

## American River Flood Control District

### Use of Cooperative Purchase Agreements from Sourcewell, Formally Known as National Joint Powers Alliance (NJPA)

#### Staff Report

##### **Discussion:**

State law requires that any purchase costing over \$25,000 must be made through a public bidding process. This ensures that public funds are spent on items at the best available price. In the past, the District has acquired large equipment through solicitation of public bids and also through a cooperative purchasing program ran by the State of California.

The State of California cooperative purchasing program, known as the CA Multiple Award Schedule, is a publicly bid and awarded list of vendors with items at the best available price. Items can be purchased off this list from the listed vendors with the assurance that it is the lowest price for that item.

The District recently learned a national cooperative purchasing group known as Sourcewell. Many California agencies, Cities, and Reclamation Districts are currently using Sourcewell to comply with public bidding requirements for their purchasing.

A recent staff report to the Sacramento City Council stated the benefits of cooperative purchasing agreements as:

“In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers capital costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchase agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.”<sup>1</sup>

##### **Recommendation:**

The General Manager recommends that the Board of Trustees approve the use of Sourcewell to obtain lowest cost pricing and to satisfy our requirement for public bidding.

1. Garcia, Stevens, City of Sacramento, 11/17/15



