

# Efficient Procurement and Enabling the Public Sector to Do More With Less



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This session focuses on the growing needs in the public sector for efficient procurement in an ever-increasing complex environment which demands that leading suppliers deliver value-based custom solutions. Find out more about how efficient procurement can enable the public sector to do more with less.

# Agenda



- Mississippi Statute
- Decisions are complex
- Deferred Maintenance
- What is the ideal method (vehicle) of procurement
  - RFP, RFQ, Cooperative
- Value of a cooperative

## Mississippi Code of 1972

### Title 31 Public Business, Bonds and Obligations

#### Chapter 7 Public Purchases

##### § 31-7-1: Definitions.

(b) "Governing authority" shall mean boards of supervisors, governing boards of all school districts, all boards of directors of public water supply districts, boards of directors of master public water supply districts, municipal public utility commissions, governing authorities of all municipalities, port authorities, commissioners and boards of trustees of any public hospitals, boards of trustees of public library systems, district attorneys, school attendance officers and any political subdivision of the state supported wholly or in part by public funds of the state or political subdivisions thereof, including commissions, boards and agencies created or operated under the authority of any county or municipality of this state. The term "governing authority" shall not include economic development authorities supported in part by private funds, or commissions appointed to hold title to and oversee the development and management of lands and buildings which are donated by private individuals to the public for the use and benefit of the community and which are supported in part by private funds.

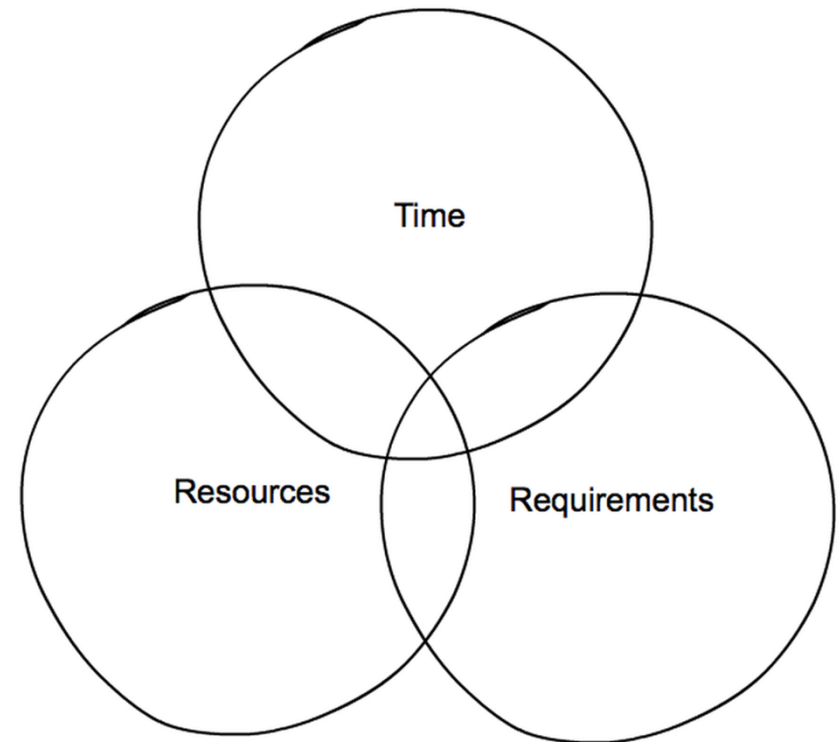
##### § 31-7-13: Bid requirements and exceptions; public auctions.

(m) Exceptions from bidding requirements - Excepted from bid requirements are:

(xxix) Purchases made pursuant to qualified cooperative purchasing agreements. — Purchases made by certified purchasing offices of state agencies or governing authorities under cooperative purchasing agreements previously approved by the Office of Purchasing and Travel and established by or for any municipality, county, parish or state government or the federal government, provided that the notification to potential contractors includes a clause that sets forth the availability of the cooperative purchasing agreement to other governmental entities. Such purchases shall only be made if the use of the cooperative purchasing agreements is determined to be in the best interest of the government entity.

