

BALTIMORE REGIONAL
COOPERATIVE PURCHASING
COMMITTEE (BRCPC)
2013
ANNUAL REPORT



Baltimore
Metropolitan
Council

BALTIMORE REGIONAL COOPERATIVE PURCHASING COMMITTEE (BRCPC)

MISSION

BRCPC is involved in the collaborative work of identifying and establishing best practices in pursuing its mission of public cooperative purchasing. It is determined to add value for purchasing expenditures, as it seeks new and better ways to reduce costs and save tax dollars for each member jurisdiction, public schools and colleges.

HISTORY & INTRODUCTIONS

BRCPC carries out its mission by regular contact between public governmental and educational procurement officials, with staffing and coordination through the Baltimore Metropolitan Council (BMC). Baltimore City, and Baltimore and Anne Arundel counties founded the organization some 50 years ago. Continued growth in numbers and positive results on the vendor community encourages its purchasing officials to meet regularly, along with its knowledgeable subcommittees, to heighten efforts through the BMC coordinator.

Through its dedicated subcommittees, BRCPC works to achieve the goal of obtaining the best value for the tax dollars spent through its programs. The subcommittees include professionals who possess special procurement knowledge in key areas. This 2013 report features a year-end summary of the following subcommittee activities: Energy, Minority Business Enterprises, Woman Business Enterprises, Mid-Atlantic Purchasing Team, office furniture, public schools and public works.



2013 IN REVIEW

Richard Shelton, bureau chief for Carroll County Purchasing, served as the BRCPC chairman.

SUBCOMMITTEE ACTIVITIES

ENERGY: Matthew Carpenter, of Baltimore County government served as the energy subcommittee chairman.

The efforts of the BRCPC Energy Board during 2013 included ongoing management of energy price risk for both electric and natural gas portfolios and execution of solar renewable energy certificates (RECs) from one locally-generated member facility. The REC purchases enable BRCPC to not only meet state renewable requirements but also support the development of the member facilities solar projects.

The BRCPC energy portfolios' flexible structure enabled them to continue to participate in the historically low energy price environment during 2013. Favorably price fixed rate energy commodity purchases were executed covering energy delivered in fiscal years 2014, 2015 and 2016. For natural gas, the portfolio purchased natural gas injected into storage for winter delivery at maximum levels permitted by the local gas distribution utility during the spring and summer of 2013 to take advantage of historical low spot market prices.

Since the electric portfolio's inception in June 2006 through June 30, 2013, the portfolio has generated savings of \$84.9 million when compared to the local electric utility's (BGE) standard offer services (SOS) rates. The current electric

portfolio consists of 1.65 million annual Mega-Watt hours. For the natural gas portfolio, savings of \$0.30 per dekatherm continue as a result of unbundling and competitive bidding of natural gas supply services. A total of 2.4 million dekatherms was delivered to the portfolio's jurisdictions during fiscal year 2013.

The Energy Board continues to initiate investigations into cost-effective ways to procure energy from new local generation sources, including renewable energy. Supporting new generation capacity in the central Maryland region helps stabilize and reduce capacity and energy costs for the portfolio as well as the entire central Maryland region. BRCPC's size and credit standing allows it to play an important role in supporting new capacity efforts for central Maryland. One initiative during 2013 included researching the establishment of an alternative new local resource. Further review and consideration of this alternative will continue.

With the assistance of BRCPC's energy consultant, EnerNOC, the Energy Board coordinated educational presentations on energy-related topics to its member jurisdiction's personnel. The board plans to continue to utilize its standing to provide an energy information clearing house for its members.

MINORITY BUSINESS ENTERPRISES AND WOMAN BUSINESS ENTERPRISES: Richard Gay, CPPO, RSBO, manager of the purchasing office of the Baltimore County Public Schools served as chairman.

BRCPC again worked with the Baltimore County Public Schools for the October 2013 annual "Meet and Greet" event at the Timonium Fairgrounds. Attendance by exhibitors and people seeking contracting opportunities increased over the prior year.

Final counts were: 552 attendees from 417 companies seeking to do business. There were 268 exhibitors from 128 companies, including the sponsors on Government Row.

The one-to-one meetings were very well attended. They gave attendees a chance for a scheduled, private meeting with a prime contractor to present their capabilities. The meetings have grown in popularity every year and are used with good advantage to make business contacts.

