



# OVERCOME RESOURCE CHALLENGES WITH COOPERATIVE PURCHASING

Cooperative purchasing may be an answer  
to equipment procurement challenges.



# COOPERATING FOR BETTER PROCUREMENT

If you procure heavy equipment for states, counties or other municipalities, you face a host of challenges every day. Vital work that can't be postponed. Competing priorities that stretch your fleet to the limit. Rigid procurement policies. Aggressive deadlines. Budget cuts. Staff shortages. A demanding public.

How do you succeed? Cooperative purchasing may be an effective strategy.

## WHAT IT IS

The National Institute for Public Procurement (NIGP) defines cooperative procurement as “the combining of requirements of two or more public procurement entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses.”<sup>1</sup>

The Government Contracts Reference Book uses fewer words, describing cooperative purchasing as “two or more governments purchasing under the same contract.”<sup>2</sup>

There are many other definitions out there, as well as several types of cooperative purchasing models. But in the final analysis, all have one thing in common: multiple agencies buying as one, acquiring the power and efficiency no single group has on its own.

## HOW IT WORKS

Generally speaking, cooperative contracts are developed like this:<sup>3</sup>

- One or more parties identify a common need suitable for cooperative purchasing and sign an agreement to work together
- The lead party researches options, solicits and reviews proposals, then negotiates and awards the contract
- Other parties seeking to use the contract sign an agreement that allows them to participate
- The lead party administers the contract over a specified time period

It's a straightforward process that can deliver valuable benefits.

## HOW YOU BENEFIT

Cooperative purchasing saves time, cuts administrative costs, improves agency efficiency and helps taxpayer dollars go farther, but there are other important reasons to use this strategy, especially if you're buying heavy equipment.

- **Get higher quality products at a competitive price.** Instead of limiting your choice to the low-price option, cooperative contracts often bring high-value suppliers to the table, so you have access to competitively priced products that work harder, last longer and deliver the lowest total cost over the life of the investment.
- **Put new equipment to work faster.** Cooperative purchasing lets you eliminate time spent researching options, preparing an RFP, receiving and reviewing proposals, negotiating with prospective vendors and making a final award. As a result, the new equipment you need can be on the job faster. Some agencies report a reduction in order time of more than 80%.<sup>4</sup>
- **Respond to community needs—quickly, efficiently and professionally.** When the blizzard strikes, the water main breaks or potholes threaten public safety, taxpayers expect the government to solve the problem. Immediately. You need a reliable fleet at the ready line, a level of dependability you don't always get when you buy from a low-price vendor. Using a cooperative contract may allow you to procure the best quality equipment at the lowest total cost, putting you in a stronger position to serve the community that expects so much from you.
- **Tackle other priorities.** Resource constraints are a fact of life in most governmental agencies. There simply aren't enough people in the office or hours in the day. When you use cooperative purchasing, you don't waste staff time on work that's already been done by others, so you and your team are freed up to handle the other urgent priorities.
- **Leverage a variety of purchasing strategies.** Cooperative purchasing isn't designed to replace other forms of procurement. It's just one more tool at your disposal. It gives you another option to obtain the best value: solicit a bid, use a state or local contract or fill the gaps with a national agreement.

## TAKE THE NEXT STEP

Cooperation is the key to overcoming most challenges. If you're ready to join forces with others to improve your procurement outcomes, find more resources here: [nigp.org](http://nigp.org), [nationalipa.org](http://nationalipa.org), [njpacoop.org](http://njpacoop.org), [cat.com/governmental](http://cat.com/governmental).

Helping you overcome the challenges you face. We're built for that challenge.

## BUILT FOR IT.



## CHOOSE WISELY

While there are many good reasons to use cooperative purchasing, not all contracts are created equal. Before buying anything with a cooperative agreement, do your due diligence and choose a contract that:

- Meets state and local procurement codes
- Delivers best-value products and services
- Allows you to participate at little or no cost
- Provides dependable support from a local distributor
- Was competitively solicited, awarded and administered
- Operates transparently with easy public access to all relevant solicitation and award documents

### FOOTNOTES:

<sup>1</sup> National Institute of Governmental Purchasing, Public Procurement Practice, Use of Cooperative Contracts for Public Procurement

<sup>2</sup> Ralph C. Nash Jr., Steven L. Schooner, Karen R. O'Brien. Published 1998 by George Washington University

<sup>3</sup> [http://www.naspo.org/documents/Cooperative\\_Purchasing0410update.pdf](http://www.naspo.org/documents/Cooperative_Purchasing0410update.pdf)

<sup>4</sup> The Fast Track (Summer 2013), *Governmental Solutions*, 6-7

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