

PA SCHOOL DISTRICT COOPERATIVE PURCHASING HANDY REFERENCE GUIDE



COSTARS AND BEYOND

PASBO
62nd Annual
Conference & Exhibits | Share. Learn. Succeed.
March 21 - 24, 2017 ~ David L. Lawrence Convention Center, Pittsburgh

PRESENTERS:
MISSY KLAUS, PURCHASING COORDINATOR, MONTGOMERY COUNTY IU &
LISA DELAURENTIS, DIRECTOR OF FACILITIES, BUCKS COUNTY IU

March 2017

The banner features the word "PASBO" in large, bold letters, each containing a different school-related image. Below the banner, the text "62nd Annual Conference & Exhibits | Share. Learn. Succeed." is displayed, followed by the dates and location: "March 21 - 24, 2017 ~ David L. Lawrence Convention Center, Pittsburgh". At the bottom left, the presenters are listed: "MISSY KLAUS, PURCHASING COORDINATOR, MONTGOMERY COUNTY IU & LISA DELAURENTIS, DIRECTOR OF FACILITIES, BUCKS COUNTY IU". The date "March 2017" is at the bottom right.

2017 BID THRESHOLDS



- Under Act 97 of 2011, the Department of Labor and Industry adjusts the bid threshold by percentage of change in the Consumer Price Index for all urban consumers (CPI-U) each year. Three sections of the Pennsylvania School Code are affected by the annual adjustments, 24 P.S. §§1-119, 7-751 and 8.807.1
 - \$19,700 and above – requires bidding for all furniture, equipment, textbooks, school supplies and other appliances for the use of the public schools.
Exceptions – instructional materials including books, maps, educational films, software.
 - All construction, reconstruction, repairs, maintenance or work of any nature.
Exceptions – Professional services, includes legal, auditing, architect, banking, and other specialized services.
 - Bids must be advertised once a week for three (3) weeks in not less than two (2) newspapers of general circulation.
 - \$10,700 to \$19,699 – requires three quotations, they can be written or telephonic and must be retained for three years
 - Under \$10,700 – no bids or quotes required

NEW FEDERAL REQUIREMENTS UNIFORM GRANT GUIDANCE (UGG)



- Sealed bids for purchases over \$150,000.
- Goods/services from \$3,500 - \$150,000 must obtain price or rate quotes from an adequate number of qualified sources.
- Micro purchases (less than \$3,500) may be awarded without soliciting competitive quotes if considered to be reasonable. Must distribute equitably among qualified suppliers.

Tomorrow, Thursday 3/23/17 at 2:30 PM in Room 329

PASBO Procurement Committee presents:

Uniform Grant Guidance from a Purchasing/Cooperative Purchasing Perspective

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

March 2017

3

COOPERATIVE PURCHASING



Cooperative purchasing is permitted in Pennsylvania

- School Code 24 P.S. 5-521 allows district the authority to make cooperative purchases, if the cooperative purchases are in accordance with existing laws
- Allows school entities to purchase from state contracts
- Legally covers districts who exceed the thresholds in School Code
- A school district may purchase under a contract awarded by a public entity if that entity followed the law in awarding the contract

Applicable Laws

- Commonwealth Procurement Code – COSTARS – Allows school districts to purchase materials, equipment and supplies under contracts awarded through the Department of General Services.
- E-Government Act – GSA Federal Schedule 70 – allows school districts to purchase IT hardware and software.
- Intergovernmental Cooperation Law – Allows school districts to purchase from county contracts in the county which they are located.

