



Cooperative Contracts:

Utilization Strategy

Presented by
City of El Paso – Financial Services
Purchasing Division



Objective

Outline the City of El Paso's strategy and consideration for using cooperative contracts.



By the end of the presentation you will be able to do the following:

- Define a cooperative contract and purchase alliance;
- Identify the key considerations for using cooperative contracts;
- Identify the benefits and savings throughout the supply chain associated with using cooperative contracts;
- Identify key cooperative contracts being used by the City of El Paso; and
- Identify the applicable award thresholds for cooperative contracts



Defining Cooperative Contracts

A cooperative contract is a contract that can be shared with other governmental and non-profit organizations through “piggy back clauses”, inter-local agreement and/or other enabling legislation.

Typical cooperative contracts are facilitate by a lead entity (Department of Information Resources “DIR”) or purchasing consortium “purchasing alliance” to (i) leverage aggregate purchasing power of state and/or public agencies nationwide, (ii) grant access to a broad line of competitively solicited contracts with best in class suppliers and (iii) reduce administrative cost of routine purchases.

Example: U.S. Communities founded by U.S. Council of Mayors, The National League of Cities, National Association of Counties, The Association of School Business Officials and The National Institute of Governmental Purchasing .



Key Consideration:

- Co-operative contracts have been competitively bid;
- A determination of price reasonableness has been performed;
- Procurements comply with an auditable procurement practice;
- Diverse brands, services and solutions available for participation; and
- Local, regional and national companies on cooperative contracts



KEY BENEFITS AND SAVINGS

Key Benefits

- Ability to leverage volume power of public agencies and non-profits to obtain best overall supplier pricing;
- Third party audits of purchasing processes; and
- Reduces the acquisition cycle by roughly 30-45 days

Savings (cost avoidance) Across the Supply Chain

- Leverage volume purchasing power of routine goods, services and solutions (cost saving).
- Staff time associated with in-depth development of specifications and/or scope of work (cost avoidance);
- Staff time associated with facilitating voluminous number of items that have already been sourced (cost avoidance); and
- Legal time associated with development of contracts. Contracts are developed by lead entity or alliance (cost avoidance)



Key Co-operative Contracts

Pre-approved up to \$ 100,000 dollars

- Texas Multiple Award Schedule (TXMAS)
- U.S. Communities Cooperative Purchasing Alliance
- Texas Procurement and Support Services (TPASS)
- Texas Department of Information Resources (DIR)
- Department of Transportation (TXDOT)
- State Emergency Management Contingency Contracts
- General Services Administration (GSA)



