

ANNUAL REPORT

**Baltimore Regional Cooperative
Purchasing Committee**

Calendar Year 2020



Baltimore Regional Cooperative Purchasing Committee

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"Many ideas grow better when transplanted into another mind than the one where they sprang up." – Oliver Wendell Holmes

TO OUR MEMBERS

2020 was a remarkable year. It will be forever remembered for the COVID19's **supply chain overload**. On a global level, the demand for personal protection equipment rose well above available supply, yet the emergency **demand**ed the supply. This is when procurement ingenuity took action.

Cooperative purchasing took on a new look. Existing cooperative contracts were the first line of defense but it did not take long to realize that supply just wasn't there. Procurement professionals began to break down the basic product requirements to determine different suppliers that may be able to fulfill the need. They also began discussing these options with others so they had some idea of the aggregated demand, but more importantly what were the developing ingenuities. Here are some of the clever, original and inventive things that were done:

1. Distilleries converted their operations to make hand sanitizer until the normal manufacturers of hand sanitizer could catch up with demand
2. Local textile companies were asked to make gowns and masks
3. Gowns and masks were found through promotional supply companies
4. Local emergency management suppliers were a source for gloves, masks and wipes.
5. Local firms donate their supplies; i.e. tattoo shops donate gloves, gas equipment suppliers donate masks, etc....
6. Local firms donate warehousing to store bulk shipments of personal protective equipment (PPE) supplies
7. Using promotional supply houses to vet foreign offers for N95 masks to ensure that the offer is not a scam. (*promotional supply houses routinely work with a variety of foreign manufacturers and generally know who is legitimate*)
8. Cooperative purchasing is used to aggregate our volume to ensure we get the attention of manufacturers in an environment where small orders do not get attention
9. Home sewing of masks fills the gap for their community

This list just begins to tell the story, but it is safe to say that we have seen some of the best, kind-hearted collaboration and procurement ingenuity than we have seen in a long time. Everyone was sharing information about strategies and known sources for supply, new suppliers were developed, and collaboration was at its highest. Emergencies like this can bring out the best and worse in people. During COVID19, procurement professionals and our suppliers shined! Like Rosie the Riveter, it was time to roll up our sleeves and get to work. In this case, your collaboration and procurement ingenuity saved lives.

STRATEGIC PLAN

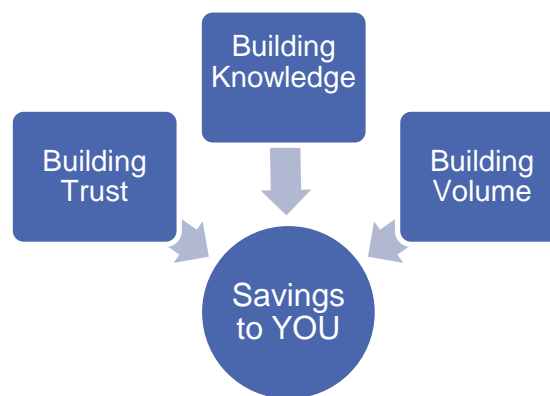
The Baltimore Regional Cooperative Purchasing Committee (BRCPC) provides a service by *Building Trust; Building Knowledge, and Building Volume*:

1. Facilitating the opportunity for the membership to meet and collaborate on purchasing topics for like requirements with the intention of sharing information and driving costs down through the economies of scale.
2. Offering training opportunities for procurement and operational staff to learn about certain industries, supply chain practices, and other important information that will improve upon a cooperative procurement opportunity.
3. Function as a steering house where information is exchanged freely between members of the Metropolitan Washington Council of Governments' Chief Procurement Officers Committee (CPOC), and BRCPC.
4. Promote the cooperative opportunities available through the Mid-Atlantic Purchasing Team (MAPT) to maximize the economies of scale for both CPOC and BRCPC covering the Maryland, Northern Virginia, and Washington D.C. regions.

The Baltimore Metropolitan Council's Board encourages these efforts

The Cooperative Purchasing Director is hired to facilitate these efforts

The Members fulfill these efforts by leading and collaborating on target procurements



THE WORK

BRCPC has developed a structure that has three active subcommittees, namely the Education, Energy Board, and Public Works. These groups meet regularly to discuss their similar requirements and where they are able to maximize the economies of scale.

