

# Cooperative Purchasing: Are You Doing it Right?

 #iasboAC22



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# Introductions

HOWARD A. METZ: Speaker  
- Attorney, Robbins Schwartz

Robbins Schwartz

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# Live Poll Question # 1 & 2

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**#CoOpPurch**



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## How Many of You Have Used Cooperative Purchasing Before?



- Yes I Have
- No I Have Not
- I Don't Know

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## Cooperative Purchasing:

- **Is Easy/ Makes Sense**
- **I Don't Get it**

ⓘ Start presenting to display the poll results on this slide.

# What is Cooperative Purchasing?

- Advantages of Cooperative Contracts
- Due Diligence
- Is it Legal in Illinois?
- Benefits

# How to use Coop Contracts

- What do we do?
- What to watch for
- What can we buy?
- Think about this...

# What is Cooperative Purchasing?

Cooperative purchasing allows a group of buyers with a common interest to **pool their purchasing power** in order to negotiate more favorable pricing on goods and services.

# For K12 Districts – Buying Contracts for Commodities/Services are referred to as Cooperative Purchasing Contracts

## Joint Solicitation

### Piggybacking

**Joint solicitation** happens when two or more agencies aggregate their individual product and service needs into a single solicitation effort.

Each agency is bound to the contract that results from the singular effort.

**Piggybacking** happens when an agency uses another agency's contract, even though it was not a party to the original solicitation and contract award. Agencies that piggyback on another agency's contract are bound by the terms, conditions, and pricing set in the contract.

*REFERENCE: NIGP Global Best Practices –  
Use of Cooperative Contracts for Public Procurement*  
[www.nigp.org/our-profession/cooperative-purchasing-programs](http://www.nigp.org/our-profession/cooperative-purchasing-programs)



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# Governmental Cooperative Purchasing

## Can School Districts still use cooperative purchasing?

- Yes, two statutes authorize Cooperative Purchasing:
  - Joint Purchasing Act (30 ILCS 525/1) and
  - Article 28A of the School Code (105 ILCS 5/28A)



# Statutory Authority

## Do the School Code bidding requirements apply to cooperative purchasing?

- The Joint Purchasing Act is a stand-alone statute that supersedes any other individual bidding requirements. 30 ILCS 525/2(a).

# Governmental Cooperative Purchasing

## What are the legal requirements to engage in cooperative purchasing?

- The school district must join the cooperative by a **board approved agreement**.
- Bids and proposals must be based on **competitive solicitations**.
- Bids and proposals must be solicited by **public notice** as specified by the Joint Purchasing Act.

# Governmental Cooperative Purchasing

## What selection criteria can a cooperative use?

- All purchases, orders or contracts shall be awarded to the lowest responsible bidder or **highest-ranked proposer**, taking into consideration:
  - The **qualities** of the articles or services supplied;
  - Their **conformity** with the specifications;
  - Their **suitability** to the requirements of the participating governmental units
  - The **delivery** terms.



# Governmental Cooperative Purchasing

## Who does a school district contract with for any cooperative purchases?

- The contract will be between the selected provider and the school board.
- The cooperative is not a party to the contract.

# Governmental Cooperative Purchasing

## Strategies for Success with Cooperative Purchasing options:

- Consult with legal counsel on whether participation in a particular cooperative will meet the requirements of Illinois law.
- Examine the terms for participation:
  - Is there an entry fee?
  - Is there a participation fee?
  - Are there other costs of participation?



# Governmental Cooperative Purchasing

## Strategies for Success with Cooperative Purchasing options:

- Examine the proposed contract (or have your counsel examine it). Identify any unacceptable business or legal terms and conditions.
- Confirm in advance that you will be able to amend terms and conditions to meet your business expectations, and to comply with Illinois law.
- Investigate the actual vendor, contractor, or service provider and its products.

