Joint Purchasing of Equipment

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Cooperative vs. Joint Purchasing

• Cooperative Purchasing and Joint Purchasing are the same thing

• Two ways to say the same thing
Advantage Joint Purchasing?

• Cost

• Possibly less work

• Risk
  – When you buy off a contract you know what you are getting. Bidding can have risks.
Examples

NWMC – NWMC Contract – F-250 Super Duty Pick Up $22,760   MSRP on F-250 from $35,730

BidBuy – Dodge Ram 1500 Tradesman $20,095
8 cylinder  4wd +$2,850

BidBuy – Chevy Silverado 8 foot bed 8 cylinder $22,484 + 4wd + $4,400
Legal Basis for Township Equipment Purchases

- (605 ILCS 5/6-201.17) (from Ch. 121, par. 6-201.17)
  Sec. 6-201.17. Have authority to purchase or lease or to finance the purchase of highway construction and maintenance equipment under contracts providing for payment in installments over a period of time of not more than 10 years with interest on the unpaid balance owing not to exceed 9%.

- The purchases or contracts are subject to the bid provisions of Section 6-201.7 of this Code.
Except for professional services, when the cost of construction, materials, supplies, new machinery or equipment exceeds $20,000, the contract for such construction, materials, supplies, machinery or equipment shall be let to the lowest responsible bidder after advertising for bids at least once, and at least 10 days prior to the time set for the opening of such bids, in a newspaper published within the township or road district, or, if no newspaper is published within the township or road district then in one published within the county, or, if no newspaper is published within the county then in a newspaper having general circulation within the township or road district, but, in case of an emergency, such contract may be let without advertising for bids. For purposes of this Section "new machinery or equipment" shall be defined as that which has been previously untitled or that which shows fewer than 200 hours on its operating clock and that is accompanied by a new equipment manufacturer's warranty.
“Except for professional services...”

- LAWYERS
- Accountants
- Professional Services Selection Act
  - Engineers, Land Surveyors
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“Exceeds $20,000...”

• What if I am not sure? We may be close? PUT IT OUT FOR BID.

• We are talking equipment, but don’t “string bids” for materials, either
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“Lowest responsible bidder...”

- Lowest does NOT always mean Responsible
- YOUR CALL
- Ask for references
- “Reserve the right to reject any and all bids”
“the statute” – 605 ILCS 5/6-201.7*

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Advertising

• Work with your clerk and/or secretary

• Geographical requirement – published within township, within county, or “general circulation”

• Posting on your website is not good enough
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“at least 10 days”

• That is 10 calendar days, but just don’t get too close
• Perception is to give anyone adequate time to learn about it and submit a bid
• Bid openings – where do you have yours?
  – Your office?
  – During township board meeting? (NOTE: sale of equipment in 60 ILCS 1/30-50)
  – Make sure it is clear in your materials
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What is an “emergency”? 

- Bridge has failed 
- I need to get this done before I leave on vacation 
- Middle ground is the problem
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Additional comments

• Definition of “new machinery or equipment” is fairly straightforward, but requires diligence

• What about contracts that allow us to lease? Is it a lease with an option to buy?

• Can I just ask for a Cat, Volvo, or Deere equipment? (“or similar/comparable”)
Legal Requirements for Township Equipment Purchases Continued

• In single township road districts, sale of road district property including, but not limited to, machinery and equipment shall be subject to elector approval as provided in Section 30-50 of the Township Code.

• A trade in of old machinery or equipment on new or different machinery or equipment shall not be construed as the sale of road district property. (Source: P.A. 88-670, eff. 12-2-94; 89-331, eff. 8-17-95.)
When a Highway Commissioner wants to buy equipment
Different townships have different requirements!
Options for buying equipment

• Used
  
  Unknown past

  Expensive to repair

  Extremely hard to compare multiple pieces
Used Equipment – Big Gamble
Cooperative Purchasing

• Legal Basis comes from:
  • (30 ILCS 525/) Governmental Joint Purchasing Act.
  • Any governmental unit, except a governmental unit subject to the jurisdiction of a chief procurement officer established in Section 10-20 of the Illinois Procurement Code, may purchase personal property, supplies and services jointly with one or more other governmental units. All such joint purchases shall be by competitive solicitation as provided in Section 4, except as otherwise provided in this Act.
Options for Buying New

• Write a spec and take bids – Work and Risk

• Use a state contract

• Use a bid prepared by another agency and joint purchasing
State Contracts

• Have moved from Purchase.State.IL.US to www.bidbuy.illinois.gov

• Some contracts are set-up to allow joint purchasing (JPMC)

• Others vendors may agree to honor “state pricing”
The State of Illinois is pleased to introduce its new eProcurement System! BidBuy is designed to streamline service, increase efficiency, reduce cycle times and transaction costs, improve availability of information and modernize the tools and resources available to incorporate best practices in Illinois procurement.

**State of Illinois Internal Users**

For information about BidBuy click here.

**General Information, including instruction for governmental entities and interested parties**

- Locating Statewide Master Contracts Manual
- Locating Statewide Master Contracts Job Aid

**Vendors**

*Please note that there is NO CHARGE for Vendors to register in BidBuy.*

START HERE! How to Register in BidBuy guides and videos.
How to Respond to Bids (Solicitations) step-by-step guide.
Search Contracts
Search for “Equipment”

• PDS Heavy Duty – Martin Equipment – 41 pieces end Loaders, Grader, Backhoes

• PSD Heavy Duty – Clark Equipment – Bobcat also on contract
Light Truck Examples

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Dump Truck Options

• Single Axle International – Rush - $124,485.91
  10 foot body and 240 gallon pre-wet system

• Ford F-550 has also been available
  Contract currently in renewal
State Bid-Buy System

Contact for state purchasing:

- CPO.UPP@illinois.gov
- https://www2.illinois.gov/cpo/general/pages/unifiedprocurementprogram.aspx
County of Dupage Listing of Approved

- State of Illinois
- NASPO Value Point
- U.S. Communities (OMNIA Partners, Public Sector)
- NWMC
- MMCAP
- TIPS
- NJPA (Now Sourcewell)

Source: https://www.dupageco.org/Finance/Procurement/1311/

https://www.bidbuy.illinois.gov/bsol/login.jsp
QUESTIONS?