

ANNUAL REPORT

**Baltimore Regional Cooperative
Purchasing Committee**

Calendar Year 2021



Baltimore Regional Cooperative Purchasing Committee

Tel 410-732-0500 x 1007

1500 Whetstone Way, Suite 300
Baltimore, Maryland 21230

www.baltometro.org
dgroat@baltometro.org

TO OUR MEMBERS



2021 was another remarkable year. We have watched as the supply chain collapsed under pressure in 2020, and while we fully expected to see full recovery in

2021, we are now realizing that pandemic and trade decisions are pushing recovery out to 2022 and some have even speculated that full recovery will not occur until 2023.

Procurement officials continue to deliver the necessary services to acquire what is needed to keep our governments open and running. This has been challenging in unprecedented times. Our war room scenarios did not include a supply chain that could not deliver essential supplies, such as N95 Masks or certain food products. We prevailed due largely to our willingness to adapt and work with each other. Virtual meetings were the norm and the exchange of information was heightened.

As the quote says, "Those in Supply Chain Know the Impossible is Possible." In 2021, we have seen manufacturing return to the United States for essential products such as N95 and semiconductors. Drager, who manufacture NIOSH certified products, opened up a plant in Pennsylvania and added N95 masks to their product list. Taiwan Semiconductor Manufacturing Co (TSMC) plans to build a semiconductor facility in Arizona,

Deborah Groat | Cooperative Purchasing Director | Baltimore Regional Cooperative Purchasing Committee



STRATEGIC PLAN

The Baltimore Regional Cooperative Purchasing Committee (BRCPC) provides a service by *Building Trust; Building Knowledge, and Building Volume:*

1. Facilitating the opportunity for the membership to meet and collaborate on purchasing topics for like requirements with the intention of sharing information and driving costs down through the economies of scale.
2. Offering training opportunities for procurement and operational staff to learn about certain industries, supply chain practices, and other important information that will improve upon a cooperative procurement opportunity.
3. Function as a steering house where information is exchanged freely between members of the Metropolitan Washington Council of Governments' Chief Procurement Officers Committee (CPOC), and BRCPC.
4. Promote the cooperative opportunities available through the Mid-Atlantic Purchasing Team (MAPT) to maximize the economies of scale for both CPOC and BRCPC covering the Maryland, Northern Virginia, and Washington D.C. regions.

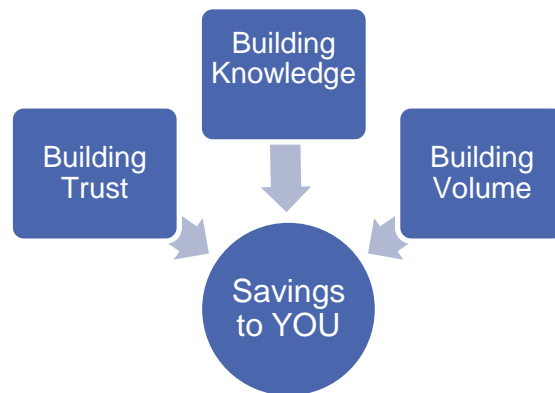
The Baltimore Metropolitan Council's Board encourages these efforts

The Cooperative Purchasing Director is hired to facilitate these efforts

The Members fulfill these efforts by leading and collaborating on target procurements

“ The only skill that will be important in the 21st century is the **skill of learning new skills.** Everything else will become obsolete over time.

PETER DRUCKER



THE WORK

BRCPC has developed a structure that has three active subcommittees, namely the Counties/Cities, Education, and Energy Board. These groups meet regularly to discuss supply chain challenges, their similar requirements and where they are able to maximize the economies of scale.

