



Annual Report 2001

MISSION

- Achieve cost savings by combining requirements into cooperative contracts;
- Cooperate to reduce members' administrative expenses; and
- Serve as a forum for the exchange of resources and technical information.

BACKGROUND

The Baltimore Regional Cooperative Purchasing Committee (BRCPC) is a standing committee of the Baltimore Metropolitan Council. BRCPC began as the Baltimore Metropolitan Group in 1971, with Baltimore City, Baltimore County and Anne Arundel County as the original members. The group was renamed BRCPC in the 1980's and became associated with the Baltimore Metropolitan Council in 1989. BRCPC has met monthly at BMC headquarters for the past ten years and added part-time staff to coordinate and expand its cooperative purchasing activities three years ago.

THE YEAR 2001 - IN REVIEW

Objectives

The BRCPC worked diligently throughout 2001 to implement the plans that were stated in the 2000 annual report. At the end of the year, nine new contracts had been established, and members reported cost savings in excess of one million dollars

Objectives in 2001 included: monthly BRCPC meetings; regular meetings of the newly formed public schools group; enhanced purchasing activity with police and public safety and other groups that share common use items; further cost reductions and cost avoidance for all members; and another major electricity purchase for the region.

On-going efforts include plans to enhance cooperative purchasing opportunities for fire and rescue supplies and equipment, as well as the search for a meaningful E-Commerce system. Due to a major re-organization in the lead agency, the award for office furniture was delayed until early 2002, and the planned regional solicitation for voting machines will be postponed pending the 2002 elections and action by the State Board of Elections.

BRCPC Web Site

The web site remains an important resource, both for BRCPC members and for the vendor community interested in bid opportunities and in contracts solicited by the individual member agencies. Electronic links provide each visitor with one-click access to any member agency, including the e-MarylandMarketplace portal established by the State of Maryland Purchasing Bureau.

The BRCPC Annual Report appeared for the first time in 2001, when the website was enhanced with the addition of the Users Guide for Cooperative Purchasing. The Guide includes the new Buyer's guide, approved by BRCPC in March 2001, along with an expanded list of BRCPC agency representatives that now includes telephone numbers, e-mail and street addresses, to aid members' contact needs. The BRCPC web site is maintained on a regular basis with updates of the database, tables and electronic links to member agencies.

Public Schools Group

A subcommittee of the region's public school Purchasing Officials was formed in late 2000 to address issues and items having application in the local schools. The group, under the leadership of John Miller, Director of Purchasing for the Harford County Public Schools, meets on the second Tuesday of the month at the BMC office. Many of the school systems participated in the electricity bids as well as other cooperative opportunities sponsored by BRCPC including office furniture, and large lamps. Baltimore County Public Schools has served as lead jurisdiction for BRCPC's biannual solicitation for gasoline, diesel and heating oil for nearly 20 years.

The group awarded the following school-specific contracts in 2001:

- Portable Modular Classrooms (Baltimore County Schools)
- Copy Paper (Howard County Schools)
- Materials of Instruction (Anne Arundel County Schools)

Investigation continues on bids for audiovisual materials, arts and crafts, packing boxes, data networking and textbooks.

In 2001, the group established a closer working relationship with the Maryland State Department of Education and as a result, prepared for introduction in the 2002 session of the General Assembly, draft legislation to amend State Education Procurement Article 5-112. The proposed measure amends the requirement to advertise in local newspapers, two weeks prior to the bid opening, thus allowing local school districts to use national and regional intergovernmental contracts and to "piggyback" contracts awarded by other governmental agencies. The group is also working with MDE on various technology issues, including the creation of a cooperative purchasing web page with links to BRCPC and other cooperative procurement related sites.

Police and Public Safety Supplies and Equipment Group

Based on the success of the Public Schools Group, we determined that the sub committee approach has merit when applied to the specialized needs of others within BRCPC. This led to the establishment of a subcommittee for police/public safety supplies and equipment. Under the leadership of Mr. Stephen Myer, Senior Buyer for Baltimore County Government, the group is meeting monthly at the BMC office.

The initial meeting was held in October 2001 with representatives from Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County and the State of Maryland. Prior to the meeting, Mr. Myer coordinated a survey of the categories of police/public safety equipment and the status of existing contracts. During the meeting, the group discussed its mission, membership roles, a review of the survey data, buying schedules, and the frequency of subsequent meetings. The State of Maryland volunteered for the first cooperative bid- a term contract for ammunition. The bid opening is scheduled for the first quarter of 2002. The next cooperative contract will be for forensic supplies.

