

PURCHASING OF SCIENTIFIC SUPPLIES AND APPARATUS

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Since the subject of this paper is the Purchasing of Scientific Supplies and Apparatus, it is desirable that a look be taken of procurement and receiving as set up at the University of Oklahoma. A thumbnail sketch of these functions will give a clearer understanding and knowledge of the methods and procedures used in obtaining Laboratory Supplies and Apparatus at the best possible advantage for the departments concerned.

In an organization with the scope of operation of the University, we, in the Purchasing Office, have found that we must have some knowledge of many different phases of Purchasing. It is our estimate that we will purchase some ten thousand different items each year, ranging from a 3rd Fine Nail costing only a fraction of a cent to a Miehle Printing Press costing twenty thousand dollars. Thus we find ourselves acting in the capacity of buying nails, plumbing supplies, printing presses, laboratory supplies and equipment, triply injected cats, shark heads, and many, many other items.

It is obvious that an adequate organization is needed within the purchasing function. We not only buy the material, but it is also our responsibility to secure approval of all requisitions as to availability of funds, follow up lagging deliveries, and approve the invoices for payment after the department has approved the receipt of the material.

From the remark made a moment ago about buying ten thousand different items, it may have been assumed that we are intimately acquainted with all these items and their specifications. This would be a gross over-assumption on our part. Catalogues, pamphlets, salesmen, all assist us in writing proper specifications of items. However, the greatest assistance we have is from the requisition which originates in the departments. This is especially true in the departments of Chemistry, Zoological Sciences, Plant Sciences, Pharmacy and Physics. The requisition is the switch that starts the purchasing operation. It is all important. Without it purchasing would cease insofar as our office is concerned. It is the responsibility of the department to translate its need onto the requisition in a readable and complete description of the articles desired. For example, a department needs nails. Eventually, a requisition appears on the buyer's desk with one word—nails. You can readily see that this is insufficient information, and any vendor receiving such an order would have to return it for clarification. A well written requisition would have given a great deal more information. For example:

Fifty pounds Nails, 3d fine galvanized
or Fifty pounds Nails, 3d fine, and so on

One of our problems was educating the departments to state clearly what they wanted. Of course, this problem was very minor as far as the technical departments were concerned.

Our normal sequence of procurement is:

1. Receipt of the requisition from the department
2. Requesting bids (if over \$200.00)
3. Preincumbrance of departmental funds
4. Approval by financial vice-president (if over \$200.00)
5. Comparison and award of bids
6. Transmittal of purchase order to vendor
7. Follow up on delivery, if necessary
8. Receipt of material into the Receiving Section and then to department
9. Approval of invoice by department and Purchasing
10. Payment to vendor

At this point, emphasis should be placed on the importance of payment to the vendor. If he has furnished the material satisfactorily, he has every reason to expect payment within the terms of the sale. Efforts have been made to simplify procedures, to speed up paying of invoices, and to eliminate procedures that have a tendency to inconvenience the vendor. In this period of a seller's market, many vendors came to the conclusion that selling to state institutions involved too much red tape in getting paid. As a result, they either refused to bid or they placed a bid that would remunerate them for the extra trouble and time necessary to secure payment.

Formerly a notarized claim supporting the invoice was required. Now this has been eliminated by requiring only four copies of an invoice. At the University we have also evolved a method to take advantage of cash discounts offered on invoices and bids. These two things alone are a greater inducement to the vendor to "go after" our business. We also feel that these are contributing factors to securing preferred deliveries and better prices. The discounts are deducted from the invoice, thereby decreasing the cost to the department by the discount amount.

All the above has been related to give an idea of the efforts made to secure for the department the supplies and equipment that are their tools of trade. All of you that are connected with state institutions have the problem of buying within the limits of an operating budget. Money saved in the manner described above means more supplies and equipment. One of the best money savers is taking advantage of quantity discounts. This applies primarily to Fair Trade items packed in standard packaging. Purchasing of material in broken packages should be avoided. Not only do you have a cost of repacking the item for shipment to you, but invariably the department will have to pay the delivery charges. In these days of high freight rates, this type of cost can take a large slice out of an operating budget.

Some of the sliding scale discounts offered by vendors on glassware, which is a Fair Trade item, are as follows:

	Corning	
20 assorted cases or more		5%
50 assorted cases or more		10%
100 assorted cases or more		15%
	Coors	
Orders of \$200.00 to \$399.99		3%
Orders of \$1750.00 and over		20%

One of your reactions may be that you, representing only one department, would never be able to take advantage of maximum discounts. This is true unless requisitions can be combined. We have just processed, for the first time, a bid listing items needed by five different departments. Their requisitions requested supplies and equipment that were contemplated requirements for a full semester, and included some seven hundred and forty items in varying quantities.

We have not had the time to determine the savings made on this order in dollars and cents, but we do know that by combining these requisitions, we were able to take advantage of the maximum quantity discounts offered on Fair Trade items. In addition, very advantageous quotations were received on other than Fair Trade items because of the desire of the vendor to secure portions of the profitable items. Another feature was that all bids were made on either a freight allowed basis or prepaid by the vendor, and this in itself is a considerable saving.

Another factor is that adequate time should be allowed for the Purchasing Office to secure firm quotations and definite delivery dates. This, of course, means that departmental needs should be foreseen and requisitions bearing an emergency request for immediate delivery should be held to a minimum.

One of the most important units of our procurement is a central receiving section. We believe that the installation of this unit is one of the most progressive steps taken by the University, and it has been of inestimable value not only to the Purchasing Office, but even more to the departments. Responsibilities of this section are:

1. Checking and receiving material before delivering to the department
2. Furnishing a receiving report of the material delivered
3. A rigid control of freight collect shipments

A listing of such shipments is furnished the Accounting Section so that deduction of freight paid may be made from the invoice if freight charges should have been absorbed by the vendor.

4. Control of replacement of broken or damaged goods
This is no small item, not only from a monetary standpoint, but it also relieves the department of a nuisance factor.

A summary of the ways and means of procuring the most for the money would seem to be as follows:

1. Centralized procurement within the institution
 2. Competitive bids
 3. Payment of all invoices within the proffered cash discount period
 4. Combine requisitions from departments in order to take advantage of quantity discounts.
 5. Control of freight collect shipments
 6. Control of breakage and damage by the carrier
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