# What are the benefits to my district?

- Another district (or agency) did the bidding FOR US
- Coop contracts pool spend across 10s, 100's even 1000s of agencies to get better pricing!
- We've Never Procured THIS before... Access to commodity or service experts
- Freeing up your staff's valuable time
- POTENTIAL TO SAVE TIME & MONEY



# Best Price vs Best Value

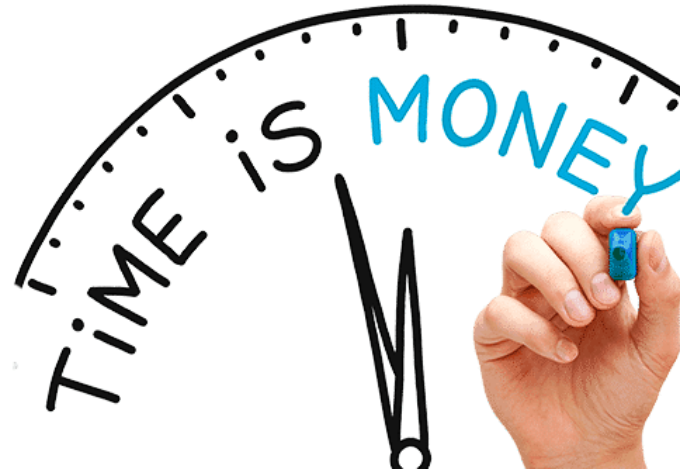
Can we get a better price by bidding?

Ceiling vs Fixed/Firm

Negotiation Volume discounts

Commodities vs services

Benefits Rebates



# How to participate?

1. Gain internal/board approval to utilize cooperative purchasing
  2. Make sure you leave yourself enough time.
  3. Obtain informal quotes or estimates from local vendors/contractors first. It may be cheaper to use the traditional bidding method.
  4. Look at the offerings of all of the cooperatives before deciding to select one particular cooperative. Research your cooperative options
  5. Identify the cooperative contract that best meets your needs
1. Complete registration information with the cooperative organization (if applicable) *Registration enables district to use program and to be automatically notified of new contracts and solutions*

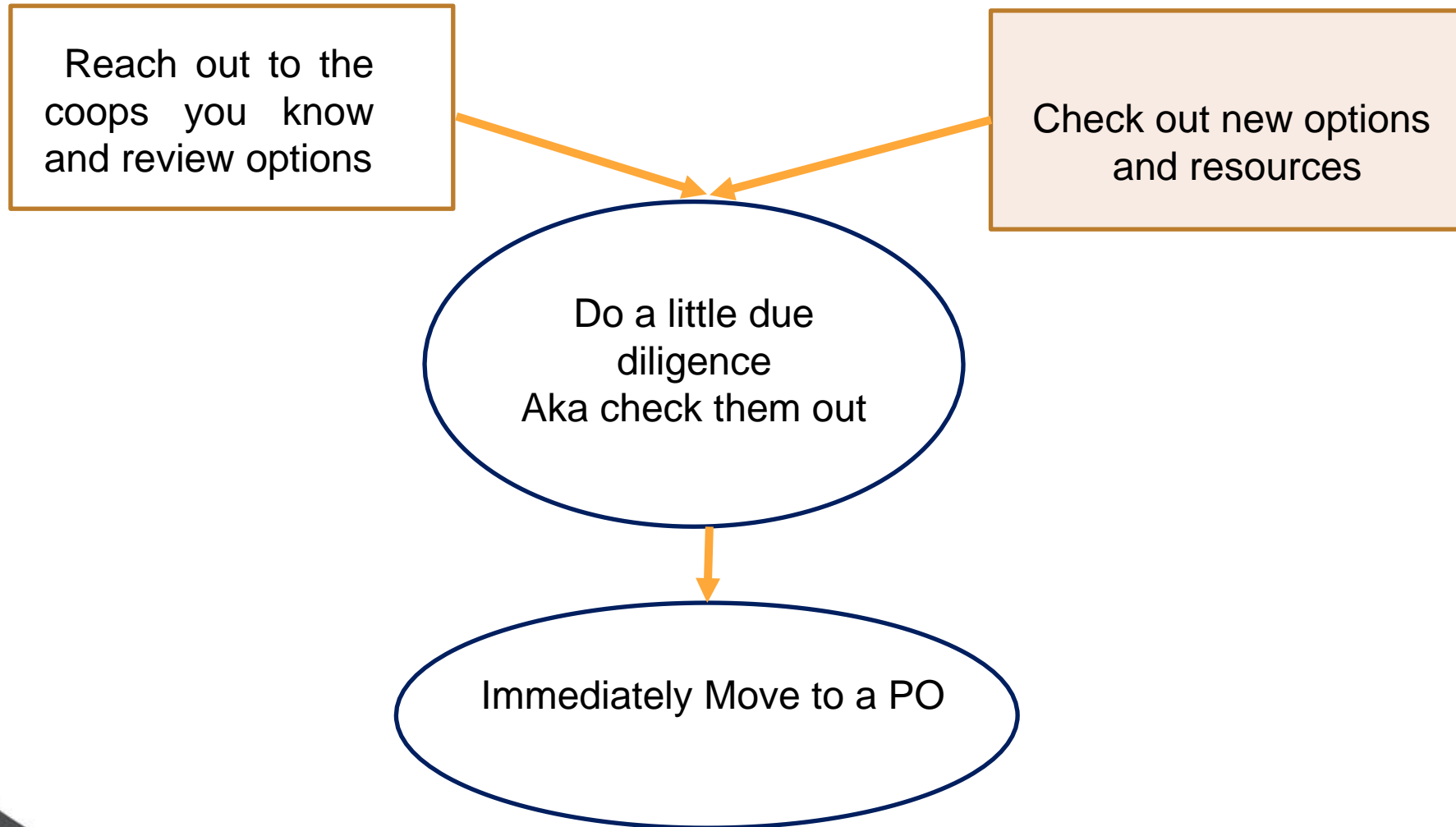
*Most Cooperatives are FREE to join.  
If not, what are you getting for your money?*



