

COOPERATIVE PURCHASING IN PRACTICE

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Introduction

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Why Are We Here?

- We're here to have a conversation about using cooperatives as a resource within your procurement strategies.
- How many of you are members of a co-op?
- How many of you are members of more than one co-op?
- How many of you use co-op's on a regular basis?
- How many of you are members of the ESCNJ or SJPC co-op?

Why Are We Here?

- What's available:
 - Cooperative Pricing Systems
 - Joint Purchasing Systems
 - Commodity Resale Programs
 - County Cooperative Contract Purchasing
 - Regional Cooperative Pricing Systems
 - State Contracts
 - Government Services Agency or GSA contracts
 - National Cooperative Purchasing Systems

IT ALL STARTS WITH THE GUIDE

- COOPERATIVE PURCHASING A GUIDE FOR LOCAL OFFICIALS
http://www.ESCNJ.k12.nj.us/files/_xUCOD_/968d0d5c987502e83745a49013852ec4/Coop_Purchasing_Guide_.pdf
- FIFTH ADDITION, February 2002, Reprinted September 2006
- Department of Community Affairs
- Division of Local Government Services
- This is the road map we follow to ensure compliance with the rules

Introduction

- When local governments put aside provincial interests in exchange for the broader benefits to be achieved through Cooperative Purchasing, they can secure the provision and performance of goods and services at a lower cost. Cooperative Purchasing has demonstrated a strong ability to serve as an effective tool to assist local officials in saving taxpayer dollars.
Cooperative Purchasing presents viable alternatives to the conventional “go-it-alone” bidding process.

COOPERATIVE PURCHASING IS FOR YOU!

- Participation in a Cooperative Purchasing System does not relieve a local government of its mandated legal responsibilities.
- Determine exactly what it is you want to buy.
- Items purchased through a Cooperative Purchasing System are not always cheaper than what you can purchase yourself.
- Once a determination is made that a Cooperative Purchasing System is desirable, make sure you go about it properly.

TYPES OF COOPERATIVE PURCHASING

- COOPERATIVE PRICING
- “Cooperative Pricing” is a purchasing system in which a Lead Agency advertises for bids; awards a master contract to the vendor providing for its own needs and for the prices to be extended to registered members; and notifies the members of the contract awarded. The registered members then contract directly with the vendor for their own needs, subject to the specifications in the master contract

MCCPC BACKGROUND

- Established in 1974 by 4 municipalities – Randolph (Lead agency), Dover, Denville, Roxbury
- Pursuant to the bylaws, members come from 8 counties – Morris County plus the 7 counties which are contiguous to Morris County's borders – Essex, Hunterdon, Passaic, Somerset, Sussex, Union, Warren
- Members include municipalities, counties, police departments, school districts, sewerage authorities, housing authorities and municipal utilities authorities
- Annual membership fee of \$1250, however, fee is reduced to \$1000 if paid within 45 days of invoice date
- Despite its name, it is a cooperative pricing system, NOT a COUNTY cooperative contract purchasing system
- 4 sets of contracts – Winter Contracts (January – December), Spring Contracts (July – June), Fall (October 15 – October 14), Vehicles (November – October)
- 58 Commodities/contracts covering everything from road resurfacing, rock salt and automobiles to sporting goods, uniforms and office supplies
- MCCPC's growth in both size and success has been fueled by the desire of government agencies to save taxpayer dollars; participating agencies are able to pool their purchasing power to receive discounted prices on a wide range of goods and services

