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Standard Operating Procedure: Cooperative Purchasing

1. Purpose

This Standard Operating Procedure for Cooperative Purchasing is designed to describe the process that will be used to conduct a Baltimore Regional Cooperative Purchasing Committee (BRCPC) or Mid Atlantic Purchasing Team (MAPT) cooperative procurement.

Standard operating procedures for cooperative purchasing are necessary to ensure the integrity of the process and a strong, inclusive solicitation, evaluation, and award process is used that will ensure that the needs of the participating entities are met to the highest degree of satisfaction that is reasonable.

2. Scope

This SOP for Cooperative Purchasing is intended for use when any public entity is selected to be the lead agency for a BRCPC or MAPT cooperative procurement.

3. Prerequisites

Selection of a lead buyer shall be made on the basis of experience and qualifications with the given commodity or service to be bid. Further, each BRCPC member is expected to assume an equal share in the lead buyer responsibilities so that no one entity shares an unreasonable share of the workload.

Consider the Cooperative Adoption Approval Checklist to ensure all pertinent information is forwarded to the Coordinator of Cooperative Purchasing for BRCPC website posting.

4. Responsibilities


4.1 The Baltimore Metropolitan Council (BMC) provides staff for research and to coordinate services for the BRCPC. This may include communications, benchmarking, industry data, surveys, meeting with suppliers, coordinating training, and other value added services. Further, BMC assistance includes publicity for the program, and website space for BRCPC activities.

4.2 BRCPC identified cooperative procurements are derived in several ways.

- they can be evaluated and selected *for bidding* by committee recommendation;
- they can be recommended *for tracking* by membership or the Coordinator of Cooperative Purchasing, i.e. State of Maryland Traffic Paint; or
- they can be recommended *for regional negotiation* by membership or the Coordinator of Cooperative Purchasing, i.e. MEEC Audio Visual Equipment.

4.3 Under the *"for bidding"* model, entities have the following responsibilities:

- Participation in any cooperative purchase is always voluntary.

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- b. Once an entity determines that it will participate in a solicitation for a cooperative purchase:
 - i. It shall participate actively and timely in developing the scope of work and any market basket or bidding strategy developed by the lead buyer;
 - ii. It has committed itself to execute a contract with the awarded supplier when a requirement is authorized. No participating entity should withdraw from the process after the solicitation has been issued by the lead entity. Any entity which is a participant in a cooperative purchase shall not execute separate contracts with such suppliers other than under the terms of the cooperative IFB or RFP.
- c. A non-participating entity may choose to use a cooperative purchasing contract only as a mutual agreement between the entity and the supplier. The lead buyer shall be promptly notified in writing when this occurs; the writing is to be made a part of the cooperative purchase file.
- d. When a lead entity determines that a *cooperative bid* is not feasible for a contract, they should include the "MAPT Cooperative Rider Clause" in their solicitation to enable future flexibility for the other jurisdictions. The clause is available on the BRCPC section of the BMC website.


4.4 Under the *"for tracking"* and *"for regional negotiation"* models, entities have the responsibility to review the subject contract or regional offer against their current contract and determine the best option going forward. The goal is always to aggregate for best pricing and reduction of administrative expenses.

5. Procedure

5.1 For Bidding

Before the Contract Award

- a. The lead entity, assisted by the Coordinator, will review, develop or refine specifications, prepare bid documents, develop a bidders list, and consult with all participating entities.
- b. The bid document shall contain a combination of the standard clauses approved by the lead entity, clauses required by participating entities, and approved by BRCPC member participants. The approved MAPT Cooperative Rider Clause is available on the BRCPC section of the BMC website. The lead entity shall review the draft IFB or RFP to assure maximum participation by other entities, and suppliers.
- c. The lead entity shall forward to all participating entities the final draft of the IFB or RFP for approval. The lead entity will establish a response date for comments, generally two weeks prior to public release of the specification.
- d. If any requests for changes are received and are not acceptable by the lead entity, and the difference cannot be resolved with the participating entities requesting the change, the lead entity shall present the request to the next scheduled or special meeting of BRCPC for resolution.

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- e. The lead entity, upon receipt of the approved IFB or RFP, and after informing participants of the date and time of bid opening, will advertise the IFB or RFP as legally required and to ensure maximum participation by interested suppliers.
- f. Participating entities will be responsible for any unique advertising requirements.
- g. The lead entity will forward a copy of the IFB or RFP package to all prospective bidders from the compiled bidders list and to each of the participating entities and Coordinator, including any addendum or other solicitation documents resulting from the solicitation and review process.
- h. The lead entity will respond to all inquiries pertaining to the IFB or RFP.
- i. The lead entity will receive, open and tabulate all responses to the IFB or RFP. Representatives of the participating entities are invited to attend the bid opening.
- j. The lead entity has the authority over bidding and contract award, including waiving minor irregularities in accordance with its laws, ordinances and/or regulations.
- k. The lead entity, assisted by the Coordinator if necessary, will review solicitation results, and the lead entity shall advise all participating entities to issue their respective award to the bidder approved for award.
- l. The lead entity shall be responsible for all protests in response to the solicitation in accordance with its laws, ordinances and/or regulations.
- m. The lead entity shall provide an award determination, should there be any irregularities with the award, to the participating entities and Coordinator.