Cost Savings

BRCPC continues to achieve appreciable cost savings for member agencies. The savings are achieved in three different ways:

- Direct cost reductions;
- Procurement action to avoid cost increases, and
- Savings in administrative expenses.

The cooperative approach provides cost reduction by combining the purchasing power of the individual member agencies into contracts that yield volume pricing- and may enable our collective requirements to qualify for national account or other near-wholesale pricing. Such contracts enable the smaller jurisdictions to participate in pricing that they could not achieve on their own. The contracts eliminate redundant administrative costs through the lead agency approach, thus eliminating multiple bids for the same item. From the supplier standpoint, the “one-stop shop” approach saves travel, postage and staff overhead that would otherwise be required to respond individually to each agency’s bid-enabling more complete pricing. Costs saving highlights are reported in the following section:

Electricity

Following a successful bid for electricity in the fall of 2000, BRCPC again entered the market place for a contract to replace the existing sixteen-month contract for certain “GL” accounts in April 2002. The new bid addressed not only the “GL” accounts, previously switched to a competitive supplier at rates better than Price-Freeze Service (PFS), but also the 70 large Primary Service, or “P” accounts, represented in the region by large high school complexes and water/wastewater treatment facilities. The approaching end of the PFS for all accounts, effective with meter readings after July 1, 2002, posed a special concern to BRCPC members who stood to pay unknown and potentially wildly fluctuating market rates for electricity unless a competitive supplier was identified.

The relatively new restructuring of the state’s electric industry has yet to yield a competitive market in this region, with the result that BMC members may have seen increases in the range of 20% or more; compared to the existing fixed rates, without the good results achieved by BRCPC.

The City of Baltimore volunteered again to be the lead agency for the bid. The Baltimore Metropolitan Council helped establish a contract for the consultant to assist in the gathering and compilation of usage data, the preparation of the bid documents and evaluation of the bid results. The bid included approximately 3200 different accounts and nearly one billion kilowatt hours of electrical energy. All BRCPC members and their technical advisors worked for months to complete the bid process, culminating with the award of the contract to two different vendors in December 2001.

The uniqueness of the electricity market again required the use of a standard supply contract to be approved by all the participants’ approving authorities within 14 days following the bid opening. The exceptional cooperation across entity boundaries allowed the task to be done and all the contracts were executed by the suppliers and the entities on time.

The government agencies participating in the bid included Anne Arundel, Baltimore, Carroll, Harford and Howard counties; Baltimore City; the cities of Aberdeen, and Annapolis, public schools in Baltimore City and Baltimore, Carroll, Harford and Howard counties; public colleges in Anne Arundel, Baltimore, Harford and Howard counties; and the Baltimore County Libraries and Revenue Authority.

The two contracts will save nearly \$1 million in electricity costs during their 12-month term. As shown in the attached table, participants also avoided considerable administrative costs in structuring and bidding contracts of this complexity.

Discounted Materials of Instruction

With Anne Arundel Public Schools taking the lead, the group agreed on specifications and went through the procurement process to establish multi-award contracts with eight vendors for the Discounted Materials of Instruction Catalog Program. All the schools in the region participated and the contracts will enable authorized persons to quickly order the materials they need at a discounted price from standard catalogs. The group agreed on a three-year contract period to assure continuity of supply for the contract period and to avoid unnecessary administrative expense. The cost savings have not been tabulated due to the newness of the contract.

Procurement Action to avoid cost increases

One of the benefits of regular attendance at the BRCPC meetings is the exchange of current information. By coupling this with decisive action, and in coordination with using agencies, cost increases can be avoided. After one of the BRCPC meetings where the need to re-bid the road salt contract was discussed, the Carroll County representative took action in coordination with his Roads Department to avoid an expected cost increase. They filled their salt storage areas with product purchased under the existing contract prices. As they expected, the rates under the new bid were higher than the existing prices. Their action saved the County \$17,065.

Another example of this proactive approach to cutting costs occurred when Baltimore County was in the process of furnishing the Drum Castle Center. Four hundred fifty county employees were to be moved into the center on short notice. By working with the responsible agency, and the vendors under the existing contracts, they were able to save \$366,871 in office furnishings.

Administrative Savings

Although market conditions did not result in lower costs for the following contracts, all participants still achieved lower product costs than if they had bid on their own. The bidding for these contracts was led by Baltimore County, Howard County and the State of Maryland. Each bid gained savings in administrative costs for the cooperating members.

