



COOPERATIVE PROCUREMENT GUIDE





WHAT IS COOPERATIVE PROCUREMENT?

Cooperative procurement is the process of aggregating purchases for a large group of customers with similar buying needs, securing better prices and service due to the increased volume. Across Canada, many municipalities, public agencies, and not-for-profit organizations have similar requirements and expenses, making a large and ideal group for leveraging cooperative procurement.



Compliant

- ◆ Open RFP process using approved tendering processes
- ◆ Satisfies CFTA and other trade legislative requirements for all members



Cooperative

- ◆ Like-minded municipal associations across the country
- ◆ Securing best value by leveraging over 5,000 member organizations in Canada



Credible

- ◆ Facilitating public sector cooperative procurement since 1936
- ◆ Not-for-profit group representing municipalities across Canada and committed to creating mutually beneficial relationships for both members and suppliers

WHAT LEGISLATION IS INVOLVED IN PUBLIC PROCUREMENT?

The Canadian Free Trade Agreement (CFTA) provides legislative direction across all provinces and territories of Canada. In addition, there are three regional trade agreements that may impact procurement laws depending on your jurisdiction:

- ◆ The Atlantic Procurement Agreement (APA) for Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and New Brunswick
- ◆ The Ontario-Quebec Trade and Cooperation Agreement (OQTCA) for Ontario and Quebec
- ◆ The New West Partnership Trade Agreement (NWPTA) for Manitoba, Saskatchewan, Alberta, and British Columbia



WHAT ARE MY OBLIGATIONS UNDER THESE REGULATIONS?

Trade agreements (along with government directives and policies) generally require municipal purchasers to conduct open, competitive procurement processes. This requirement arises if the estimated value of the goods or services to be purchased exceeds certain value thresholds.

This means that once the value threshold is exceeded, the municipal purchaser must purchase from a contractor who is successful in a competitive process (e.g. a request for proposals, request for quotation) that is open to the entire marketplace. That competitive process must meet the requirements of applicable trade treaties, which usually involves posting notices, disclosing relevant information, running a fair evaluation process, etc.

WHAT IS A BUYING GROUP?

A ‘buying group’ is generally understood as a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process.

For municipal purchasers, using a buying group can have advantages that include:

- ◆ Reduced procurement process costs – since group members share in the costs of running procurement processes, rather than each group member bearing the full cost;
- ◆ Access to greater resources and expertise – since group members can pool procurement resources, and can centralize procurement experience; and
- ◆ Potentially better pricing – since the group can leverage its combined buying power, offering suppliers greater purchase volumes.

WHO IS INVOLVED IN THIS BUYING GROUP?

We are a group of municipal associations from nearly every province across the country – representing the vast majority of cities, towns, villages, counties, and other types of municipalities – creating one of the largest and most influential public sector buying groups in Canada! Due to the governmental and not-for-profit nature of the group, other public sector entities and not-for-profit groups may also be eligible to join.

We have been operating since 1936 and manage tendering, vendor relations, legal considerations, accounting, and communications on behalf of members across Canada.

As we exist to support our member municipalities, we are not-for-profit, working instead to connect members and suppliers in mutually-beneficial relationships.

HOW DO I COMPLY WITH THE LEGISLATION?

We are keenly aware of the trade agreement obligations that apply to our members. In order to ensure compliance for ourselves and our membership, we:

- ♦ actively review our policies, practices, and process documents to continually improve them based on feedback. We have also engaged external experts to review our process documents to support trade agreement compliance.
- ♦ only run open, competitive procurement processes – we do not engage in invitation-only or non-competitive contract awards (we leave that to our members to decide).
- ♦ are transparent about who our members are. Each municipal association involved is able to provide a list of relevant members so that the marketplace is aware of who may purchase through awarded contracts.
- ♦ ensure our processes account for distributor networks. A network of regional distributors can collectively bid on opportunities, with member organizations entering into contracts with the applicable distributor for their region. Suppliers are not permitted to charge higher pricing than was proposed to us, and must honour the terms of the agreement.

HOW CAN I BECOME A MEMBER?

