

Focused on Counties

Lancaster County saving money with innovative co-op



Cooperative Purchasing: Success!

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Lancaster County believes in cooperative purchasing. So much so that the county belongs to two cooperative entities; a multi-county co-op comprising eight counties and the Lancaster County Co-op which solicits bids for Lancaster County municipalities as the lead agency. Lancaster County is a member of the Southeastern Pennsylvania Cooperative Purchasing Board along with Berks, Bucks, Chester, Delaware, Lehigh, Montgomery and Northampton counties. For more than 20 years these counties have worked together to bid products including copy paper, flags, envelopes, paper products and more.

Each county takes the lead on specific bids, compiling and writing the scope of

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work, gathering estimates of product usage from each county member, advertising those bids and opening the bids publicly on the due date. After the opening, the lead county checks each proposal for accuracy, compiles a bid tabulation sheet, distributes it to each county and recommends an award. The lead county, after getting approval on the contract from its board of commissioners, distributes copies of the pertinent contracts to each county. The lead county addresses any delivery or invoicing issues that might arise, communicates any changes to the contract details to the members and begins to prepare the specific bid to be advertised again when the contract end date approaches.

For example, Lancaster County has been the lead county for the xerographic paper bid. Seven of the co-op members take part in the bid. In each of the last four years the co-op has seen a decrease in the overall cost of paper. Some of the lower cost can be attributed to market conditions, cost of pulp product and other factors. However, the positive impact of volume cannot be discounted. All of these cooperative bids have seen modest to significant price reductions. The power of volume, multi-county bidding cannot be overstated.

Likewise Lancaster County has seen positive results in the solicitations it provides for the boroughs and townships within the geographic boundaries of Lancaster County. The products bid are completely different and revolve around public works and streets. The bids include road salt,

chemicals for swimming pools and waste water treatment plants, road grates and piping, road signage and bulk fuels. A senior buyer in the purchasing staff coordinates the bidding process for the members. This relieves co-op member staff from having to solicit bids or quotes themselves and continues the theme of bulk purchasing lowering prices.

In the past, the senior buyer would communicate by email, fax or both to obtain the quantities each municipality required. What is new in the past year is the use of the county purchasing website to survey co-op members on their requirements.

Multiple members of the purchasing staff have developed an online survey form customized for each product bid. It enables the coop members the ability to plug in their estimated number of each item needed and submit their numbers electronically replacing paper and pen. These numbers are then collected in a database saving considerable time both for the county purchasing staff and also the municipality staff. The database of requirements are included in the bid packet. The vendors would also have specific delivery points and estimated quantities for each co-op member to help the vendor evaluate pricing.

After award of the bid by motion of the Lancaster County Commissioners and a signed contract by the vendor, the senior buyer posts on the county website the results including a bid tab sheet, contact in-

formation of the awarded vendor and any contract documents. Notification of the availability of the documents to the co-op members is done via email. The members are directed to go to the county purchasing website and there they can download the information.

Lancaster County estimates a 20 percent reduction of staff time since moving the surveying of municipality needs, collecting of estimates and electronic communication to the county website. It provides a seamless method to survey, collect and communicate data to the co-op members. The members have also reacted to the new process favorable. Lancaster County has realized a significant increase in the number of co-op members taking part in each bid.

Many entities across the state and country have developed and have realized positive impacts to their costs of goods through the cooperative purchasing model. Lancaster County has also benefited greatly from the same model. What Lancaster County has added is the way they survey and communicate with their municipal members.

Speed and ease of use have greatly benefitted both the county staff and those of the municipalities.