

Purchasing Co-Operatives

**What is a cooperative,
and why should I use it?**

William Burnett
South, Regional Manager
Omnia Partners Public Sector



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COOPERATIVE PURCHASING OVERVIEW

Do you Face Common Challenges

Which of these are familiar? Any that are not listed?

Operational

- Meeting cost reduction and savings targets
- Proving procurement's value across the organization
- Constantly managing supplier issues

Talent

- Finding, developing & keeping talent
- Headcount restrictions preventing success
- Functioning with not enough time or resources

Data & Technology

- Working with inaccurate or old data
- Digital transformation & system integration issues
- Meeting innovation requirements

Participant Objectives

- What key initiatives are you planning to execute or goals you are expected to meet over the next 12-18 months?
- What challenges do you face related to talent or capacity required to meet your commitment to the organization?
- What functions or spend categories remain out of scope for Procurement influence?
- Are there any initiatives to drive better spend visibility or procurement process automation?



Cooperative Procurement

NIGP defines this as “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.

This is different from piggybacking in which “an entity is extended the same pricing and terms of a contract entered into by another entity.” The economies of scale are perceived to be realized because the solicitation contains a clause that allows for piggybacking.

Benefits of Cooperative Purchasing



1

Reduces agency administrative burden of time/resources

2

Opportunity for greater efficiency and economies of scale in acquiring goods and services

3

Product cost savings through nationally leveraged pricing

4

No cost to agencies or minimum purchase amounts

5

First-class purchasing procedures ensuring the most competitive contracts

Eligible Agencies:

- K-12 School Districts
- Cities & Towns
- Counties
- Universities & Colleges
- State Agencies
- Special Districts
(Housing Authorities, Airports, Water Districts, etc.)
- Non-Profits
(Churches, Associations, etc.)

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87,000+

Public Agencies Nationwide

60,000+

Public agencies have utilized
at least one OMNIA Partners
contract
in the last 12 months



Risk Assessment

The Basic Risk Factors:

- Identify the risks
- Qualify the risks
- Assess for impact to the procurement
- Assess the probability of risk happening
- Plan for risks
- How will you handle if it does occur?
- Monitor and manage risk
- Contract administration and action plan

		Impact				
		Very Low	Low	Medium	High	Very High
		1	2	3	4	5
Probability	Very High	5	10	15	20	25
	High	4	8	12	16	20
	Medium	3	6	9	12	15
	Low	2	4	6	8	10
	Very Low	1	2	3	4	5

Due Diligence Checklist



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1. Review terms and conditions to determine that the COOP Contract produces best value
2. Ensure your local T&Cs are incorporated in the contract
3. Remove offensive or unenforceable T&Cs by written agreement
4. Contact lead agency to verify contract application and eligibility
5. Compare available COOPS and ask “Is the use of a COOP appropriate?”
6. Does the COOP Contract meet your competitive requirements?
7. Does the COOP Contract conform to applicable law and best practices?
8. Factor the costs of conducting a procurement

Lead Agency Contracting Process



The lead public agency prepares a competitive solicitation

The lead agency issues the solicitation and conducts pre-proposal meetings

Interested suppliers respond to the solicitation

The lead agency evaluates the responses and awards the master agreement

Award documentation is available to the public – no FOIA or special requests necessary

Two Key Points to Remember:

The lead agency owns the contracting process as well as the resulting award to the supplier

All solicitation and award documentation is posted on the OMNIA Partners, Public Sector* website (www.omniapartners.com/publicsector) and available in the documentation section of each awarded agreement

(*Currently, you can find contract documentation on the nationalipa.org and uscommunities.org websites)

- **Considers Day 1 contract value**
- **The value of the lead entity and any participating with their specification needs and buying volume**
- **Considers Day 2 and beyond contract value**
- **The value of those that choose to ride/piggyback once the contract is awarded and the results are measured**
- **Utilizes usage reporting data to facilitate:**
 - A more informed buyer**
 - A more informed vendor community**
- **This strategy supports your small and minority vendors with better information to price their bid and negotiate with their suppliers**
- **Negotiation of lower pricing when volume increases suggest it is appropriate (negotiations may not be necessary if the Bid Work Sheet called for additional discounting with additional contract value)**

