

The State of Montana and the NASPO ValuePoint Cooperative

VERN JONES, C.P.M.

JULY 2015



<http://www.naspovaluepoint.com>

What is NASPO ValuePoint?

- Formerly known as – WSCA-NASPO
- NASPO ValuePoint - subsidiary of NASPO (National Association of State Procurement Officials)
- NASPO - non-profit professional, educational association of state Chief Procurement Officers (CPOs) dedicated to elevating the performance of state public procurement
- State, territory and DC CPOs - members of NASPO & NASPO ValuePoint



What is NASPO ValuePoint Cooperative Procurement?

- Shared Multi-state Vision and Participation
- Lead State and Multi-State Sourcing Teams
- Common Terms and Conditions
- Shared Volume
- Open to state agencies, counties, cities, and public schools and universities with a Participating Addendum

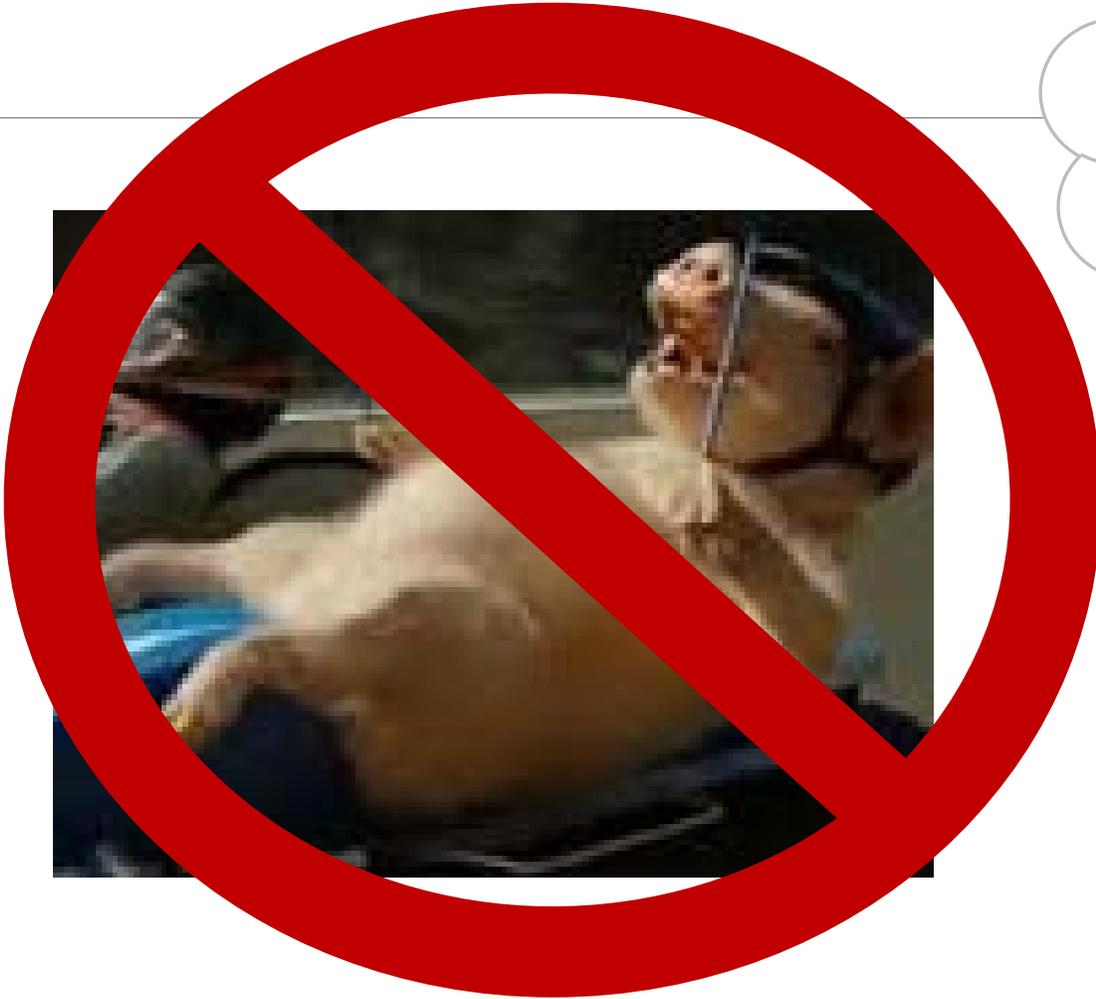


Types of Cooperatives

- Internal Cooperative – **Your State Contracts are a perfect Model!**
- Piggyback
- Third Party Aggregator
- Pure Cooperative