After the Contract Award:

- a. Each participating entity must issue its own contract award to the successful bidder or offerer approved for award by the lead entity and in accordance with its laws, ordinances and/or regulations.
- b. The lead entity shall submit to the Coordinator within a reasonable period after bid opening, copies of the tab sheets, evaluations, pertinent correspondence, award recommendations and the purchase order.
- c. The lead entity shall assist participating entities, if requested, in resolving complaints with the supplier and systemic modifications to the contract that are of mutual benefit to all participating entities.
- d. The records maintained by the Coordinator will be kept for a five year period.

Contract Disputes:

- a. Disputes over execution of the contract will be the responsibility of each participating entity.
- b. It is the BRCPC's policy to seek resolution to problems without recourse to litigation. Where possible, resolutions should be obtained by the use of informal discussions between the parties. If not resolved with the participating entity, the supplier may make a request in writing to the chairperson for a hearing at a scheduled meeting of BRCPC to present its case. BRCPC may hear the dispute and recommend a decision but has no power to enforce the decision if it is in disagreement with the participating entity. Not

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withstanding the above, a supplier should take all steps necessary to comply with the participating entities' rules, regulations and laws regarding disputes to protect the supplier's legal remedies.

- c. Dispute costs dealing with complaints, including litigation, are to be born by the supplier and/or the entity that issued the purchase order as the case may be.

Cost Savings:

Cost savings are a primary goal of the BRCPC and it is beneficial to track them for reporting purposes. The Cost Reduction Calculation Worksheet, is standardized to facilitate reporting by all entities who participate in a cooperative contract. The lead buyer completes the form at the time of contract award and forwards it to the Coordinator. The worksheet is on the BRCPC section of the BMC website.

Socio-Economic Programs:

Many of the participating entities in BRCPC have adopted Minority Business Enterprise, Small Business Enterprise Programs and similar programs collectively called Socio-Economic Programs. These programs affirm participation in individual procurements or have established socio-economic goals. It is incumbent upon all participating entities to be aware of the lead entity's socio-economic program, if any, and to include their own program, if any, by advising the lead entity all details to be included in the solicitation.

Authority:


The authority to engage in cooperative purchase programs is found in each entity's law, code, ordinance or policy.

5.2 For Tracking

Cooperative contracts are identified for tracking by membership or the Coordinator based on the fact that *two or more* BRCPC members are piggybacking the subject contract. Piggybacking is occurring because the subject contract delivers best pricing and meets the specification and term requirements of the BRCPC member. BRCPC bidding is not expected to produce better results. However, it is preferred that this contract is tracked on the BRCPC website for easy access by members.

Our goal here is to highlight the subject contract as a best practice, discontinue bidding for the subject commodity or service under a BRCPC procurement, and instead aggregate our purchasing volume under the subject contract, i.e. State of Maryland Traffic Paint.

The Coordinator will post the contract documents to the website and follow up with the bidding entity for renewals or replacement contracts.

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5.3 For Regional Negotiation

Cooperative contracts are identified for regional negotiation by membership or the Coordinator based on the fact that *two or more* BRCPC members are piggybacking the subject contract. Piggybacking is occurring because the subject contract delivers best pricing and meets the specification and term requirements of the BRCPC member. BRCPC bidding may not produce better results or we may lack the expertise for a given item, such as emerging technology. In the case of a contract being identified for regional negotiation, there is also evidence that the contract pricing represents a “ceiling” price rather than a “floor” price. If we can establish regional negotiated pricing, the contract documents will be posted to the website along with the regional negotiated prices and terms. Prices can go lower but cannot, of course, go higher than the bid amount.

Our goal here is to highlight the subject contract as a best practice, discontinue bidding for the subject commodity or service under a BRCPC procurement, negotiate “floor” pricing based on the aggregate value of the region, and advertise this agreement on the BRCPC website, i.e. MEEC AV Equipment.

The Coordinator will post the contract documents to the website and follow up with the bidding entity for renewals or replacement contracts.

6. References

Baltimore Regional Cooperative Purchasing Committee – [Users Guide for Cooperative Purchasing in the Baltimore Region](#);

[Buyer’s Guide for Processing Regional Cooperative Bids](#);


[Mid-Atlantic Purchasing Team – Cooperative Rider Clause](#); and

[Committee Cost Reduction Calculation Worksheet](#)

[Baltimore Metropolitan Council Annual Report 2018](#)

7. Definitions

Baltimore Metropolitan Council – “works collaboratively with the chief elected officials in the region to create initiatives to improve the quality of life and economic vitality in greater Baltimore. BMC, as the Baltimore region’s council of governments, hosts the Baltimore Regional Transportation Board, the federal metropolitan planning organization, and supports local government by coordinating efforts in a range of policy areas including transportation planning, emergency preparedness , planning and workforce development.” (*BMC Annual Report 2018*)

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Baltimore Regional Cooperative Purchasing Committee – “helps members leverage their collective buying power to achieve the most value for taxpayer dollars. By managing procurement opportunities and sharing information and best practices, BRCPC also alleviates the administrative burden of the purchasing process.” (*BMC Annual Report 2018*)

Ceiling Price – the highest price that a vendor is providing the product or service considering a given range of pricing. Additional discounts may be given for volume purchases.

Cooperative Purchasing – “Two or more organizations combine their requirements and solicit bids or offers for goods or services.” (*NASPO*)

Floor Price – the lowest price that a vendor can provide the product or service.

Piggyback Cooperative Purchasing – “One or more organizations represent their requirements and include an option for other organizations to “ride” or “bridge” the contract as awarded.” (*NASPO*)