

Cooperative Contracts

September, 2009



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Key Terms

- **Cooperative Contract** - An agreement between buyers and vendors which is designed to reduce the administrative burden of contracting by delegating responsibilities while also leveraging volume to negotiate better pricing for members of the purchasing group or consortium.



Key Terms

- **Competitive Bidding/Solicitation** – A procurement method where bids are solicited from competing vendors, contractors or suppliers by an open invitation specifying contract and bid specifications.

Key Terms

- **Environmentally Preferable Purchasing** – The selection of products and services that have a mitigated effect on human health and the environment when compared to other products that serve the same function. (a.k.a. green purchasing/procurement)



Organizational focus

▶ Vertical

- ▶ Members of a “vertical” consortium are typically all in the same or a related field of business (healthcare, technology, etc.).
- ▶ Typically have expertise in needed resources and overlapping demand covers multiple commodities.

▶ Horizontal

- ▶ Members of a “horizontal” consortium are in different fields of business and focus on common needs of all members (office supplies, paper, etc.)

Benefits

- ▶ Reduced contracted costs due to limited:
 - ▶ RFP development
 - ▶ Advertising & solicitation
 - ▶ Evaluation, negotiation & contract award procedures
 - ▶ Contract management
- ▶ Leveraged purchasing power (economies of scale):
 - ▶ Attain competitive pricing
 - ▶ Encourage responsive service
 - ▶ Shift the marketplace toward environmentally preferable products by demonstrating demand

Potential Hurdles

- ▶ Real or perceived threats with your internal contracting rules
- ▶ Availability of desired products or services
- ▶ Participation fees
- ▶ Purchasing commitments/minimums
- ▶ Changes in delivery schedule/location



RPN FACTSHEET: Buying Green on Cooperative Contracts

What are Cooperative Contracts?

Cooperative, or group, purchasing contracts are agreements between buyers and vendors designed to reduce the administrative burden of contracting while leveraging volume to negotiate preferred pricing and service for members of a group or consortium.

What are the Benefits?

- ▶ Reduced contracting costs due to limited:
 - RFP development
 - Advertising & solicitation
 - Evaluation, negotiation & contract award
 - Protests
 - Contract management
- ▶ Leveraged purchasing power:
 - Attains competitive pricing
 - Encourages responsive service
 - Shifts the marketplace toward greener products by demonstrating demand

What are the Possible Hurdles?

- ▶ Real or perceived conflicts with your internal contracting rules
- ▶ Availability of desired products or services
- ▶ Participation fees
- ▶ Purchasing commitments/minimums
- ▶ Changes in delivery schedule/location

Who Offers Green Group Purchasing?

The attached chart describes five groups organizing cooperative purchasing agreements.

Access these Contracts

Helpful Terms

Competitive Bidding/Solicitation is a transparent procurement method in which bids from competing contractors, suppliers, or vendors are invited by an openly advertised scope, specifications, terms and conditions of the desired contract, as well as the criteria by which the bids will be evaluated. Competitive bidding aims to obtain goods and services at the lowest prices by stimulating competition, and by preventing favoritism.

Green Purchasing/Procurement is affirmative selection and acquisition of products and services that have a lesser or reduced effect on human health and the environment when compared to other products and services that serve the same purpose, a.k.a environmentally preferable or

Available at

http://www.responsiblepurchasing.org/includes/cooperative_contracts.pdf

	Educational and Institutional Cooperative Purchasing (E&I)	Delta Institute and Sustainable Research Group (SRG)	General Services Administration (GSA)	National Association of State Procurement Officials (NASPO)	US Communities Government Purchasing Alliance
	Through E&I	Through WMSPC	Through GSA	Through NASPO/WSCA	Through US Communities
Who are they?	 E&I is the not-for-profit buying cooperative established by members of the National Association of Educational Procurement (NAEP)	 Delta, a Midwest non-profit, and SRG manage the West Michigan Sustainable Purchasing Consortium (WMSPC) and are convening the Great Lakes Green Purchasing Consortium	 GSA is the operations arm of the US federal government	 NASPO, a non-profit, and its Western States Contracting Alliance (WSCA) organize cooperative purchasing for its members.	 US Communities is a non-profit co-founded by 5 national government associations, whose mission is to provide purchasing solutions to its constituents
Who's eligible to use their contracts?	Educational 501 (c)(3) non-profits. Other non-profits are eligible for non-voting, contract only memberships.	Businesses and organizations in the Great Lakes region	Federal agencies may use any schedule. State and local agencies may use Supply Schedule 70, Consolidated Schedule, and Supply Schedule 84.	Authorized state or local government entities. Authorization can be obtained through the state's chief procurement official, i.e. state NASPO representative	State and local agencies, non-profits, higher education and K-12
Are there fees to participate?	YES, NAEP membership dues plus \$5 cooperative dues.	NO FEE	NO FEE	NO FEE	NO FEE
What is the minimum purchasing requirement?	NO MINIMUM	Information unavailable	Varies from vendor to vendor	NO MINIMUM, but some prices are tied to obtain volume discounts	NO MINIMUM

