

JOINT/COOP CONTRACTS



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Joint/Coop Contracts



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A **purchasing cooperative** is a type of cooperative arrangement, often among businesses, to increase efficiency and/or reduce administrative expenses.

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Types of Cooperative Contracts



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True Cooperatives

Two or more organizations combine their requirements and solicit for **goods** and/or services.

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Rideable Agreements

One or more organizations represent their requirements and include an option for organizations to “ride” or “bridge” the contract as awarded.

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Third Party

A company brings together multiple organizations to represent their requirements and manage the resulting contract and/or contractor.

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Cooperative Purchasing Models



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Definite Quantity and Delivery

Identifies all cooperative members, respective requirements, delivery locations and/or schedule.

Advantages: Lowest possible price

Disadvantages: Organization is generally unable to predict and commit to specific requirements

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Indefinite Quantity and Delivery

Participating members are identified and requirements are estimated with no specific purchase commitment. Pricing is often a factor of the confidence of bidders in the estimates.

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Indefinite Quantity and Delivery

Advantages: Development of the solicitation may be easier because definite quantity commitments are not required. Pricing still based on economies of scale of multiple cooperative members.

Disadvantages: Uncertainty usually results in higher pricing. If bidders aren't confident in estimated requirements or participation, bidders may be reluctant to offer their best prices.

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Piggyback Contracts

Contracts issued by individual governmental entities that allow other jurisdictions to use based on the contract terms and pricing they established.

Must include Additional Users clause allowing other public bodies to use and the vendor must agree.

The most widely used cooperative contract.

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Piggyback Contracts

Advantages: Relatively easy to administer, a wide variety of contracts available, reduces administrative costs.

Disadvantages: Since participation and usage cannot be predicted for the solicitation, cost savings may be minimal. Risky to the bidders/offerors to offer substantial discounts on unknowns. Often, this type may not include terms and pricing for generic use.

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Considerations before making a cooperative purchase:

- Legal Compliance
- Mandatory Sources
- Open Competition
- Small Business Participation
- Mandatory DPS Contracts
- Fees
- Terms and Conditions
- Pricing

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How Do I Use a Cooperative Contract?

Do Your Due Diligence

- Does the contract contain the appropriate terms and conditions that will allow my entity to use this contract?
- Does the need of my organization match the contracts Scope of Work?

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- Does the pricing schedule of the cooperative contract allow for additional users?
- Does the cooperative contract comply with any regulations your organization may have concerning cooperative contracts? (i.e. APSPM for state agencies.)

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Use of Cooperative Contracts

Code of Virginia § 2.2-4304

Agency Procurement and Surplus Property Manual
(APSPM) 3.7 Joint and Cooperative Procurement

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§ 2.2-4304 Joint and cooperative procurement

A. Any public body may participate in, sponsor, conduct, or administer a joint procurement agreement in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, the District of Columbia, the U.S. General Services Administration, or the Metropolitan Washington Council of Governments, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods, services, or construction.

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B. In addition, a public body may purchase from another public body's contract or from the contract of the Metropolitan Washington Council of Governments even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was a cooperative procurement being conducted on behalf of other public bodies, except for:

1. Contracts for architectural or engineering services; or
2. Construction.

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So what do the changes in this code section mean?



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Paragraph A allows a public body to participate in, sponsor, conduct, or administer a joint procurement agreement.

Allows the establishment of joint/cooperative agreements.

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Paragraph B allows a public body to purchase from another public body's contract...

Public body as used in this section applies to "Virginia Public Bodies".

Cannot use a cooperative contract issued by a non-Virginia public body unless you have participated in the procurement as described in Paragraph A.

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APSPM 3.7

a. Sponsoring a Joint Procurement

No state agency or institution may sponsor, conduct or administer a joint procurement without advance approval from the Director of the Division of Purchases and Supply.

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APSPM 3.7

b. Use of a Commonwealth Cooperative Contract

Agencies may purchase from cooperative contracts when certain conditions are met.

If the contract is not listed on the state contract website, an exemption request must be obtained from DPS prior to any purchasing action.

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APSPM 3.7

c. Use of Non-Commonwealth Cooperative Contracts, including National Cooperatives awarded by other than Commonwealth agencies and institutions.

Not authorized unless approved in writing by DPS.

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APSPM 3.7

e. General Services Administration (GSA)

For non-IT general purchases only one GSA Schedule has been approved for use by Congress, Schedule 84.

Certain law enforcement, drug interdiction, and emergency operations programs have been granted authority by Congress to use any GSA schedule subject to GSA guidelines as to when they may be used.

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How to request use of a Cooperative Contract:

1. Submit an electronic exemption request through eVA following the requirements noted on the state contract listing and with the required documentation.
2. The request is reviewed and if found to meet the requirements per APSPM 3.7b, the Contractor is sent a Virginia Cooperative Contract Addendum. This form is required if the contract was awarded by a VA public body not under the authority of DPS.

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Questions

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How would you rate this cooperative?