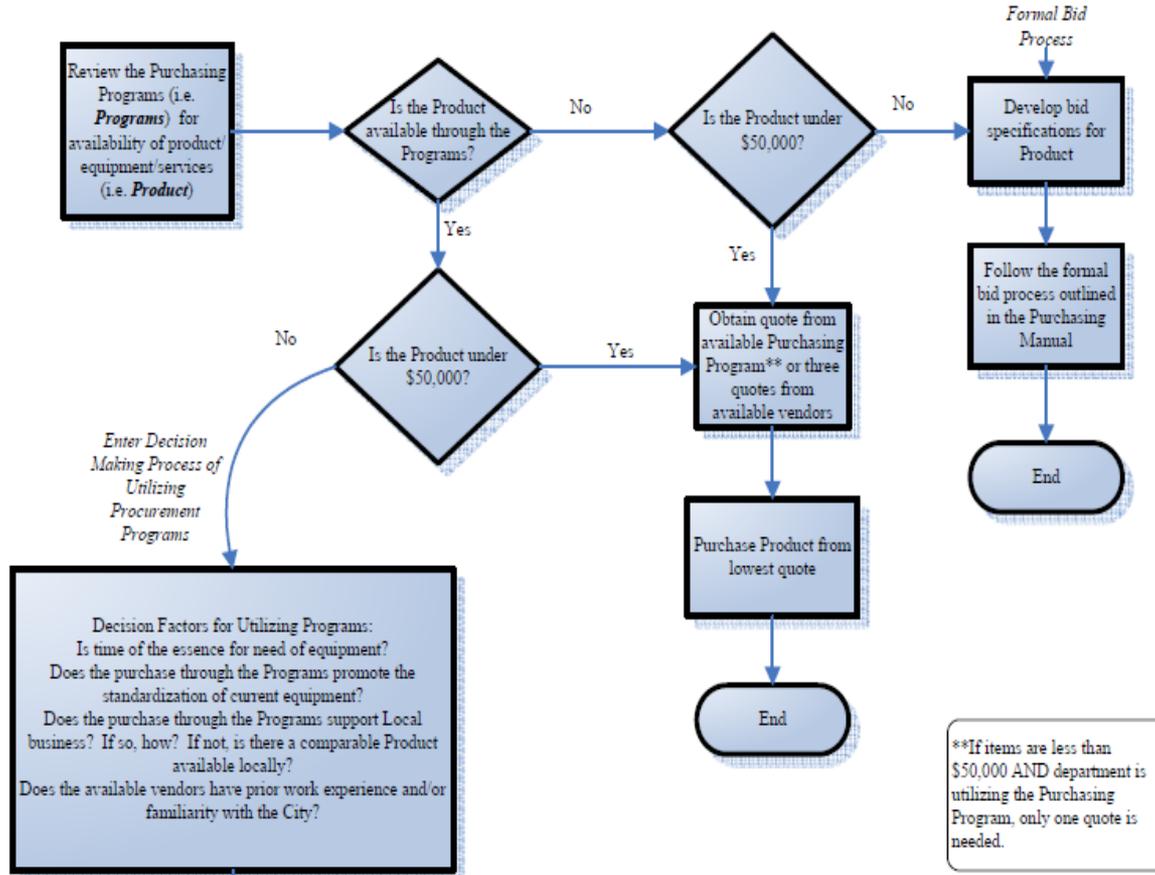
Key Cooperative Contracts

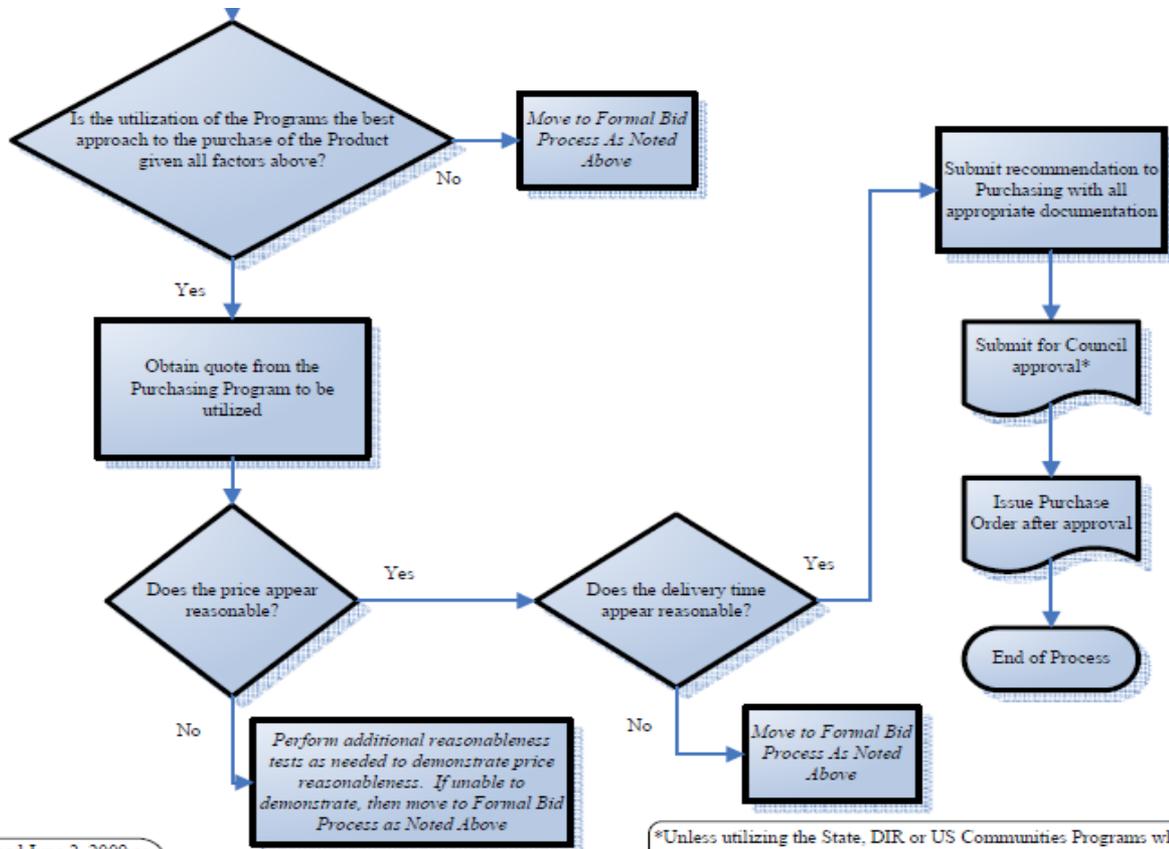
Pre-approved up to \$ 50,000 dollars

- Region 19 Cooperative Purchasing Program
 - Texas Association of School Boards (Buy Board)
 - The Texas Cooperative Purchasing Network (TCPN)
 - Houston-Galveston Area Council (HGAC)
 - Harris County Department of Education Cooperative Purchasing Program
 - Tarrant County Cooperative Purchasing Program
- List does not include Inter-local agreements



City of El Paso
 Financial Services Department – Purchasing Division
 Department Procurement Process Utilizing the Purchasing Programs





Revised June 2, 2009 as per City Manager

*Unless utilizing the State, DIR or US Communities Programs whereby Purchasing can issue POs up to \$100,000 without Council Approval.



QUESTIONS