Available at

http://www.responsiblepurchasing.org/includes/cooperative_contracts.pdf



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Cleaners: Products

Hundreds of cleaning products are certified by Green Seal and/or EcoLogo (see [Standards](#)), including products for floors, drains, hands, hard surfaces and other industrial cleaning applications. This database is updated regularly, but please note that this is not an updated list of certified products.

Product information, including "certification" column are available on a U.S. Communities website on July 9, 2008).

Search:

Search:

< 1

> see all

Type:

Floor:

Floor:

Floor:

General:

Cleaner:

Window / Glass

Cleaner



www.zep.com
Tel. No. (800) 972-4937
Fax. No. (404) 603-7742
uscommunities@zepmfg.com

[Click Here to Request Contact](#)

Contract Documents

- [Master Agreement No. 2007-118](#)
- [Master Agreement No. 2007-118 Attachment A](#)
- [Master Agreement No. 2007-118 Attachment B](#)
- [Master Agreement No. 2007-118 Price List](#)
- [Master Agreement No. 2007-118 Amendment](#)

RFP Documents

- [Request For Proposal](#)
- [RFP Supplemental Documents](#)
- [RFP Posting Documents](#)

RFP Posting Summary

No. of suppliers participated in the solicitation process:
141 invited; 3 responded; posted in the Internet

Window / Glass

Cleaner

Zep

Manufacturing

Green Link Glass Cleaner

GS-37

U.S. Communities

U

Standards

Contracts

Neutral Floor

GS-37

U.S. Communities

Floor Finish

GS-40

U.S. Communities

Floor Stripper

GS-40

U.S. Communities

Green

GS-37

U.S. Communities

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Thank You!

West Michigan Sustainable Purchasing Consortium



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About the Delta Institute

- ▶ 501 (C)(3) nonprofit organization
- ▶ Improving environmental quality and promoting community and economic development in Great Lakes region.
- ▶ Programs
 - ▶ Green purchasing
 - ▶ Pollution prevention and energy efficiency
 - ▶ Green development
 - ▶ Brownfields
 - ▶ Community development

WMSPC Background

- ▶ Conceived by a group of Grand Rapids area businesses, institutions and municipalities in 2006
- ▶ Goal was to develop voluntary, pro-active program to improve local watershed impairments, such as toxics loading, waste minimization & stormwater discharges to waste water treatment facility
- ▶ Sustainable purchasing was identified as a strategy that would result in measurable reductions of toxics and other pollutants to the watershed
- ▶ Sustainable purchasing involves the purchasing of materials, products, and labor in a manner that reflects fiscal responsibility, social equity, and community and environmental stewardship

Purpose and Mission

- ▶ “Identify and purchase products and services that have a reduced environmental impact...[and] spur economic opportunities for companies interested in manufacturing or supplying sustainable products”
- ▶ The West Michigan Sustainable Purchasing Consortium (WMSPC) is committed to developing and providing access to professional procurement contracts that support sustainable purchasing in the West Michigan community. Key goals of the WMSPC, particularly for the lower Grand River watershed area, include improving regional environmental quality and stewardship, growing local economies, and increasing social responsibility.

