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HENRY'S PROVEN BUSINESS SKILLS TO BOOST SAVINGS FOR PUBLIC, CITY PURCHASING, AREA PARTNERS

Collaborative Purchasing Plan Leads Mayoral Candidate's Idea List for Getting the Most Bang Out of Every Taxpayer Buck

Fort Wayne, Indiana – Demonstrating his commitment to taxpayer savings, improved government effectiveness and enhanced cooperation, Mayoral candidate Tom Henry today rolled out his plan for a northeast Indiana collaborative purchasing network. The public-sector membership group would bid for commonly used products and services en masse creating economies of scale and a greater return on public expenditures.

“Higher value, better services, lower costs,” stated Henry. “These three simple tests have been my decision-making benchmarks. As a former hospital administrator, I helped start a group purchasing network that gave buying power to area hospitals and cut costs for patients. It saved, on average, 8 percent to 10 percent for our members every year. I’ll bring that same cost-efficient, customer-friendly thinking, experience and action into the Mayor’s Office. The citizens of Fort Wayne deserve to get the best deal, too.”

An overview of Henry’s collaborative purchasing network includes the following elements:

- Open membership to area cities, counties, towns, school corporations and other jurisdictions with taxing authority;
- Membership fees to support basic operations;
- Monthly meetings of purchasing directors or staff responsible for that function;
- Assessment of common purchasing needs and the sharing of best practices;
- Joint negotiation of the best deal on targeted products, supplies and services;
- Evaluation of budget cycles to identify and synchronize opportunities;
- Application of software-driven technology to increase performance; and
- Use of just-in-time delivery and existing warehouse facilities to keep costs in check.

Henry has been proactive in talking with City officials to determine areas that may benefit from this new approach. Purchases that may be considered are: Road salt, infrastructure components, service contracts, fuel, motor oil, aggregates and tires. A full evaluation of other opportunities also will be undertaken.

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In recent discussions, Henry's idea has received a positive reaction from area city and county officials, school administrators and heads of other taxing districts. The program directly translates Henry's proven private-sector expertise into a public-sector application with direct benefits to the taxpayer.

"Tax dollars are precious," observed Henry. "We've got to do better with every single penny. Cooperative purchasing just makes sense. You build partnerships, join forces, negotiate for the best price, buy in bulk and pass the savings on to our citizens. I know how to get the most bang from every buck, because I've already done it in the private sector. I've proven it works. I can take our public-sector cost savings to the next level."

The purchasing cooperative is patterned after a similar group that Henry founded and expanded successfully over the course of 20 years as President/CEO of Midwest Health Net. The idea emerged when Henry was Director of Shared Services with Parkview Hospital in the early 1980s. He realized that with so many hospitals in the area, they could all save money if their purchasing power was combined.

In 1984, Henry took the concept out on its own. During the next decade, he built the network from six hospitals to 48 throughout Indiana, Ohio and Michigan. In a typical year, on purchases of \$23 million, over \$1.8 million of savings was realized on everything from surgical supplies, medical equipment and pharmaceuticals to employee benefits and collection services.

Including employee benefits, the City of Fort Wayne currently spends approximately \$100 million on goods and services annually. In the administration's recent process improvement initiatives, the City is working with Fort Wayne Community Schools to secure better prices on uniforms and fuel purchases. Internally, it has consolidated over 40 copier contracts into one. The City's fleet vehicle contract has been written so that other municipalities can participate in it. Over the last three years, a savings of \$950,000 has been accrued. In addition, 15 other localities have bought 200 passenger vehicles through this contract on vehicles priced the same as they were five years ago.

Tom Henry is the Democratic candidate for Mayor of Fort Wayne. He is a successful business owner, a five-term Fort Wayne City Councilman and a nonprofit leader with deep roots in the community.

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