APPROVED NJ CO-OPS

List of approved Systems A/O 2/16/18

CPID	System Name
1NJCP	
105-ATCPS	Aberdeen Township Cooperative Pricing System
E8801-ACESCPS	ACES Cooperative Pricing System - energy aggregation
99035-ACCRS	Atlantic County Commodity Resale System
41ACC	Atlantic County Cooperative Pricing System
99024-ACUACR	Atlantic County Utilities Authority - Commodity Resale System
99005-AHBCRS	Atlantic Highlands Borough Commodity Resale System
99012-BBCRS	Barrington Borough Commodity Resale System
206BCPS	Bergen County Aggregate Energy Cooperative Pricing System
191BCBANCCPS	Bergen County Banking Consortium Cooperative Pricing System
11BECCP	Bergen County Cooperative Pricing System
79BCTSC	Bergen County Tech Schools Cooperative Pricing System
195BRECPs	Bergen Renewable Energy Cooperative Pricing System
99020-BTCRS	Bernards Township Commodity Resale System
223BTJPS	Bernards Township Joint Purchasing System
4BUCCP	Burlington County Cooperative Pricing System
264BCEAP	Burlington County Energy Aggregation Program
255BTBCCPS	Burlington Township - Burlington City CP Solid Waste Collection Program CPS
99042-BTFCRS	Byram Township Fuel Commodity Resale System

APPROVED NJ CO-OPS

60CWCPNG	Caldwell-West Caldwell Voluntary Cooperative for Purchase of Natural Gas - CPS
99040-CCCRS	Camden County Commodity Resale System
CK10-Camden	Camden County Cooperative Contract Purchasing System
57CCCPs	Camden County Cooperative Pricing System
66CCEPS	Camden County Educational Services Commission (ESC) - CPS
241CAECPs	Cape Atlantic Energy Cooperative Pricing System
99034-CMCRS	Cape May Commodity Resale System
25CMACP	Cape May County Cooperative Pricing System
32CENMCP	Central Morris County Cooperative Pricing System
37CHCP	Cherry Hill Cooperative Pricing System
238CECPs	Citizens Energy Cooperative Pricing System
251COCCPS	City of Ocean City Cooperative Pricing System
202PCPps	Cliffside Park Cooperative Pricing System
99013-CBCRS	Collingswood Borough Commodity Resale System
CK13-Hunterdon	County Cooperative Contract Purchasing System
47CPCPS	Cranford Police Cooperative Pricing System
99025-CCCRS	Cumberland County Commodity Resale System
181CCCCPS	Cumberland County Cooperative Contract Purchasing System
CK11-Cumberland	Cumberland County Cooperative Contract Purchasing System
64CCCPs	Cumberland County Cooperative Pricing System
225CCECJP	Cumberland County Educational Cooperative Joint Purchasing

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227CCECPs	Cumberland County Educational Cooperative Pricing System
99019-EBCRS	East Brunswick Commodity Resale System
253EGSEC	East Greenwich Solar Energy Cooperative Pricing System
197EHSREC	East Hunterdon Solar Renewable Energy Co-op
26EDCP	Educational Cooperative Pricing System (Ed Data Services)
239EIRCCPS	Educational Information & Resource Center Cooperative Pricing System
248EIRCJPS	Educational Information & Resource Center Joint Purchasing System
198ECAEPC	Essex County Aggregate Energy Procurement Cooperative-CPS
CK07-Essex	Essex County Cooperative Contract Purchasing System
256ERESC	Essex County Regional Educational Services Cooperative System
208EHRECPs	Essex-Hudson Regional Energy Cooperative Pricing System
99037-ETFCRS	Evesham Township Commodity Resale System
216ETCPs	Evesham Township Cooperative Pricing System
214ETFDcPS	Evesham Township Fire District #1 Cooperative Pricing System
219FTCRS	Florence Township Commodity Resale System
252FLSGJPS	Franklin Lakes Synergy Group Joint Purchasing System
99006-FTCRS	Franklin Township (Somerset County) Commodity Resale System
259GSCP	Garden State Cooperative Pricing System
243GDFCRS	Gasoline & Diesel Fuel Resale System (Morris County)
230GCCRS	Gloucester County Commodity Resale System
CK01-GC	Gloucester County Cooperative Contract Purchasing System