How WMSPC works

- ▶ Consortium Objective
 - ▶ Leverage the collective buying power of consortium members

- ▶ Consortium Purchasing Mechanism
 - ▶ Survey members, research green products & develop RFP
 - ▶ Vendors submit bids to provide products at a certain price
(Bids based on expected volumes)
 - ▶ Consortium review; accepts bid & signs Master Services Agreement w/vendor (should include regular reports & training)
 - ▶ Consortium markets MSA to WMSPC members
 - ▶ All consortium members can buy from the contract at the negotiated price

Members and Purchasing Power

▶ **Members (>90)**

- ▶ **City of Grand Rapids**
- ▶ **Grand Valley State University**
- ▶ **Steelcase**
- ▶ **Van Andel Institute**
- ▶ **Aquinas College**
- ▶ **Michigan DEQ**
- ▶ **Grand Rapids Community College**
- ▶ **Local First**
- ▶ **Cascade Engineering**
- ▶ **SRG**

▶ **Paper Contract**

- ▶ **Quimby Walstrom is distributor**
- ▶ **30% and 100% PCW**
- ▶ **Between 10/1/08 –& 8/12/09**
 - ▶ **purchased over 138,000 lbs**
 - ▶ **Spent over \$97,000**
 - ▶ **Saved 229,772 lbs. wood**

▶ **Deicer Contract**

- ▶ **Cryotech's CMA**
- ▶ **Wellspring's EcoSalt**

▶ **Future Contracts**

- ▶ **Green cleaning products**
- ▶ **Lighting**
- ▶ **Other**

Benefits of Membership

- ▶ Save money
 - ▶ Small businesses save up to \$14.99/carton
 - ▶ Institutional purchasers save approximately \$0.32 or more per carton as compared to the prices they would pay if they bought paper on their own
- ▶ Networking, collaboration and knowledge sharing
- ▶ Training/Workshops/Roundtables
- ▶ Save time and money on RFP process
- ▶ Help spur economic development
- ▶ Reduce negative environmental impacts

Challenges and Opportunities

- ▶ Differing procurement processes and policies
- ▶ Timing
- ▶ End use and Training
- ▶ Reporting/Metrics
- ▶ Develop group Terms and Conditions
- ▶ Scale up purchasing over the course of a multi-year contract
- ▶ Specify training from vendors; pilot programs
- ▶ Specify reports from vendors

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Thank You!

U.S. Communities Government Purchasing Alliance

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National Cooperative Purchasing Program

- ▶ Operates on the same principles as local and regional co-ops
- ▶ National structure for public agencies to aggregate collective purchasing power
- ▶ Improve the overall effectiveness of their purchasing processes
- ▶ Nonprofit Organization

Founding Co-Sponsors

- ▶ Association of School Business Officials International (ASBO)
- ▶ National Association of Counties (NACo)
- ▶ National Institute of Governmental Purchasing (NIGP)
- ▶ National League of Cities (NLC)
- ▶ United State Conference of Mayors (USCM)

- ▶ *State Sponsors: 70 state sponsors nationwide*

The Advisory Board

Public Procurement Professionals

- City of Charlotte/Mecklenburg County
- Cobb County
- Dallas County
- Davis Joint Unified School District
- City and County of Denver
- Emory University
- Fairfax County
- Georgia Department of Administrative Services
- Great Valley School District
- Harford County Public Schools
- Hennepin County
- Hillsborough School District
- City of Houston
- City of Los Angeles
- Los Angeles County
- Maricopa County
- Miami-Dade County/Public Health Trust
- North Carolina State University
- City of San Antonio
- San Diego Unified School District
- City of Seattle