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

March 2017

4

COMMONWEALTH PROCUREMENT CODE CHAPTER 19, INTERGOVERNMENTAL RELATIONS



Public agency - §1902

§ 1902. Cooperative purchasing authorized

A public procurement unit may either participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, services or construction with one or more public procurement units or external procurement activities in accordance with an agreement entered into between the participants. The Department of General Services is authorized to enter into cooperative purchasing contracts solely for the use of local public procurement units or State-affiliated entities. The department shall enter into cooperative purchasing contracts for the use of local public procurement units or State-affiliated entities if the number of contractors under a previously existing contract for the same supply or service is reduced to a single contractor or reduced by more than 50% of the number existing on September 30, 2003, and shall award such contracts pursuant to section 517 (relating to multiple awards) using an invitation for bids. Nothing in this section shall prohibit a local public procurement unit or State-affiliated entity from participating in or procuring from other cooperative purchasing agreements awarded by the department. Cooperative purchasing may include, but is not limited to, joint or multiparty contracts between public procurement units and open-ended purchasing agency contracts which are made available to local public procurement units. (July 15, 2004, PL.703, No.77, eff. 60 days)

§ 1908. Compliance of public procurement units.

Where the public procurement unit or external procurement activity administering a cooperative purchase complies with the requirements governing its procurement of supplies, services and construction, any public procurement unit participating in the purchase shall be deemed to have complied with the requirements governing its procurement of supplies, services and construction. Public procurement units may not enter into a cooperative purchasing agreement for the purpose of circumventing this part. (Dec. 3, 2002, PL. 1147, No.142, eff. imd.)



PURCHASING CONSORTIUMS IN-STATE COOPERATIVE PURCHASING

COSTARS - is the Commonwealth of Pennsylvania's cooperative purchasing program and serves as a conduit through which registered and eligible local public procurement units (LPPUs) and state-affiliated entities (Members) are able to leverage contracts established by DGS to cost effectively and efficiently identify suppliers with whom to do business.

You are able to negotiate with the vendors on COSTARS, you can work with the vendor to bring the pricing down from their published COSTARS pricing.

In November 2015 COSTARS added ancillary services back into their contracts. However the ancillary services are not stand-alone services, they must be in conjunction with products offered under the contract.

Important items to remember about the ancillary services.

- Ancillary Services, must be listed on the vendors COSTARS contract.
- They must be limited to the actual product or component parts purchased under the contract.
- If the combination of supplies and installation exceeds \$25,000, prevailing wage must be paid.
- You cannot use the State contracts for ancillary services.
- www.costars.state.pa.us

The screenshot displays the PA Marketplace Supplier Service Center interface. At the top, there is a navigation bar with 'PA Marketplace', 'Supplier Service Center', and 'Bureau of Procurement'. Below this, there are links for 'admin login' and 'e-mail'. The main content area is titled 'Search Contracts' and includes a search bar with a dropdown menu set to 'All Items' and a 'Search' button. There are also radio buttons for 'Open', 'Archived', and 'Both', and an 'Export All to Excel' button. The page footer contains the text 'PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH' and 'March 2017'.

COLLABORATIVE PURCHASING SOLUTIONS (CPS)

- CPS is Lancaster-Lebanon Intermediate Unit 13's innovative, one-stop, and easy to use, online source for your school district's procurement needs.
- CPS is FREE to use and is designed to provide all Pennsylvania Public Procurement Units with a depository of bid compliant and lead agency awarded contracts and bids. Use any one of these contracts, covering over 30 different commodity categories, to save time and money when procuring your districts goods and services. There are no fees or enrollment processes needed to access, review and participate in these contracts. To utilize a contract, just reference the contract number when placing an order or submitting a purchase order.
- Additionally, CPS offers an innovative online shopping marketplace from which participants can shop bid compliant vendor catalogs and make real time purchases utilizing a procurement card or purchase order.
- CPS does all the legwork for you, allowing you to:
 - Realize savings in the costs of preparing bid specifications and advertising.
 - Obtain lower unit costs by participating in the volume leveraged programs.
 - Ensure reliable and quality consistent products.
 - Implement technologies which streamline your purchasing processes

**Lancaster-Lebanon
Intermediate Unit 13**
An Education Service Agency

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH March 2017 8



▪ **PEPPM** - is a national technology bidding and purchasing cooperative administered by Central Susquehanna Intermediate Unit (CSIU), a political subdivision of the Commonwealth of Pennsylvania. PEPPM has over 300 product line and 13 catalog contracts.