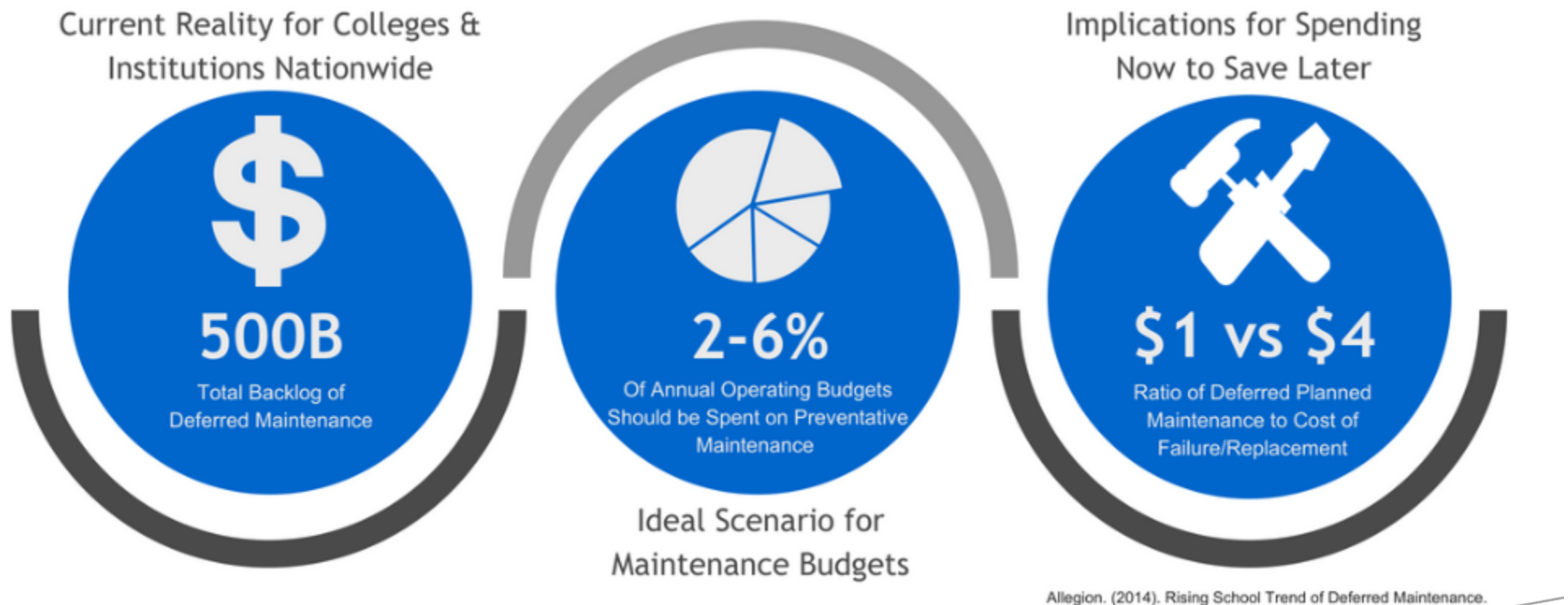
## Owner Decision Making Criteria

- Facilities
  - Subject matter expert
- Procurement
  - Risk averse, compliance
- C Level
  - Broad based responsibly, spread thin



## Deferred Maintenance

- The average school building is about 42+ years-old. More than 75% of America's schools were built before 1970<sup>1</sup>



1 according to the US Environmental Protection Agency

## More Pressure on Facility Managers

### The High Cost of Deferred Maintenance:



Short-term solutions and price-driven shortcuts may be perceived as problem solving, but in reality they end up costing companies more.