A Pure Cooperative

- Shared Vision and Participation
- Lead State and Multi-State Sourcing Team
- Shared Volume
- Increase market share
- Reduce administrative costs



We'd rather
Partner than
Piggyback!

States Lead all Solicitations

- NASPO ValuePoint conducts no solicitations, we facilitate cooperation and collaboration among state Chief Procurement Officials.
- Every NASPO ValuePoint solicitation is processed and awarded by a lead state under direction of its Chief Procurement Officer in accordance with its state procurement statutes.
- Participating states:
 - **Volunteer state procurement officers engage as sourcing team members** to build solicitations, evaluate proposals, and recommend awards
 - **Advertise the solicitations locally** in accordance with their state procurement statutes to provide opportunities for local vendors

Our Values support S-T-A-T-E-S.

- **Sovereignty** We recognize the authority and autonomy of participating states.
- **Transparency** We award contracts based upon fair and open competition.
- **Above reproach** We adhere to the highest standards of professionalism and ethics.
- **Teamwork** We cooperate and build relationships in order to deliver best value.
- **Expertise** We provide leadership, learning and best practices for public cooperative contracting.
- **Service** Everything we do is for the benefit of the of the STATES and participating entities.

Regional and Local Vendor Participation

Bidding is not limited to national companies

Offerors may bid regionally or by state

Regional & local companies participate:

As supply chain distributors for larger bidders. Many contracts involve local distributors. A few examples:

- Computers
- Grounds Maint.
- Auto Parts
- Software VAR
- Tires & Tubes

“The NASPO ValuePoint Way”

What distinguishes NASPO ValuePoint from every other cooperative?

\$10.6 billion in sales = vast market leverage = great prices

State to state cooperative purchasing always led by a sister state

Transparent & fair competition in accordance with a lead state’s procurement code

Contract Validation via Benchmarking and Audits

Efficiency of the solicitation process

For states - 1 solicitation for many states, not redundant solicitations state by state

For vendors – One Bid, That’s All

Collaborative solution development – true cooperation!

Seek solutions by the best and brightest state procurement experts

Totally voluntary participation solicitation by solicitation

No membership fee, the lowest admin fee of all known cooperatives

Administrative Fee Comparison

Organization	Administrative Fee (Percent of Total Sales)
WSCA-NASPO (NASPO ValuePoint)	Up to 0.25%
US Communities	1% to 2.5%
National Joint Powers Alliance	2%
Cooperative Purchasing Network	2%
Education & Institutional Cooperative Purchasing	3%
Novation	2.10%
Minnesota Multistate Contracting Alliance for Pharmacy	Up to 3%
U.S. General Services Administration	0.75% to 2.0%
Source: Sage Forensic Accounting	

What Happens with the Admin Fee?

- NASPO ValuePoint
 - Funds its operations
 - Reimburses lead states for their time and expense of soliciting and administering NASPO ValuePoint contracts
 - Reimburses sourcing team states for their time and expense
 - Pays for independent CPA firm benchmarking of NASPO ValuePoint pricing
 - Pays for independent CPA firm audits of contractors' compliance
 - Annually, the NASPO ValuePoint excess revenue over expenses is divided: 50% NASPO ValuePoint, 50% NASPO

What Happens with the Admin Fee?