Cooperative Models

Individual Bidding

- Bid day includes volumes from participating entities
- Advertising of contracts on websites and via email communication
- Supplier sales team focused
- BRCPC and WCOG advertising of contract awards
- Escalating discounts in consideration of piggyback volumes that increase overall value of contract
- *No risk to supplier.*



National Consortiums

- Assumed exposure on national market
 - Joint advertising of contracts
- Joint sales team that promotes contract that may also include the lead agency
 - *A calculated risk for supplier*

MAPT

- MAPT
 - Narrow volume
- Piggyback clause usually included
 - Supplier will market contract
 - *No risk to supplier*

The New Buyer



Understands the cooperative industry and what organizations operate in a manner that is acceptable to their organizational policies and procedures

Capable of determining when it is appropriate to use a cooperative agreement

Understands how to leverage cooperative buying power and communicate that opportunity to the employer, and bidders

If they choose to bid, they incorporate a benchmarking step in their bid tabulation and bid evaluation process to ensure the best overall results were achieved

Obtains annual reporting to determine the aggregate usage

**Utilizes post award negotiations to ensure that the best overall results are maintained;
*lower unit prices when volume increases support it.***



The Decision is Yours!

Not all cooperative organizations are designed the same

Is the cooperative organization you are using have your best interest in mind?

Use due diligence in your selection process

Evaluate where you can provide added value

Evaluate where functioning as a lead agency will bring even more value



**OMNIA Partners
Public Sector
OVERVIEW**

Who is OMNIA Partners

2001

Horizon Resource Group was founded



2013

Vizient acquires National IPA

vizient.

2016

Management-led spin-off of National IPA sponsored by TA Associates



2017

OMNIA Partners acquires Prime Advantage and Corporate United



2006

HRG rebrands to National IPA as a result of expanding government sector



July 2015

National IPA acquires TCPN



December 2015

National IPA acquires KATA

2017

OMNIA Partners brand launched



2017

OMNIA Partners launches Small and Medium Business division



2018

OMNIA Partners acquires U.S. Communities



Power in the Partnership



OMNIA Partners, Public Sector (subsidiaries National IPA and U.S. Communities) is the nation's largest and most experienced cooperative purchasing organization dedicated to public sector procurement.

Our immense purchasing power and world-class suppliers have produced a comprehensive portfolio of cooperative contracts and partnerships, making OMNIA Partners the most valued and trusted resource for organizations nationwide.

OMNIA Partners, Public Sector



LEADERS

Leading cooperative purchasing organization for public agencies and educational institutions across the United States

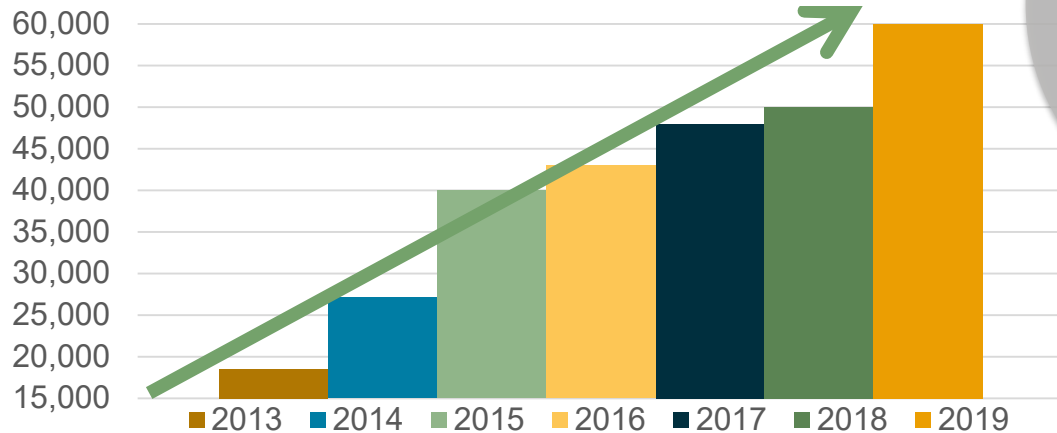
EXPERIENCED

Team of dedicated, certified public procurement professionals, supply chain and cooperative purchasing experts with over 175 combined years of public procurement experience and over 300 years of cooperative purchasing

