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Forms of Cooperative Purchasing

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Reference Number: CTAS-935

Joint-Bid Cooperatives—The authors of “*Advanced Public Procurement*” assert that joint bid arrangements are a more formal type of intergovernmental cooperative purchasing in which two or more public procurement agencies agree on specifications and contract terms and conditions for a given item or items of common usage and combine their requirements for this item in a single request for competitive sealed bids.¹ Once the bids have been received and discussed by the participants, each public procurement agency issues and administers its own purchase order(s) and/or contract.² A sponsoring entity or “lead agency” must be determined. Usually it is the government entity with the most expertise with the technology or commodity being contracted.³

Piggyback Cooperatives—The authors of “*Advanced Public Procurement*” maintain that piggyback cooperatives are a less formal type of intergovernmental cooperative purchasing in which a large purchaser requests competitive sealed bids, enters into a contract, and arranges, as part of the contract, for other public procurement units to purchase from the selected vendor under the same terms and conditions as itself.⁴ The members of the cooperative simply order from contracts awarded by the sponsoring agency. Members choose to participate independently after the award by the sponsoring entity and place their orders with the consenting supplier.⁵ Purchases by local governments from the Tennessee state-wide purchasing contracts or agreements entered into by the Tennessee Department of General Services (TDGS) are examples of a piggyback cooperative.

¹National Institute of Governmental Purchasing, *Advanced Public Procurement*, (Herndon, VA: 2001), 17.

²*ibid*, 17.

³*ibid*, 17.

⁴*ibid*, 19.

⁵*ibid*, 19.

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