APPROVED NJ CO-OPS

16GLCP	Gloucester County Cooperative Pricing System
249GCEA	Gloucester County Energy Aggregation
221GTCP	Gloucester Township Cooperative Pricing System
20GTJP	Gloucester Township Joint Purchasing System
199GTSDCPS	Gloucester Township Public Schools/CCASBO-CPS
69GEHRHSDPC	Greater Egg Harbor Regional High School District Purchasing Co-op - CPS
99021-HCCRS	Hackensack City Commodity Resale System
99015-HGFRS	Hackettstown Gas & Fuel Resale System - CRS
200HGFCRS	Hackettstown Gasoline and Fuel Commodity Resale System
99018-HAMCRS	Hamilton Township Commodity Resale System
260HTMUACPS	Hamilton Township Municipal Utilities Authority Cooperative Pricing System
267HETJPS	Hammonon Educational Technology Partnership Joint Purchasing System
99004-HTCRS	Hanover Township Commodity Resale System
99009-HTCRS	Hardyston Commodity Resale System
22HICPS	Hillsdale Cooperative Pricing System
210EPCPS	Historic Riverfront Neighborhood Solid Waste Collection Program - CPS
87-HTCPS	Hopewell Township (Mercer County) Cooperative Pricing System
209HVFDCPS	Hopewell Valley Fire Districts Cooperative Pricing System
187HTBOECPS	Howell Township BOE Cooperative Pricing System
83HCPS	Hudson County Purchasing System - CPS
51HCCPS	Hunterdon County Cooperative Pricing System

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34HUNCCP	Hunterdon County Educational Services Commission Cooperative Pricing System
46LCPS	Lacey Cooperative Pricing System
99001-LBCRS	Lavallette Borough Commodity Resale System
204LRSACPS	Linden Roselle Sewerage Authority (LRSA) Cooperative Pricing System
188LBOECPS	Linwood BOE Cooperative Pricing System
178LJPS	Linwood Joint Purchasing System
245LBTCP	Long Beach Township Cooperative Pricing System
99026-LBCRS	Long Branch City Commodity Resale System
190MTCPS	Marlboro Township Cooperative Pricing System (for electric generation service)
99032-MTSRC	Medford Township Snow Removal Chemical - Commodity Resale System
CK09-Mercer	Mercer County Cooperative Contract Purchasing System
103-MCSSSDCPS	Mercer County Special Services School District Cooperative Pricing System
196MJECPS	Mid Jersey Energy Cooperative Pricing System
99017-MBCRS	Middlesex Borough Commodity Resale System
CK12-Middlesex	Middlesex County Cooperative Contract Purchasing System
71MCCPS	Middlesex County Cooperative Pricing System
99010-MGCRS	Middlesex County Gasoline Commodity - CRS
76MPCC	MidPassaic County Cooperative Pricing System
244TMCRS	Millstone Township Commodity Resale System
213MWHAJPS	Millville/Wildwood Housing Authorities Joint Purchasing System
99174-MCCRS	Monmouth County Commodity Resale System

APPROVED NJ CO-OPS

CK08-Monmouth	Monmouth County Cooperative Contract Purchasing System
29MCECP	Monmouth-Ocean Educational Services Cooperative Pricing System
258MAEC	Morris Area Energy Cooperative (Energy Aggregation)
6MOCCP	Morris County Cooperative Pricing System
90-MUJCCPS	Morris-Union Jointure Commission Cooperative Pricing System
205MHWSWCPS	Mt. Holly-Westhampton Solid Waste Cooperative Pricing System
85MACC-JPS	Municipal Apartment Condominium Collection - Joint Purchasing System
186MRRTSJPS	Municipal Regional Residential Trash Services Joint Purchasing System
99038-NEPTWPCRS	Neptune Township Commodity Resale System
CK04-Bergen	New Jersey Cooperative Purchasing Alliance
263NJECC	New Jersey Energy Cooperative (CPS)
256NJPCPS	New Jersey Parking Cooperative Pricing System
183NPSCPS	Newark Public Schools Cooperative Pricing System
92-NJCSO-CPS	NJ Combined Sewer Overflow Group (NJCSO) Cooperative Pricing System
185NJMSCPS	NJ Meadowlands Solar Cooperative Pricing System
88-NJWCPS	North Jersey Wastewater Cooperative Pricing System
99022-NPCRS	North Plainfield Commodity Resale System
211NJCCPS	Northern New Jersey Community Cooperative Pricing System
222NRCPS	Northern New Jersey Regional Cooperative Pricing System
242NVRJPS	Northern Valley Region Joint Purchasing System
36NWBCP	Northwest Bergen Cooperative Pricing System