- NASPO uses its portion of the admin fees to
 - Fund NASPO operations
 - Waive NASPO membership dues
 - Fund professional development
 - Procurement U
 - Annual Conference, Marketing to State Governments Conference and regional conferences
 - State member registrations and travel expenses to all NASPO events
 - State allocations for staff professional development

Contracts Available Through Montana State Procurement Bureau

<http://svc.mt.gov/gsd/apps/TermContractDefault.aspx>

Auto Parts

HIV, Saliva Alcohol and Hepatitis C Testing Kits

LED Light Bars

Computer Equipment, Peripherals and Related Services

Educational Furniture

Office Supplies

Multifunction Copiers

Walk-In Building Supplies

WIC Infant Formula

Incontinent Briefs

Automatic External Defibrillator (AED)

Wireless Equipment and Airtime

Tires, Tubes and Related Services

Commercial Card Services

Police Radar, Lidar, Parts & Equipment

Data Communications Hardware

Travel: Nationwide Booking Tool, Vehicle Rental

Body Armor

Office Furniture

Lab Equipment and Supplies

Mailing Equipment

Small Package Delivery Services

Facilities MRO

Breast Pumps

e-Procurement Solutions

Public Safety Radios

Small Package Delivery

Background Screening

Electronic Monitoring

Software VAR

Rebids – Coming Up

- Vehicle lifts
- Managed print services
- Mail room equipment
- Lab equipment & supplies
- Body armor
- Software VAR

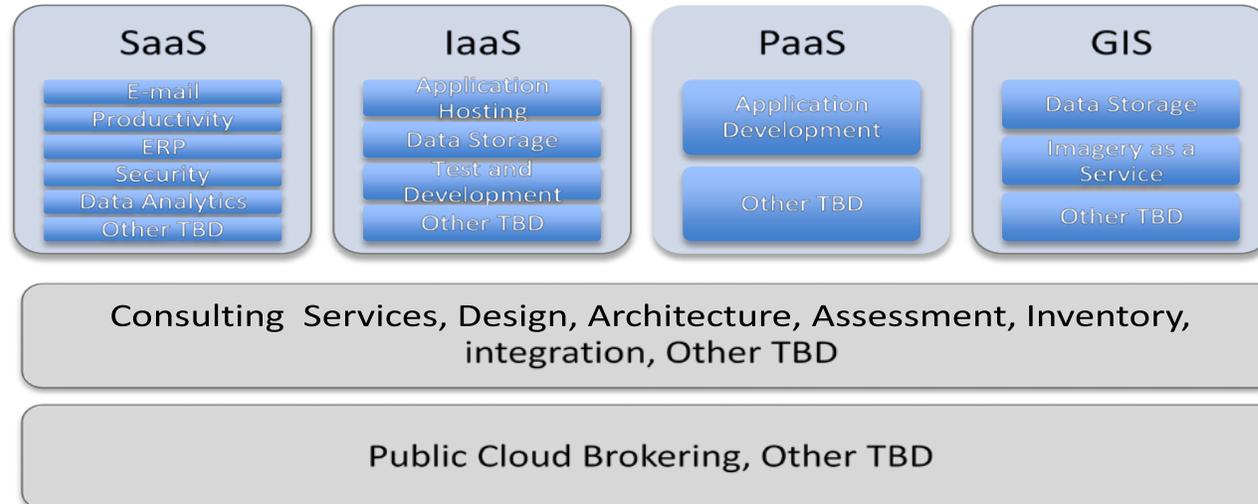
New Project Opportunities

- Heavy equipment (survey of states approved)
- Floorcovering and Installation (through first stage, moving on to regional detailed solicitations)
- Law enforcement video & other vehicle mounted accessories
- Credit monitoring services
- Training for procurement professionals
- Fire apparatus
- Agricultural chemicals
- X-Ray security devices & services

