work with the University's contracted suppliers to understand realistic lead times.

- Some **copier/MFD equipment** orders are taking **up to three months to complete**. We encourage customers to work with Xerox and Konica Minolta to determine needs well in advance, and discuss device options that are more readily available.

- Not all office supplies and MRO items are impacted but ordering with additional lead time is advised. **Office supplies** are minimally impacted and are expected to stay that way. For MRO items, CU customers should take advantage of the product availability feature in the **Grainger punch-out** catalog or work directly with their Grainger account manager or Grainger Customer Care for priority critical orders (to have these specific items or orders looked at and to obtain the most current availability information at the time).

- **Temporary labor services** is also an impacted category due to a tight labor market, which is affecting many different areas where temporary staff are necessary. We encourage users to work with the University's temporary labor suppliers to insights to better understand what to expect.

- If you have questions or need assistance, you may reach out to the Workplace Solutions Category Manager for assistance: **Annie Becker annie.becker@cu.edu**. For food related issues or questions, please reach out to the Sr. Purchasing Manager, **Shondel Baum shondel.baum@cu.edu**.

Workplace Solutions

IMPACTED ITEMS

Furniture

Unpredictable. Recommend working with approved suppliers.

Temp Labor

Unpredictable. Recommend working with approved suppliers.

Food

Moderately Impacted

Office Supplies

Minimally impacted

MRO

Minimally impacted

Copiers/MFDs

Lead time: 12+ weeks

Travel Category

SUMMARY

- Access to **rental cars** is still constrained as automobile production is still enduring chip shortages. We encourage users to work with the University's car rental suppliers for insights to what CU customers can expect. For a list of those suppliers, please visit our website: **https://www.cu.edu/psc/travel/rent-a-car**.
- Airline flight pricing continues to be less than pre-COVID levels, but numerous challenges with flight schedules have caused travel delays and disruptions
- If you have questions or need assistance, you may reach out to our travel team for assistance: **PSCTravel@cu.edu**

Supply Chain Disruption Details

- **Macro-economic Consumer market challenges are also impacting Lab and Healthcare markets:**
  - Transportation/driver numbers in the US and UK increased in November as trainee drivers began to flow through. There are also signs that the number of drivers leaving the industry is slowing. Still, truck and haulage costs aren't expected to fall for some time.
  - Semi-conductor chip shortage is expected to continue through 2022. Downstream risk to specific chemicals produced as byproducts of the impacted industries.
  - Inflated foam, metal, and resin prices continue to impact manufacturers
  - Shipping port congestion around the world has not improved and is worsening in some areas, including North America. Downstream global supply chain effects are expected to continue well into 2022.

- **Pandemic-related manufacturing and supply chain disruptions continue to ripple, and are compounded by multiple factors**
  - Raw materials' global inventory is shrinking due to diminished production capacity, shipping container shortages, power outages in China and India, weather and climate events, and other factors
  - Vaccine mandates and mandatory COVID-19 testing for larger employers are leaving some short-staffed, as some employees leave or are sidelined
  - Continued emergence of mutant COVID-19 strains will continue to influence demand, supply chain, commodity, and labor market

- **The China, India, and EU energy crises are contributing to commodities' cost increases and volatility**
  - Prices for nickel, steel, silicon, and other metals made mainly from natural gas, have surpassed prior 2008 price highs
  - Chinese steel, aluminum, cement, chemicals, and dye industries, are among the industrial sectors still affected by September's power rationing program