

ADDING up SAVINGS

Cooperative purchasing alliance comes to Canada

by Scott Wilson



A new organization, the **Canadian Communities Purchasing Alliance**, brings valuable purchasing solutions to public agencies, piggy-backing on existing contracts for several categories of spend.

For years, purchasing cooperatives have provided their participants with access to better pricing, terms and conditions, and commodities or services. Today, these cooperatives have local, regional and national memberships. A number of these cooperatives are even breaking into the international purchasing scene.

In 2007, a new program was launched in Canada to help public agencies reduce the cost of purchased goods. With the combined purchasing power of international public agencies, the Canadian Communities program is uniquely positioned to help government agencies, nonprofits, school districts and higher education institutions save valuable time and money. Participants in the program are pleased with what they have seen so far. "Canadian

Communities is an exciting new avenue for public buyers across Canada to access cooperative purchasing contracts and save their agencies money and time," says Jamie Dobbin, Manager, Supply Management with Calgary Roman Catholic Separate School District No. 1.

Cooperative purchasing itself is certainly not a new idea in Canada and elsewhere. What is new, however, is the ability to piggyback on contracts solicited and awarded by international public agencies while complying with the *Agreement on Internal Trade*.

Canadian Communities was designed in cooperation with Canadian government and education purchasing professionals to offer an international purchasing forum that pools the purchasing power of thousands of

government and education agencies. This government purchasing alliance is possible because of founding co-sponsors the Association of School Business Officials, International and the National Institute of Governmental Purchasing.

Currently on offer are seven contracts for commodities such as office furniture, national security, maintenance, public safety, cleaning and janitorial supplies, and physical education equipment.

Among the advantages of taking part in the Canadian Communities Purchasing Alliance are: competitively tendered and transparent contracts by a lead public agency, the most favorable public agency pricing, no cost to participate, meeting the Canadian *Agreement on Internal Trade*, non-exclusive, non-binding contracts.

A great benefit of Canadian Communities for public agencies is that there are no user fees to participate. Suppliers fund this purchasing cooperative through an administrative fee, which helps fund the operating expenses and offsets costs incurred by the international sponsors. Cooperative purchasing also allows agencies to: acquire goods and services at pre-established, competitive prices; have access to online catalogs; reduce administrative time; and promote local and international partnerships.

For Canadian public agencies looking to participate in this alliance, all that is required is registration and consent to a master intergovernmental cooperative purchasing agreement with the various lead public agencies. There are no minimum purchase requirements for a public agency and a single registration allows participation in all lead agency contracts.

Earl Oddstad, manager of Procurement for the District of Maple Ridge and a key participant in the program, recognizes the

benefits of cooperative purchasing, "Working together to buy commonly used items and services produces good results."

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What do the suppliers have to say? Cyndi Kamps, program manager for Haworth Inc., a supplier partner of Canadian Communities, weighs in, "The Canadian Communities program allows Haworth to provide quality products at the best possible customer pricing to Canadian government agencies. We have been a part of Canadian Communities since its inception and are very proud to be a supplier partner with this program. Haworth believes that this is a best practice model for public procurement officials."

The success Canadian Communities and its participants are having is due, in part, to the sound experience and competitive contracts won by its US counterpart, U.S. Communities, and its lead public agencies. A look at this government purchasing alliance demonstrates the strength of this international partnership.

The U.S. Communities Government Purchasing Alliance has been in operation since 1999 and began as a partnership between two state associations of local governments: the California State Association of Counties; and the League of California Cities, and five national associations: the National Association of Counties; the National League of Cities; the Association of School Business Officials; the National Institute of Governmental

Purchasing; and the United States
Conference of Mayors.

As of January 2008, the U.S. Communities program offered 16 contracts serviced by 22 suppliers. Over 34,000 local, school (K-12), higher education, state and nonprofit agencies are registered and use the program. In 2007, total aggregated purchases exceeded \$1.3 billion. The estimated savings to US public agencies in 2007 through the use of these contracts was \$200 million.

This initial venture into Canada and international relations enables both US and Canadian public agencies to benefit from cooperative contracts.

To ensure that this alliance has legal viability, Canadian Communities engaged Robert C. Worthington, LLB, of Worthington and Associates Ltd. to review the legal structure and Canadian law applicable to the Canadian Communities program. Worthington is an award-winning lecturer in Canadian purchasing, contracting and competitive bidding law. After a thorough and detailed analysis, Worthington concluded that there are no legal barriers to active program use and participation by Canadian public agencies.

“Looking only at Canadian competitive bidding and contract law, there is nothing in

law to prevent a Canadian public agency from taking advantage of a contract created in the USA through an American-conducted competitive bid solicitation. In fact, private companies do it all the time and governments should, too,” says Worthington.

Topics in the *Legal Review & Opinion* include how Canadian agencies can lawfully participate in the purchasing alliance, how Canadian Communities fits within Canada’s internal trade agreements and bidding laws, as well as additional information on how agencies in Canada can access the contracts available. More information from this review can be found on Canadian Communities website:
www.canadiancommunities.org.

From its international alliance to its positive legal review, Canadian Communities is showing public purchasers in Canada that substantive savings in cost and time may be gained through participation in this cooperative.

As financial times continue to tighten budgets and result in heavier workloads as well as staff limitations, solutions from purchasing alliances such as Canadian Communities will add value where it is needed most. 

Scott Wilson is a program manager for Canadian Communities and he can be reached at swilson@canadiancommunities.org.