New Project: XAAS

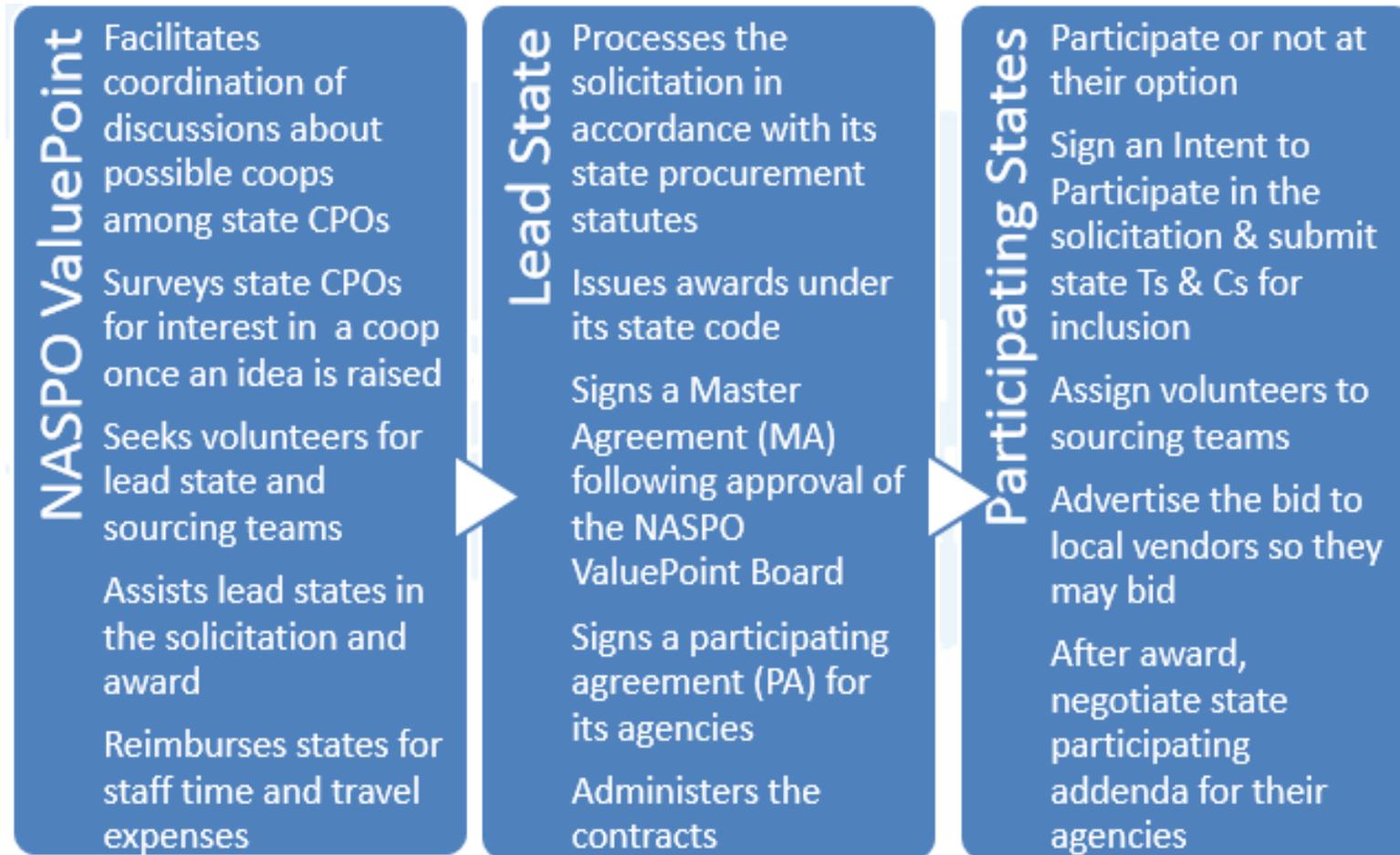
IT SOLUTIONS MARKET PLACE*

Portfolio of cloud based applications and services with multiple awards in each category Use the NIST definition of Cloud and potential includes all NIST Deployment Models (Public Cloud, Private Cloud, Community/Government Cloud and Hybrid Cloud)

