



News From:

COMPTROLLER KEVIN LEMBO

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COMPTROLLER LEMBO IMPLEMENTS NEW STATEWIDE PURCHASING RULE; COULD SAVE OVER \$4 MILLION YEARLY

Comptroller Kevin Lembo notified all Executive Branch state agencies today of a new purchasing requirement that will save the state millions of dollars every year, including more than \$4 million next year alone.

In a memo to executive agency heads, Lembo said virtually all purchases under \$1,000 must be done with a Connecticut Purchasing Card, rather than with a traditional vendor check.

This change will drastically diminish the number of state purchase orders to process. As a result, significant personnel resources can be reallocated; paper, postage and check stock costs will diminish; and the state will receive higher rebates from the purchasing card vendor.

Lembo implemented the new rule based on an analysis conducted by his office's Fiscal Policy Division. The analysis projects that the state could save more than \$4 million in fiscal year 2012 as a result of this policy change.

Under state law, budgeted state agencies must use purchasing cards in accordance with procedures established by the comptroller.

"We must do what every household is doing – spend conservatively and wisely," Lembo said. "We are continually rethinking how the state does business, by investigating and identifying efficiencies wherever possible. This step is the latest in our ongoing effort, which has already identified tens of millions of dollars in potential savings.

"This purchasing card policy follows similar efforts to reduce state business costs – including our ongoing transition to paperless payments for vendors, electronic payroll statements for employees, and our plan to consolidate state prescription purchasing."

Much of the potential savings would result from rebates. Under an agreement with the state's purchasing card vendor, the state receives a rebate check based on the annual charge volume generated through the state purchasing card program.

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