APPROVED NJ CO-OPS

224NBCRS	Norwood Borough Commodity Resale System
99030-NCPS	Nutley Cooperative Petroleum System - Commodity Resale System
CK02-OC	Ocean County Cooperative Contract Purchasing System
E8804-OCECP	Ocean County Energy Cooperative Pricing System - Energy Aggregation
99011-PRCRS	Park Ridge Commodity Resale System
250PTSJPS	Park Technology Services Joint Purchasing System
184PCECP	Passaic County Energy Cooperative Pricing System
107-PVCP	Pascack Valley Cooperative Pricing System
38PCCP	Passaic County Cooperative Pricing System
203PCERCPS	Passaic County Energy Regional Cooperative Pricing System
95-PTBOEJPS	Pennsauken Township Bd. of Education Joint Purchasing System
207PACCRS	Perth Amboy City Commodity Resale System
99029-PTJFC	Piscataway Township Joint Fueling - Commodity Resale System
99008-PCCRS	Pleasantville City Commodity Resale System
257RFEP	Raritan-Flemington Energy Procurement Cooperative
99041-RECRS	River Edge Commodity Resale System
35RC	Riverside Cooperative Pricing System
99027-SCCRS	Salem County Commodity Resale System
CK05-Salem	Salem County Cooperative Contract Purchasing System
75SCCP	Salem County Cooperative Pricing System
229SCPS	Seaside Cooperative Pricing System

APPROVED NJ CO-OPS

201SCCRS	Somerset County Commodity Resale System
25OCCP	Somerset County Cooperative Pricing System
2475CPCCRS	Somerset County Park Commission Commodity Resale System
705BMCPC	South Bergen Municipal Cooperative Pricing Consortium - CPS
228SHEACPS	South Hudson Energy Aggregation Cooperative Pricing System
177SHRECP	South Hunterdon Renewable Energy Co-op
E8802-SJPC	South Jersey Power Cooperative Pricing System - Energy Aggregation
2125MMUACPS	Southeast Monmouth Municipal Utilities Authority (SMMUA) Cooperative Pricing System
505GCCPS	Southern Gloucester County Cooperative Pricing System
220SSEACPS	Southern Shore Energy Aggregation Cooperative Pricing System
95UCCP	Sparta Township Cooperative Pricing Council - CPS
99002-STCRS	Stafford Township Commodity Resale System
33OCCP	Stafford Township Cooperative Pricing System
2325TEACPS	Stafford Township Electric Aggregation Cooperative Pricing System
23558OECRS	Sterling Board of Education Commodity Resale System
2375HSDJPS	Sterling High School District Joint Purchasing System
54SECP	Suburban Essex Cooperative Pricing System
1925CCPS	Summit City Cooperative Pricing System
240SCCRS	Summit City Commodity Resale System
2335CJPS	Summit City Joint Purchasing System
99036-SCCRS	Sussex County Commodity Resale System

