



PROCUREMENT AND BUSINESS SERVICES

AIRGAS will no longer be charging monthly cylinder rental fees on industrial gas purchases. Instead, a \$10 per cylinder service fee will be added to each order. This fee will replace cylinder rental fees. This change is being implemented to eliminate the processing of low dollar monthly invoices for cylinder rentals. This change does not apply to the rental fees associated with bulk gas purchases from AIRGAS.

These invoices have been an issue since most invoices for cylinder rentals do not have a valid Clemson University purchase order, which violates the Clemson University “No PO, No Pay” policy. Also, without a valid PO, AIRGAS has difficulty getting the invoices to the proper Clemson University user which means these invoices typically go unpaid or are passed around campus endlessly.

This change will eliminate many issues associated with AIRGAS cylinder rental invoices while delivering an overall cost savings to Clemson University on cylinder rentals fees, in addition to a cost avoidance achieved by no longer wasting valuable time and resources on managing many low-dollar cylinder rental invoices generated by AIRGAS daily. For example, with over 2,000 cylinder rentals in the last 12 months, the average cylinder rental fee to the University was over \$15 per cylinder, or \$30k. With the implementation of the service fee, the total cost to Clemson University would be \$20k while also removing the enormous administrative costs to the University associated with invoice management. Some users that occasionally purchase lower priced gas, use it quickly and return the cylinder to AIRGAS in less than 30 days may feel as though this change is more expensive. However, in the overall picture, this scenario represents less than 4% of the all purchases.

To summarize:

- Clemson University AIRGAS customers will no longer be required to manage low dollar cylinder rental invoices. This change applies to all individual INDUSTRIAL, LAB AND MEDICAL GAS CYLINDER EXCHANGES and does NOT include bulk

industrial gas purchases and rentals which will remain the same. Users should continue to place all orders via the Clemson University 'Punchout', or by receiving a custom quotation and placing an order through buyWays.

- Starting 1/1/21. Once the change is implemented, the rental rates will be turned off, and the service fee added to new orders placed on or after this date.
- All AIRGAS rental cylinders currently ordered or currently onsite as of the start date will no longer be charged for rental. For those who have established "open PO's" to pay for recurring cylinder rentals, you should close these once the change is implemented. All Clemson University AIRGAS customers must still use and return AIRGAS cylinders as required.
- For those who are planning orders on or after the implementation date, please plan your budgets accordingly.

If you have any questions or concern, please contact Sam Young at scy@clemson.edu or by phone 864-656-2839.

Thanks,