



Baltimore Regional Cooperative
Purchasing Committee
2015 Annual Report

Executive Summary

The Baltimore Regional Cooperative Purchasing Committee (BRCPC), formed in 1990, serves the membership through facilitating the aggregation of their buying power for the advantages of best pricing, reduction of administrative burden and incorporation of best practices.

BRCPC has evolved from a small regional consortium to what is now a super-regional contender with the formation of the Mid Atlantic Purchasing Team (MAPT) in 2009. MAPT is a partnership with the Metropolitan Washington Council of Governments (MWCOG) demonstrating our agreement to aggregate larger volumes to provide best pricing.

There are currently 47 regional contracts, including 11 MAPT contracts. The BRCPC uses a lead agency model where a lead buyer is identified who possesses the subject expertise for a given procurement. They are responsible for conducting the bid and contract award, which includes collecting requirements from participating entities to be used during the bid process. Contracts are then managed, monitored and evaluated through supplier reporting to ensure necessary updates are made, and measurement of the value of the contract.



Contents

Executive Summary	1
Contents.....	2
Strategic Plan.....	3
Committees	4
Committee Work.....	5
Coordinator Regional Procurement Report	9
Message from the Coordinator.....	13
Representatives.....	14

Hear from our members ●●●

“As a smaller organization operating with limited resources, Carroll County Government receives immeasurable value from the BRCPC by utilizing the buying power and expertise available through the group. This invaluable partnership has led to decreased administrative and acquisition costs and increased savings and efficiencies for Carroll County Government for many years.”

Mike Myers, CPPO, CPPB
Chief, Bureau of Purchasing
Carroll County Government

“This forum provides a collaborative network for professionals to share and validate ideas, processes, procedures, best practices and experiences; a very valuable tool for all of us!”

Karen Myers
Director of Procurement
Harford County Government

“BRCPC is a great vehicle for costs savings through increased volume. It also curtails duplication of effort amongst different participating agencies.”

Bill Hubbard, CPPB
Lead Buyer
Anne Arundel Co. Public Schools

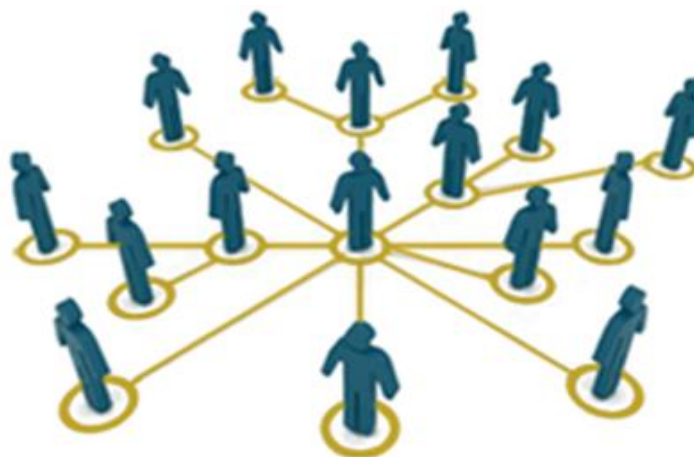
Strategic Plan

The BRCPC provides a service by:

1. Facilitating the opportunity for the membership to meet and collaborate on purchasing initiatives of like requirements to drive costs down through the economies of scale.
2. Development:
 - a. Training opportunities for buyers
 - b. Forums for discussion such as the energy management, healthcare claims and school food purchasing.
3. Reviewing specifications
4. Steering house for networking similar activities and people performing similar services for the purposes of exploring best practices and collaboration.