In order to join, your organization must be a municipality, public sector entity, or registered not-for-profit group. Membership gives your organization access to all cooperative procurement programs, ranging from office supplies to capital purchases, fuel to employee benefit packages, and much more!

Membership for municipalities is generally handled through your territory or province's municipal association. To join, contact the municipal association representative for your province from the contact page in this guide.

WHAT DO I NEED TO DO ONCE I JOIN?

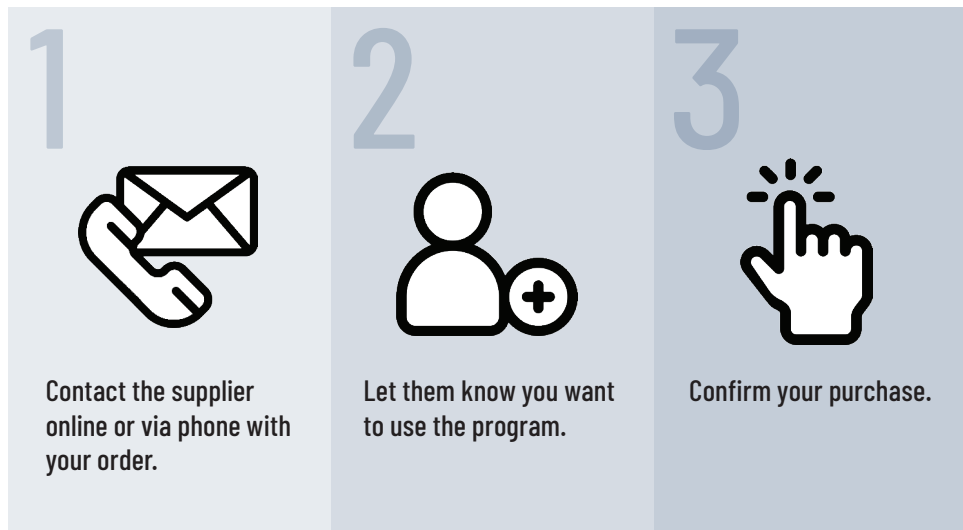
In order to make sure your organization is compliant with governing legislation, you should:

1. Review and update your organization's procurement policy to enable participation in group programs (if applicable).
2. Post an annual notice of intention of membership to your designated tendering website and link to the appropriate municipal association.
3. If you are a new member and intend to contract with a supplier under the cooperative procurement process, issue an Advance Contract Award Notice (ACAN) on your designated tendering site. For more details, including example verbiage for the above compliance pieces, contact one of our Client Relations Managers through your territory or province's municipal association. For a list of relevant contacts, see the Contact Us page at the back of this guide.

HOW DO I MAKE A PURCHASE?

Once your organization has an active account and the steps noted previously are taken, you can make a purchase through one of our programs by contacting the approved supplier of your choice and placing your order. Usually, you will need to let the supplier know that you would like to use the cooperative procurement program through your municipal association. Indicate that you are purchasing through the buying group on all correspondence and purchase orders.

For information about approved suppliers or assistance with any program, you can contact your local association's Client Relations Manager listed in the back of this guide.