**88% of Facility Managers**  
say that deferred maintenance is an issue.

**\$5 Million**  
annual facility cost of deferred maintenance (36% of companies say that number is higher)!

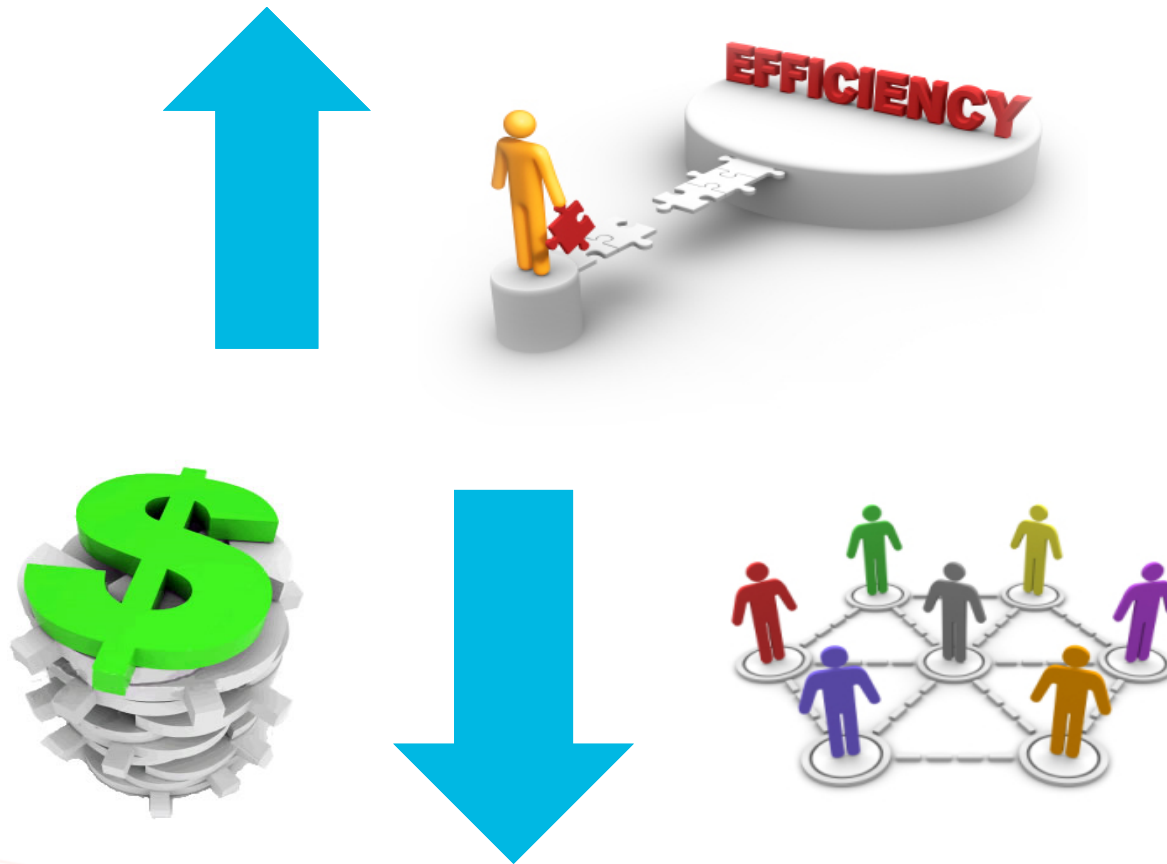
Ask college presidents about the health of their institutions, and they're happy to rattle off enrollment figures or capital-campaign progress reports.

Ask about how deferred maintenance costs on their campuses are piling up, and they get a little quiet.

That's because most colleges are crowded with aging buildings that will need to be replaced, renovated, or retrofitted, and the millions of dollars needed to tackle such projects are hard to come by when other urgent priorities beckon, writes Lee Gardner in an article in The Chronicle of Higher Education.



# Efficient Procurement to do More with Less



## Method of procurement (vehicle)

- Plan and Spec or RFP
- RFQ
- Cooperative Procurement

What ends in success? What is the total cost of each method?

- How to work with vendors that deliver
- How to manage project time
- How to mitigate change orders
- What else?

