BEST PRACTICES WHEN USING STATE COOPERATIVE CONTRACTS

The State Cooperative Contracts program was established to help provide efficiency and best-value to the Utah procurement process. The program is managed by the State of Utah Division of Purchasing on behalf of all eligible users[1].

The State Cooperative Contracts program provides eligible users with best-value cooperative contracts of commonly purchased items while only having to conduct one solicitation. This saves the eligible users and vendors a significant amount of time[2]. By having these items go through the State Cooperative Contracts program the Division of Purchasing is able to leverage the total buying power of the eligible users to get the best pricing and terms.

In managing the cooperative contracts, the Division of Purchasing receives quarterly reports from the vendors. This information allows the Division of Purchasing to monitor contract compliance, conduct audits, and make recommendations to eligible users. By properly managing the contracts, the Division of Purchasing is able to provide eligible users with the best-value.

Below are some best practices eligible users may use when using cooperative contracts from the State Cooperative Contracts program:

Reading Instructions

It is important that eligible users read and review all instructions on the contracts in order to utilize the cooperative contracts properly. Many of the cooperative contracts allow for users to make best-vale determinations by reviewing the contract and making a purchase without needing to go through a standard procurement process.

Comparison Shopping

Many agencies can pay too much for procurement items available under the State Cooperative Contracts program because purchasing agents did not compare prices among authorized vendors. An audit finding[3] indicated that savings between 7 and 12 percent are possible when comparison shopping is used. Users are encouraged to utilize the "Get a Quote" feature on the cooperative contracts' website to quickly compare pricing. The "Get a Quote" feature is another opportunity for users to quickly request extended discounts when purchasing at high volumes.

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[1] Eligible Users include: A public entity, nonprofit organization, or, as permitted under federal law, or an agency of the federal government. See Utah Code Section 63G-6a-2105.

[2] Savings include: issuing and responding to multiple solicitations, better pricing, avoidance of procurement costs for many procurement items on cooperative contract, and contract management. See A Review of Allegations Concerning Utah's Purchasing Interaction with WSCA-NASPO in December 2014.

[3] Digest of a Performance Audit of the Division of Information Technology Services performed by Legislative Auditor in 1996.

Additionally, under the terms of the cooperative contracts, vendors are encouraged to provide large volume discounts and can provide eligible users lower pricing without amending the contract.

Performing Adequate Needs Analysis

Conducting a strong pre-purchase analysis, perhaps in the form of a business case analysis, minimizes the risk of making an imprudent purchase. An inadequate analysis may lead to customer needs not being met[4], potential conflict of interest[5], etc.

Maintain Written Documentation

The Division of Purchasing recommends, in addition to comparison shopping, that eligible users maintain written documentation for their purchases, including the reasons they make certain purchases from cooperative contracts. Poor documentation and unclear business purposes may call into question many purchases. This may lead to future audit findings even though an eligible user was using a cooperative contract[6].

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[4] See Mailroom Issues (Report #93-01) in February 1997.

[5] See Digest of a Performance Audit of the Division of Information Technology Services performed by Legislative Auditor in 1996 and Mailroom Issues (Report #93-01) in February 1997

[6] See A Performance Audit of the Economic Development Corporation of Utah in October 2016 and Digest of a Performance Audit of the Division of Information Technology Services performed by Legislative Auditor in 1996.