Advisory Board Program Purchases Over **\$145 Million** in 2008

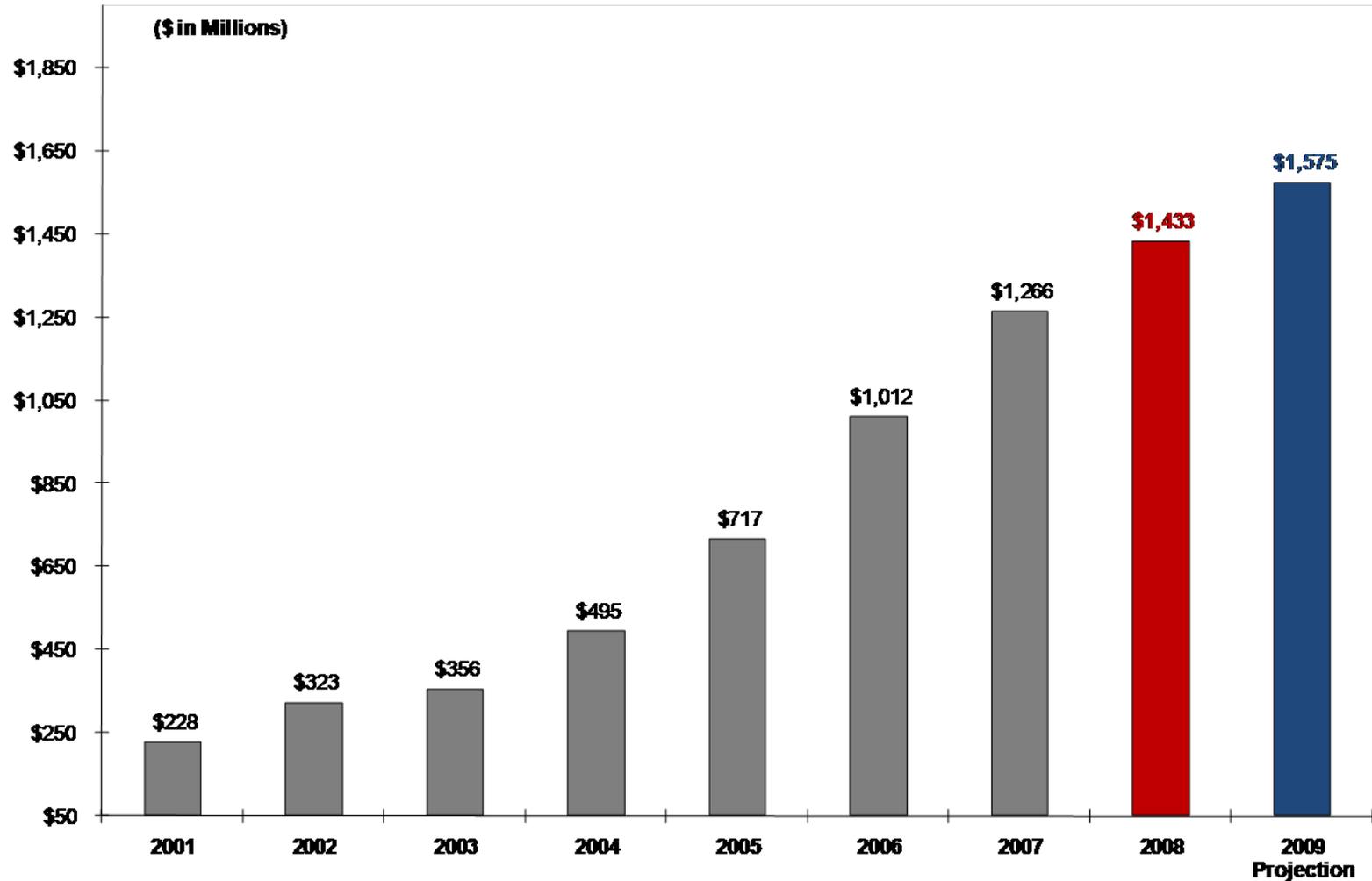
Solicitation Process

- ▶ Solicitations are run by a Lead Public Agency selected from the Advisory Board
 - ▶ The RFP or ITB is issued by the LPA and posted online
 - ▶ A national evaluation team is comprised of public procurement officials from 3 to 5 Advisory Board agencies
- ▶ Evaluation is performed and award is made
- ▶ Contracts are held and managed from day to day by LPA
 - ▶ All RFP/ITB and Contract documents are available on the USC website
 - ▶ LPAs are available for questions about solicitation