The 2012 post-event survey results were again evident; validating that the time and effort put into the event

was well spent. According to the survey, 95 percent of the exhibitors identified potential minority sub-contractors they will work with on future projects. Sixty-two percent indicated they had provided business opportunities to minority sub-contractors in the past year, due to the event. Seventy-five percent of the minority sub-contractors said they had been able to obtain a contract because of the event.

Based on the success, BRCPC intends to participate with Baltimore County in the October 15, 2014 event.

"Seventy-five percent of the minority sub-contractors said they had been able to obtain a contract because of the event."



MID-ATLANTIC PURCHASING TEAM: Deborah Groat, CPPB, C.P.M., for Anne Arundel Public Schools serves as the liaison with BRCPC and the Chief Purchasing Officer Committee of the Washington Council of Governments (CPOC).

The Mid-Atlantic Purchasing Team (MAPT) continues to grow as a recognizable entity to both public professionals and the business community. MAPT is the relationship resulting from the agreement between BRCPC and the CPOC to work collaboratively on mutually beneficial procurements. To further the effort, the leadership of the regional councils in Baltimore and Washington metropolitan areas passed resolutions in 2012.

The business community reduces its cost of business by responding to a single solicitation by MAPT on behalf of interested governmental and educational entities. This approach cuts the cost of preparing separate solicitations by multiple public entities. As existing contracts expire and the public entities become aware of the beneficial new MAPT contract, the business community offers existing and new participants better pricing attainable by a tiered discount structure.

The public entities reduce their administrative costs by participating in a solicitation processed by a single lead agency. Lead agencies share the workload on a rotating basis so that the workload is more equally divided within the larger geographical region. In effect, each public entity reduces the cost of researching, preparing, opening and recording solicitations, reviewing responses, follow-up and awarding their own solicitations. Each participating public entity gains the benefits of economy of scale and deeper discounts.

Significant accomplishments for 2013 include bidding on:

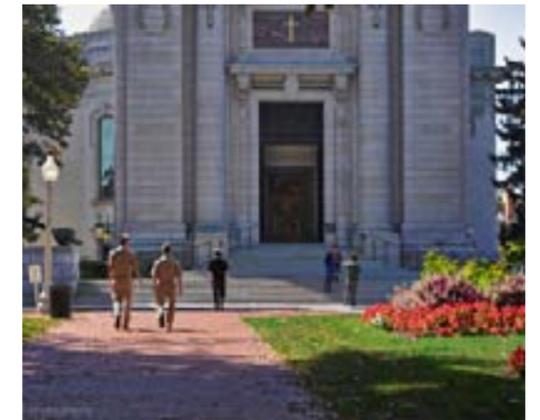
- Football and lacrosse reconditioning
- Agenda books
- Automotive tires
- Roadside services
- Graphing Calculators

Other accomplishments include the establishment of the MAPT Terms and Conditions. The finalization of the Terms and Conditions clearly explain the purpose of MAPT. Among other items, bidders are encouraged to offer discounted pricing on a sliding scale based on increased participation in the contract, and quarterly reporting showing sales by participating entity. The document also provides a clear picture to lead agencies about the expectations when taking over the responsibility of bidding MAPT procurement.

Committee Participation - The MWCOG Electric Vehicle Committee has specifically invited MAPT to participate in the committee meetings because the committee is interested in leveraging the value of economies of scale across the MAPT regions. This led to conversations with other committees, such as the MWCOG Sustainability Committee to discuss ways MAPT may be able to help them in their efforts.

2014 Bidding

- Bulk chemicals
- Large lamps and ballasts
- Musical instruments
- Printer cartridges
- Audit services for commodity contracts
- Art supplies



OFFICE FURNITURE: Darla Herbold, CPPO, purchasing administrator for Howard County government served as chairwoman.

The BRCPC Office Furniture and Equipment contract was established in January 2008 with annual renewal options through December 31, 2015. There are more than 50 vendors across the United States and Canada that were awarded contracts under Invitation for Bid No. 2008-01, issued by Howard County, Maryland. This has become a useful tool for procuring all types of furniture: systems and case goods, school and library, seating and filing systems. The contract is widely used by governmental and educational entities. Contract usage has expanded well beyond the Baltimore region to include the University of North Carolina, University of Missouri, Milwaukee Public Library, San Francis Child Abuse Prevention, Del Lago Academy in Escondido, California and California State.