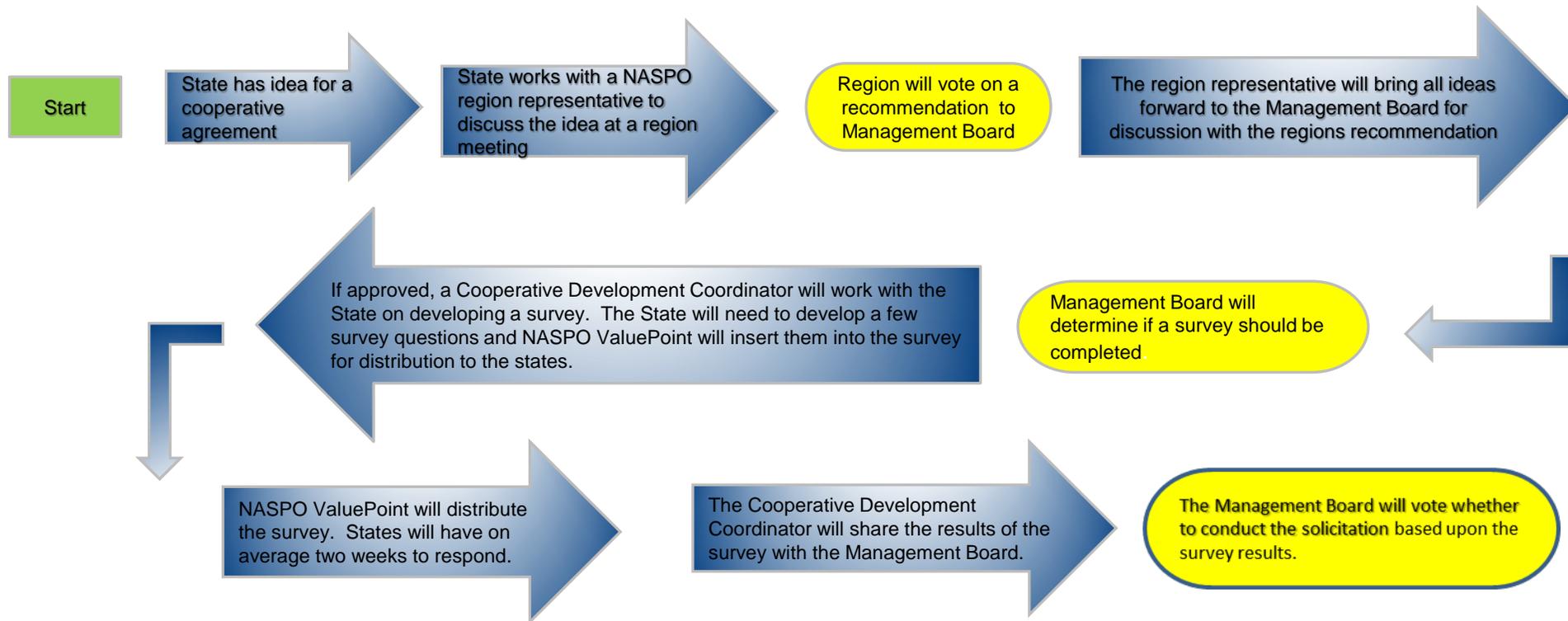


* The final number of categories and services within categories to be determined by the CIO Advisory Council

Roles in the Contracting Process



How an idea gets started to become a NASPO ValuePoint Master Agreement



Note: Not all projects will move forward if the survey results are not favorable or not supported by regions.

It is encouraged that the state bringing forward the idea becomes the lead state for the solicitation.

Management Board members may bring ideas forward that may not have been approved by a region.

Participating Addenda (PA)

- Required of all entities buying from a NASPO ValuePoint contract
- For your protection, PAs link each state's participation (it's contract) with a NASPO ValuePoint contractor to the terms and conditions (rules of engagement) of the original solicitation
- NASPO ValuePoint provides sample PAs for all its contracts for participants' use. They are straight forward and easy to use.
 - Entities may opt to impose additional terms and conditions provided they are generally consistent with the scope of the Master Agreement.

