

Q: What changes do you see happening in cooperative purchasing?

A: As a competitive industry, we see agencies using cooperative contracts as a strategic approach to sourcing goods and services. Cooperative purchasing and the adoption of cooperative contracts will grow as government agencies continue to experience financial challenges and want to take advantage of the combined purchasing power a Purchasing Cooperative offers, as well as the plethora of contracts in their respective portfolios.

We will see the cooperative community coming together to join organizations like NCPP to ensure integrity in the cooperative space as new cooperatives join the marketplace. (Answer provided by Tammy Rimes and NCPP Education Subcommittee)

Q: When you are doing the research on coops available for your end-users, do you also perform the cost/savings analysis?

A: Yes we do. One of the best parts of utilizing cooperatives, is the vast amounts of available contracts for each commodity or vendor. For example. There are over 10 contracts for a company called "Grainger", We compare all the terms and conditions on each one. It's amazing how pricing varies from contract to contract. We also compare them against the New Mexico State Price Agreements. (Answer provided by Robert Rodarte)

Q: Were there any problems with FEMA reporting utilizing Cooperative Contracts? Do you have any recommendations? Do other agencies have to go through their legal Department for review of a Coop for approval prior to utilizing a coop?

A: No, we did not have any issues. I would suggest that as part of your emergency preparation planning you proactively adopt the cooperative contracts through your normal sourcing and oversight process to mitigate any potential problems with FEMA reimbursement. Lastly, if you are in the midst of an emergency, to the extent possible, get a few written or verbal quotes to incorporate in the procurement record to show due diligence in assuring reasonableness of price under the circumstances at hand.(Answer provided by Sergio Paneque)

Q: What about Transportation Services for Evacuations?

A: In the City of New York we have developed a number of transportation contracts for both ambulatory and personal transportation. I would suggest jurisdictions look to develop local contracts for such services. (Answer provided by Sergio Paneque)

Q: How do you balance the use of local vendors and large national Co-op contracts?

A: If the National Coop awarded to a manufacturer, the public agency gets the best of both worlds – nationally leveraged pricing, and distribution from a local privately owned distributor or dealer. (Answer provided by NCPP Education Subcommittee)

Q: How do you assure you are getting the pricing that has been negotiated by the coop?

A: Public agencies verify the quote that they receive by requesting - from the Coop that awarded the contract – a copy of the pricing that the vendor responded with. (Answer provided by NCPP Education Subcommittee)

Q: Can you provide more detail on the local preference? Is it a state preference or a city/county? The local preference is strictly for the Santa Fe County Perimeter. Here in New Mexico we have a statute, titled “Home Rule” which allows municipalities to have their own governing rules.

A: Unfortunately, the counties and other agencies under the New Mexico umbrella are not allowed to have their own set of laws. The State does have what they call a “State Preference” which is set up at 5%. Basically, if an out of state company is bidding in this state, the New Mexico, firm that is “certified residence” will be given the 5% allowance. (Answer provided by Robert Rodarte)

Q: Is there a clearing house that will allow the public entity the ability to compare like products and services between the various cooperative programs? I.E. MRO supplies offered by TCPN vs. NASBO

A: There is currently no tool or platform to compare contracts from the same contractor – short of requesting the pricing from all available contracts that supplier holds, and lining them up and doing the math on the market basket your agency utilizes. (Answer provided by Tammy Rimes and NCPP Education Subcommittee)

Q: How does one go about evaluating the cooperatives available? How do you present to your boards and councils that the vendor you are selecting is best value when all vendors are awarded?

A: The objective in determining which cooperative contracts to use is fundamentally the same as when a public sector organization conducts its own solicitations; that is, determining which contract provides the best value. As public procurement officials, we are aware there are many factors to consider in selecting a supplier, including but not limited to price, quality, supplier capabilities and service. There are also factors to consider in utilizing a cooperative contract awarded by another organization. These factors include the existence of maximized competition; transparency of the solicitation process; the quality and value of the resulting contract; and the performance of the awarded supplier. Some have utilized a checklist of four standards (process, competitiveness, transparency and experience of the cooperative team) to consider (in addition to the basic procurement criteria of price, quality, supplier, etc.) when determining which cooperative contract to use. (Answer provided by Tammy Rimes and NCPP Education Subcommittee)

Q: Do other agencies have to go through their legal Department for review of a Coop for approval prior to utilizing a coop? I know it is probably determined on agency policy, just curious what other agencies have experienced in this process.

A: Yes, in the City of New York, as well as in all the other jurisdictions where I have served, legal department signoff was required (Sergio Paneque). For the City of San Diego, legal counsel was also involved in the acceptance of using a cooperative contract. (Tammy Rimes). At the City of Santa Fe, most of the contracts are reviewed in my office. We will send them to legal for review if uncertainties exist. I many cases the “indemnity clauses” cause areas of concern. (Robert Rodarte)

Q: In the recent example of making a coop purchase even though a contract was in place, could the coop be considered as an alternate bidder of sorts? Does it follow that existing contract prices should be compared w/ available coop prices whenever possible? Is this fair to the vendor that won the competitive bid? Is it legal?

A: As long as your current contract is not exclusive, you are able to purchase from other contract vehicles, including a cooperative contract. Before you make any bid award, you can always compare your contract pricing with national cooperative pricing. It is reasonable and prudent to ensure that you are gaining the best value for your organization. If the current vendor who has the contract is also listed on a national cooperative, you may ask them to provide the more advantageous pricing. You will need to cancel the bid and use that contract instead. If they are not, and you want to use another cooperative vendor instead, it would be ethical to first end the existing contract. Most contracts have a 30 day exit clause, and if it does not, then you can cancel the contract at the end of its term. In any case, it would be prudent to confer with your own attorney before making this decision. (Answer provided by Tammy Rimes)

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A: While departments can research contracts, all must go through Purchasing for final review and acceptance. (Answer provided by Robert Rodarte)

Q: We were told by FEMA that we must be named in the cooperative in order to be eligible to use a cooperative??? How did NYC get around that requirement? Or did FEMA have that requirement during Sandy?

A: I do not know why your FEMA representative's interpretation of the guidelines was different in your situation. (Answer provided by Sergio Paneque)

Q: Where would cooperative contracts for services such as engineering, environmental and restoration be found? Which would you suggest?

A: We used or "piggybacked" off of GSA and other state contracts for these types of professional services. Although not traditional in the sense of a cooperative contract, using another jurisdiction's contract is nonetheless operatively the same in my book. (Answer provided by Sergio Paneque)