▪ Technology related areas of Audio Visual Products, General Hardware & Software, Refurbished Computers & Parts, and Remanufactured Laser Toner & Ink Cartridges

▪ Managed Print Solution contracts with Canon, HP, Lexmark and Xerox

▪ To order and receive the cooperative pricing and bid protection you must fax the order directly to PEPPM

▪ <https://www.peppm.org/pa/>



Keystone Purchasing Network (KPN) - A National Purchasing Procurement Program for Education, School Districts and Not-for-Profit Groups through an initiative of the Central Susquehanna Intermediate Unit. They offer line item supply bids, catalog bids, and Construction Service contracts.

▪ National contracts, regional contracts, line item bids and an exclusive state contract for construction.

▪ <http://www.thekpn.org/>



Intermediate Units - Most intermediate units across the state operate a joint or cooperative purchasing program that member or neighboring districts can participate in. This allows everyone to benefit from lower prices associated with volume or bulk purchasing. Many of the intermediate units facilitate line item supply bids, grocery bids, heating and vehicle fuel bids, Energy and Natural Gas consortiums, trash and recycling bids, and fixed catalog discount bids.

▪ Contact your local intermediate unit to find out more information.

OUT OF STATE, COOPERATIVE PURCHASING RESOURCES



- **U.S. Communities** is a nonprofit government purchasing cooperative, founded by four national sponsors and over 90 state, city and regional organizations. They offer facilities, office and school, technology, and specialty supplies and equipment.
 - As of February 2017, new online marketplace contract with Amazon Business
<http://www.uscommunities.org/>
- **National IPA** - is a cooperative purchasing organization for City/Local Government, County Government, State Government, Public and Private Educational Institutions and Systems, Special Districts, Government-Education Healthcare Entities, Nonprofits organizations
<http://www.nationalipa.org>
- **TCPN** – The Cooperative Purchasing Network is a national governmental purchasing cooperative through Region 4 Education Service Center in Texas.
- **Federal Schedule 70** - IT Schedule 70 is organizationally positioned under GSA's Federal Acquisition Service (FAS) and Office of Integrated Technology Services (ITS).
<https://www.gsa.gov/portal/content/104506>
- **Buy Board** - BuyBoard National Purchasing Cooperative is a national online purchasing cooperative formed between the National School Boards Association and several state school boards associations to streamline the buying process for schools, municipalities and other public entities.
<https://www.buyboard.com/Home.aspx>

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

March 2017

11

OUT OF STATE (CONTINUED)

- **AEPA** - The Association of Educational Purchasing Agencies (AEPA) is a multi-state non-profit organization made up of Educational Service Agencies / political subdivisions, Pennsylvania State Agency is KPN
www.aepacoop.org
- **NJPA**- National Joint Powers Alliance is a public corporation or agency serving as a municipal contracting agency for government and education agencies. NJPA serves member agencies under the legislative authority established and granted by Minnesota Statute 123A.21.
<http://www.njpacoop.org/cooperative-purchasing/>



PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

March 2017

12

Handouts available at session or at pasbo.org

Cooperative Purchasing Consortiums Quick Reference Guide for School District Purchasing Agents

PASBO Annual Conference March, 2017

What is a Purchasing Consortium

A purchasing consortium is a group of two or more entities that come together for combining their purchasing power and volume as a means of obtaining more competitive pricing for the goods and services they require.

Why Do School Districts Opt to Use Purchasing Consortiums?

- Purchasing consortium pricing:
- *Contract generally reflects the maximum price
 - *Is negotiable
 - *More & more vendors participate
 - *Allows for the use & flexibility of a Request for Proposal (RFP)
 - *Some are competitively bid, others are not
 - *Consortium pricing may not always be better than bid pricing but may create a balance in your purchasing approach