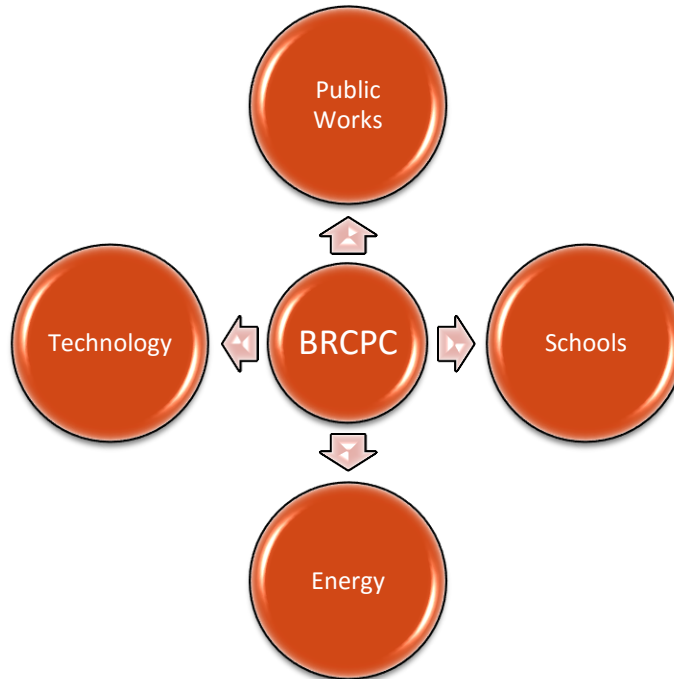
The Mid-Atlantic Purchasing Team (MAPT) was born out of the idea that this region, which includes Maryland, Virginia and Washington, D.C., possesses the volume, logistics and density to make it the ideal candidate for self-sufficiency from other national consortiums. *The regional opportunity is valued because it provides best pricing and focuses on the needs of the local member.* Room for improvement includes the collection of contract usage data, identification of standard performance measurements, and additional contract management when contract usage increases significantly. Support is essential in this volunteer model:

- *BMC Board encouraging these efforts*
- *Coordinator of cooperative purchasing to facilitate these efforts*
- *Members to lead procurements and collaborate on target procurements*



Committees

The structure of the BRCPC is designed around a subcommittee approach that reports up to the central committee. The central committee facilitates the work of the groups as a whole with the support of the Coordinator of Cooperative Purchasing.



This system is fed by the experiences of senior purchasing personnel that elevate the overall expertise of the group to leverage the best procurements.

 <p>Darla Herbold, Purchasing Administrator, Howard County Chair, BRCPC</p> <ul style="list-style-type: none"> • Services • Commodities • Bylaws 	 <p>Matt Carpenter, Budget Manager Chair, Energy Board</p> <ul style="list-style-type: none"> • Consultant • Electric • Natural Gas • Power Purchases 	 <p>Mike Myers, Chief, Bureau of Purchasing Carroll County Chair, Public Works</p> <ul style="list-style-type: none"> • Highways • Facilities • Commodities 	 <p>Doug Pindell, Purchasing Agent, Howard Co. Public Schools Chair, Education</p> <ul style="list-style-type: none"> • Materials of Instruction • Recreation • Commodities 	 <p>Vacant Chair, Technology</p> <ul style="list-style-type: none"> • Services • Commodities
---	---	--	---	--

The 2015 Team

Committee Work

BRCPC: The BRCPC strives to enhance its mutual procurement efforts within the Baltimore region and by partnering with the Metropolitan Washington Council of Governments (MWCOG) to enhance procurement efforts in the broader region. Highlights in the past year include:

- Howard County led the re-bid of the MAPT super-regional office, school and library furniture and equipment contract. In May 2015, 80 bids were received and 74 awards were issued.
- A review of the Memorandum of Agreement (MOA) dated March 19, 1990 that established the BRCPC was initiated to update it to reflect changes in the operations of the BRCPC between 1990 and the present. Due to the complex nature of the MOA and the number of government entities involved in signing the agreement, the ratification of the revised and restated agreement will likely not be completed until sometime in 2016.
- A new benchmark survey of procurement analytics was conducted. While previous surveys included the governments and the school boards, this year's survey also included the community colleges. It was conducted for the first time electronically via Survey Monkey.
- Road Salt Forum: This event was conducted on June 16, 2015 at the BMC. It included more than 40 participants representing public works departments, procurement offices as well as regional salt suppliers. We learned that the salt used in this area is predominately imported, which makes demand planning more important. Suppliers recommended bidding in such a way that multiple awards were possible thereby ensuring salt supply from many sources. It was also noted that additives reduce our salt demand and can save money by reducing the amount of salt used. However, in contrast, residents' demands for "dry roads" has increased the use of road salt. Furthermore, the environmental demands to reduce our road salt level is reaching a critical level that goes beyond the vegetation and wildlife concerns and now threatens our drinking water.
- Healthcare Claims Management Forum: This event was for the buyer and human resources professional, and was held on September 29, 2015. The best strategies come out of the combination of a variety of viewpoints and experiences. Presenters included CareFirst, Bolton Partners and Innovative Programs. It was a huge success and has opportunity for improved procurement activity and cooperative bidding.
- BRCPC co-sponsored the Meet the Primes event held on October 14, 2015 at the Maryland State Fairgrounds' Exhibit Hall. This event brings the small and minority-owned business contractors together with the prime contractors seeking their subcontracted services. They have an opportunity to meet with government representatives as well, and all of BRCPC membership participates in the event. One-on-one sessions are organized for the subcontractor to meet directly with the prime, which makes that business opportunity more personalized.

