



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Sue Fahey, Chief Financial Officer; Sarah Gorsegner, Purchasing & Warehouse Supervisor
DATE: October 27, 2017
SUBJECT: Authorization to Use Cooperative Contracts
OBJECTIVE: Provide Information Regarding Cooperative Contracts Consent Items

Issue

The Board recently revised the EWEB Public Contracting Rules and Board Policy for Purchasing Controls. The revised policy requires that the Board provide authorization to use a cooperative procurement contract when purchases exceed \$150,000.

Background

The National Institute of Governmental Purchasing (NIGP) lists 25 cooperative purchasing programs. EWEB has access to over 1,000 contracts through these cooperative programs. EWEB is also a member of the Oregon Cooperative Procurement Program (ORCPP) through the State of Oregon with, among other services, access to over 340 statewide contracts.

Staff have historically used cooperative contracts established by:

- Oregon Cooperative Procurement Program (ORCPP)
- US Communities
- General Services Administration (GSA)
- National Association of State Procurement Officials (NASPO) Value Point, formerly WSCA
- National Joint Purchasing Association (NJPA),
- Houston-Galveston Area Council (H-GAC) Buy, and the
- National Cooperative Purchasing Alliance (NCPA).

Discussion

There are two primary types of cooperative contracts, Joint Cooperative and Permissive Cooperative contracts. EWEB and ORS rules allow EWEB to participate in, sponsor, conduct or administer either type of cooperative contract.

Joint Cooperative contracts are established by two or more agencies coming together to aggregate their individual product and service needs into a single solicitation effort and each participating agency is a benefactor to the resulting contract. Suppliers have a clear understanding of the volume and service level requirements necessary to support the committed agencies. The access to Joint Cooperative

Contracts gives us access to hundreds of suppliers and a wide range of products from furniture, elevator services, maintenance and hardware products, equipment, technology solutions, and office supplies.

Permissive Cooperative Contracts (piggyback contracts) allow for the use of a contract by another agency that was not, itself, a party to the original solicitation and contract award. Agencies choosing to piggyback on another agency contract are allowed to participate and use the existing terms, conditions, and pricing under the contract when the supplier is willing to extend the terms of the agreement to another agency.

In order to use a cooperative contract, the cooperative nature of the contract must be included in the solicitation documents and the negotiated contract(s). Notification to interested parties also must be in alignment with Oregon and EWEB advertisement requirements. In circumstances where the value of the purchase of goods or services exceed \$250,000 on a permissive contract or where the original contract for a Joint Cooperative contract did not comply with the requirements to advertise in Oregon, EWEB is required to provide a public notice of intent to enter into a purchase under the terms of the cooperative contract.

Advantages for using cooperative contracts include discounts for volume purchases, rebates based on total cooperative partners' purchases, savings of vendor's time and effort to respond to competitive processes, and EWEB's time savings to develop the solicitation documents, post, evaluate, and negotiate the contract. In circumstances where a product or service provider has been identified to best meet EWEB needs, and a cooperative contract is available, EWEB can move forward with the purchase.

Purchasing staff are responsible for verifying pricing under the existing contract and performing due diligence to confirm that the pricing is in EWEB's best interest, verify compliance with advertisement notice requirements, and develop amendments to existing contracts for project or site specific purchases.

Recommendation/Requested Board Action

Provided as information only.