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/locations

**Who Offers Green Group Purchasing?**
The attached chart describes five groups organizing cooperative purchasing agreements.

**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](http://www.responsiblepurchasing.org/includes/cooperative_contracts.pdf)
### Cooperative Contracts

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

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Cleaners: Products

Hundreds of cleaning products are certified by Green Seal and/or Ecolog (see standards), including products for floors, walls, drains, hands, hard surfaces and other uses. The products listed in this database are updated regularly, but please check with the manufacturer for an updated list of certified products.

Products labeled with a "U.S. Communities" in the 'Products' column are available on a U.S. Communities Contract. More information about the contract can be found by clicking the "Details" link (last updated on June 3, 2008).

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Standards</th>
<th>Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Floor</td>
<td>GS-37</td>
<td>U.S. Communities</td>
</tr>
<tr>
<td>Floor Finish</td>
<td>GS-40</td>
<td>U.S. Communities</td>
</tr>
<tr>
<td>Floor Stripper</td>
<td>GS-40</td>
<td>U.S. Communities</td>
</tr>
<tr>
<td>Window Cleaner</td>
<td>Zep</td>
<td>Green Line Glass Cleaner</td>
</tr>
</tbody>
</table>

RFP Documents
- Request For Proposal
- RFP Supplemental Documents
- RFP Posting Documents

RFP Posting Summary
- No. of suppliers participated in the solicitation process: 144 invited; 3 responded posted in the Internet
Contact Information

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

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www.wmspc.org
Thank You!
U.S. Communities
Government Purchasing Alliance
Cooperative Contracts
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Mary Pelfrey
Program Manager
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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

($ in Millions)

- 2001: $228
- 2002: $323
- 2003: $356
- 2004: $495
- 2005: $717
- 2006: $1,012
- 2007: $1,266
- 2008: $1,433
- 2009 Projection: $1,575
Total Program Savings

(\$ in Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$34</td>
</tr>
<tr>
<td>2002</td>
<td>$48</td>
</tr>
<tr>
<td>2003</td>
<td>$53</td>
</tr>
<tr>
<td>2004</td>
<td>$74</td>
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<tr>
<td>2005</td>
<td>$108</td>
</tr>
<tr>
<td>2006</td>
<td>$152</td>
</tr>
<tr>
<td>2007</td>
<td>$190</td>
</tr>
<tr>
<td>2008</td>
<td>$215</td>
</tr>
<tr>
<td>2009 Projection</td>
<td>$236</td>
</tr>
</tbody>
</table>

www.ResponsiblePurchasing.org

http://www.uscommunities.org
Registration Growth

Year 2003: 2,253
Year 2004: 3,856
Year 2005: 4,800
Year 2006: 5,449
Year 2007: 6,500
Year 2008: 4,925

Total and New Participants

http://www.uscommunities.org

www.ResponsiblePurchasing.org
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!