

ANNUAL REPORT

**Baltimore Regional Cooperative
Purchasing Committee**

Calendar Year 2019



Baltimore Regional Cooperative Purchasing Committee

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“The more you put in,
the more you get
out.”

TO OUR MEMBERS

For more than 55 years, this region has been actively engaged in collaborating with each

other under the Baltimore Regional Cooperative Purchasing Committee, to produce contracts that maximize the service and price offered to its employer. The shape and form of the Baltimore Regional Cooperative Purchasing Committee has changed over the years to fit the changing demands of its membership and the market. Leaders still confer with each other on opportunities to aggregate their purchasing power but other services have been added to enhance the forecasting of these opportunities and training needed for buyers who then can meet the ever-changing demands of the products and services that they must procure.

Participation in this committee allows members to share expertise, experience and to collaborate on procurements that become a better product because of this collaboration.

“Coming together is a beginning, staying together is progress, and working together is success.” – Henry Ford

The Baltimore Regional Cooperative Purchasing Committee also enjoys a strong relationship with our sister organization, the Metropolitan Washington Council of Governments. We work together to aggregate our volumes to even larger degrees expanding our coverage area to Maryland, Northern Virginia and Washington D.C. regions. This work falls under the title of the Mid-Atlantic Purchasing Team (MAPT). We also share in grant, training and other information exchanges.

“An investment in knowledge always pays the best interest.” -- Benjamin Franklin

Knowledge sharing is a big part of my work. There are many excellent activities that take place in this greater region and sharing pertinent information about these activities is important to our efficiency and effectiveness. We are better informed, a richer resource and can respond to spot demands with more confidence in knowing what resources are available to us. And, when we build the trust with our colleagues in other entities, we increase our value tenfold. 2020 is filled with opportunities. I look forward to addressing these opportunities with intentional collaboration.

Deborah Groat

Cooperative Purchasing Director

Baltimore Regional Cooperative Purchasing Committee

STRATEGIC PLAN

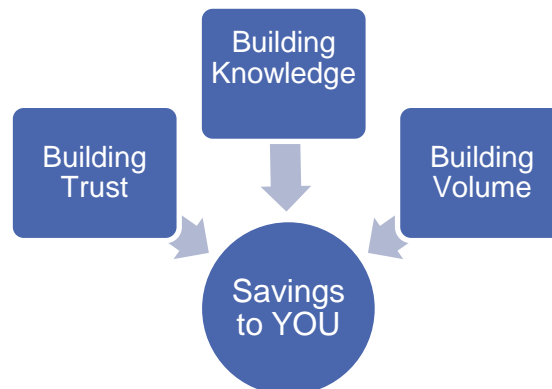
The Baltimore Regional Cooperative Purchasing Committee (BRCPC) provides a service by *Building Trust; Building Knowledge, and Building Volume*:

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) that intends 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	Public Works
Agenda Books, Student	Electricity	Batteries, Vehicular
Football Helmets	Energy Consultant	Bulk Chemicals
Sand, Ball Diamond Mix	Natural Gas	Cold Mix, High Performance
Sprinkler System Maintenance	SREC Compliance	Cold Water Meters
Athletic Trainers	Electricity	Controls, Energy Management
Athletic Clothing	Demand Response	Corrugated Pipe
Classroom Supplies		Debris Removal Services
Bleacher Inspection Scvs.		Drone Services
Coach Bus Services, Pre-Qualifications		Fencing Scvs, On-Call
Bus Services, Chartered		Fire Extinguisher Maintenance
Evacuation Equipment, Emergency		Fire Hydrants/Meter Boxes
Cardboard Boxes		Fire Sprinkler Systems
Catalog Discounts for Materials of Instruction		Fuels, Gasoline & Diesel
Elevator Repair Services		Generator Maintenance
Filters, HVAC		Glass Beads
Fire Alarm Services		Guardrail Scvs
Fitness Equipment, Commercial		Job Order Contracting

Education	Energy Board	Public Works
Floor Care Machines		Lamps, Large & Specialty
Football Helmet Reconditioning		Masonry Scvs, On-Call
Grass Seed		Moving Scvs
Green Roof Maintenance		OEM Parts & Services, Equipment
Grounds Maintenance Equipment		OEM Parts & Services, Heavy Duty
Heating Oil, #2		OEM Parts & Services, Light Duty
Ice Cream		Painting Scvs, On-Call
Printers, 3D		Paving, Bit. Concrete, On-Call
MD K12 Digital Library		Paving, Patchwork, On-Call
Stage Curtain Services		Roofing Services, On-Call
Restoration & Response Services, on-Call		Snow Plow Blades
OT/PT/Speech Therapy Scvs		Tires
Refrigeration Equipment Maintenance		Traffic Sign Blanks
Scantron Testing Forms		Traffic Signal Construction
Uniforms		Water & Sewer Construction, On-Call

