

## Cooperative procurement fundamentals

**How is it legal:** Authority is found in the Oklahoma Interlocal Cooperation Act 47 O.S. §1001. The act encourages public entities to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage.

**Why** – Cooperation among public agencies allows aggregation of common items and services. Aggregation of volume produces greater leverage and attracts the attention of more suppliers stimulating competition. Suppliers can potentially win larger pieces of business and are sometimes willing to propose lower prices for larger volumes of government business that have a fairly stable and predictable demand. This lower profit volume helps absorb overhead and enables them to pursue higher margin business elsewhere. It also presents attractive options for lower salesforce outlays; salespeople aren't having to propose and retain business from 25 different procurement offices. There are also benefits to universities, staff can be focused on fewer categories and share lead agency responsibilities among cooperative members.

**How** – Lead Agency model. Walk through the MOA, 9 pages.

1. Determines the membership
2. Establishes clear objectives
3. Sets the expectations and roles of the members
4. Defines the process

## Oklahoma Higher Education Procurement Cooperative

History and progress:

- Initiated in the fall of 2017 when the Oklahoma Council of Presidents appointed a Travel Taskforce to explore combining the buying leverage of 9 colleges and universities across Oklahoma as it relates to athletic and team travel costs. Tim Faltyn, President of OPSU and at the time leader of the OK Council of Presidents lead the effort initially.
- Initial discussions - 9 colleges and universities came together to discuss the opportunity via video call, resulted in a decision to move forward, with a goal of creating travel cost savings through the collaborative cooperative agreement. Scott Schlotthauer, OSU Chief Procurement Officer put together a proposed MOA featuring the "Lead Agency" model. The MOA was adopted by those participating and the procurement effort was tentatively named the Oklahoma Higher Education Procurement Cooperative.
- OPSU solicited input among those participating to elect a designated leader for the Cooperative. Nominations were submitted to Liz McMurphy. Scott Schlotthauer, OSU & A&M system Chief Procurement Officer, was selected to be the initial chairman of the Oklahoma Higher Education Procurement Cooperative.

**Initial project** was kicked off and a competitive solicitation was published by OSU (Lead Agency) on April 6, 2018. 7 Colleges and Universities participated in the evaluation process and contract awards were made and various contract solutions adopted in June.

### **Category 1 Charter and Motor Coach**

Village Tours & Travel, Kincaid Coach

### **Category 2 Recommendations – Equipment purchase**

HGAC – School buses, Shuttles, Transits Trams

State of OK – OMES – Swo35, Vehicles, Cars and Trucks, SW110 School Buses

### **Category 3 Recommendations - lease and short-term rental – Bus, Van, SUV**

Short term rental options

1. OSU Short Term contract with Enterprise - Expires June 30, 2019 OSU will be rebidding. Enterprise, the only bidder on category 3 indicated the OSU contract terms will be extended to all agencies of higher education.

2. SW771 Vehicle Daily Rental – Expires October 18, 2019 – State will be rebidding

Long term lease options

1. OSU Long Term- Expires June 30, 2019 - Enterprise, the only bidder on category 3 indicated the OSU contract terms will be extended to all agencies of higher education.

OSU Fleet Management options

OSU Fleet management operates a daily lease and long-term lease program that Director Chris Hoffman will make available to any OHEPC member school. Contact Brandon Cook at the OSU Central Procurement office for details.

**Adobe Contract Negotiation.** Throughout the winter of 2019 and spring of 2020, OSU led the Adobe contract negotiation process for the 26 agencies who indicated, through the ITP process, that they would like to participate. Utilizing the collaborative process between the council of IT officers and the Higher Ed Procurement Process participation in the Adobe contract increased almost 20%. Large institutions pushed an expected 15% price increase down to 7.8% and the rest of OK colleges and universities will realize a 28% reduction in costs. The net savings annually to the state over the next 3 years will be \$115,533.

**Title IX hearing administrators.** Brandee Hancock, OSU and A&M Board Assoc. General Counsel enlisted the help of the OHEPC, and OSU as the lead agency, to run a competitive process to hire Title IX Hearing Decision-Makers. There are 23 participating colleges and universities who will incur significant savings through shared training expenses. 11 contract awards were issued to qualified decision makers creating a ready pool in which to draw federally required unbiased decision-makers who have been trained on a variety of issues. The procurement process worked to satisfy the competitive process in advance of the need thereby having qualified people available to be mobilized quickly.