APPROVED NJ CO-OPS

CK03-SXC	Sussex County Cooperative Contract Purchasing System
266SWAEC	Sussex-Warren Area Energy Cooperative (energy aggregation CPS)
226MCESCJPS	The Educational Services Commission Joint Purchasing System
65MCESCPS	The Educational Services Commission of New Jersey
262HMSICPS	The Hospital Medical Services for Inmates (Essex) Joint Purchasing System
49TRIACP	Toms River Inter-Agency Cooperative Pricing System
99014-DTCRS	Toms River Township Commodity Resale System
261THFCPS	Township of Hamilton Fleet Cooperative Pricing System
99016-UCCRS	Union County Commodity Resale System
CK06-Union County	Union County Cooperative Contract Purchasing System
8UCCP	Union County Cooperative Pricing System
28UCESCPS	Union County Educational Services Cooperative Pricing System
254UMPC	Urban Municipality Purchasing Cooperative-CPS
236VCRS	Vineland Commodity Resale System
193VPCSJPS	Vineland Public Charter School Joint Purchasing System
99039-WTMFCRS	Wantage Township Motor Fuel Commodity Resale System
78WCCPS	Warren County Cooperative Pricing System
99003-WTCRS	Warren Township Commodity Resale System
56WMCP	Wayne Multi-Purpose Cooperative Pricing System
99031-WTCRS	Wayne Township Commodity Resale System
10WMCP	Western Monmouth Cooperative Purchasing - CPS

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APPROVED NJ CO-OPS

215WMLSWCPS	Willingboro-Mt. Laurel Solid Waste Cooperative Pricing System
189WTCPS	Winslow Township Cooperative Pricing System
176 WCGCPS	WOLF Cooperative Group
99028-WRCRS	Wood-Ridge Commodity Resale System
99007-WYTCRS	Wyckoff Township Commodity Resale System
58WT/WBOECPS	Wyckoff Township/Wyckoff Board of Education - Cooperative Pricing System

JOINT PURCHASING

- In a Joint Purchasing System, two or more local contracting units agree that one of them will serve as the Lead Agency or “purchasing agent” for the system, at least with respect to certain specified categories of purchases. The Lead Agency, in its capacity as purchasing agent, does the purchasing for the members of the System. It prepares the formal bid specifications; advertises for and receives bids; and executes a contract with the lowest responsible bidder for the full amount of the commodities or services needed by all participants.

COMMODITY RESALE

- With the implementation of stricter environmental standards for underground gasoline storage tanks, many local governments removed their tanks and closed their gas dispensing facilities. As an alternative, they entered into contractual relationships with neighboring governments for the purchase of gasoline and diesel fuel.

COUNTY COOPERATIVE CONTRACT PURCHASING

- County Cooperative Contract Purchasing is a Cooperative Purchasing System that may be created only by a county government. The county advertises for bids and awards a contract to the successful bidder. With the approval of both the county and the successful vendor, local contracting units located within the geographic boundary of the county may purchase under the contract subject to its specifications, terms and conditions. It is similar in concept to the State Cooperative Purchasing System.

REGIONAL COOPERATIVE PRICING SYSTEM

- Regional Cooperative Pricing is a Cooperative Pricing System composed of two or more registered Cooperative Pricing Systems and their participating contracting units that have agreed to join together for the provision and performance of goods and services, including the purchase of energy.

SJPC One Example

- Established in 1999 to aggregate electricity and natural gas purchases.
- Members include Atlantic, Camden, Cape May, Cumberland, Gloucester Counties and various public agencies.
- Camden County is the current lead agency.

What's the Benefit?

- Guaranteed Participation.
 - Budget Certainty,
- Size: Volume matters. Thousands of accounts.
- Experience: Operating for almost 20 years
- Reputation: Attracts quality bidders.
- Matching load profiles to balance pricing.
 - Utility Authorities
 - County Colleges.
 - Correctional Facilities.

STATE CONTRACTS

- Contracts issued by the state of New Jersey for the procurement of goods and services the State requires
- Public Agencies are permitted to use these contracts based on the terms and conditions set by the State
- State contracts may be found on the Treasury website at www.state.nj.us/treasury/purchase
- National contracts adopted by the State may also be used by public agencies

Who can Use a State Contract

- Municipalities.
- Counties.
- School Districts.
- Volunteer Fire Departments.
- Volunteer First Aide or Rescue Squads.
- County and State Colleges.
- Independent Authorities.
- Independent Institutions of Higher Education.

