



SUCCESS STORY: GRAINGER STATE UNIVERSITY OF NEW YORK SYSTEM

Grainger Delivers Cost Savings & Supports Supplier Diversity for SUNY

The Situation

The State University of New York (SUNY) System needed to aggregate spend where possible to find \$100 million in operational cost savings that could be re-directed to educational purposes. The area of maintenance, repair, and operating products (MRO) was identified as an opportunity to consolidate and save, as the SUNY system was spending \$20 million across 6,400 different vendors.

The Office of University-Wide Procurement (OUP) decided to evaluate the E&I Grainger contract to consolidate their MRO purchases under one vendor.

The Obstacles

Conflicting Procurement Laws

SUNY's 64 campuses fall into three categories: state campuses and statutory colleges, which follow one set of procurement laws, and community colleges, which operate under a separate set of laws. Because E&I is a non-profit and not a governmental cooperative, SUNY community colleges cannot buy directly from an E&I contract unless the SUNY system adopts it first.

Competing with New York State

New York State already had an MRO contract in place that SUNY was expected to use. To utilize the E&I Grainger contract, SUNY was required to document that the pricing of each line item, terms, and conditions were better than the State contract.

Diversity Requirements

Per SUNY supplier diversity/Minority and Women Owned Business Enterprise (MWBE) goals, 20% of subcontracting by a prime vendor must be to MWBE companies. At first, Grainger only had one diversity supplier. SUNY's MWBE office requested that Grainger look to expand their portfolio to include other diversity suppliers.



“The E&I Grainger contract has more breadth than the New York State contract, so campuses have more offerings and flexibility to meet their MRO needs in addition to better pricing.”

Tom Hippchen

Director of University-Wide Procurement, Office of University-Wide Procurement, State University of New York System



GRAINGER GOING ABOVE & BEYOND SAVINGS

“SUNY has successfully utilized the Grainger offering to meet its procurement requirements while realizing significant cost savings.”

Tom HIPPCHEN

Flexible Pricing

Because of the state’s pricing requirements, the E&I Grainger contract had to be flexible so that if the New York State contract pricing dropped, Grainger would have to meet those changes.

The Actions

Grainger and E&I worked together with OUP to **establish better pricing on each line item in Grainger’s portfolio**. Grainger also **expanded their MWBE partnerships** to three additional companies.

Grainger, SUNY, and OUP discussed the nuances of working with the SUNY system, since approaching a contract on a system-wide basis was different from doing so with an individual school. OUP, Grainger, and their MWBE reps also **coordinated territories** within the state to establish who would visit certain campuses.

OUP and Grainger traveled to campuses that were facing challenges with contract adoption. Grainger also helped individual campuses create market baskets of commonly purchased items to **identify savings opportunities**. Grainger tied each of the individual SUNY accounts to the E&I contract so all online purchases captured the correct discounts.

On a consultative basis, Grainger offered free inventory assessment to uncover time and cost efficiencies through **effective stock replenishment, tracking, and ordering**.

Annual business review meetings were held to discuss contract performance, SUNY system wide application and product pricing.

The Results

Grainger was able to meet SUNY’s list of requirements, **including involving four New York State MWBEs in its supply chain**, and the contract was formally adopted by the system. As a result, SUNY community colleges can also use the E&I Grainger contract.

In the first three years of the program, **SUNY saved more than \$1.8 million with Grainger**.

With help from the E&I Grainger contract, SUNY is successfully using its collective purchasing power to keep administrative operational cost at a minimum and use the state and tuition dollars for educational purposes.



About Grainger

W.W. Grainger, Inc. is the leader in industrial supplies, offering over 1.2 million products and replacement parts. Find everything from cleaning and maintenance products to hand and power tools, lighting, electrical and plumbing equipment, and more. For more information, please visit www.grainger.com.

About E&I

With over 5,000 member institutions, E&I Cooperative Services is the member-owned, non-profit sourcing cooperative focused on education. Established in 1934, E&I provides members with access to a diverse portfolio of competitively solicited contracts and electronic procurement solutions to help reduce costs, save time, and optimize supply chain efficiencies.

For more information, please contact David Ott, *Portfolio Support Executive, Facilities* at dott@eandi.org or visit www.eandi.org/grainger.