The following contracts are managed by committee:

Education	Energy Board	BRCPC
Agenda Books, Student	Electricity	Batteries, Vehicular
Athletic Clothing	Demand Response	Bulk Chemicals
Athletic Trainers	Natural Gas	Cold Mix, High Performance
Bleacher Inspection Scvs.	SREC Compliance	Cold Water Meters
Bus Services, Chartered	Energy Consultant	Controls, Energy Management
Cardboard Boxes	Power Purchase Agreement	Copier Lease-Konica
Catalog Discounts for Materials of Instruction		Corrugated Pipe
Coach Bus Services, Pre-Qualifications		Debris Removal Services
Elevator Repair Services		Drone Services
Evacuation Equipment, Emergency		Emergency Debris Removal Monitoring Services
Filters, HVAC		Emergency Debris Removal Services
Fire Alarm Services		Emergency Planning, Training & Exercise Services
Fitness Equipment, Commercial		Equipment Rental
Floor Care Machines		Fencing Scvs, On-Call
Football Helmet Reconditioning		Fire Extinguisher Maintenance

Education	Energy Board	BRCPC
Football Helmets		Fire Hydrants/Meter Boxes
Grass Seed		Fire Sprinkler Systems
Grounds Maintenance Equipment		Fuels, Gasoline & Diesel
Heating Oil, #2		Furniture
Helmets-Football		Generator Maintenance
Ice Cream		Glass Beads
MD K12 Digital Library		GPS Fleet Tracking & Management Software
Office Supplies		Guardrail Scvs
OT/PT/Speech Therapy Scvs		IT Hardware
Printers, 3D		Job Order Contracting
Refrigeration Equipment Maintenance		Lamps, Large & Specialty
Restoration & Response Services, on-Call		Masonry Scvs, On-Call
Sand, Ball Diamond Mix		Moving Scvs
Sprinkler System Maintenance		OEM Parts & Services, Equipment
Stage Curtain Services		OEM Parts & Services, Heavy Duty
Uniforms		OEM Parts & Services, Light Duty
Window Film-Safety/Tinted		Paint, Traffic
		Painting Scvs, On-Call
		Paving, Bit. Concrete, On-Call
		Paving, Patchwork, On-Call
		PPE Supplies

Education	Energy Board	BRCPC
		Procurement Card Services
		Radios, Subscriber
		Roofing Services, On-Call
		Self-Contained Breathing Apparatus
		Snow Plow Blades
		Software, Off-the-Shelf
		Telephone System – Inmate
		Tires
		Traffic Sign Blanks
		Traffic Signal Construction
		Waste Containers – Curbside
		Water & Sewer Construction, On-Call

MAPT, STATE OR OTHER SHARED CONTRACTS

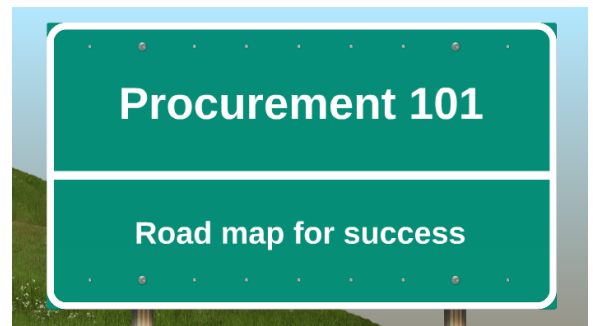
This super region including Maryland, Northern Virginia and Washington D.C., ideally situated with exceptional purchasing volume, strong logistical network, and density that allows for shorter driving distances between deliveries. In 2009, these regions signed an agreement to work together to aggregate their buying power for best value opportunities. This relationship is called The Mid Atlantic Purchasing Team (MAPT).

MAPT

- Agenda Books
- Call Center Software
- Copiers
- E-Cycling Services
- Emergency Planning Training & Exercise Scvs
- Energy Management Control Systems
- Furniture
- Inmate Pay Phone Services
- MRO Supplies
- Next Generation 911
- Office Supplies
- Paper, Bulk
- Procurement Card Services
- Professional Development Training
- Radiation Detection Equipment
- Software, Commercial Off the Shelf
- Subscriber Radios
- Technology Training Services
- Traffic Paint
- Window Film, 3M, Safety

HGAC Buy

- Debris Removal, Emergency
- Equipment Rental
- GPS Fleet Tracking Software
- Heavy Equipment
- Monitoring Services, Debris Removal



STATE OF MARYLAND – DEPARTMENT OF GENERAL SERVICES

The Department of General Services played a key role in finding essential Personal Protective Equipment (PPE) for the Maryland Emergency Management Association (MEMA) warehouse. They also provided essential information to the Baltimore Regional Cooperative Purchasing Committee pertaining to PPE supply chain matters.