Why Should You Use State Contracts

- Buying Power.
- Convenience.
- Vendor management and Compliance.
- Communications Updates.
- Qualified Vendors and Product Flexibility

Challenges of State Contracts

- Not Always the Cheapest.
- Double Check Contracts.
- Checking Award Notices.
- Proof Items are on State Contract.

WHAT TO LOOK FOR WHEN USING A STATE CONTRACT

- Is the vendor listed on the Purchase and Property website
- Did the vendor provide you with a T number for their contract
- Did the vendor provide proof that the items you are purchasing are on their contract
- When using an adopted National contract make sure it is listed on the Purchase and Property website
- Make sure to check the award notice for any restrictions and addenda

GOVERNMENT SERVICES AGENCY CONTRACTS

- Contracts issued by the federal government
- Contract use is limited to agencies specifically noted in the GSA award (General Services Administration)
- These contracts are most commonly used for acquisition of copy machines

NATIONAL CONTRACTS

- Contracts issued by a National Cooperative Pricing groups
- Use of National Contracts is controlled by Local Finance Notice 2012-10
- Be careful, as these agencies represent complete compliance with N.J. law when in fact they may not be

NATIONAL COOP CONTRACTS

- Contracts that are issued by a **National Cooperative Pricing groups**
- Use of National Contracts is regulated by Local Finance Notice LFN# 2012-10
- Ensure that these agencies are compliant with New Jersey Procurement Laws & Regulations
- Are the Lead Agencies Public & how are the Proposals Reviewed & Awarded?
- Are the Contracts Open & Competitive to NJ Standards?
- Are the Coops accredited by the National Institute of Governmental Purchasing (NIGP) (NEW 6/2017)
- Do they have recognizable National Co-Sponsors?

NATIONAL COOP CONTRACTS

- Do they have National Advisory Boards, made up of accredited procurement professionals?
- Do they have Area/Regional Program Managers?
- Do they offer Sourcing Summits or Vendor Expos?
- Do they offer Staff Training & Webinars?
- Do they attend & have a presence at the NJ League of Municipalities, National, Regional & State Purchasing Conferences?
- Examples: US Communities, NJPA, HGACBuy, KPN, etc.

Examples of National COOPs



National Co-Sponsors

Presence & Credibility



National Association of Counties (NACo)



ASBO INTERNATIONAL

Association of School Business Officials International (ASBO)



National Governors Association



CITIES STRONG TOGETHER

National League of Cities (NLC)



United States Conference of Mayors (USCM)

State Sponsors

Over 90 State Sponsors Nationally

LEGAL BASIS FOR COOPERATIVE PURCHASING

- The basis for Cooperative Purchasing is to be found in the Local Public Contracts Law (N.J.S.A. 40A:11-11) and the Public School Contracts Law (N.J.S.A. 18A:18A-11).
- Additional guidance is found in N.J.A.C. 5:34-7 et seq.

OBTAINING STATE APPROVAL

- Lead Agency submits an application to local Government Services (LGS) for review and approval
- Application includes authorizing resolutions from the Lead Agency and system member(s), a copy of the Cooperative Purchasing Agreement and the Cooperative Purchasing Form
- After approval LGS issues an Identification Code

Next Steps

- The lead agency must submit a listing of items to be purchased to LGS
- LGS must approve the list
- Bid specifications must be developed

USE OF PRE-EXISTING CONTRACTS

- New members may use existing contracts when permission is given by the Lead Agency and the Vendor
- We include language within our specifications to authorize the use of existing contracts by new members
- Vendors have always been willing to extend their pricing to new members

COOPERATIVE PRICING SAMPLE DOCUMENTS

- Sample documents, including membership agreements and resolutions are provided within the co-op guide
- Using these sample documents expedites approvals and makes record keeping easy

HOW TO USE A COOPERATIVE PURCHASING SYSTEM

- You must pass an authorizing resolution
- You must execute a participation agreement
- Your lead agency must submit your enrollment to Local Government Services
- Local Government Services must approve your membership
- Once approval is received you may participate

WHAT DOES MEMBERSHIP COST?