COMPLIANT

Each of our 300+ agreements have been obtained through a Request for Proposal (RFP) process by a Lead Public Agency

OMNIA Partners, Public Sector participation has roughly doubled over the last five years, and we are putting the people, processes and technology in place to support our future growth.



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60,000

Participants
leveraged at least
one contract in the
last 12 months

\$13B

In purchasing power

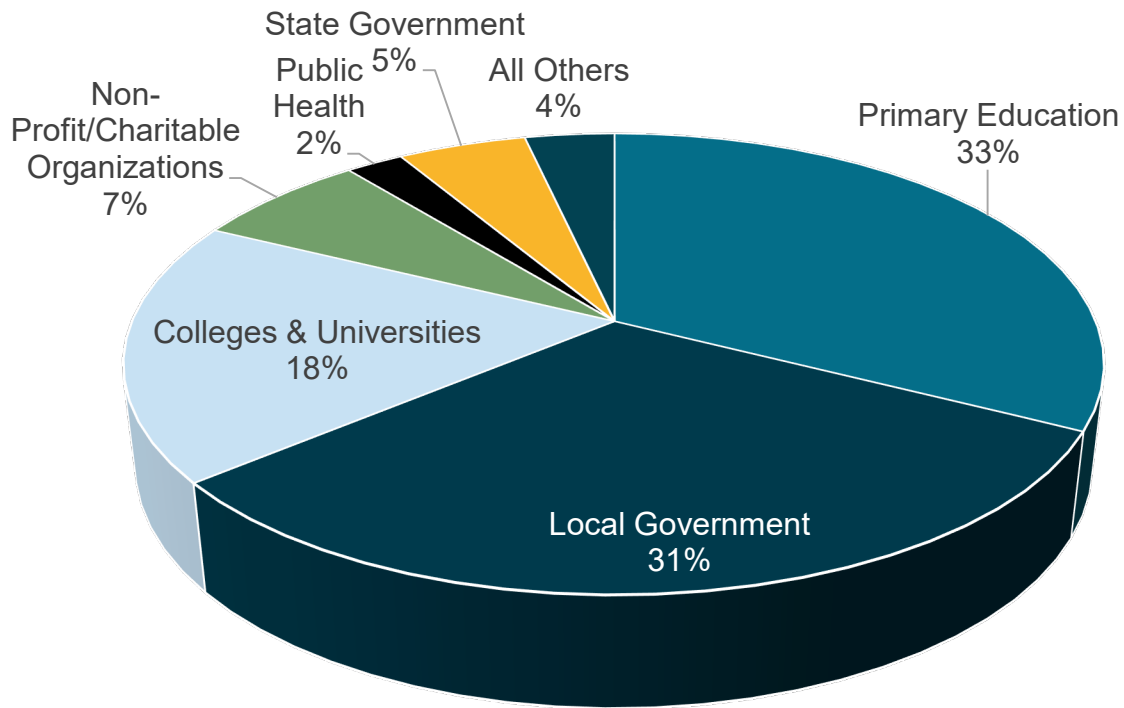
300+

Contracts

98%

Member Retention

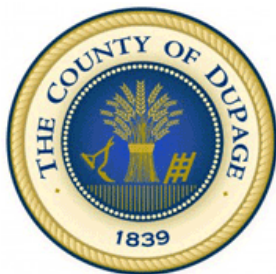
Participation by Segment



- Primary Education
- Local Government
- Colleges & Universities
- Non-Profit/Charitable Organizations
- Public Health
- State Government
- All Others

