

NIGP Code™ Solution

City of Houston Strategic Purchasing Division (SPD) Saves Through Inventory Rationalization

RESULTS: Number of items carried in inventory **REDUCED** 77% from more than 88,000 items to 20,000

“We recognized the need for material master descriptions and a unit of measure standardization in order to address the problem of long text descriptions and inconsistencies across city departments.

The NIGP Coding system allows us to improve our inventory process, and that it is a critical component to materials management.

SPD incorporated the NIGP Coding system into the SAP R/3 materials master implementation and changed its business process so that each SAP material master code includes an NIGP Code.”

– Calvin Wells,
City Purchasing Agent

SOLUTIONS

- Coding project covered both the City of Houston and Houston Aviation.
- NIGP Code team executed duplicate identification, data cleansing, description enhancement and NIGP Code assignment.
- Ongoing efforts include content management, description enhancement and NIGP Code assignment for inventory items.
- Incorporated NIGP Code within SAP R/3 (the citywide software system) implementation at the 11-digit level.
- Periscope is providing 48-hour turnaround on new item code assignment.

CHALLENGES

- Houston operates 11 warehouses citywide.
- Houston lacked a common stock item numbering and description methodology.

