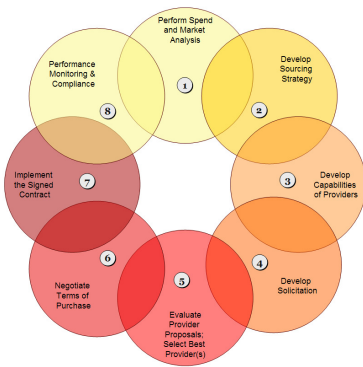




Case Study: Laboratory Equipment Maintenance



Strategic Sourcing is an integrated business process for developing and executing comprehensive sourcing plans that ensure the availability of materials and services at the right time and quality at the lowest total costs to the BU community. BU Sourcing & Procurement is a dedicated team of individuals focused on the strategic procurement of goods and services for education, athletics, and research.

Strategic Sourcing engages the entire BU community. Boston University Commodity Councils segregate purchased materials and services by importance and encourage all departments and functions of the University to work together to maximize the value of purchases.

The Situation

Boston University (BU) research community spends approximately \$850,000 per year on laboratory maintenance.

The high cost of full service maintenance, with annual increases between 5% - 7%, coupled with the reduction in funding has made it difficult for researchers to continue to have the majority of their equipment under a maintenance contract. Therefore, researchers with limited funds have opted to reduce their coverage options to either preventative maintenance contracts or no contract at all.

The manufacturers' discount pricing structure per contract has not been consistent; therefore discount allowances vary among departments across Boston University.

Challenge

Requesting contract cost reductions from a sole source or preferred supplier without sacrificing the quality of service and response time.

BU Sourcing & Procurement Solution

BU Sourcing & Procurement has negotiated higher level discount allowances and established agreements with the manufacturers that will be honored to all of Boston University accounts.

Also, BU Sourcing & Procurement identified a supplier that was able to reduce cost of laboratory maintenance contracts by a minimum of 15% and up to 30% in addition to the original manufacturer's discounted quotes.

This supplier contracts directly with the original manufacturer on a time and materials basis that results in an overall lower cost. The contract with this supplier was competitively bid and awarded through an educational consortium. The contract is being utilized throughout the country by other major research universities.

Benefits

- Significant cost savings of 15% - 30%
- Contract price held for three years without any commitment
- Utilization of the same manufacturers' technicians
- Online management reports
- Consolidation of contracts
- Single point of contact for all requirements