- Automatic Fire Sprinkler Systems
- Glass Beads
- Deicing Materials
- Sodium Chloride (Road Salt)
- Testing, Non-Destructive, Man lift Equipment and Ladders
- Traffic Barricades and Barrels
- Traffic Paint

Existing Contracts

Contracts that were established in prior years continue to save hundreds of thousands of taxpayer dollars. These contracts include:

- Automotive Tires and Services
- Bottled Water
- Congregate Meals
- Corrugated Pipe
- Gasoline, Diesel and Heating Fuels
- High Performance Cold Mix
- Large Lamps
- Manhole Covers and Frames
- Medical Supplies and Equipment
- Office Furniture
- Paternity Testing

Savings for the Baltimore Metropolitan Council

In early 2001, BMC joined in a contract for personal computers and related accessories. The contract is the result of interstate cooperative purchasing. An alliance, WSCA, (Western States Contracting Alliance) headed by the state of New Mexico and including twelve other states competitively bid and awarded multiple contracts for major brand computers. The pooled requirements within the alliance enabled discounts surpassing any that an individual state could have received. The alliance calculates total savings from its contracts to be \$1.3 billion for the period October 1, 1999 through December 31, 2001.

LOOKING AHEAD

In 2002, we intend to seek new means to maximize the tax dollar within our member purchasing operations. During the new year, BRCPC plans to:

- Continue monthly meetings of the region's top purchasing officials to develop new and re-bid past cooperative bids.
- Continue meetings of the public schools purchasing officials to identify areas of common requirements and bid them on a region-wide cooperative basis.
- Continue meetings of the police equipment and supplies group.
- In all three groups, obtain further cost reductions and cost avoidances.
- Depending on funding and direction from the state elections regulatory agency, explore the potential of cooperative purchasing of voting systems
- Explore options to contain or lessen the impact of anticipated rising costs for electricity.
- Develop an enhanced relationship with the Metro Fire Chief's Council to identify opportunities for increased cooperative purchases for the fire and rescue services.
- Establish options for E-Commerce transactions

BRCPC Electricity Bid Savings (12 month contract)

Jurisdiction	Organization	Cost Reduction	Administrative Savings
Anne Arundel County	Government/College	\$ 41,436	\$ 4,168
	City of Annapolis	4,734	1,945
	Sub Total	46,170	6,113
Baltimore City	Government	52,218	-----
	Schools	215,294	2,084
	Sub Total	267,512	2,084
Baltimore County	Government	44,292	2,505
	College	42,491	2,084
	Schools	59,668	7,741
	Revenue Authority	1,002	2,084
	Library	373	2,084
	Sub Total	147,826	16,498
Carroll County	Government	0	2,105
	Schools	60,308	2,084
	Sub Total	60,308	4,189
Harford County	Government	83,244	2,084
	College	9,832	2,084
	Schools	127,727	1,780
	Sub Total	220,803	5,948
Howard County	Government	16,295	2,084
	College	278	2,084
	Schools	197,253	2,084
	Sub Total	213,826	6,252
GRAND TOTAL		\$956,826	\$41,084

Baltimore Metropolitan Council

Board of Directors

The Honorable Janet S. Owens

*Anne Arundel County Executive
Vice Chair*

The Honorable Martin J. O'Malley

Mayor of Baltimore City

The Honorable C.A. Dutch Ruppertsberger

Baltimore County Executive

The Honorable Julia W. Gouge

Carroll County Commissioner

The Honorable James M. Harkins

Harford County Executive

The Honorable James N. Robey

Howard County Executive

Chair

Paul Farragut

Executive Director

BRCPC Active Member Representatives

William Schull, CPPB, C.P.M.

*Purchasing Agent
Anne Arundel County*

Deborah Groat, CPPB, C.P.M.

*Purchasing Officer
Anne Arundel Schools*

Brian Snyder, CPPO

*Purchasing Agent
City of Annapolis*

Arthur McNeal, CPPO, MCA

*Purchasing Agent
Baltimore City*

Westley Hunter, C.P.M.

*Director of Purchasing
Baltimore City Schools*

Stephen Myer, CPPB

*Senior Buyer
Baltimore County*

Paul Cramer, C.P.M.

*Purchasing Agent
Baltimore County Schools*

Richard Shelton

*Chief of Purchasing
Carroll County*

Nancy Codner, CPPB

*Purchasing Officer
Carroll County Schools*

Lucy Slaich, CPPO, C.P.M., CPCM

*Director of Procurement
Harford County*

John Miller, CPPO

*Supervisor of Purchasing
Harford County Schools*

John Gray

*Senior Buyer
Howard County*

Douglas Pindell, CPPB, C.P.M.

*Purchasing Officer
Howard County Schools*

Charles Carr, CPPO

*Buyer Supervisor
State of Maryland
Department of General Services*

Harry H. Bain, CPPO, C.P.M.

Regional Purchasing Coordinator