

Cost Saving Ideas from the Purchasing Department

In light of the current budget situation at the Health Science Center, the Purchasing Department has the following suggestions to help cut costs:

- **Use a P-Card for all eligible purchases under \$5,000:** Using a purchase order costs about \$145 in administrative costs per PO versus about \$30 for a P-card transaction.
- **Use State Contracts and Group Purchasing Organizations (GPOs) when possible:** These contracts have already been competitively bid and include State Term Contracts, TXMAS, Department of Information Resources (DIR), BuyBoard, and E&I among others. Using these saves time and money; see our website or contact Purchasing for more information.
- **Create blanket orders for repetitively ordered items:** Fewer POs being processed saves time and money for the institution.
- **Ask for better pricing or for more services when getting quotes:** Always identify yourself as a UNTHSC representative and ask for “our price.” Also, ask for discounts and options for free or lower-priced shipping, installation, extended service contracts, or additional training. While we should always maintain a collaborative relationship with vendors, our goal is to obtain the best value for UNTHSC.
- **Contact Purchasing about establishing multi-year institutional contracts for goods and services needed on a continuing basis:** These contracts provide cost savings and streamlined purchasing procedures.
- **Establish a procurement plan for major purchases and contact Purchasing early in the process:** Additional planning time will provide more flexibility in choosing the best purchasing process; better opportunity for negotiations and evaluations, if needed; and greater delivery and installation options.
- **Help the institution pay vendors in a timely manner:** Having POs in place prior to goods and services being provided, immediately forwarding invoices to Accounts Payable, and quickly notifying Central Receiving to issue Receiving Reports will help prevent delays in vendor payments. These steps will also help prevent the likelihood of vendors adding extra charges to compensate for carrying charges the next time they do business with us.
- **Inspect deliveries for concealed damage and report any discrepancies to Central Receiving, Purchasing, and Accounting within 48 hours:** Unless vendors are notified in writing within 15 days of receipt of goods, they cannot be held responsible for the damage.
- **Help the institution maintain and track its existing equipment:** In FY08 UNTHSC reported \$256,000 in missing equipment. Keeping the department’s Asset records updated will help reduce that figure for FY09.