## Plan & Spec or Request for Proposal (RFP)

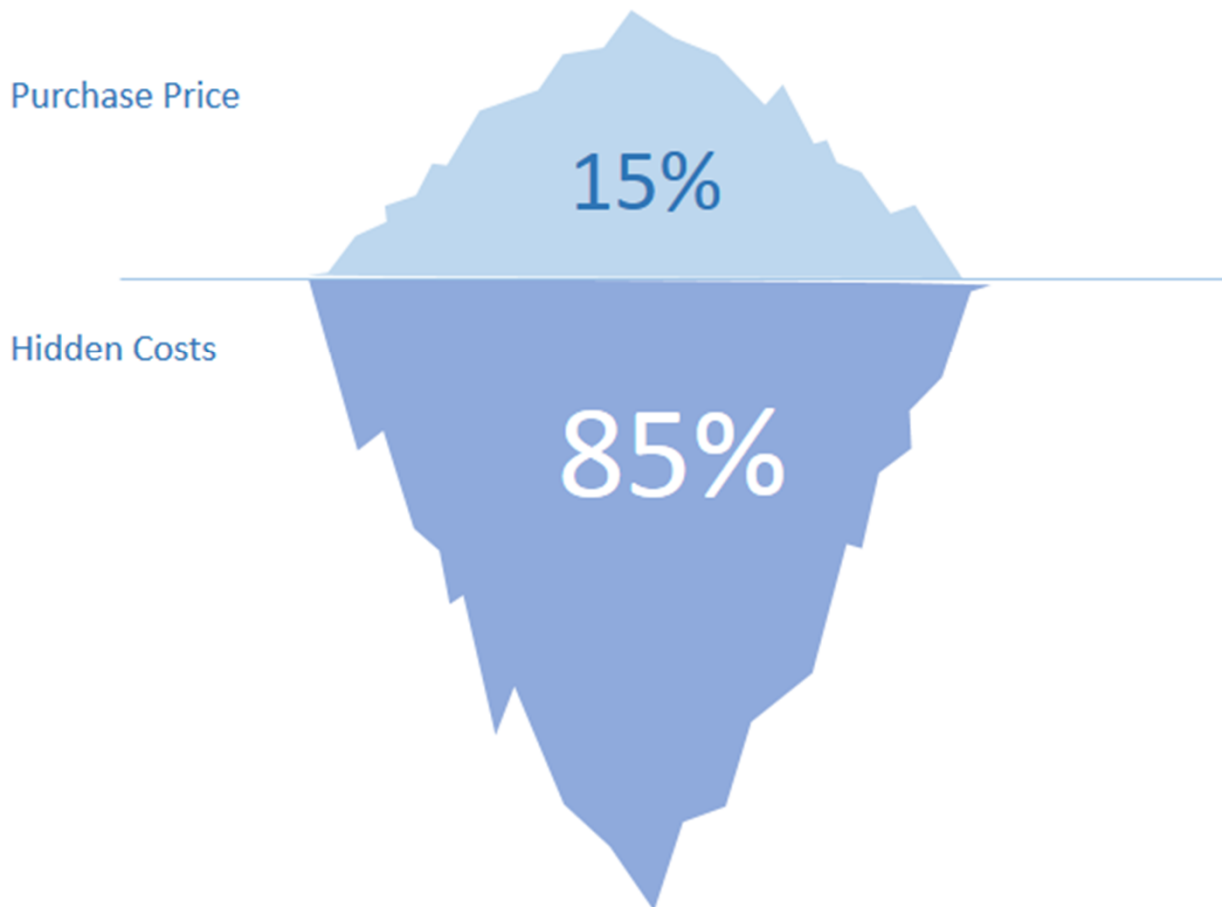
- Apples & Oranges comparison of scope
- Unmitigated change orders
- Lowest first cost  $\neq$  best value



# Lowest first cost $\neq$ best value

## The Iceberg Principle

Calculating Total Cost Of Ownership



## Request for Qualifications (RFQ)

- Resume

**INCREDIBLE CREDENTIALS**

- Beauty pageant



COMPETITOR #1



COMPETITOR #2

## Cooperative Procurement

**Joint solicitation** is the intentional coming together of two or more agencies to aggregate their individual product and service needs (a.k.a. “purchasing volume”) into a single solicitation effort. Each participant agency is bound to the resulting contract resulting from the singular effort.



