

DWSD – Procurement

Cooperative Contracts

- Cooperative Contracts - defined
- DWSD Procurement Policy - Cooperative contracts
- Benefits of using Cooperative Contracts
- Current DWSD process
 - High level workflow - ensuring DBBs & DRBs compete
 - Procurement compliance - more detail
- Examples of DWSD contracts
- State of Michigan led Cooperative Contracts - MI-Deal Contracts
- Questions?

Cooperative Contracts

A **Cooperative contract** is a collaborative and joint solicitation process of combining requirements for two or more public procurement entities to get the benefits of volume purchasing, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses.

Characteristically,:

- ▶ *Have a broad scope of work that would cover the needs of numerous member entities*
- ▶ *Are procured through the standardized competitive solicitation methodology used in public procurement*
- ▶ *The solicitation is published and processed through a Lead agency on behalf of participants*
- ▶ *Includes language allowing participating member agencies to use the same terms & conditions without having to repeat any part of the competitive solicitation process*

DWSD Procurement Policy

- Cooperative Contracts:

Per Section 5D of the DWSD Procurement Policy:

- ▶ The Director may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of supplies, services, or construction services with one or more public procurement units in accordance with an agreement entered into between the participants.
- ▶ Such cooperative purchasing may include but is not limited to, joint or multi-party contract between public procurement units. Examples of such cooperative purchasing include State of Michigan contracts, General Services Administration (GSA) contracts, and supplies or services procured from another governmental agency, public body or public purchasing consortium.
 - ▶ *(iv) Cooperative Purchase Agreements. In the event that the Director determines that it is advantageous to take advantage of a Cooperative Purchase Agreement for the procurement of goods or services from a vendor that is neither a Detroit Based Business nor a Detroit Resident Business, the Director shall provide an opportunity for Detroit Based Businesses or Detroit Resident Businesses to submit a bid that is equal to or less than the cost of the Cooperative Purchase price.*

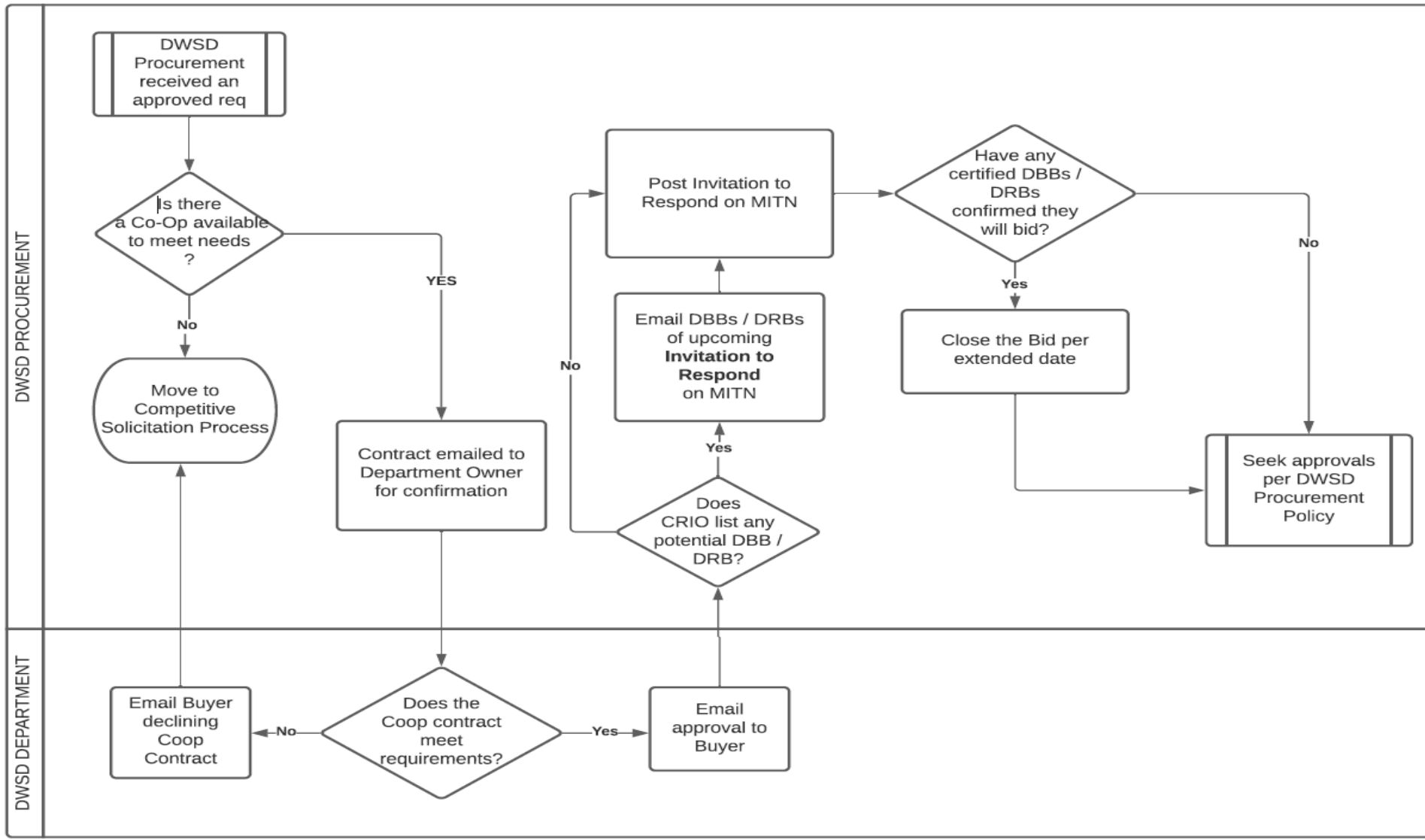
Benefits of Cooperative Contracts for DWSD

