

Press Releases

02-03-11 Orange County Helps Municipalities Save Money

Commissioner of General Services shares procurement tips

Orange County Executive Edward A. Diana and Commissioner of General Services James P. Burpoe attended the Orange County Association of Towns, Villages and Cities' most recent gathering of County municipal leaders in Goshen to demonstrate how the County of Orange is saving money with its procurement process.

As the guest speaker, Commissioner Burpoe discussed how over the next two fiscal years state governments are expected to face shortfalls in excess of \$260 billion dollars, meaning localities need to develop long term systemic changes and not just reach for temporary short term fixes to budget gaps.

"Local government and their procurement departments will need to recognize opportunities that exist and take action, just as Orange County government has done. They should be charged with looking for ways to streamline, delay or eliminate expenditures," said Burpoe.

Commissioner Burpoe advised the group that as in the private sector, negotiation is the key when government is buying goods and services. To do this, it is important to think as a group when making purchases, creating a greater buying power resulting in more favorable rates.

Orange County, for example, realized better rates for utilities when they joined the Municipal Electric and Gas Alliance (MEGA), a consortium that pools potential customers that bids out this power load to private energy service companies. The projected savings for the County in the first year is expected to be in excess of \$600,000.

County Executive Diana said, "Because we are shopping with taxpayer money, the County is very mindful of the price tag, always asking vendors 'Is that the best you can do?'"

Another change Burpoe discussed was office automation. By negotiating with copying vendors, the County went from paying \$36,000 a month to \$19,000 a month, in addition to the replacement of 152 all new, upgraded machines at no additional cost.

The County reevaluated its contract for office supplies, and found that another vendor could provide rebates while saving the County 22% over what was currently being spent for paper, pens, paperclips, etc.

County cell phone plans were renegotiated by Commissioner Burpoe, and are now designed as wrap-around plans, meaning that no County mobile phone user will ever exceed their usage and pay overage costs as the minutes of another mobile phone user in the County, who does not use their phone often, is now transferable.

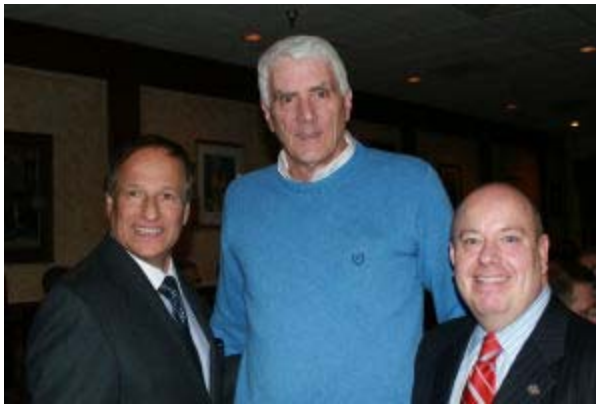
Even when working with a preferred source showing state contract pricing, negotiation is still applicable said the Commissioner. He explained that the County used to pay \$47 per bin for shredding services, and now he negotiated the vendor down to \$36 per bin.

With shipping vendors, the County consolidated separate accounts that were originally held by each department creating volume pricing that translated into a 14% discount in 2011 for Orange County.

Lastly, Burpoe told the crowd that municipalities should not throw out any surplus equipment whatsoever, and don't pay to advertise – instead, they should work with an auction house that will sell almost anything.

The Orange County Legislature unanimously approved the creation of the Department of General Services last fall. This new department encompasses the former Department of Purchasing, and centralizes three divisions: Procurement and Government Operations, Contract Compliance and Policy, and Grants. Burpoe, a former small business owner, is the department's first Commissioner.

For more information on doing business with Orange County, please contact the Office of General Services at (845) 291-2792, email generalservices@orangecountygov.com, or visit www.orangecountygov.com/purchasing.



(L-R) Orange County Executive Edward A. Diana, President of the Orange County Association of Towns, Villages and Cities, and Town of Walkill Supervisor John Ward, and Orange County Commissioner of General Services James P. Burpoe at the Association's most recent meeting in Goshen. The County Executive and the Commissioner were invited by Mr. Ward to address municipal leaders and share the County's best practices in the area of procurement.