

February 10, 2009

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Larry A. Nielsen, Provost and Executive Vice Chancellor
Charles D. Leffler, Vice Chancellor for Finance and Business

SUBJECT: Use of the University's MarketPlace

Recent studies have shown that use of the University's online purchasing system, the MarketPlace, can save departments and colleges an estimated \$2.3 million in direct dollar savings during the course of the calendar year 2009. These savings can be obtained simply by using the online MarketPlace for purchasing from vendors (**Attachment A**) rather than purchasing from the same vendors using the voucher system. In particular, you should note the immediate savings available from the FedEx Contract. These rates are less than half the normal price outside of the MarketPlace.

Effective immediately, all departments are directed to use the MarketPlace in lieu of the University's voucher system for those vendors that are online. Continued use of the MarketPlace will also provide the information necessary for the Purchasing Office to negotiate even larger discounts from the vendors. Additional vendors will be added as the Purchasing Department negotiates new contracts.

Exceptions:

1. Emergency purchases – these should be severely limited by planning purchases.
2. Lower prices - In the event a department can find a lower price from a MarketPlace vendor outside the online system, it is allowable to purchase through that avenue. Any significant savings should be reported to Sharon Loosman (sharon_loosman@ncsu.edu) in the Purchasing Office for her to follow up with the vendor.

Reports of non-MarketPlace purchases from MarketPlace vendors will be provided monthly to each Dean/Vice Chancellor for information purposes.

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In addition to using the MarketPlace, please note that **reimbursements** to faculty/staff for purchases made directly by an employee are the most costly purchasing transactions to process. In addition to the processing costs, these transactions are not eligible for the sales tax exemption and may bypass prior approvals or auditing functions (particularly important in the case of purchases for contracts and grants). Reimbursement transactions should be limited to emergency situations or situations in which it is not practical to pay by voucher or through the MarketPlace. Purchases of items such as computer or other equipment should not be purchased by the reimbursement method.

For training, questions, or problems, please contact Eric Shiflett at 513-2272.

Attachment

cc: Chancellor James L. Oblinger
Vice Chancellors
Ernie Murphrey
Bob Wood
Sharon Loosman
Eric Shiflett
University Business Officers

MarketPlace Vendors by Commodity Category**Office Supply**

My Office Products
Office Depot
Staples

Office Furniture

Storr

Computer/IT

Apple
CDWG
Dell
Gov Connection
Lenovo

Maintenance and Repair

Grainger
HD Supply
MSC Industrial Supply

Scientific/Lab Supply

Fisher Scientific
Sigma Aldrich
VWR International

Compressed Gas

Machine and Welding Supply
National Welders

Shipping

FedEx

FedEx MarketPlace rate highlights

	MarketPlace Rate	Campus Account Rate	% Savings
Priority overnight letter - up to 8oz	3.55	9.98	64.43%
Priority overnight - 1 lb	4.98	11.76	57.65%
Priority overnight - 2 lb	5.16	12.38	58.32%
Standard overnight letter - up to 8oz	3.52	8.61	59.12%
Standard overnight - 1 lb	4.97	9.94	50.00%
Standard overnight - 2 lb	5.15	10.76	52.14%