Cooperative purchase arrangements allow participating governmental entities, including DWSD, to obtain lower costs for purchases of competitively solicited goods and services by combining purchasing volumes and increasing purchasing power.

Cooperative contracting

- ▶ Is an established, accepted & widely used method in public procurement
- ▶ Is considered a global best practice among public entities
- ▶ Ensures compliance to our Procurement policy for a fair and equitable solicitation process
- ▶ Is advantageous due to lower pricing gained through economies of scale compared to a single agency's solicitation
- ▶ Reduces time to select a vendor which then, improves turnaround time to acquire goods / services
- ▶ Optimizes use of resources to improve productivity

High level workflow - ensuring DBBs & DRBs can compete



Procurement compliance - detail

1. DWSD Buyer identifies a Coop-Contract, verifies it has been competitively solicited and emails a copy to the requesting Business Unit / subject Matter Expert (SME)
2. The Business Unit receives a copy of the contract and must confirm that it meets their needs before we can proceed.
3. DWSD Buyer then searches the CRIO website for possible DBB & DRB certified vendors.
4. The Procurement Specialist then creates an ITR (Intent to Respond) document that include the link and the cooperative agreement, pricing page, and other required language. This is then either sent directly to Certified DBB/DRB's that provide the goods/services needed or it is posted on the MITN website, so it is accessible by the public, with the due date that quotes are required by.
5. Once the due date has passed, the certification status of each respondent is verified and the response is compared to the Co-op's pricing and terms & conditions to ensure that the quote is meets or exceeds the cooperative contract.
6. Should a quote be lower than what was provided by the coop, that DBB / DRB vendor will be recommended for the contract award as long as they have approved clearances and agree, in writing, to meet all terms & conditions listed in the cooperative agreement.
7. If quotes received are above the price provided by the cooperative contractor, then the award stays with the cooperative contractor.