- The cost of membership varies based on the co-op you belong to:
 - Some co-op's charge a membership fee to use their bids so you may pay for services you never use
 - Some co-op's charge a membership fee for their base bids and additional fees to use specialized bids
 - Some co-op's build the administrative fee into the bid prices so vendors pay them and you only pay for what you use

HOW TO USE A COOPERATIVE PURCHASING SYSTEM

- How you participate depends on what type of program you have joined
 - Cooperative Pricing Systems
 - Joint Purchasing Systems
 - Commodity Resale Programs
 - County Cooperative Contract Purchasing
 - Regional Cooperative Pricing Systems

Remember! Each system has its own guidelines.

HOW TO USE A COOPERATIVE PURCHASING SYSTEM

- Cooperative Pricing Systems are the most common. To use these systems, you contract directly with the vendors to order and pay for the goods & services received
- Joint Purchasing Systems require the Lead Agency to pay vendors and members pay the Lead Agency

HOW TO USE A COOPERATIVE PURCHASING SYSTEM

- Commodity Resale Programs allow members to purchase certain items from the Lead Agency
 - Gasoline
 - Diesel Fuel
 - Snow Removal Chemicals
 - Public Works Materials

HOW TO USE A COOPERATIVE PURCHASING SYSTEM

- County Cooperative Contract Purchasing is limited to contracting units within the geographic boundary of the county and should not be used as a substitute for Cooperative Pricing
- Regional Cooperative Pricing Systems allows existing Cooperative Pricing Systems to join together to aggregate their energy needs

HOW DO WE DETERMINE WHAT TO BID FOR?

- We evaluate our own needs
- We respond to member requests or suggestions
- We respond to vendors currently providing services to members
- We use Survey Monkey to prioritize needs and establish potential expenditures

HOW DO WE RESEARCH OUR BIDS?

- We ask our members for bid specs they may have used in the past
- We meet with vendors to help define the technical requirements of the specs
- We ask who are your competitors?
- We reach out to multiple vendors for input
- We use consultants when necessary
- We do not use vendor supplied specs

WHAT TYPES OF BIDDING DOES A CO-OP UTILIZE?

- Bidding
- Competitive Contacting
 - Based on LGS approvals
- Extraordinary Unspecifiable Services (EUS)
 - Request for Proposals
 - Request for Qualifications
 - Request for Quotations

HOW TO PROPERLY ADVERTISE FOR A COOPERATIVE BID

- Advertisements must be published for a minimum of ten (10) days in a local newspaper (20 days for CC)
- They must include their designated State identification number in the advertisement
- Language should note that contracts will be awarded throughout the State of NJ for participating Members
- Bid numbers, dates and times of receipt should be included, along with other pertinent statutory language noted in standard bid advertisements

CO-OP COMPLIANCE

- Cooperative Pricing Systems must advertise its status as the Lead Agency in a newspaper each year. The advertisement includes the State identification number, the term of the co-op, and it must provide information pertaining to the members of the co-op.

HOW DO VENDORS GET INVOLVED?

- Vendors must participate in a fair and open competitive process to be considered for award
- They may submit product or brand literature for Co-op review
- Vendors are encouraged to participate in bids if they can offer better, more competitive pricing than they would typically offer to a standalone entity
- Vendors must be in good standing and possess required documentation, including a NJ Business Registration Certificate

WHAT TO LOOK FOR IN A CO-OP

- Transparency – Do they make their specifications available to members?
- Do their specifications comply with LPCL and PSCL?
- Do their specifications provide enough technical detail for bidders to properly respond?
- Do their specifications provide proprietary advantages to specific bidders?
- Do they respond to your questions and assist you in using contracts?