NOTES TO THE WORK

ENERGY BOARD

The Energy Board continues to be a great example of efficient and innovative government

and we are happy to be a big part of this success. In addition to the 24 members of the Energy Board, several other entities participate in the wholesale market cooperative procurements for their energy requirements. Specifically, participants beyond the 24 members include:

- ESMEC Energy Trust has 26 members – Value \$7.7M
- Montgomery County Public Schools – Value \$14.9M
- Frederick Area COOP Team – Value \$6.1M

The gross worth of the BRCPC Energy Board inclusive of the participants above is approximately \$111M for electric and natural gas commodities.

The Energy Board, comprising all participating parties, is the largest BGE customer!



The BRCPC Energy Board's primary focus is the oversight of the energy cost management and procurement programs for both electric and natural gas supply portfolios. This includes receiving, researching and assessing energy market developments including renewable energy on an ongoing basis. The combined portfolios for the BRCPC 24 entity participants represent an annual spend of \$84.7 million for fiscal year 2020.

The fiscal year 2020 electric supply portfolio rates came in at 8.9% below plan for a favorable rate based budget variance of \$7.4 million. The favorable variance was driven primarily by continued historically low spot market energy prices as the portfolio purchases approximately 25% of its energy on the spot market and lower than expected grid ancillary costs. Low energy prices were driven by:

- Continued low and stable natural gas prices resulting from increased domestic natural gas production from fracked gas and new more efficient natural gas generation capacity. Natural gas is the primary marginal price driver for electricity.
- Increased generation capacity driven by new more efficient natural gas powered generation.

Pandemic related **drivers** reduced electric demand during the last 3 months of fiscal year 2020. The collective electric usage for the 24 members of the Energy Board dropped by almost 14% for the 3 months ended June 30, 2020 when compared to the prior year. When compared to the local electric utility's (BGE) standard offer service (SOS) rates alternative during FY20 for non-hourly priced accounts, the electric portfolio saved \$10.0 million. Since the electric portfolio's inception (June 2006) through June 30, 2020, the portfolio has generated savings of \$173.8 million when compared to BGE's non-hourly priced SOS rates. The current electric portfolio consists of 1.52 million annual Mega-Watt hours for approximately 3,650 accounts.

The FY20 natural gas portfolio rates came in at 3.3% below plan. Lower natural gas commodity rates were primarily offset by higher mid-Atlantic winter month interstate natural gas pipeline capacity costs as higher natural gas demand for electric generation competes with traditional winter space heating needs.

Climate change is driving significant changes to the evolving energy ecosystem. This includes how energy is generated, used and distributed. As a global energy company who is committed to a carbon free environment including leveraging all available technologies, Enel X continues to keep BRCPC apprised of all market and product developments including regional grid policies, available product offerings, regulatory developments and renewable energy initiatives of BRCPC peer groups (large mid-Atlantic Government and Institutional groups). Additionally, Enel X conducted a renewable energy Power Purchase Agreement (PPA) workshop with over 50 attendees including individuals from Purchasing, Finance, Sustainability, Energy Management and Facilities areas. A renewable energy strategy survey was developed subsequent to the workshop and all members were surveyed as to their renewable energy goals, objectives, product preferences and preferred renewable energy PPA attributes. Survey results were compiled and reviewed with the membership. Subsequent to the review, BRCPC formed a PPA committee to develop a public solicitation to seek PPA proposals from renewable energy developers. Work continues on the solicitation development and the goal is to issue the solicitation by February 2021.

Some of the BRCPC energy program participants continue to participate in PJM's demand response program. Under this, program members receive cash payments in exchange for

agreeing to reduce electric demand during grid emergencies. The rules surrounding the program continue to evolve and change, and BRCPC continues to assist the members with the program through its energy consultant, Enel X.

TRAINING

Each year, membership identifies areas that their staff require training. These topics are included in the annual Purchasing Month Procurement Training held in March, and other training opportunities offered based on current events and needs. The following training opportunities were offered this year:

- Purchasing Month Procurement Training – March **COVID19 Cancellation**
- Meet the Primes – **VIRTUAL** Reverse Trade Show – October

Vendor outreach is integral to building trust, knowledge and a competitive environment for cooperative purchasing. The Cooperative Purchasing Director meets regularly with the vendor community to gain insights into trends, new products and innovations, and to ensure they understand how they can work effectively in this governmental region.