Typical Participating Addenda

Option A

- Statewide
- CPOs may Negotiate 1 PA authorizing all state agencies & poly-subs to use a NASPO ValuePoint contract

Option B

- Statewide for poly-subs only
- CPOs may negotiate 1 PA authorizing all poly-subs to use a NASPO ValuePoint contract

Option C

- No objection to poly-subs
- CPO may opt to “not object” to poly-subs negotiating their own PAs with NASPO ValuePoint contractors

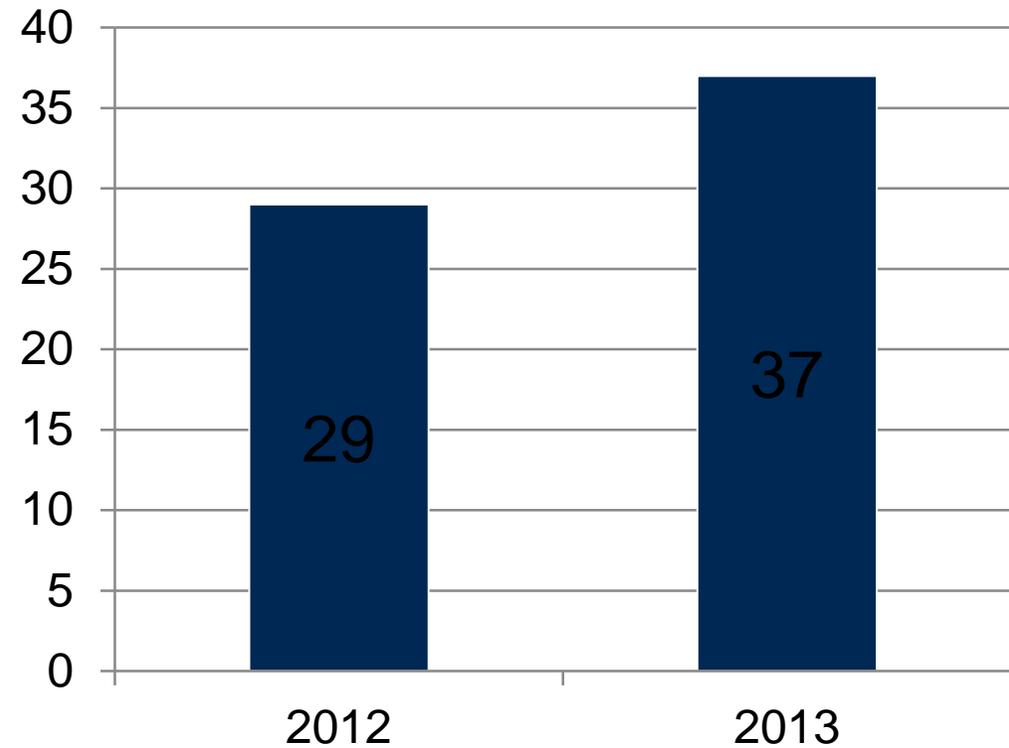
Improving State Procurement Through Collaboration

