



# **SECTION X**

## **JOINT PURCHASING**

and

## **STATE CONTRACTS**

## **A. GENERAL INFORMATION**

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The concept of joint purchasing is not new. Volume buying and centralized procurement have meant lower prices for groups ranging from private clubs to the biggest corporations. In recent years joint purchasing by separate governmental legal entities has gained considerable prominence as a means by which local governments can secure a greater return for the expenditure of public funds.

1. The Joint Purchases by Governmental Units Act (commonly referred to as the Joint Purchasing Act), passed by the 76th General Assembly, authorized certain governmental units to purchase personal property and supplies jointly.
2. The State of Illinois, through the Department of Central Management Services, Procurement Services Division, will establish all rules, regulations and procedures in accordance with its policies and the law. It reserves the right to refuse any request for purchase if, in its opinion, pooling of a particular item or items is not beneficial or workable.
3. In essence, the program extends the promise of benefits of centralized procurement beyond the normal limits. This enables the smaller user to secure the price advantage of larger volume purchasing.
4. It should be clearly understood that these are voluntary programs. Each governmental unit shall determine the extent of its participation.
5. The State of Illinois does not become the purchasing agent for any governmental units and has no intention to make sales directly to governmental units. All contracts are placed directly with business firms. Each unit must issue its own purchase orders, accept its own deliveries and make its own payments. Participation in one purchase or contract does not require participation in other state contracts.

## **B. CONTRACTS AND REGULATIONS - STATE OF ILLINOIS**

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The Illinois Department of Central Management Services Joint Purchasing Manual is available on their website: <http://cms.illinois.gov/>

## **C. STATE PURCHASING CONTRACTS**

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A list of Illinois joint purchasing contracts can be found at:  
<http://www.purchase.state.il.us/ipb/master.nsf/frmMCViewFrameset?ReadForm&view=viewAllByTNumTitle?OpenView&start=1&count=250>

## **D. JOINT PURCHASING PROCEDURES**

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The following explanation of the procedures to be followed by local governmental units wishing to participate in joint purchasing has been prepared by the Department of Central Management Services, Procurement Services Division. As experience dictates, changes, additions or deletions will be made to this procedure.

## **E. ADVANTAGES**

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Advantages of joint purchasing include:

1. Reduced costs derived from improved specifications and increased price competition.
2. Indirect savings realized through eliminating administrative duplication by saving time and manpower in processing requisitions for bids; taking, reading, and evaluating bids and making awards; writing and updating specifications; and benefits from technical research.

## **F. PREREQUISITES**

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A number of factors contribute to the success of a purchasing program under the joint purchasing plan:

1. It must start with a determination to promote the best interest of taxpayers without prejudice or favor.
2. There must be an agreement to approach the development of standards and specifications with an open mind. Actual usage requirement, rather than a brand or vendor preference, must be considered. Without this approach there is no sound basis for an agreement to abide by the bid results.
3. There also be an agreement that all participants abide by the result of bids and secure their requirements from the lowest and best responsible bidder meeting the specifications outlined in the invitation for bid and resulting contract.

## **G. EXPANSION OF JOINT PURCHASING CONTRACTS**

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Governmental units are invited to suggest items they would like to see covered by State contracts. When sufficient interest is expressed in items that can be purchased in volume, the State will consider entering into such contracts.

Governmental units are also encouraged to join together in joint purchase of common use items as permitted by the Joint Purchases by Governmental Units Act.

## **H. PRIVATE PURCHASING COOPERATIVES**

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Schools may only purchase from private cooperatives if such entity is approved by the Illinois State Board of Education as authorized by 10-20.21(c) of the School Code. In many cases, purchases made through out-of-state public purchasing cooperatives may be prohibited.

Information about Illinois ASBO sponsored programs that utilize joint purchasing agreements can be found at: [www.iasbo.org/sponsoredprograms](http://www.iasbo.org/sponsoredprograms)

## **I. OBLIGATIONS OF PARTICIPATING GOVERNMENTAL UNITS**

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If governmental units wish to participate in joint purchasing, several provisions must be established in the interest of maintaining good vendor relations and confidence in the program. This will result in better prices, services and delivery.

These are:

1. Legal authority must exist for governmental units to make purchases from contracts issued by the State of Illinois. Official action must have been taken by the governing body of the unit authorizing its purchasing officials to participate in such a program
2. A copy of the ordinance or resolution passed by the governing body of the governmental unit **MUST** be sent to the Procurement Services Division, Department of Central Management Services, 801 Stratton Building, Springfield, Illinois 62706. The official action shall be binding upon the governmental unit until it is withdrawn in writing.
3. The governmental unit shall make all purchases under State contracts for public use only. Purchases through the contracts for personal use or consumption by any individual or public employee or official are prohibited.
4. All items delivered under contracts awarded by the Procurement Services Division should be inspected immediately for compliance with the contract specifications. Governmental units should seek replacement of any items not meeting specifications. Failure of suppliers to comply should be called to the immediate attention of the Procurement Services Division.