Energy Board: The BRCPC Energy Board's primary focus is the oversight of the energy cost management and procurement for both electric and natural gas supply portfolios. This includes staying current on energy market developments on an ongoing basis. The combined portfolios represented an annual spend of \$120 million for Fiscal Year 2015.

The FY 2015 electric supply portfolio rates came in at 14.3 percent below plan for a favorable rate based budget variance of \$17.8 million. The favorable variance was in large part driven by historically low spot market energy prices as the portfolio purchases approximately 20 percent of its energy on the spot market. The favorable performance significantly exceeded the prior year unfavorable variance to plan of 4.8 percent or \$6.2 million caused by the extreme temperatures during the 2014 polar vortex. Low energy prices during FY 2015 are attributed to:

- Robust domestic natural gas production from technological advances in fracking. As a result natural gas storage levels were replenished from the 2014 winter polar vortex and are now at record levels.
- Lower electric demand attributed to economic conditions, energy efficiency and conservation projects, demand response programs, and expansion of wind and solar renewable projects.

When compared to the local electric utility's (BGE) standard offer service (SOS) rates alternative for FY2015 the electric portfolio saved \$22.1 million. Since the electric portfolio's inception in June 2006 through June 30, 2015, the portfolio has generated savings of \$117.1 million when compared to BGE's SOS rates. The current electric portfolio consists of 1.7 million annual Mega-Watt hours and over 4,000 accounts.

The FY 2015 natural gas portfolio rates came in at 15.9 percent above plan (\$1.8 million rate based unfavorable variance). This was driven by higher winter natural gas pipeline capacity costs (basis) that BRCPC was required to purchase. Winter basis prices increased significantly post-2014 polar vortex while the FY 2015 plan was prepared several months prior to the 2014 polar vortex. FY 2015 total delivered volumes decreased by 900,000 dekatherms (dths) when compared to FY 2014 (2.0 million dths vs. 2.9 million dths). FY 2014 higher volumes were driven by the polar vortex.

Several members have or are currently contracting for solar projects at their sites. BRCPC's energy consultant, EnerNOC, continues to assist members on evaluating the financial effects of these projects. The board reviewed and evaluated two opportunities to purchase solar renewable energy certificates directly from member solar projects to meet the electric portfolio's regulatory solar energy purchase requirement. One of those opportunities remains under consideration.

Most of the BRCPC energy program participants continue to participate in PJM's demand response program. Under this program, members receive cash payments in exchange for agreeing to reduce electric demand during grid emergencies. The rules surrounding the program continue to evolve and change, and BRCPC continues to assist the members with the program through EnerNOC.

With the assistance of EnerNOC, several BRCPC members are also utilizing the real-time energy data provided thru the demand response metering to analyze their usage and identify actionable low/no-cost energy savings opportunities. These opportunities include benchmarking energy usage across sites, managing summer peak demands, evaluating night, weekend and holiday shut downs, identifying unnecessary equipment cycling and staggering equipment start-ups to reduce daily peak demands. Members are already achieving cost reductions from these initiatives.

