



## GUIDANCE MEMORANDA ACT 548 – Broadwater - CO-OP Purchasing

Act 548 (HB 428) by Rep. Broadwater corrected some problems with the Cooperative Purchasing legislation first passed in the 2014 Session.

Act 548 amends LRS 38:2212.1, the public bid law applicable to the purchases of materials, equipment and supplies. The Act was modeled after a similar provision that allows public hospitals to make purchases of materials, equipment and supplies through a purchasing cooperative without the need to use a public bid process. *The primary difference is the limitation in Act 548 that the price through the purchasing cooperative must not be more than the state contract price for the same item.* Also, there is language in the Act that includes installations in the cooperative purchasing process.

The LSBA has forged an agreement with the Texas Region 8 Education Service Center, which operates the Texas Interlocal Purchasing System (TIPS), a group purchasing cooperative. TIPS gets contract proposals from numerous vendors on a wide range of materials, equipment, supplies and services. Members of TIPS are entitled to access those negotiated contracts. The LSBA agreement with TIPS allows every school district that is a member in good standing of the LSBA to be a member of TIPS. Membership has no obligation, only privileges. There are no membership dues to TIPS. Once a member of the LSBA is confirmed to be in good-standing and executes the membership contract it can then begin to access these vendor contracts. *As noted, the only caveat is that the School District needs to consult the State contract list to make sure that the price offered through TIPS is not higher than the State contract price.*

The benefit to the vendors is the potential for higher volume sales and the avoidance of having to participate in numerous public bid solicitations. The benefit to LSBA member School Districts is access to generally lower than market prices and the ease of purchasing without a sealed bid process.

School Districts should still ensure that the respective purchasing officials consult the State contract list and price before executing purchases through TIPS. This is one additional tool to help School Districts make the most fiscally sound decision with limited education dollars.

*The CO-OP Purchasing Program is an element of the purchase of materials, equipment and supplies under LRS 38:2212.1. While installations are included in the Coop Purchasing Program, your purchasing staff and in-house counsel should be careful to ensure that public works projects are still procured under the provisions of LRS 38:2212.*

Please reference the info on the enclosed flyer to learn how to become a member of TIPS.