# OPTION A: Our Current Supplier



# OPTION B: Open to Any Supplier



# What to watch out for:

- Never heard of them? Ask for a reference from another IL School
- Does the cooperative charge fees?
- Do you contract through the coop or directly with the supplier.
- Is the contract solicited by a “Like” entity? City, County, State, School District, Port, non-profit, or Co-Op established for this purpose?
- Does this bid meet our solicitation requirement for quotes or sealed process? Check what our dollar threshold process requires.
- What’s the term? Is the contract still in effect? If it has renewals, do we have a copy of the valid renewal agreement?
- What state are the legal aspects of the contract assigned?

Create a template and have each supplier fill it out to answer these and ANY other questions your district needs answered.

Worth CUSD  
127  
Playground  
Equipment

Elmwood Park CUSD  
401 Epoxy Flooring  
Moving Services

CUSD District 300  
Lifts

## What have others used Cooperative Purchasing for?

Riverside SD 96  
Chromebooks

Cicero PSD 99-  
BiPolar  
Ionization Water  
Filling Stations

Staffing  
&/or  
Consulting  
IT, Security,  
Nursing,

Commercial  
Kitchen  
Equipment

CET Software

Roofing

HVA  
C

# Live Poll Question #3

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**After Learning More About Cooperative Purchasing Today, Have You Used Cooperative Contracts for Any of the following**

- **Goods/Commodities (paper, uniforms, generators, light bulbs...)**
- **Services (consulting, staffing...)**
- **Construction/facilities (HVAC, roofing, Playgrounds...)**
- **Every SINGLE THING WE CAN!**

ⓘ Start presenting to display the poll results on this slide.



# Additional Resources

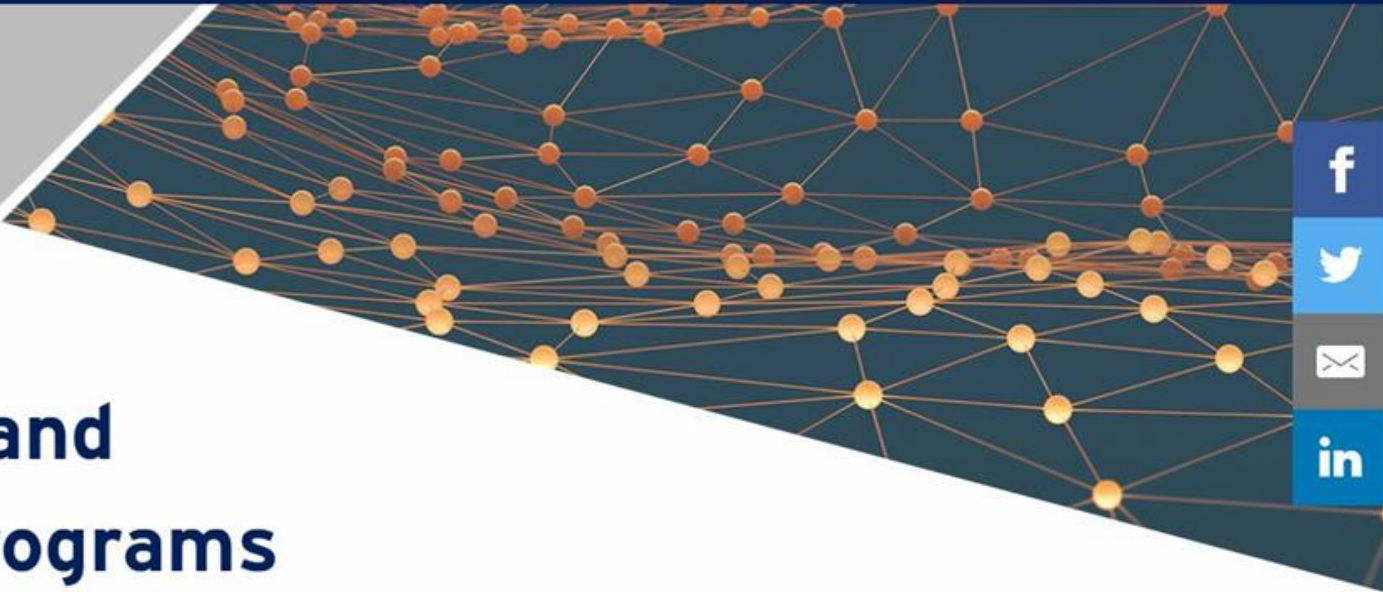
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"JOINT SOLICITATION" AND "PIGGYBACKING"