While sales were somewhat stagnant during the economic slowdown of the past few years, spending for the period January to June 2013 was about \$6 million, a level not seen since the first six months of 2009. Sales for the last six months of calendar year 2013 are not available at this time. However, the total sales for fiscal year 2013 totaled approximately \$10.4 million, compared to \$9.7 million in fiscal year 2012, which represents a 7.2 percent increase, across approximately 86 entities.

The complete list of manufacturers and vendors holding contracts and the discounts being offered is available on the BRCPC website. All renewals and changes are handled by the Howard County Office of Purchasing. Sales reports are compiled every six months by the Office of Purchasing, and contract usage is reported to BRCPC semi-annually.



PUBLIC SCHOOLS: Richard Gay, CPPO, RSBO, manager of the purchasing office of the Baltimore County Public Schools served as the chairman.

The subcommittee collaborates on suitable procurement activities through the year.

As a direct result, the smaller school districts can use contract pricing otherwise not available. The group's cooperative action continues to affect both the market place and the public school

districts. In 2013, the group continued to expand its effectiveness by working with CPOC members, the BRCPC counterpart in the interstate area surrounding the Washington, D.C. area.

The group continues to work on the initiative to lower the cost of freight logistics with small pack-

age delivery providers. The effort includes potential cost reductions for school systems, local government and other tax-funded entities. Based on research, there is a possibility of discounts in express rates of 20-30 percent discounts for ground service of 15-18 percent.

As an example of procurement action in the freight arena, the Baltimore County Public Schools BCPS saved more than \$250,000 in shipping costs for textbooks through active

negotiations with independent shipping contractors. The proactive action resulted in a reduction in projected costs from 5-12 percent down to 2-4 percent.

In 2012, the group began work on an inter-regional effort via a web-based application to gather and use

data to analyze its expenditures. As the effort continued in 2013, the group deepened its understanding of how best to use data on fund expenditures to adjust existing priorities, thus providing a structured approach to collaborative efforts. Five participating school systems within the BRCPC/CPOC geographical region participates, included Anne Arundel County Public Schools, Baltimore County Public Schools, Prince George's County Public Schools, Montgomery County Public Schools and Wicomico County Public Schools.

A continuing group success includes the annual paper reverse auction led by Anne Arundel County Public Schools. Substantial cost savings may encourage other school systems to join the next procurement as they review the advantageous pricing obtained through the process.

Anne Arundel County Public Schools also is the lead agency for a multi-regional procurement under

MAPT for office supplies. The original participants included, in addition to Anne Arundel County Public Schools: Charles County Public Schools, St. Mary's County Public Schools and the Howard County Public Schools. The multi-million-dollar contract has an initial 5-year life. The award was based on a core market basket pricing, discount off catalog pricing and escalation pricing noting increases in volume and consideration for differences in private label pricing.

The bid results concluded that savings between 4-12 percent will be realized, depending on the total volume of purchases and the applicable discount structure. An interesting result is that the cost savings exceed those measured against a national cooperative that was being used by the Anne Arundel County Public Schools. During 2013, other school districts and local governments began participating.

“The Baltimore County Public Schools BCPS saved more than \$250,000 in shipping costs for textbooks through active negotiations with independent shipping contractors.”



PUBLIC WORKS: Michael Decker, buyer for Howard County government served as chairman.

The public works subcommittee continues to review existing contracts, determine renewal options and examine potential new efforts. During the year, the committee renewed the bulk chemicals contract for water and waste-water treatment plant chemicals and the gray iron castings contract.

At year-end, the group was working on a bid for pavement management services and a new bulk chemical bid. The committee also is working for an agreement on the cost and fees charged for utility and pole re-locations with BGE and Verizon.

Active participants on the subcommittee include representatives from Anne Arundel, Baltimore, Carroll, Harford and Howard counties.

BMC/HGAC AGREEMENT: During 2007, BRCPC entered an agreement with the Houston-Galveston Area Council (HGAC) to provide a broader, expedited method for capital needs of our members. Within the document is an agreement to share the contract user fees collected by HGAC. The BRCPC portion of fees is used to offset the cost of outreach to the minority business enterprises and woman enterprises communities.

When specific equipment is needed by our members, the arrangement provides a process to obtain the item through existing national contracts, working through the BRCPC coordinator. Most contracts also include a process to use a local vendor as the manufacturer's agent to facilitate, expedite and deliver. During the past few years, the focus of procurements under the BRCPC/HGAC agreement has been to meet fire, medical and police needs.