We welcome your participation at the level you choose

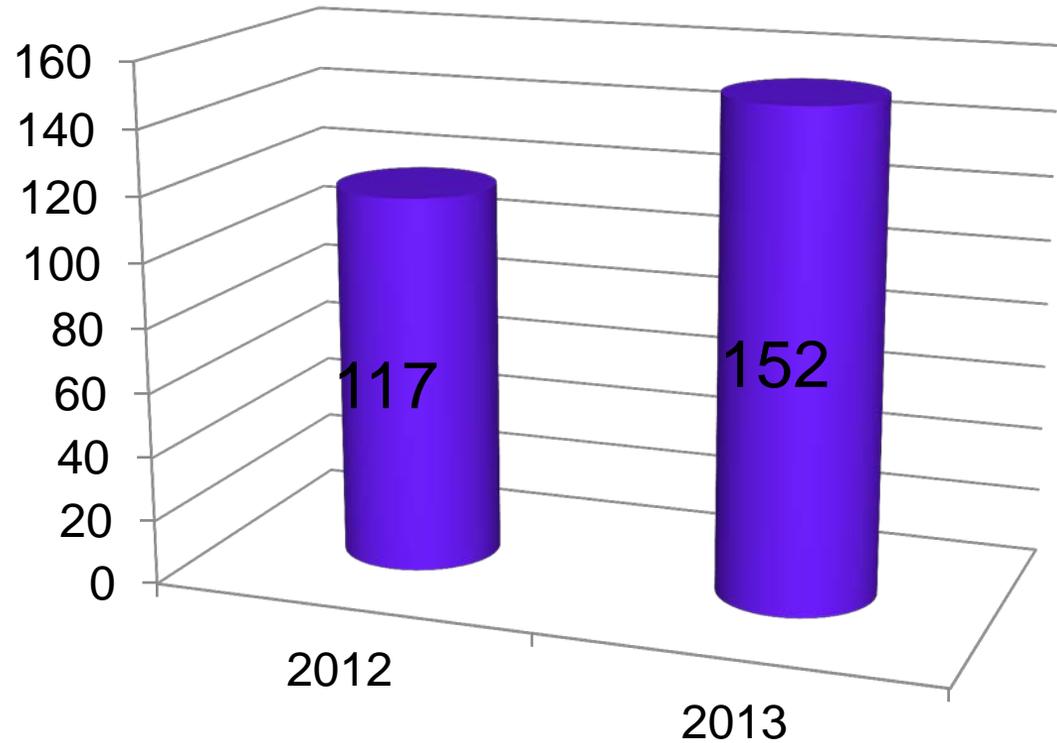
1. Contributor - Developing ideas for new cooperatives and offering feedback on existing contracts
 - a. monthly NASPO regional calls
 - b. annual NASPO regional meetings
2. Sourcing team member
3. Lead state
4. Purchaser - Joining the contracts beneficial to your state and purchase from them

It's working!