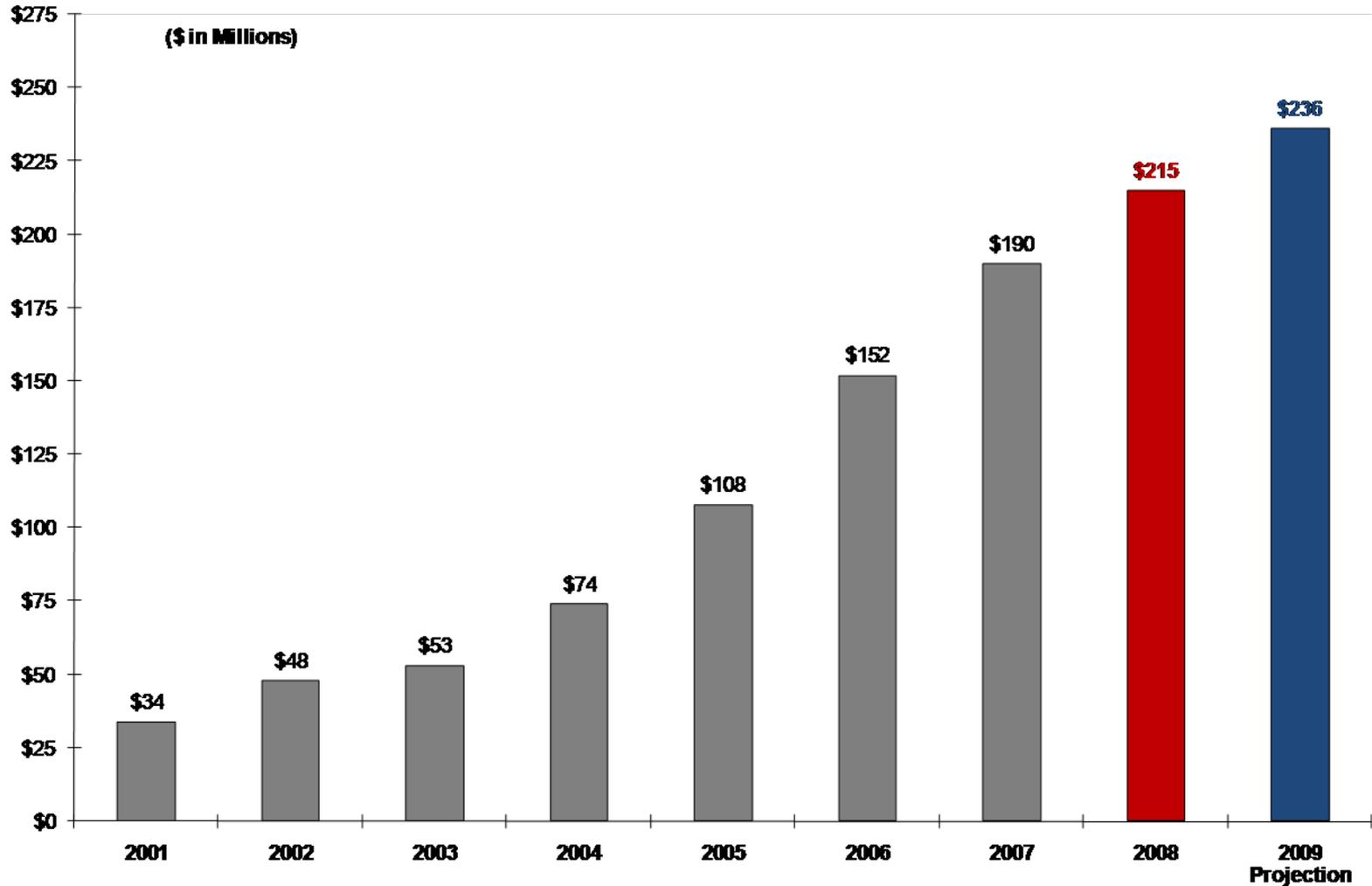
Eligible Agencies

- ▶ Cities
- ▶ Counties
- ▶ K12
(Public or Private)
- ▶ Special Districts
- ▶ Universities/Colleges
(Public or Private)
- ▶ Nonprofits
- ▶ State Agencies