Examples of DWSD Cooperative contracts

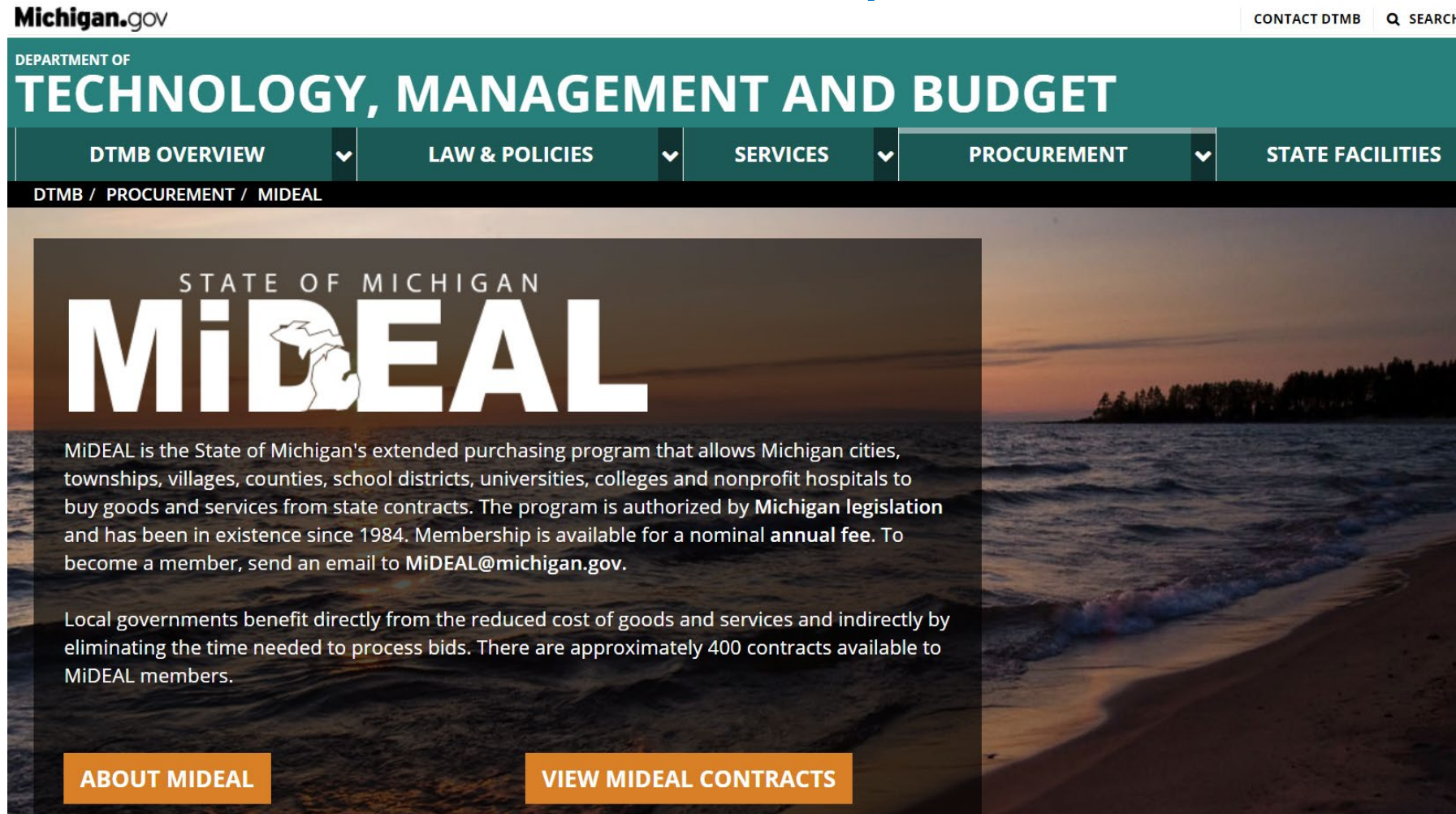
This list includes current & upcoming contracts:

