

COOPERATIVES' PARTICIPATION STRATEGY

January 19, 2022

Contracts & Procurement Division

COOPERATIVES' PARTICIPATION

DES has approximately 200 master contracts, with about 55 of them through cooperative agreements (or roughly 28%) across these three cooperatives:

- MMCAP Infuse - State of Minnesota healthcare cooperative.
- NASPO - non-profit that facilitates procurements lead by individual states.
- Sourcewell - State of Minnesota cooperative.

CURRENT STRATEGIC DRIVERS

- **Portfolio of Contracts.** Wide range of master contracts to help the State save staffing time, secure favorable prices/terms, and promote policy objectives.
- **Staffing.** Recovery from the hiring freeze and addressing the ongoing challenge of recruiting and retaining staff.
- **Business Inclusion.** Help promote policy objectives of supplier diversity. Cooperative agreements generally do not provide good opportunities for small businesses.

ADVANTAGES OF COOPERATIVES

- **Buying Power.** By offering the potential buying power of customers from multiple states, cooperative agreements can often secure very favorable prices, and terms.
- **Shared Expertise.** Cooperative agreements often leverage technical and subject matter resources from multiple states

DISADVANTAGES OF COOPERATIVES

- **Small Business Disadvantage.** Cooperative agreements tend to have wide scopes and requirements that favor large firms that can provide wide range of products or services across many states.
- **Socio-Economic Goals Challenges.** Cooperative agreements tend to stay neutral or silent on socio-economic goals that might not align with priorities of all participating states.

PROPOSED APPROACH

- WEBS Courtesy Postings for cooperative solicitations to allow DES an option to join.
- For commodities/markets with large availability of small/diverse businesses, DES will do our own master contract.
- For commodities/markets without large availability of small/diverse businesses, DES can join a cooperative agreement; provided it offers other best value criteria:
 - Opportunity for small/diverse subcontractors/resellers participation;
 - Competitive pricing, economies of scale benefits;
 - Consideration of human health and environmental impacts.

THANK YOU



elena.mcgreg@des.wa.gov



360.515.6082



www.des.wa.gov