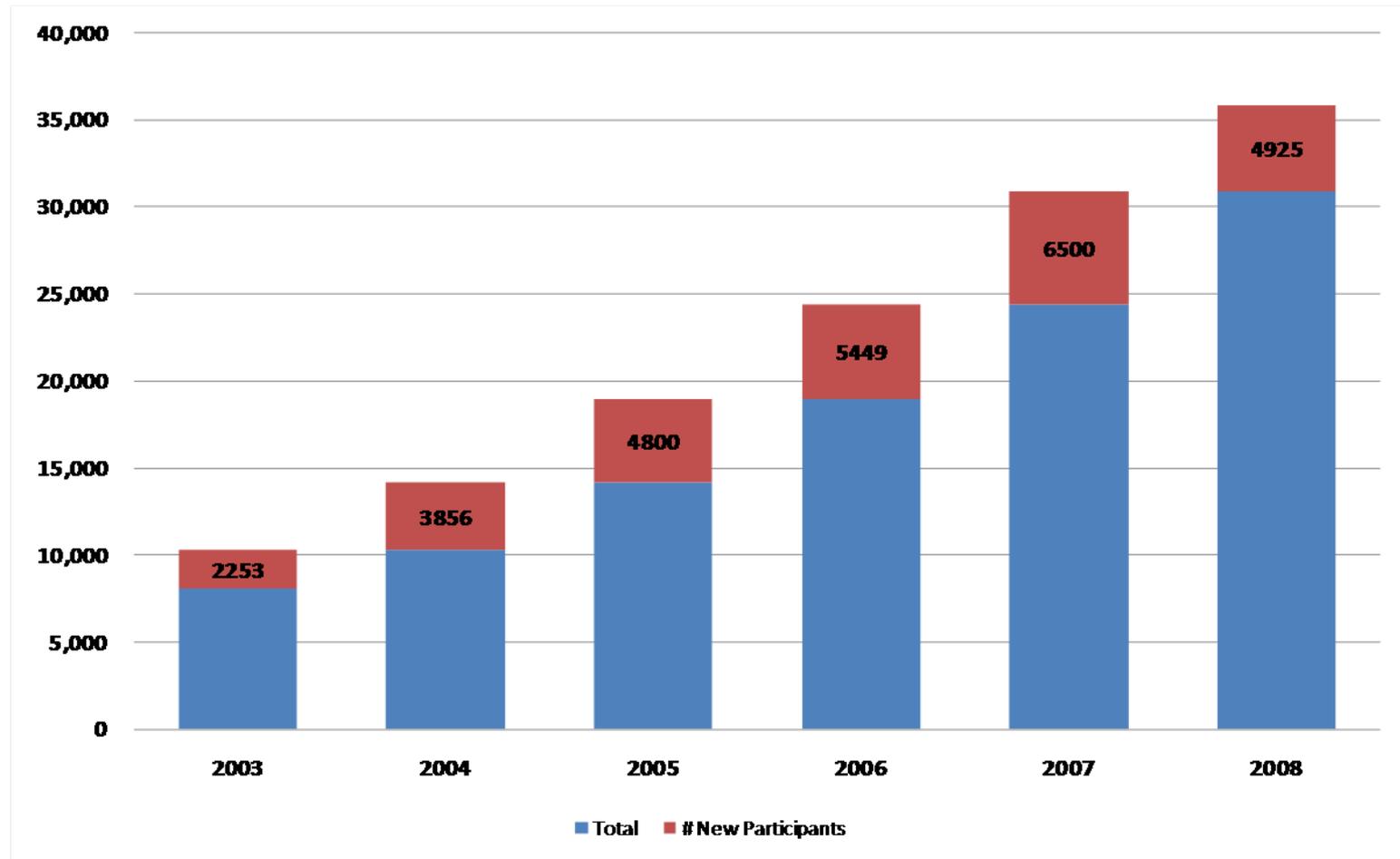
Total Program Purchases



Total Program Savings



Registration Growth



Public Agency Value

- ▶ Competitively solicited contract by a lead public agency
- ▶ No cost to agencies to participate
- ▶ Best government pricing
- ▶ Optional and non-exclusive contracts
- ▶ No minimum spending requirements

Offering Earth-friendly products in the following categories:



- Office & School Supplies
- Office Furniture
- Janitorial Supplies
- Electrical & Data Communications
- Technology Products
- Office Machines
- School Furniture
- Turf
- Auto Parts
- Maintenance, Repairs & Operating Supplies
- Public Safety
- Rental Equipment
- Park & Playground Equipment
- Homeland Security
- Lab Supplies

How To Participate

- ▶ Register online @
 - ▶ www.uscommunities.org
 - ▶ Click on Register with US tab
 - ▶ Reference Master Intergovernmental Cooperative Purchasing Agreement (MICPA)
 - ▶ Registration is one time
 - ▶ Can register more than one dept. and buyer
 - ▶ Registration enables agency to use program and to be automatically notified of new contracts

Contact Information



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Thank You!