Each committee determines areas where they will collaborate and, if a procurement action is warranted, who will lead the procurement for the region. The Energy Board, for example, covers electric and natural gas commodities and other services such as renewable energy compliance, energy consulting, and other program services. In 2022, a major procurement for renewable energy will be issued to meet the State's mandates for renewable energy and to facilitate the development of a more reliable renewable energy market in this region. A full list of the contracts managed by BRCPC can be found on the BMC website:

<https://www.baltometro.org/purchasing/about/contract-awards>.

MAPT, STATE OR OTHER SHARED CONTRACTS

This super region including Maryland, Northern Virginia and Washington D.C., ideally situated with exceptional purchasing volume, strong logistical network, and density that allows for shorter driving distances between deliveries. In 2009, these regions signed an agreement to work together to aggregate their buying power for best value opportunities. This relationship is called The Mid Atlantic Purchasing Team (MAPT).

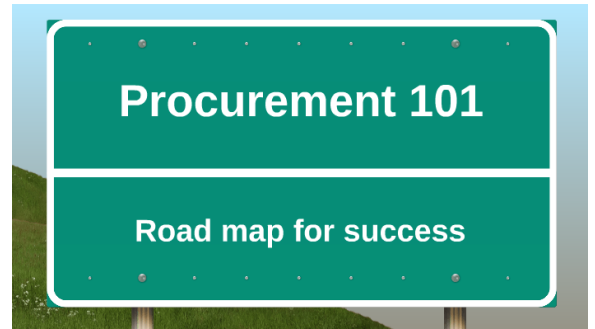
MAPT

- Agenda Books
- Call Center Software
- Copiers
- E-Cycling Services
- Emergency Planning Training & Exercise Scvs
- Energy Management Control Systems
- Furniture
- Inmate Pay Phone Services
- MRO Supplies

HGAC Buy

Debris Removal, Emergency
Equipment Rental
GPS Fleet Tracking Software
Heavy Equipment
Monitoring Services, Debris Removal
Temporary Labor, incl. medical

- Next Generation 911
- Office Supplies
- Paper, Bulk
- Procurement Card Services
- Professional Development Training
- Radiation Detection Equipment
- Self Contained Breathing Apparatus
- Software, Commercial Off the Shelf
- Staffing
- Subscriber Radios
- Technology Training Services
- Traffic Paint
- Transportation Planning
- Window Film, 3M, Safety



STATE OF MARYLAND – DEPARTMENT OF GENERAL SERVICES

The Department of General Services plays an important role in the procurement communication chain and actively participate in BRCPC meetings lending their expertise to the conversation. This not only improves communication but also provides vital information regarding current events and procurement trends.

NOTES TO THE WORK

ENERGY BOARD

The Energy Board continues to be a great example of efficient and innovative government and we are happy to be a big part of this success. In addition to the 24 members of the Energy Board, several other entities participate in the wholesale market cooperative procurements for their energy requirements. Specifically, participants beyond the 24 members include:

- ESMEC Energy Trust has 26 members – Value \$7.7M

- Montgomery County Public Schools – Value \$14.9M
- Frederick Area COOP Team – Value \$6.1M

The gross worth of the BRCPC Energy Board inclusive of the participants above is approximately \$111M for electric and natural gas commodities.

The Energy Board, comprising all participating parties, is the largest BGE customer!



The BRCPC Energy Board's primary focus is the oversight of the energy cost management and procurement programs for both electric and natural gas supply portfolios. This includes receiving, researching, and assessing energy market developments including renewable energy on an ongoing basis. The combined portfolios for the BRCPC 24 entity participants represented an annual energy supply spend of \$79.2 million for fiscal year 2021.

The fiscal year 2021 electric supply portfolio rates came in at 5.6% below plan for a favorable rate-based budget variance of \$4.2 million. The favorable variance was driven by continued historically low spot market energy prices as the portfolio purchases approximately 25% of its energy on the spot market and lower than expected grid ancillary costs. Low energy prices were driven by:

- Continued low and stable natural gas prices resulting from increased domestic natural gas production from fracked gas. Natural gas is the primary marginal price driver for electricity.