WHAT TO LOOK FOR IN A CO-OP

- Do they post all required documentation online for easy access?
- Do they post a listing of all available contracts?
- Do they post contact information for awarded vendors?
- Do they post pricing information including market basket pricing and catalog discounts?
- Do they provide you with specific catalog dates?

WHAT TO LOOK FOR WHEN USING A GSA CONTRACT

- Check the notes and make sure you are permitted to use the contract
- Make sure the items you wish to purchase are on the contract
- Make sure you comply with the reporting requirements for using GSA contracts
 - Example: Sending a copy of the PO to the state

WHAT TO LOOK FOR WHEN USING A NATIONAL CO-OP

- First, read LFN 2012-10
- “Using National Cooperative Contracts”
- Did they advertise their bid in New Jersey or did they do a regional advertisement that included New Jersey?
- Determine potential for cost savings after all factors considered: service changes, material and delivery, etc. and prepare report(s)
- Review national contract in consideration – determine if NJ standards can be met. Assure it meets NJ “fair and open” criteria (where applicable)

WHAT TO LOOK FOR WHEN USING A NATIONAL CO-OP

- NJ Business Registration Certificate
- Statement of Corporate Ownership Disclosure Statement
- Proof of NJ Public Contract EEO Compliance
- Compliance with Political Contribution Disclosure Laws (Pay-to-Play)
- Non-Collusion Affidavit
- NJ “Buy American” Law
- Americans with Disabilities requirements

WHAT TO LOOK FOR WHEN USING A NATIONAL CO-OP

- W-9 Form
- Certificate of Liability Insurance with you named as the certificate holder
- Statement of Suspension or Debarment Form
- Disclosure of Investment Activities in Iran Form
- Contracts to be issued exceed \$10,000,000 report proposed award to the Office of the State Comptroller thirty (30) days prior to the anticipated date of award.
- Publication of “Notice of Intent to Award Contract under a National Cooperative Purchasing Agreement” in an official newspaper and on the Contracting Unit’s website.

WHAT TO LOOK FOR WHEN USING A NATIONAL CO-OP

- Allow a minimum of ten (10) days between date of advertisement and award for affected providers to protest the award. Provide term and dates. Consider comments received prior to award and act accordingly. (Include any documentation revealing comments or requests for information, protests, etc.)
- Prepared contract and related documents (ex. Certificate of Availability of Funds, etc.) by governing body action. Include State Comptroller’s language requiring the vendor to maintain records for five (5) years in the Contract document.
- Execution of Contract pursuant to routine practices. If contract is over \$2,000,000 but below \$10,000,000 report contract to the Office of the Comptroller within twenty (20) business days of award.
- Maintain documentation of award on file for audit purposes.

CO-OP MEMBER OBLIGATIONS

- Participate in co-op surveys
- Report vendor non-compliance
- Report vendor service issues
- Participate in vendor audits if requested
- Report good service

CO-OP VENDOR OBLIGATIONS

- Honor the terms of their awards
- Respond to members in a timely manner
- Market their contracts and the co-op
- Report sales on a quarterly basis
- Report conflicts with members
- Maintain up to date documentation

SAVINGS

- Participation in a co-op produces two types of savings
- First direct dollar savings as prices should be driven lower by the opportunity vendors receive having access to a large pool of potential clients
- Second members have an immediate savings because they do not have to research, write and award bids. This savings are often overlooked by purchasing departments but they are real and measureable.

LEASE PURCHASE FINANCING

- What's available
- Vendor offered financing.
- Vendor third party financing
 - Rates are usually higher than the market
 - Aggregate interest need to be considered
 - Were quotes required?
 - Was a bid required?

LEASE PURCHASE FINANCING

- What's available?
- Lease Purchase quoting or bidding services through your co-op
 - Value added service
 - Reduces financing cost
 - Eliminates possible purchasing violations

QUESTIONS

- Questions
- Comments
- Observations

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