BRCPC'S WEBSITE

The BRCPC website, <http://www.baltometro.org/cooperative-purchasing/cooperative-purchasing>, is an integral part of the Baltimore Metropolitan Council's Internet presence. Our many visitors include vendors, bidders and public purchasers. Website usage reports document hundreds of page visits each month. Visitors have easy access to BMC member jurisdictions, the state Department of General Services, other national and regional cooperative purchasing sites and appropriate federal contracts.

The website gives each visitor a quick connection to detailed information they are seeking with the option to review or download. The BRCPC website proves to be a consistent way to reduce demands on BRCPC staff in researching paper files and producing copies.

US COMMUNITIES (USC) NATIONAL CONTRACTS

Jeff LaPorta, of the Harford County Public Schools, serves as a board member to the US Communities and provides regular updates to the BRCPC.



BALTIMORE REGIONAL COOPERATIVE PURCHASING COMMITTEE 2013 CONTRACTS

BRCPC maintained the following contacts. MAPT contracts are indicated in bold:

- Audiovisual Equipment
- Audiovisual Equipment Repair
- Audit Services for Supply Contracts
- Bottled Water
- Bulk Chemicals
- Corrugated Pipes
- Custodial Services
- Discounted Materials of Instruction
- Electronics Recycling Service
- Employee Life Insurance
- Fencing for Highways/Buildings On-call Services
- Fire Extinguisher Maintenance
- Fire Hydrant Parts
- Fire Sprinkler Systems
- **Football/Lacrosse Reconditioning**
- Freight/Logistics Services
- Glass Beads
- Grass Seed
- Grass Seed and Fertilizer
- Gray Iron Castings
- Guard Rail Services
- High Performance Cold Mix
- Ice Melting Chemicals
- Information Technology Staff
- Large and Specialty Lamps and Ballasts
- Masonry Services, On-call
- Mixed Scrap Metal and White Goods
- Modular Classrooms, Purchase and/or Lease
- Moving Services
- Musical Instruments
- OEM Parts and Service for Heavy Equipment/Trucks
- Office Furniture
- **Office Supplies**
- Painting Services, On-call
- Paving, On-call
- Printing Cartridges
- Procurement Cards
- Pump Motor Equipment Maintenance
- Reverse Auction Services
- **Road Service**
- Rock Salt
- Scantron Forms
- Snow Plow Blades
- **Student Agenda Books**
- **Texas Instrument Calculators**
- Traffic Signs
- Traffic Signal Construction Services
- UV Lamps
- **Vehicle Tires, Auto, Truck and Equipment**
- Vehicular Batteries
- Electricity Supply Services
- Energy Consultant Services
- #2 Heating Fuel
- Natural Gas Supply Services
- Power Purchase Agreement

BRCPC 2014 OBJECTIVES

- Continue the pursuit of further cost reductions and cost avoidance opportunities.
- Maintain contacts with regional purchasing officials to seek additional cooperative purchasing efforts.
- Continue regular meetings of the Energy Board to monitor electricity and natural gas rates to assure savings and manage risk in procuring energy needs.
- Schedule meetings of the public school group to encourage new efforts unique to the educational environment.
- Coordinate meetings of public works buyers, who are working to identify new opportunities for the region.
- Continue structuring new MAPT operating processes and contracts to extend cost reduction opportunities in the Mid-Atlantic.



BALTIMORE REGIONAL
COOPERATIVE PURCHASING COMMITTEE
REPRESENTATIVES

Anne Arundel County
William Schull, CPPB, C.P.M.
Purchasing Agent
Diana Cox, CPPB, C.P.M.
Assistant Purchasing Agent

Anne Arundel Public Schools
Deborah Groat, CPPB, C.P.M.
Purchasing Officer
William Hubbard, CPPB
Senior Buyer

City of Annapolis
Brian Snyder, CPPO
Purchasing Agent

Baltimore City
Timothy Krus
Purchasing Agent

Baltimore City Public Schools
Jeff Parker
Director of Purchasing

Baltimore County
Deborah Meehan, CPPB
Chief of Purchasing Services

Baltimore County Public Schools
Richard Gay, CPPO, RSBO
Purchasing Manager
Paul Cramer, C.P.M.
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Carroll County
Richard Shelton
Chief of Purchasing

Carroll County Public Schools
Nancy Codner, CPPB
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Harford County
Deborah Henderson
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Harford County Public Schools
Jeff LaPorta, CPPB
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Darla Herbold, CPPO
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State Department of General Services
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