## Reshaping the Future of Purchasing

National IPA and U.S. Communities are now OMNIA Partners, Public Sector – the nation's largest and most experienced cooperative purchasing organization dedicated to public sector procurement.

[VIEW OUR COMBINED PORTFOLIO](#)

### Who We Serve



State  
Government



Local  
Government



Higher  
Education



K-12  
Education



Nonprofit  
Organizations

## OMNIA Partners

### Lead Agency Contracting Process



#### Two Key Points to Remember:

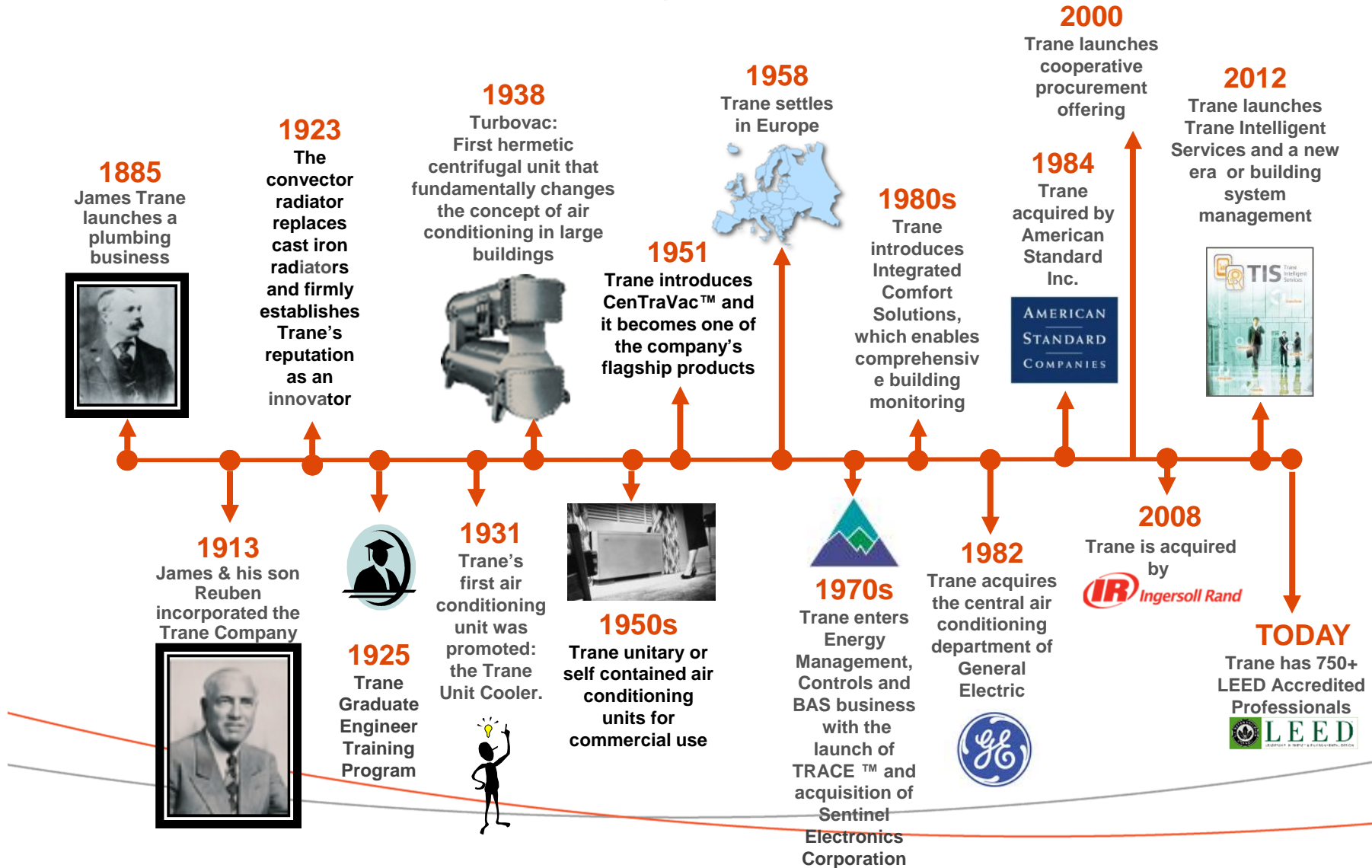
- The lead agency owns the contracting process as well as the resulting award to the supplier
- All solicitation and award documentation is posted on the OMNIA Partners, Public Sector website\* ([www.omniapartners.com/publicsector](http://www.omniapartners.com/publicsector)) and available in the documentation section of each awarded agreement