NETWORKING THE MESSAGE

Facilitating the cooperative purchasing plan includes reaching out in other networks to communicate a strong understanding of the possibilities available with collaborative efforts. In addition, these networks allow for mining of information that is important to inform membership about emerging requirements and trends. The coordinator serves as follows:

- Chair of the Maryland Public Purchasing Associations' Cooperative Purchasing Committee,
- Participate in the State of Maryland's Green Procurement Committee,
- Member of the State of Maryland's Procurement Improvement Council
- Member of the Association of School Business Officials' Professional Development Committee,
- Collaborate with the Baltimore Urban Area Security Initiative Committee,
- Collaborate with the Public Safety Access Point Directors,
- Collaborate with the Maryland Association of Counties,
- Collaborate with the Metropolitan Washington Council of Governments, and
- Co-sponsor the Meet the Primes event communicating regional opportunities to minority and small businesses.

Other networking activities include:

Published a bi-monthly article in the Maryland Public Purchasing's publication, The Fine Print <https://www.mppainc.org/insidepages/newsletters/>. 2020 topics included:

What Do I Stand to Gain from Collaborating with Others?

Cooperative Contracts are Perfect Solutions for Emergencies but Will They Qualify for FEMA Reimbursements?

Procurement Ingenuitor

Mid & Post COVID19 – Changes in Operating Procedures - Cooperative Purchasing

Handling Price Escalators in an unstable supply chain

The Changing Landscape Post COVID19 and Emerging Opportunities to Collaborate

HGAC

BRCPCC has a relationship with the Houston Galveston Consortium (HGAC) to purchase some of our requirements, such as heavy equipment and playground equipment. This is highly technical equipment, such as fire trucks. In 2020, there were more than \$10M in purchases. BRCPC members benefit from HGAC's technical expertise that is nationally recognized, and the commission sharing agreement that supports certain BRCPC activities, such as training and the Meet the Primes event.

Using cooperative purchasing as a strategy is important. HGACBuy provides access to a variety of emergency preparedness, playground equipment, heavy equipment, Software solutions and a variety of other commodities and services.

TOOLS

The Baltimore Metropolitan Council maintains the following subscriptions and database:

ProcurementIQ – product that provides industry researched data about products, supply chain and important pricing information. Currently, this tool is being used when we need product, industry and vendor information on a particular requirement. The Coordinator will provide product specific reports to the lead agency's buyer when

they are issuing a BRCPC bid/proposal. A more informed buyer will produce a better procurement and lower costs.

<https://www.procurementiq.com/>

GOVSpent – product that provides a database of public sector purchase order records so we can analyze our spending history by product, vendor and price. This tool is used to:

1. Find public sector cooperative purchasing partners because we know who is purchasing the products we need;
2. Find vendors who are working in our region; and
3. Provides actual unit price information for benchmarking.

<https://govspend.com/>

BRCPC Regional Contract Database –maintenance of a regional contract database that is searchable allowing more efficient searching capabilities for contracts of interest.



Savings in money, time, exchange of best practices, and more

GRANT ACTIVITY

- 1.1 **Regional Food Systems Value Chain** initiative seeks to bring the local farmer and their products to the public sector market, of which the largest market is public education. This requires capacity, communication and participation with the result being a stronger local farming economy. Chair: Lindsay Smith, lsmith@mwkog.org
- 1.2 **U.S. Department of Homeland Security 15STC117-02** develops regional contracts for equipment and supplies needed in the event of a radiation based attack. Chair: Jayme Hardy, jhardy@mwkog.org



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OUTREACH ACTIVITY

The Baltimore Metropolitan Council (BMC) and Baltimore County hosted the eleventh annual Meet the Primes networking event, which connects small and minority-owned businesses with prime contract bidders. On **Wednesday, October 28**, the first virtual event took place from **8 a.m. until noon**. Vendor training occurred through online sessions, where the Director of Cooperative Purchasing presented allowing suppliers to be acquainted with selling in both our member region and affiliate regions.

PURCHASING AGENT CONTACT INFORMATION *FOR OUR PARTICIPATING MEMBERS*

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