# Cooperative Procurement and Cooperative Purchasing Programs



# Arizona Cooperative Comparison

## Worksheet

[www.aznigp.org/insidepages/contracts](http://www.aznigp.org/insidepages/contracts)

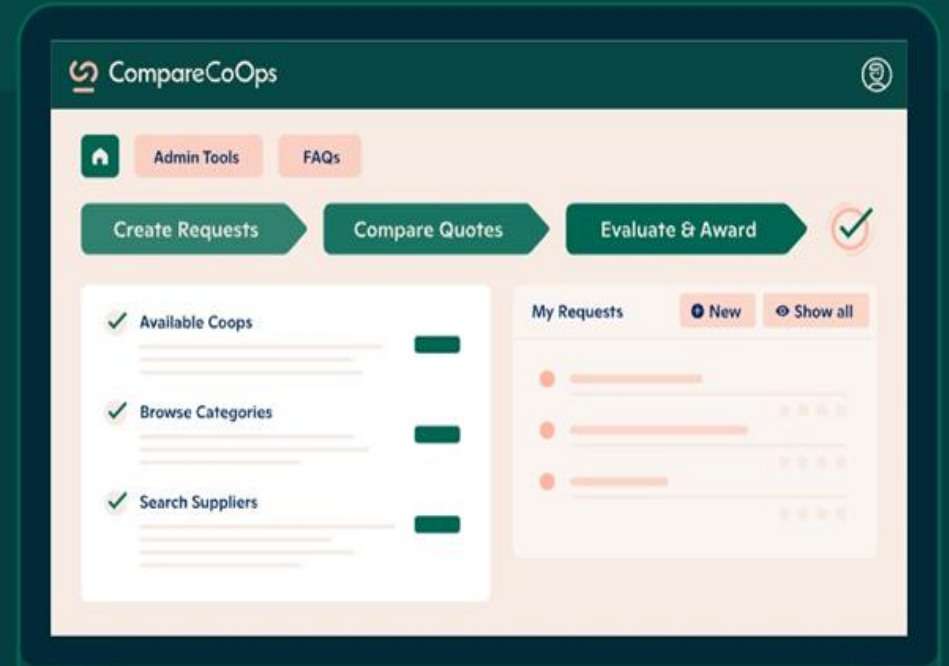
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Cooperative Purchasing Groups	Cooperative contracts for Arizona? Local representation?	Organization Legal formation? Years established?	Who conducts your procurement contracts?	In-house contracting procedure. Third party audits?	Governing procurement laws followed?	Organization registration procedure. Registration Fee?	Where to view organization's solicitations?	Do you periodically perform audits?	Organization procurement employee count	Customer Service and Response Time commitments.	Bidders' list for solicitations and procedure	Evaluation & Reporting contractor performance	Membership with national cooperative coalitions/ associations	Track usage of contracts
1GPA	Yes	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ADOA-SPO	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
AEPA	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BuyBoard	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CP	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓
CPV	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
E&I	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Equalis Group	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
GSA	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MARC/ KCRPC	KCRPC is a regional cooperative, and our contracts are local companies that services our region.													

# The Next Evolution of Cooperative Purchasing

Get competitive quotes from cooperative  
suppliers. Transparent. Easy. Free.

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# Connecting public sector buyers with peer-reviewed suppliers

Procurement is complex, but finding great suppliers shouldn't be. Join thousands of public procurement professionals rating and reviewing suppliers on Procurated.

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# Questions and Answers

*We thank you for your time!*