The Energy Board also coordinates educational presentations on energy related topics to the member jurisdictions. This includes scheduling expert presenters for the designated topics. The 2015 presentations included Energy Management Best Practices and Renewable Energy Projects and Financing Mechanisms. An energy summit was held in April 2015 where member entities discussed their energy management challenges, experiences, achievements and lessons learned.

Public Works: In 2015, the Public Works Sub-Committee was active in their identification of procurement opportunities and bid the following cooperative contracts:

- Anne Arundel County- **Lamp & Ballast**- most BRCPC entities participate in this contract but no financial data is yet available.
- Baltimore County- **On-Call Painting Services**- just awarded, no financial data yet available.
- Carroll County- **Snow Plow Cutting Edges**- Anne Arundel included in quantities and annual value is approximately \$225,000 and savings should be \$30,000 annually based on current bid prices.
- **Bulk Road Salt**- Carroll and Harford Counties are participating in this contract at a savings of \$3 per pound over the current cooperative contract. Carroll County alone reports an average savings of \$90,000 per year in addition to having better control over the supply chain which is invaluable during a snow emergency.

Education: This sub-committee has made great strides to collaborate amongst the member agencies to seek opportunities to add value through the procurement process. With the theme of "getting back to basics," the group continues to identify common areas of opportunity to aggregate usage to achieve the greatest savings potential. We continue to market the BRCPC website with a wealth of contract listings that members may access to efficiently and effectively support their agencies' respective goals and objectives. We continue to reach out to other organizations such as the Association of School Business Officials (ASBO), MD/DC to collaborate and share best practices. Member discussions included:

- The potential for aggregating Gift Card purchases to obtain net savings.
- Explore efforts to expand the MDK12 Digital Library under a MAPT initiative to drive prices down.
- Coordinate efforts with other subcommittees such as IT and the Maryland Educational Enterprise Consortium (MEEC) to identify common technology needs to provide better utilization of contracts.
- Focus on school-specific purchases such as class rings, photographic services and other school based items.
- Aggregate bottled water purchases for volume pricing.
- Coordination of contract language to better facilitate the piggybacking of contracts. All are encouraged to include the MAPT terms and conditions for ease of cross application and use of contracts.

Members also saw the need to be more inclusive of all procurement staff as well as other school departments and offices such as food services to solicit their direct input and identification of opportunities.

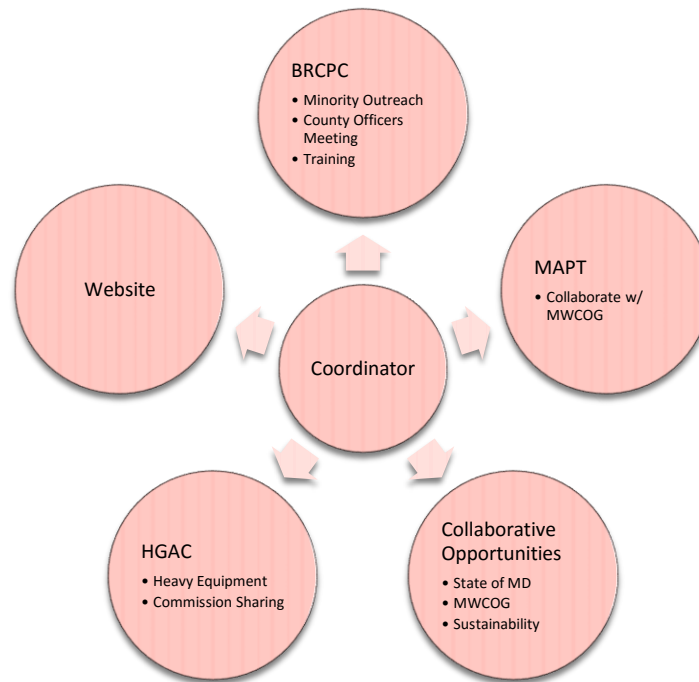
The subcommittee continues to appreciate and value the relationship of our vendors by inviting presentations of various products and services such as managed print programs, creative delivery models of prepared foods for school breakfasts and lunches, and other proven industry best practices.