Our Lead Agencies

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UNIVERSITY
OF
CALIFORNIA

Office
of the
President

Our Lead Agencies

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Contract Categories



- Athletic
- Apparel
- Automotive Parts
- Business Products, Machines & Services
- Construction
- Consulting & Professional Services
- Disaster Preparedness, Relief & Restoration
- Equipment Rental
- Facilities/Grounds Maintenance
- Flooring
- Food
- Furniture
- Grounds Keeping and Irrigation
- Heavy Equipment
- HVAC
- Janitorial
- Maintenance & Operations
- Managed Print Solutions
- Office Supplies
- Oracle
- Playground Equipment
- Roofing
- School Supplies
- Technology
- Travel
- Many More!



Industry-Leading Suppliers

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Office
DEPOT

CDW-G
PEOPLE
WHO
GET IT

AstroTurf.
SINCE 1969

RICOH
imagine. change.

FASTENAL

US.
FOODS
KEEPING KITCHENS COOKING

THE
HOME
DEPOT

GraybaR.

CINTAS
READY FOR THE WORKDAY

GARLAND
DBS
since 1895
George B. D. Solutions, Inc.
& Subsidiary of Garland Industries

TRANE

amazon business

MYTHICS
ORACLE
Platinum
Partner

HON.

network

Kimball

Connection
PUBLIC SECTOR SOLUTIONS

KONE

FASTENAL

School
Specialty.

CATERPILLAR

Canon
CANON SOLUTIONS AMERICA

RoofConnect
NATIONAL ROOFING SERVICES

NATIONAL

SUNBELT
RENTALS

Club Car

AutoZone

Safeware

Allsteel

NRP

Location:
401 Adams Avenue, Suite 280
Montgomery, AL 36104-4338



Rachel Laurie Riddle
Chief Examiner

October 30, 2019

Alabama Community College System
Alabama County Commissions
Alabama Municipalities
City and County Boards of Education
Other Entities subject to §§ 16-13B-1, et seq. and 41-16-50, et seq., *Ala. Code* 1975

To Whom It May Concern,

In accordance with Sections 16-13B-2(a)(13) and 41-16-51(a)(16), *Ala. Code* 1975, the Department has reviewed the competitive bidding process used by Omnia Partners Public Sector ("Omnia"), a national purchasing cooperative, for the contracts awarded as of the date of this letter. The Department did not identify any matters that were contrary to proper purchasing procedures or routine governmental procurement practices. Each contract was awarded by various governmental entities pursuant to the competitive bid laws in the state of the awarding authority.

Based on the Department's review, the competitive bid process used by Omnia is approved for use through **December 31, 2020**. This approval authorizes the purchase of certain goods or services, other than voice or data wireless communication services, when certain statutory conditions are fulfilled. See Sections 16-13B-2(a)(13) and 41-16-51(a)(16), *Ala. Code* 1975. This approval does not apply to State Public Four-Year Universities within the State of Alabama.

Prior to utilizing Omnia, each governmental entity must verify that the goods or services to be purchased are not at the time available on the state purchasing program or are not available at a price equal to or less than that on the state purchase program. *Id.* Further, any such purchases must be made through a participating Alabama vendor holding an Alabama business license if such vendor exist. *Id.*

Should the Department receive notice that Omnia, its awarding authorities, or its awarded vendors are allowing Alabama governmental entities to make unauthorized purchases or other unlawful business transactions, Omnia's competitive bid process approval will subject to immediate revocation by the Department.

If the Department can be of further assistance, please let us know.

Sincerely,

Rachel Laurie Riddle
CHIEF EXAMINER

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Act 2018-413 provides for certain exceptions to the Alabama Public Works Law. Omnia's contract for air conditioning and heating units and systems, which was awarded to Trane (RFP#15-JLP-023), has been approved for use under the provisions of Act 2018-413. This approval does not authorize installation or labor related thereto, which must be bid in compliance with Title 39.

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Questions?

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