MAPT, STATE OR OTHER SHARED CONTRACTS

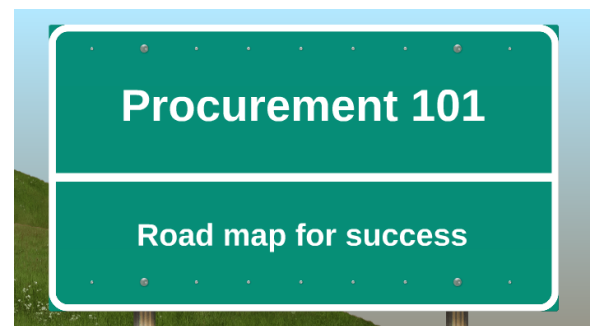
This super region including Maryland, Northern Virginia and Washington D.C., ideally situated with exceptional purchasing volume, strong logistical network, and density that allows for shorter driving distances between deliveries. In 2009, these regions signed an agreement to work together to aggregate 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
- 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



PROCUREMENT LEADERS BENCHMARK STUDY

Anne Arundel County's Purchasing Agent, Andrew Hime worked with the National Institute of Governmental Purchasing to conduct their 2019 Procurement Leaders Benchmark Study (PLBS). The 2019 PBLBS targeted the following broad goals and hence can be employed by PPOs and other organizational leaders for the following:

- Identify and compare structure of bidding processes (IFB).
- Identify and compare structure of proposal processes (RFP). ● Identify and compare bidding process (IFB) cycle times
- Identify and compare proposal (RFP) cycle times.
- Identify and compare emergency procurement processes and cycle times.
- Identify and compare sole source procurement processes and cycle times.
- Identify the most efficient new procurement practices.
- Identify the most inefficient new procurement practices.
- Identify and compare IT procurement cycle times.
- Identify top professional procurement performers.

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. While many know that there are 24 members in the Energy Board that have their electric and natural gas requirements purchased in the wholesale market, many may not know that several other entities participate in the cooperative procurements for their energy requirements. Specifically, participants beyond the 24 members include:

- ESMEC Energy Trust has 28 members – Value \$9.1M
- Montgomery County Public Schools – Value \$14.9M
- Frederick Area COOP Team – Value \$7.0M

The gross worth of the BRCPC Energy Board is approximately \$132M 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 and assessing energy market developments including renewable energy on an ongoing basis. The combined portfolios represented an annual spend of \$101.3 million for fiscal year 2019.

The fiscal year 2019 electric supply portfolio rates came in at 5.5% below plan for a favorable rate based budget variance of \$5.2 million. The favorable variance was especially noteworthy given that BRCPC was charged an additional \$2.0 million in unbudgeted transmission costs by the regional grid operator PJM related to a reallocation of prior PJM system wide transmission enhancement costs (all BGE end users were subject to the reallocation). The favorable variance was driven by continued historically low spot market energy prices as the portfolio purchases approximately 25% of its energy on the spot market, lower prices for Maryland regulatory renewable requirements 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.
- Flat electric demand attributed to economic conditions, energy efficiency and conservation projects, demand response programs, and expansion of wind and solar renewable projects.

When compared to the local electric utility's (BGE) standard offer service (SOS) rates alternative during FY19 for non-hourly priced accounts, the electric portfolio saved \$10.4 million. Since the electric portfolio's inception (June 2006) through June 30, 2019, the portfolio has generated savings of \$163.8 million when compared to BGE's non-hourly priced SOS rates. The current electric portfolio consists of 1.59 million annual Mega-Watt hours for approximately 3,700 accounts.

The FY19 natural gas portfolio rates came in at .2% 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.

Enel X, BRCPC's energy consultant continues to provide the Energy Board and its members with updates on the evolving renewable energy market. This includes available product offerings and their attributes, regulatory developments and renewable energy initiatives of BRCPC peer groups (large mid-Atlantic Government and Institution groups). The BMC executive director, the Energy Board and Enel X developed a road map for pursuing significant renewable energy purchases. The road map includes obtaining initial BMC board member buy-in and support and development of a formal renewable energy strategy through the input and participation of the member stakeholder groups. This initiative will be actively pursued during 2020.

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
- Meet the Primes – Reverse Trade Show – October
- IT Forum - December

This year's March Training was well received because of relevant topics but also because it included presentations by our very own purchasing agents: as follows:

- **Andrew Hime**, AACO spoke on solicitation development strategies;
- **Melanie Webster**, BCPC spoke on contract administration;
- **Dean Hof**, HC & **Erin Sher**, BCity addressed Pre-bid/Proposal Conferences and Evaluations
- **Bobbie Wilkerson**, HCPS presented on contract management; and
- **Debbie Groat**, BRCPC addressed debriefings and vender reviews.

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.

IT FORUM

The Forum was held on December 2 and was attended by more than 30 registrants. Michael Kelly, Executive Director of the Baltimore Metropolitan Council offered welcoming remarks and set the stage for an information packed day. The goal of the forum was to provide important information to raise the knowledge bar on innovative trends in technology and the contracting strategies needed to address a cyber-secure working environment.