With the end of 2015, we remain optimistic and continue our efforts to step forward in the identification of saving opportunities including efforts to lower freight costs, collaborate on professional services type contracts and work on better coordination of contract terms to open up true aggregated procurements and savings.

Technology: The Technology Subcommittee formed in 2015 to address the need to take a regional approach to bidding technology requirements. This subcommittee identified three procurements that they expect to complete in 2016; namely, SMART Technologies, 3-Dimensional printers, and information technology staffing.

Coordinator, Regional Procurement Report

The Coordinator of Regional Procurement is responsible for coordinating several key functions in the spirit of furthering cooperative purchasing in the region.



To further cooperative purchasing, several initiatives were undertaken this year to update the services offered by BRCPC. Membership was visited to discuss key offerings and to identify the service need enhancements. This resulted in a better understanding of the unique challenges and resources available in the region. A program was built to address these conversations and ensure a value added service was offered by BRCPC. These efforts aided in increasing the number of MAPT procurements to 11; for an increase of about 25 percent.

COMMUNICATION: Improved communication channels promoting the work of BRCPC and MAPT were identified as an important area for improvement to facilitate our goals of aggregating the buying power in the region. This included several targeted actions, such as:

1. Served as chair of the Maryland Public Purchasing Association's Cooperative Purchasing Committee
2. Published an article in the Association of School Business Official's ASBO Matters Magazine, entitled "Garner Greater Savings by Eliminating Piggyback-Lash" and reprinted in the MPPA Fine Print Magazine
3. Updated the BRCPC website
4. Serve on the State of Maryland's Green Procurement Committee
5. Serve on the Anne Arundel County Public Schools' Sustainability Workgroup

6. Co-sponsored of the Meet the Prime event communicating regional opportunities to minority and small vendors, as well as prime vendors in attendance
7. Submitted a resume for the National Association of Regional Councils (NARC) for our Aggregated Alternative Technology Alliance (AATA) grant proposal for cooperative procurement of advanced and alternative fuel vehicles, ancillary sub-components and equipment, and refueling/charging infrastructure
8. Facilitated sessions for the MWCOG Green Procurement Trade Show
9. Facilitated sessions for the MWCOG Alternative Fueled Vehicle Conference
10. Presented at the MWCOG Storm Water Management Workgroup

TRAINING: Training is an important part of ensuring that the buyers who will be responsible for leading a procurement for BRCPC and MAPT are well trained to carry out this responsibility and communicate the opportunity to bidders. Several training opportunities were established for this purpose:

1. Purchasing Month Training Day – March 16
2. MAPT Training – October 5
3. MAPT Training, Association of School Business Officials' Fall Conference – November 6

FORUMS: The BRCPC is known for its work in cooperative contracts, but there are other ways that value is delivered in the acquisition of commodities and services. Considering the components that go into a solidly developed Invitation to bid, the experience and research that a buyer puts into a solicitation is directly linked with the desired outcome of a best price or best value contract.

The Coordinator of Cooperative Purchasing hosted several forums designed to provide industry insight, colleague networking, and fresh ideas to help manage those difficult procurements. The lineup for 2015 included a Green Trade Show with the Metropolitan Washington Council of Governments; Energy managers, road salt, technology, cafeterias and healthcare claims forums.

By example, the Road Salt Forum was attended by more than 30 people from both BMC and Metropolitan Washington Council of Governments. Presentations were given by two road salt suppliers and one salt additive supplier. Key pieces of information were received by participants about the benefits of certain environmentally friendly additives and ways to capitalize on industry best practices, such as:

1. Bid early in the May/June timeframe. This gives the distributors ample time to best predict their supply needs. Keep in mind that there is a finite mining capacity that the distributors are aware of so the early bidder gets the best prices, and guaranteed supply. When contract awards exceed their production capacity for the year, they stop bidding on your invitation for bids.

2. Road salt is mined domestically and imported principally from Canada and South America. The mines are not in Maryland or Virginia. Transportation time is another factor when your distributor's inventory is low. Foreign mines typically have longer delivery schedules.
3. Fill your salt storage facilities early in the August/September timeframe. Deliveries after Halloween are considered late and riskier. Key point to remember here is that if you fill your facilities in August/September, you have provided your distributor with more time to refill their facilities. In the end that creates more *waiting inventory* for the next snow event.