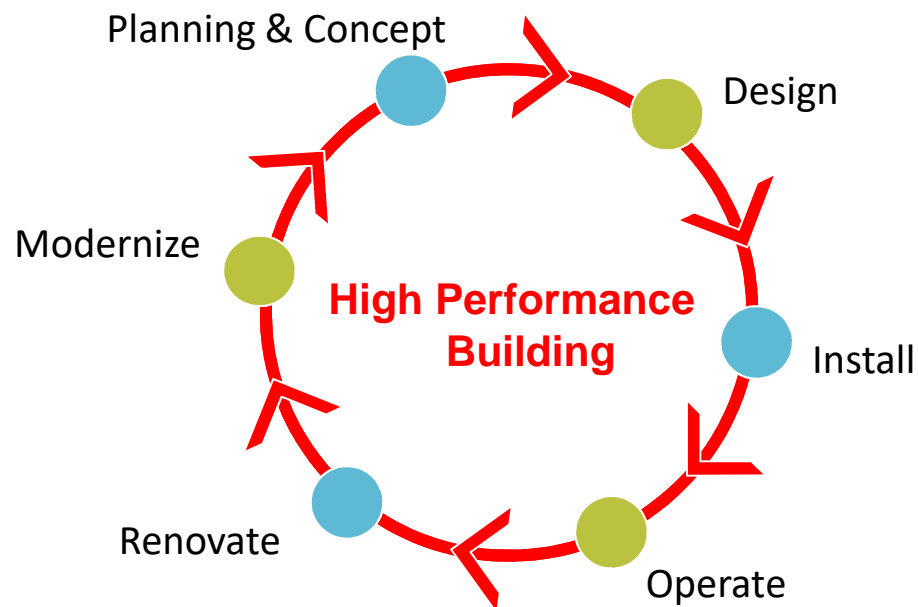
## WHY A COOPERATIVE?

- Allows public entities to negotiate directly with vendor of their choice
- Provide quick and efficient delivery of goods and services by contracting with a “high performance” vendor – Trane, relieves project schedule compression
- Legal and Transparent. Maintain credibility and confidence in business procedures by maintaining open competition for purchases and by complying with purchasing laws and ethical business practices

# Trane, A Legacy of Innovation



Trane offers support for every stage of the HVAC systems' lifecycle to meet energy use, maintenance and service concerns to achieve a High Performance Building outcome