The lineup of presenters included:



- **Ben Kempenich, Lead Analyst for Procurement IQ** kicked off the day with their research into trending global innovations
- **Tom Grimes**, discussed the Ivalua solution implemented by the State of Maryland called EMaryland Marketplace Advantage
- **Scott Martin, Client Executive for RCM&D** discussed the importance and availability of cyber insurance and some of the impacts being felt by businesses who are hit by cyber predators
- **Matthew Lane and Chris Kniffin of JANUS Software** shared their work in network penetration testing including some interesting methods to combat the network enemies
- **Brian Burkhart and Don Vecchioni of IP Data** explained the modernization of Harford County's Data Center and the importance of establishing a strong, redundant system
- **Herbert Schreib, Principal Security Consultant at Sungard** walked us through the ever dangerous world of the dark web, its networks, and the importance to constant vigilance over your networks and employee training
- The day was wrapped up with **John Kolm, CEO of Team Results USA, and Marlee Franzen, Manager of Water Operations at DC Water** who shared proven strategies for building a strong team that will support change and innovation



Based upon the experiences and best practices of the presenters, attendees walked away with a better understanding for how they can reduce risk to their organizations, enhance training to meet the changing demands of cyber-crimes and a stronger understanding of the jargon and capabilities in the market.

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,
- Member of the State of Maryland's Green Procurement Committee,
- Member of the Association of School Business Officials' Professional Development Committee,
- Participate in 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/>. 2019 topics included:

Cooperative Procurement Resolutions

Cooperative Purchasing as a Solution to Innovation

Principles for the Lead of a Cooperative Procurement

Cooperative Purchasing Challenges

History of Cooperative Purchasing

Tariffs, Trade Disruptions and Cooperative Purchasing

Presenter at the 1st annual HGAC Buy Conference held in Houston Texas in October 2-3, 2019 on the topic of cooperative purchasing as a strategy.

Presenter at the Association of School Business Officials Fall Conference with a panel discussing the benefits of cooperative purchasing for roofing projects.



HGAC

BRCPC 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 2019, 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.

This year, several of their contracts were added to the website's contract page to encourage purchases using HGAC Buy cooperative contracts, in other product areas. Using cooperative purchasing as a strategy is important. HGACBuy provides access to a variety of emergency preparedness contracts and innovative ones, such as the autonomous lawn mower that are uniquely designed to cut along slopes that can be dangerous for riders.

2019 marked the first year for an HGAC Buy Conference. The Cooperative Purchasing Director presented at the conference on the topic of Cooperative Purchasing as a Strategy.

TOOLS

The Baltimore Metropolitan Council maintains the following subscriptions and database:

IBIS World – 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.ibisworld.com/about/>

Smart Procure – 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://www.smartprocure.us/>

BRCPC Regional Contract Database --2019 marked the first year for the database. It contains the contracts from four county members. Interest in the database is strong and plans for 2020 are to include the contract databases from several K12 schools and community colleges. In addition, we would like to get more participation from other member counties/cities.



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

GRANT ACTIVITY

- 1.1 **Maryland Food Center Authority, Farm to School Planning Grant** initiative seeks to engage Maryland school system on farm to school efforts, determine supply chain challenges and develop solutions, and improve programming to encourage changes in consumption and year round use of locally produced fresh foods. Chair: Jimmy Shue, jshue@acds-llc.com
- 1.2 **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
- 1.3 **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 tenth annual Meet the Primes networking event, which connects small and minority-owned businesses with prime contract bidders. On **Wednesday, October 16**, the event took place from **8 a.m. until noon** at the Maryland State Fairgrounds in the Exhibition Hall, located at 2200 York Road in Timonium. Vendor training occurs on an appointment basis and serves to get suppliers acquainted with selling in both our member region and affiliate regions. Industry data was exchanged, as well as, contractual opportunities through BRCPC.

PURCHASING AGENT CONTACT INFORMATION *FOR OUR PARTICIPATING MEMBERS*

Anne Arundel County

Andrew Hime, CPSM

MaryJo Childs, Esq., CPPO, CPCM Anne Arundel County Public Schools

Melanie Scherer, CPPO, CPCM Anne Arundel Community College

City of Annapolis

Brian Snyder, CPPO

City of Baltimore

Erin Sher, Esq.

Joe Vogel Baltimore City Public Schools

Sherita Studwood Baltimore City Community College

Baltimore County

Rosetta Butler, CPPB

Melanie Webster, CPPB Baltimore County Public Schools

Mallela Ralliford Community College of Baltimore County

Carroll County

Mike Myers, CPPO, CPPB

Harford County

Karen Myers, CPPB

Bobbie Tolston CPPO, CPPB

Harford County Public Schools

Sandi Clifford

Harford Community College

Howard County

Dean Hof

Douglas Pindell, CPPO

Howard County Public Schools System

Domonico Cusimano, Esq.

Howard Community College

Queen Anne's County

Shannon Short

Jacey Earls

Queen Anne's County Public Schools

State of Maryland

Robert Gleason

Department of General Services

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