



THE CHANGING FACE OF COOPERATIVE PURCHASING

Better-written contracts, federally compliant language, more online tools, and a more extensive range of products and services

School and government purchases using cooperative contracts are inching toward 20% of total spending, according to Deltek, a leading market intelligence firm. More than ever before, school districts are finding higher value in a cooperative purchasing contract than a do-it-yourself strategy.

While the number of co-ops is rising and school district usage is increasing, leading-edge co-ops are evolving with better-written contracts and bids that go beyond mere consumable products, says John Brenchley, chief innovation officer at the Central Susquehanna Intermediate Unit (CSIU) in Central Pennsylvania.

Uniform Grant Guidance Language

One example is pertinent, given the near-half-billion-dollar influx of federal funding to Pennsylvania schools under the Coronavirus Aid, Relief, and Economic Security Act (CARES).

“Even before COVID-19 was a problem, the PEPPM cooperative purchasing program sought out legal counsel to craft careful bid language so our schools could use federal

funds safely on PEPPM technology contracts,” said Jared Lehman, director of cooperative purchasing for the CSIU.

Lehman is referring to Uniform Grant language – sometimes called EDGAR language – that the co-op now includes as a standard and federally comprehensive provision of all PEPPM terms and conditions. The result is that Pennsylvania schools have recently been turning to PEPPM purchasing contracts as a safety valve for the use of their CARES money, as opposed to using state-government, no-bid, or loosely written out-of-state contract vehicles.

Continuous Improvements

The CSIU co-op director explains that continuous improvement has been a hallmark of the PEPPM cooperative since 1982 – improvement based on listening to school district constituents. That’s why, Lehman said, PEPPM recently went through a long innovation process that ended with a new competitively bid contract award to Amazon Business.

“We knew our school districts wanted a traditional PEPPM approach to

the modern and changing ways businesses sell products,” said Lehman, “so we studied dynamic marketplaces. After months of work, we devised a set of terms and conditions that could satisfy the concerns of jurisdictions with even the most conservative bidding rules.”

While it was building the infrastructure for a dynamic marketplace bid solution (ultimately awarded to Amazon Business) the CSIU was already at work expanding beyond the typical commodity and product-line bids that have been the mainstay for so many cooperatives.

With both its sister cooperatives – PEPPM and the Keystone Purchasing Network (KPN) – the CSIU has developed a suite of solutions-oriented contracts that include technology catalog bids, print management services, construction-related contracts such as roofing renovations, artificial surfaces and lighting solutions.

A Case in Point

This summer, the Susquehanna Township School District in a first-ring suburb outside of Harrisburg, set



out to re-roof some of its buildings. It turned to a KPN piggybackable contract with WTI Tremco, a national roofing company.

One of the reasons for choosing KPN was the district wanted to avoid the “Joe Schmo” threat as described by Barry Seilhamer, director of maintenance and operations. Even when writing their own demanding construction specifications, the client can end up with a bad result. “We can get a Joe Schmo, the lowest bidder, who does shabby work,” he said.

It happened years past in Harrisburg when the low-bid contractor’s work at a high school wreaked havoc with falling panels and debris cascading through ceilings into classrooms. In contrast, Glenn Zimmerman, supervisor of building and grounds, said, “KPN was a fantastic experience. They set the bar very high, so other projects have a lot to live up to.”

“I think it is a cost savings as well as peace of mind because we’re getting good contractors, especially because they are under the KPN umbrella,” said Seilhamer.

Of course, for Susquehanna Township to use WTI Tremco, the vendor had to win a competitive bid and prove it was a responsible bidder, said Mark Carollo, CSIU’s associate director of cooperative purchasing who oversees the KPN co-op. “And one of the advantages KPN has is leverage in getting good pricing. That’s because we partner with other states to increase demand.”

National Leverage for Better Prices
He is referring to the Association



The changing face of purchasing cooperatives

- **More Online Tools**
- **Wider Selections**
- **Better Language**
- **Federal Compliance**

of Education Purchasing Agencies (AEPA). CSIU was a founding pioneer in creating AEPA, a national organization that positions itself as an umbrella co-op consisting of 28 state purchasing cooperatives. The group solicits bids together, but each co-op awards locally in its own state under its own state rules.

PEPPM has also increased its buying leverage, benefiting Pennsylvania schools with better prices and selections, by extending its contracts to other school districts across the country.

While PEPPM’s primary devotion is to Pennsylvania school districts, the co-op’s expanding national visibility has brought more choices, better vendors, and a more efficient supply chain, says Lehman, who now oversees more than 300 CSIU-awarded contracts for schools, intermediate units, vocational schools, and libraries throughout the Keystone State. “Now, in many cases, we are seeing competing bids directly from manufacturers who may end up selling direct or including a set of their

most reliable dealers.”

Better Online Tools

To cope with the burgeoning number of contracts and more than 3 million products under bid protection, PEPPM recently created a dynamic website to showcase the results of its bid work. “We are transparent with bid documentation, and we take the extra step of providing pictures and specifications for products when available,” Lehman said.

As the breadth of CSIU contracts expand and co-op online tools become more responsive, Lehman anticipates more significant and more frequent use of co-op contracts. “Districts don’t need to reinvent the wheel,” he said. “We’re doing the bid paperwork using best practices so district staff can focus their time on other more pressing and valuable work – which is really important during this current coronavirus era.”