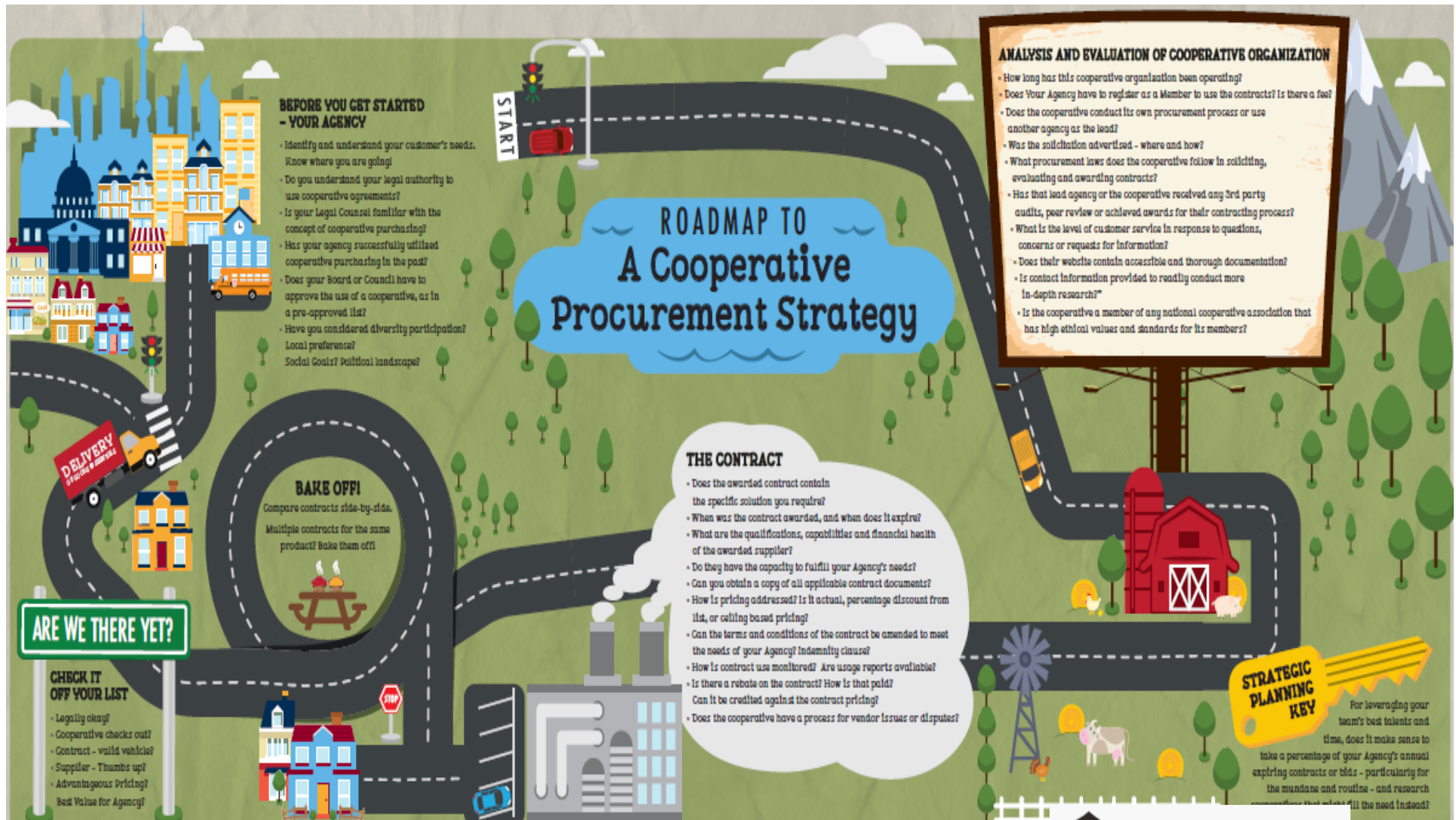


The Trane approach to creating a high performance building outcome considers the whole building throughout its lifecycle.

## National Cooperative Procurement Partners

- To support all stakeholders in leveraging and utilizing a cooperative procurement strategy to best serve the public good.
- Elevate the advocacy, collaboration and education for cooperative procurement so its strategic value is widely recognized and promoted by government and educational leaders.





## HARVARD WHITE PAPER

### **Harvard University's Kennedy School of Government issues new white paper "Cooperative Procurement: Today's Contracting Tool, Tomorrow's Contracting Strategy"**

The paper concludes that cooperative purchasing can add value. It states "the challenge for chief procurement officers and elected officials is to achieve the right balance where they receive value from cooperative purchasing while retaining the ability to control overarching policy and specialized local conditions. The primary advantage for acquisition officers will be the opportunity to push routine work off to nationally accepted practitioners and/or to secure specialized expertise from those cooperatives and, in turn, free up their time and funds for more complex and unique issues."





***TRANE***<sup>®</sup>



Cooperative  
Procurement