## **J. GUIDELINES FOR ORDERING FROM OPEN-END STATE CONTRACTS**

1. Any governmental unit with an existing contract shall complete that contract before participating in joint purchasing.
2. Governmental units should carefully read the “Notice of Award” issued by Central Management Services as it may pertain to catalogs and price list. In some instances these are furnished by suppliers on request. Every effort is being made to keep supplier costs at a minimum so government can enjoy the lowest prices possible.
3. Governmental units shall place orders directly with the supplier, using their own purchase order forms. The purchase order must reference the State contract number, description of the item; brand and/or model number, unit of measure, unit price and price extension.
4. Purchase orders should not be issued for less than the minimum quantities shown on the “Notice of Award.” A violation of this requirement results in loss of bidders and higher prices to the State and other participating governmental units on future contracts. Vendors are not required to deviate from the terms of their contracts.
5. The Department of Central Management Services, Procurement Services Division, should be notified at once if any of the items delivered under contracts awarded by the State deviate from specifications.
6. In the event a dispute arises between the governmental unit and a contract holder, it shall be resolved by the disputing parties. In exceptional cases, however, the State may offer its services in the resolution of a dispute.
7. Governmental units making purchases from a State contract shall accept responsibility for direct payment to the vendor within thirty days after receipt of goods.

## **K. PROCEDURE FOR SUBMITTING JOINT PURCHASING REQUISITIONS**

All governmental units are required to submit a Joint Purchasing Requisition for the specific contract items requested:

1. A single copy of the Joint Purchasing Requisition, signed by any authorized official or agent of the governmental unit, is all that is required.
2. Upon completion of the purchase, the information will be recorded on the Joint Purchasing Requisition and returned to the governmental unit at the address shown on the requisition.

3. It will then be the responsibility of the governmental unit to issue the contract vendor a purchase order.

If there are questions concerning items that are not listed previously but which the unit of government feels could be purchased jointly with the State, the unit should call the appropriate Procurement Services Division buyer.

## **L. FACTORS TO CONSIDER PRIOR TO FILING A REQUISITION WITH THE STATE**

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1. No bids should subsequently be solicited, covering the same items, by any governmental unit filing a requisition. The State issues an award based on the requirements covered by requisitions and this quantity must be ordered regardless of whether or not lower prices may be offered locally.
2. The State does not take bids to obtain estimated prices. Therefore, withdrawal from participation after solicitation for bids has been made by the State shall not be permitted. The practice of withdrawing a requisition could destroy the good faith of the State's bid and might lead to price manipulation with State prices used to "beat down local prices." This would be detrimental to the interest and integrity of the contracts and to the State's entire purchasing program.
3. Any overlapping time period must be identified in the Joint Purchase Requisition so there will be no misunderstanding as to whether or not existing commitments will be honored as to the date a future commitment will begin.
4. It should be clearly understood that the governmental unit has delegated its authority to purchase items covered by the requisition. Immediately following the award, the governmental unit shall be notified of the contractor and the quoted price.
5. Only specifications established in the Invitation for Bid shall be accepted.

## SAMPLE RESOLUTION

Date \_\_\_\_\_

Whereas House Bill 2116, passed by the Illinois 76th General Assembly, authorizes certain Governmental units to purchase personal property and supplies jointly, to include the State of Illinois:

### BE IT HEREBY RESOLVED BY THE

\_\_\_\_\_ does hereby agree on a voluntary basis to enter

*Name of Governmental Unit*

into a joint Governmental purchasing program with the State of Illinois for the term of the

\_\_\_\_\_.

*Board-Council, etc.*

BE IT FURTHER RESOLVED that \_\_\_\_\_ be and is hereby

*Name, Title*

authorized and directed to execute on behalf of \_\_\_\_\_

*Name of Governmental Unit*

all necessary forms, applications, requisition applications, requisitions and other documents relating to this program.

\_\_\_\_\_  
*Date of Passage*

\_\_\_\_\_  
*Street Address*

\_\_\_\_\_  
*City/State/Zip*

\_\_\_\_\_  
*Area Code*

\_\_\_\_\_  
*Phone*

\_\_\_\_\_  
*OFFICIAL MEMBER OF THE GOVERNING BODY*