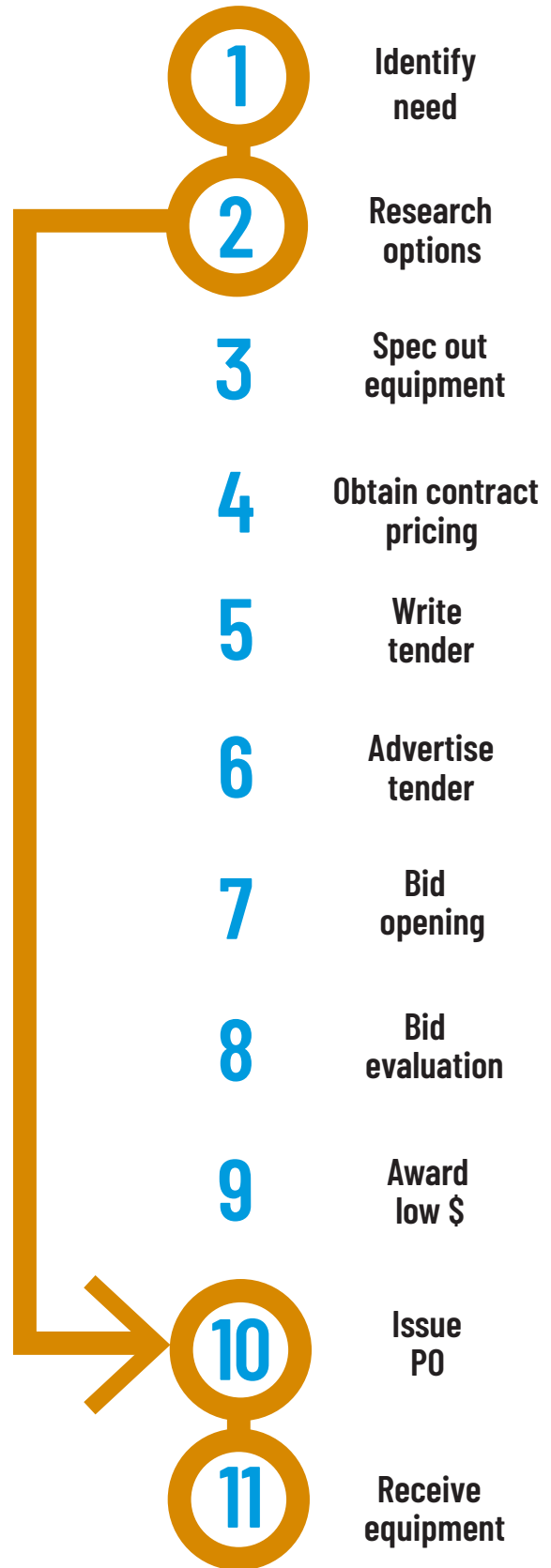


ONCE I'M A MEMBER, IS PARTICIPATION IN THE PROGRAMS MANDATORY?

No, participation in all cooperative procurement programs is completely voluntary. You can think of the programs as tools that can assist your organization in generally securing better prices and services than individual organizations by leveraging the buying power of the entire membership. However, if you have a preferred purchasing method already in place, you are free to continue using it.

Traditional vs. Cooperative Purchasing

We save time and money for our suppliers and members.



WHAT ARE THE BENEFITS OF BEING A MEMBER?



Preferred pricing

Cooperative procurement provides discounted pricing and preferred service to members due to the large volume of aggregated purchases.



Trade-compliant

All cooperative procurement processes are tendered nationally using legislated purchasing methods, meaning any buying done through the programs is compliant with the Canadian Free Trade Agreement (CFTA) and regional trade agreements.



Simplified process and reduced administration

Because all programs are tendered in compliance with Canadian trade law, members using the programs are not required to go through the tendering process again on their own, reducing administration time and cost.

DO I NEED TO POST AN RFP OR GO TO TENDER?

As the RFP process is done in advance on behalf of the entire membership, you do not need to post the RFP again. Depending on the program and your local laws, however, you may need to ensure that you have posted notice of your intention to procure using a cooperative buying group on province's approved tendering system.

If you have questions, please reach out to your province's municipal association and we will help you through the process.

HOW DO YOU SELECT SUPPLIERS?

Approved suppliers are selected based on a successful proposal to an open tendering process for the entire membership. Approved suppliers have demonstrated that they are able to provide financial benefit and value to municipalities, public entities, and not-for-profit groups.

Representing over 5,000 members including rural and urban municipalities, school districts, rural electrification associations, and water irrigation districts, cooperative procurement suppliers get their products and services in front of an enormous market that would otherwise be challenging for many businesses to navigate. Regulatory compliance for the programs is handled by the municipal associations on behalf of the membership, providing streamlined administration for members and suppliers alike.

OUR REACH





I HAVE OTHER QUESTIONS.

Your local municipal association is committed to ensuring cooperative procurement programs provide your municipality with the best value available. Contact your local association listed on the contact page if you have any other questions or need additional support at any step of the process – we're here to help!

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