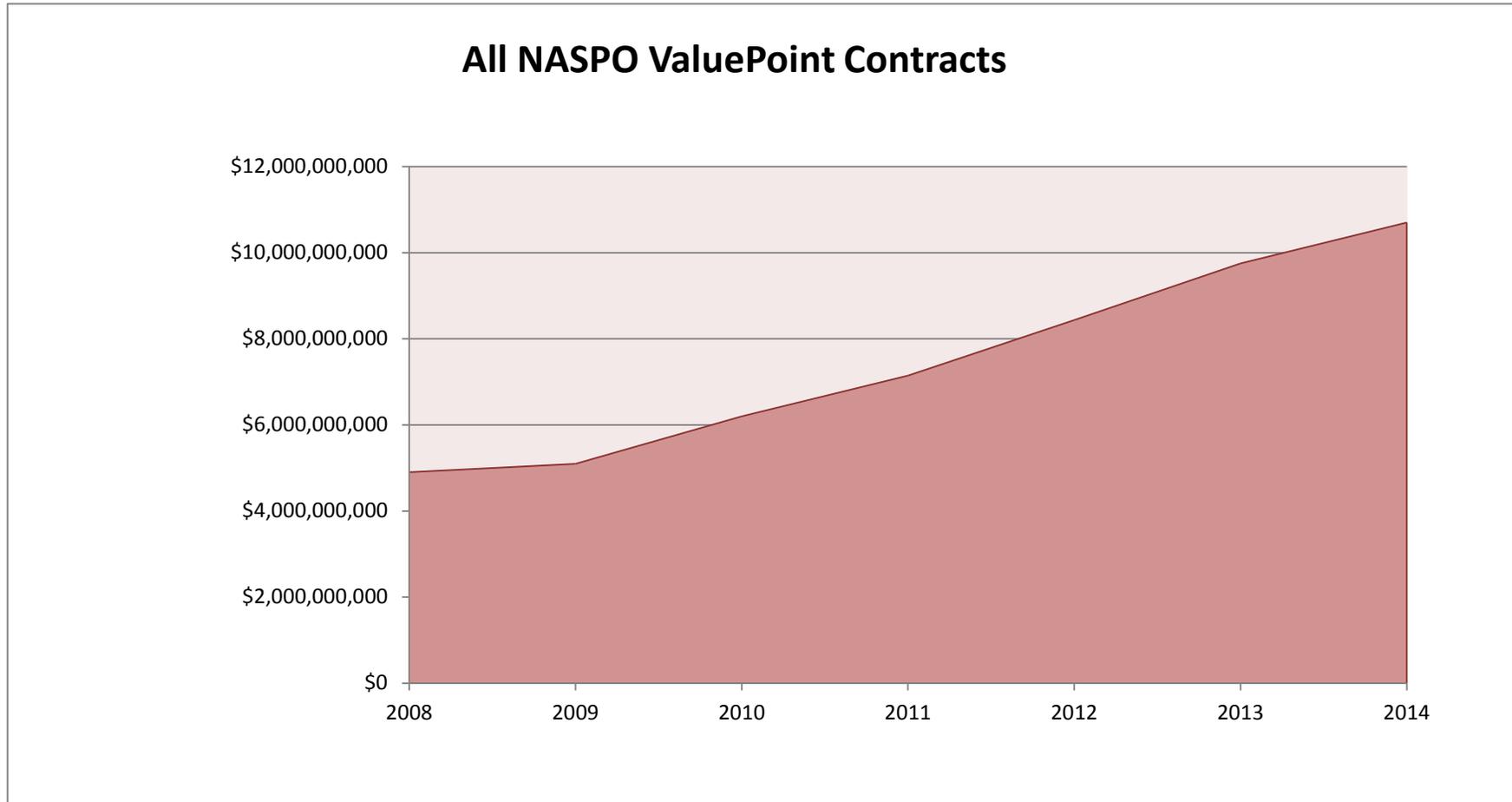
States Represented on Sourcing Teams



Number of Sourcing Team Members



Increasing Spend



Benefits to Your Organization

- Competitive, Benchmarked, and Audited Pricing
- Superior Terms and Conditions
 - That you may not be able to obtain with just your own buying power behind you
- Administrative Savings
 - You don't have to use your own staff for every procurement, your people can be re-directed to higher order work
- Staff Growth and Development Opportunities
 - Your staff collaborates with the best and brightest of colleagues from across country, provides motivation and increases their level of professionalism
- Extends your staff
 - Use of complimentary W-N contracts expands your contract offerings and leverages your resources, it's like gaining buyers to do your organization's work

Benefits to Your Organization

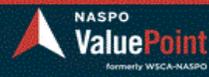
NASPO ValuePoint also provides funding to NASPO, which supports Members with:

- **NASPO Community, Webinars, Research and Publications**
 - Access to 49 other state CPOs, Information sharing and help with problems, Great source of information on current trends and the latest thinking
- **Conferences, Webinars**
 - Funds your membership as well as travel to meetings/conferences/etc.
- **Professional Development Funds, Procurement University**
 - Funds professional training for CPO and staff, augments your state training budget

Recent Utah Legislative Audit

- “Contracts used by competing cooperatives have administrative fees that are between three and twelve times the size of fees on WSCA-NASPO contracts.”
- “We reviewed five of six studies showing that WSCA-NASPO contracts typically offer goods at lower prices than comparable purchasing cooperatives.”
- “Utah’s participation in WSCA-NASPO contracts leads directly to procurement savings for UDP.”
- “Using existing WSCA-NASPO contracts allows Utah to avoid duplicating work already done by WSCA- NASPO and other states.”
 - Source: *A Review of Allegations Concerning Utah’s Purchasing Interaction with WSCA-NASPO*, Office of the Legislative Auditor General, State of Utah

Web: naspo.org



Current Contract Portfolios

NASPO ValuePoint FAQs

Info for Vendors

eMarket Center Info

Questions? Contact Us

Shop the eMarket Center

The Standard of Excellence in Public Cooperative Contracting

HOW IT WORKS

Search current portfolios

Contract Portfolios Contractors

Contract portfolio title or keyword SEARCH

or search by participation



Participants with at least one signed addendum



Vern Jones

Education and Outreach Coordinator

NASPO ValuePoint

vjones@naspovaluepoint.org

907-321-5241