HGAC: BRCPC enjoys a strong relationship with the Houston-Galveston Area Council and uses their contracts extensively for primarily their heavy equipment requirements, such as fire trucks. HGAC provides excellent cooperative contracts for our membership to utilize and a commission sharing model for our member purchases.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS: The relationship with MWCOCG is a long and strong one. We find synergy in our common interest to provide value to our membership through cooperative procurement efforts. This year was marked with a more focused, goal-driven approach to melding our operations to improve efficiency and effectiveness. We achieved a common logo for the MAPT initiatives, collaborate to representing the procurement role and value with existing working committees, commitment to accomplish more MAPT driven procurements, supported their efforts to receive the NARC grant, and reconnected with membership on our areas to ensure we are delivering a value added service.

The solid foundation that this relationship rests on will further our efforts to drive costs down for membership and the region in general.

RECOGNITION: The year ended with the BMC receiving MWCOCG's prestigious Regional Partnership Award at their Annual Awards Banquet for its cooperative purchasing work in the dual region. According to Baltimore County Executive, Kevin Kamenetz, "This partnership means we have a cooperative network of cities and counties not just in the Baltimore region, but across Maryland, Virginia and Washington, D.C. taking a real-world approach to cost savings, in turn, making our governments more efficient."

BID SUMMARY FOR 2015**(Savings is calculated on bid day results)**

2015 Bids	Average Total Bid Percentage Savings	Lead Agency
Art/Classroom Supplies	8%	Wicomico County Public Schools
Furniture	Multiple Award by Manufacturer – No Comparison	Howard County Government
Generator Maintenance	Entity Specific Ranging from 3% – 41%	Harford County Government
Guardrail Services	Single Bidder – No Comparison	Baltimore County Government
Ice Melter	31%	Metro. Washington Council of Governments
Large & Specialty Lamps	44%	Anne Arundel County
Painting Services	37%	Baltimore County Government
Pump, Motor Maintenance	0%; Dual award at same eval. price	Harford County Government
Sign Blanks, Road and Street	20%	Anne Arundel County Government
Snow Plow Blades	19%	Carroll County Government

Message from the Coordinator...

As the Coordinator for Regional Procurement I have the wonderful opportunity to work with purchasing professionals from all over the region. Your vision, contributions, dedication and hard work make this consortium possible.

Your candor and collaboration have caused me to:

- Think more innovatively
- Evaluate our value added services
- Improve the communication of essential information

It has been my pleasure to work with you throughout 2015 to craft a new service level at the Baltimore Regional Cooperative Purchasing Committee, and I look forward to the possibilities that are on the path ahead.

Thank you for your contributions that have made the Baltimore Regional Cooperative Purchasing Committee a model for collaborative purchasing.

Yours in Service,

Debbie Groat, C.P.M., CPPB, ACG

Baltimore Regional Cooperative Purchasing Committee Representatives:

Anne Arundel County	William Schull, CPPB, C.P.M.
Anne Arundel Schools	Mary Jo Childs, Esq., CPPO, CPCM
Anne Arundel Community College	Melanie Scherer, CPPO, CPPB
City of Annapolis	Brian Snyder, CPPO
Baltimore City	Timothy Krus, CPPO
Baltimore City Public Schools	Jeff Parker
Baltimore County	Deborah Meehan, CPPB
Baltimore County Schools	Melanie Webster, CPPB
Comm College of Baltimore Co	Mary Jo McCabe, CPPB
Carroll County	Michael Myers, CPPO, CPPB
Carroll County Schools	Nancy Codner, CPPB
Carroll Community College	Charles Bednar
Harford County	Karen Myers, CPPB
Harford County Public Schools	Jeff LaPorta, CPPB
Harford Community College	Vic Dodson, C.P.M.
Howard County	Darla Herbold, CPPO
Howard County Public Schools	Douglas Pindell, CPPO
Howard Community College	Elizabeth Moss, Esq., CPPO
State of Maryland	Nancy Hevey