- Increased generation capacity driven by newer more efficient natural gas-powered generation.

Historically the portfolio's annual MWh usage has been in the 1.5 - 1.6 million MWh range, however FY21 usage came in at 1.38 million MWhs or 10% below Pre COVID levels for approximately 3,365 accounts. Pandemic related drivers reduced electric usage during the last 3 months of fiscal year 2020 and the entire fiscal year 2021. Additionally, some member accounts were transferred out of the portfolio to be supplied by individual member on site and local aggregated renewable energy projects. When compared to the local electric utility's (BGE) standard offer service (SOS) rates alternative during FY21 for non-hourly priced accounts, the electric portfolio saved \$10.2 million. Since the electric portfolio's inception (June 2006) through June 30, 2021, the portfolio has generated savings of \$183.9 million when compared to BGE's non-hourly priced SOS rates.

The FY21 natural gas portfolio rates came in at 14.3% below plan driven by low natural gas commodity prices and lower mid-Atlantic interstate natural gas pipeline capacity costs.

Climate change is driving significant changes to the evolving energy ecosystem. This includes how energy is generated, used, and distributed. As a global energy company who is committed to open power and a carbon free environment including leveraging all available technologies, Enel X continues to keep BRCPC apprised of all market and product developments including

regional grid policies, available product offerings, regulatory developments, and renewable energy initiatives of BRCPC peer groups (large mid-Atlantic Government and Institutional groups). Enel X continues to provide consulting support for individual member renewable energy projects including solar and landfill gas. Through a strategic partnership, Enel X is working to design circulator economy solutions for a major mid Atlantic City. There may be an opportunity to share plans and solutions developed from this work that maybe applicable to BRCPC members. Enel X continues to support BRCPC's efforts to pursue renewable energy purchases through development of renewable energy procurement strategies and integration thereof into the overall electric procurement program.

Some 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 its energy consultant, Enel X.

TRAINING

Each year, BRCPC co-hosts the **Meet the Primes event** that brings small buisnesses and minority firms together with prime contractors to explore future opportunities to partner together. This year's event was a **VIRTUAL** Reverse Trade Show held on October 13, 2021

The Cooperative Purchasing Director also chairs **the professional development committee for the Association of School Business Officials'** Spring and Fall Conferences. Members participate in identifying topics for training.

Vendor outreach is integral to building trust, knowledge and a competitive environment for cooperative purchasing. The Cooperative Purchasing Director meets regularly with the vendor community to gain insights into trends, new products and innovations, and to ensure they understand how they can work effectively in this governmental region.

NETWORKING THE MESSAGE

Facilitating the cooperative purchasing plan includes reaching out in other networks to communicate a strong understanding of the possibilities available with collaborative efforts. In addition, these networks allow for mining of information that is important to inform membership about emerging requirements and trends. The coordinator serves as follows:

- Chair of the Maryland Public Purchasing Associations' Cooperative Purchasing Committee,
- Participate in the State of Maryland's Green Procurement Committee,
- Member of the State of Maryland's Procurement Improvement Council,
- Member of the Association of School Business Officials' Professional Development Committee,
- Collaborate with the Baltimore Urban Area Security Initiative Committee,
- Collaborate with the Public Safety Access Point Directors,
- Collaborate with the Maryland Association of Counties,
- Collaborate with the Metropolitan Washington Council of Governments, and
- Co-sponsor the Meet the Primes event communicating regional opportunities to minority and small businesses.

Other networking activities include:

Published a bi-monthly article in the Maryland Public Purchasing's publication, The Fine Print <https://www.mppainc.org/insidepages/newsletters/>. 2021 topics included:

New Tools for the Cooperative Purchasing Toolbox

A Time for Resiliency

Tools and Tactics Going Forward

Federal Programs for State and Local Governments

Piggybacking: Is it the process of aggregating volume or letting the money escape out the door?