- ▶ Annual road salt contract - Detroit Salt Co. LLC.,
- ▶ Fleet parts & services contracts - O'Reilly's, Autozone, etc.
- ▶ Equipment rental contracts - John Deere, AIS, etc.
- ▶ Computer hardware contracts - CDW (Govt.) Inc.
- ▶ Computer License Contract - Oracle, Mythics, etc.
- ▶ Office Supplies Contract - Staples Inc.
- ▶ Uniforms and related cleaning service contracts - Cintas Inc.
- ▶ Maintenance, Repairs & Operations (MRO) parts contracts - Grainger, MSC Ind. Supply
- ▶ Vehicle purchases - Jorgenson Ford, etc.
- ▶ As needed emergency services - eg: basement flooding, etc.

Examples of Cooperative Alliances

- 1Government Procurement Alliance (1GPA)
- Association of Educational Purchasing Agencies (AEPA)
- Baltimore Regional Cooperative Purchasing Committee (BRPC)
- Buyboard
- Capitol Region Purchasing Council (CRPC)
- Choice Partners National Purchasing Cooperative
- Educational & Institutional Cooperative Purchasing (E & I)
- GoodBuy Purchasing Cooperative
- H-GAC Cooperative Purchasing Program
- H-GAC Energy Purchasing Corporation
- Kansas City Regional Purchasing Cooperative (KCRPC)
- Kinetic GPO
- MiDeal - State of Michigan
- Midwestern Higher Education Compact
- NASPO Value Point
- National Cooperative Purchasing Alliance (NCPA)
- North Texas SHARE
- NPPGov
- OMNIA Partners (formerly National IPA and U.S. Communities)
- Public Sourcing Solutions
- Purchasing Cooperative of America
- Sourcewell
- Southeast Florida Governmental Purchasing Cooperative
- Texas Department of Information Resources
- TIPS Purchasing Cooperative
- Unified Purchasing Cooperative of the Ohio River Valley
- Washington School Information Processing Cooperative (WSIPC)

MI-Deal - The State of Michigan's Cooperative Contracts



Michigan.gov CONTACT DTMB Q SEARCH

DEPARTMENT OF
TECHNOLOGY, MANAGEMENT AND BUDGET

DTMB OVERVIEW ▼ LAW & POLICIES ▼ SERVICES ▼ **PROCUREMENT** ▼ STATE FACILITIES

DTMB / PROCUREMENT / MIDEAL

STATE OF MICHIGAN **MiDEAL**

MiDEAL is the State of Michigan's extended purchasing program that allows Michigan cities, townships, villages, counties, school districts, universities, colleges and nonprofit hospitals to buy goods and services from state contracts. The program is authorized by **Michigan legislation** and has been in existence since 1984. Membership is available for a nominal **annual fee**. To become a member, send an email to MiDEAL@michigan.gov.

Local governments benefit directly from the reduced cost of goods and services and indirectly by eliminating the time needed to process bids. There are approximately 400 contracts available to MiDEAL members.

[ABOUT MIDEAL](#) [VIEW MIDEAL CONTRACTS](#)

MI-Deal – The State of Michigan's Cooperative Contracts

The MiDEAL Advantage

The MiDEAL Extended Purchasing Program provides opportunities for members to leverage the contracts established by the State of Michigan. The program is open to Michigan cities, townships, villages, counties, school districts, universities, community colleges and nonprofit hospitals.

Benefits to members:

- **Best Value Purchasing Process**

The State evaluates a vendor's experience, qualifications, service and delivery – ensuring a fair price and high-quality contract.

- **Time and Money Savings**

Members save on the duplication of administrative costs and the time needed to find the right contractor.

- **Extensive Portfolio**

Members have access to approximately 400 competitively bid State contracts.

- **Support for Michigan Businesses**

Michigan businesses hold the majority of the State's contracts.

- **All Departments Benefit**

Staff in all departments of an organization may participate in the program once the membership is activated.

- **Direct Vendor Contact**

Members work directly with the vendor to secure the goods and services.

Any questions?
Any concerns?