Cooperative Purchasing – Named and Committed

HGAC

BRPCPC has a relationship with the Houston Galveston Consortium (HGAC) to purchase some of our requirements, such as heavy equipment and playground equipment. This is highly technical equipment, such as fire trucks. In 2021, there were more than \$20M in purchases, up 100%. BRCPC members benefit from HGAC's technical expertise that is nationally recognized, and the commission sharing agreement that supports certain BRCPC activities, such as training and the Meet the Primes event.

Using cooperative purchasing as a strategy is important. HGACBuy provides access to a variety of emergency preparedness, playground equipment, heavy equipment, Software solutions and a variety of other commodities and services.

TOOLS

The Baltimore Metropolitan Council maintains the following subscriptions and database:

ProcurementIQ – product that provides industry researched data about products, supply chain and important pricing information. Currently, this tool is being used when we need product, industry and vendor information on a particular requirement. The Coordinator will provide product specific reports to the lead agency’s buyer when they are issuing a BRCPC bid/proposal. A more informed buyer will produce a better procurement and lower costs.

<https://www.procurementiq.com/>

GOVspend – product that provides a database of public sector purchase order records so we can analyze our spending history by product, vendor and price. This tool is used to:

1. Find public sector cooperative purchasing partners because we know who is purchasing the products we need;
2. Find vendors who are working in our region; and
3. Provides actual unit price information for benchmarking.

<https://govspend.com/>

BRCPC Regional Contract Database –maintenance of a regional contract database that is searchable allowing more efficient searching capabilities for contracts of interest.

CompareCoOps – service that provides exposure for BRCPC contracts in a searchable format that allows buyers to obtain quotes from a full range of national, State and regional cooperative contracts.



Savings in money, time, exchange of best practices, and more

OUTREACH ACTIVITY

The Baltimore Metropolitan Council (BMC) and Baltimore County hosted the eleventh annual Meet the Primes networking event, which connects small and minority-owned businesses with prime contract bidders. On **Wednesday, October 13**, the first virtual event took place from **8 a.m. until noon**. Vendor training occurred through online sessions, where the Director of Cooperative Purchasing presented allowing suppliers to be acquainted with selling in both our member region and affiliate regions.

PURCHASING AGENT CONTACT INFORMATION FOR OUR PARTICIPATING MEMBERS

Anne Arundel County

Diana Cox, C.P.M.

MaryJo Childs, Esq., CPPO, CPCM

Anne Arundel County Public Schools

Melanie Henrickson, CPPO, CPCM

Anne Arundel Community College

City of Annapolis

Brian Snyder, CPPO

City of Baltimore

Keasha L. Brown, CPPO

Daniel Coleman, J.D.

Baltimore City Public Schools

Baltimore County

Rosetta Butler, CPPB

Melanie Webster, CPPB

Baltimore County Public Schools

Jim Adelman

Community College of Baltimore County

Carroll County

Maureen Dunn, CPPO, CPPB

Nancy Codner

Carroll County Public Schools

Chuck Bednar

Carroll Community College

Harford County

Karen Myers, NIGP-CPP, CPPO, CPPB, CPCP, CTPS

Bobbie Tolston CPPO, CPPB

Harford County Public Schools

Beth Bertier

Harford Community College

Howard County

Dean Hof, CPPO, NIGP-CPP

Douglas Pindell, CPPO

Howard County Public Schools System

Domonic Cusimano, Esq.

Howard Community College

Queen Anne's County

Shannon Short

Jacey Earls

Queen Anne's County Public Schools

State of Maryland

Mike Myers, CPPO, NIGP-CPP

Department of General Services

Baltimore Regional Cooperative Purchasing Committee

Cooperative Purchasing Director, Deborah Groat, C.P.M., CPPB, ACG

1500 Whetstone Way, Suite 300

Baltimore, Maryland 21230 **Tel** 410-732-0500 x 1007 | www.baltometro.org