

Chapter highlights

Purpose: This chapter covers policies related to sponsoring and using joint and/or cooperative procurements, and the use of GSA contracts by public bodies, for the procurement of IT goods and services.

Key points:

- The joint and/or cooperative procurement is formed when multiple parties identify common requirements suitable for a joint and/or cooperative procurement arrangement and sign a written agreement to jointly and cooperatively procure.
- The CIO must approve all joint and/or cooperative procurement arrangements for the procurement of IT goods and services and all purchases from jointly and cooperatively procured contracts, including GSA contracts, regardless of the amount of the IT purchase.
- Joint and/or cooperative contracts, including GSA contracts, typically should not be used for procurements involving intellectual property or that include service level agreements.
- If the joint and/or cooperative procurement involves an off-premise (cloud hosted) solution, agencies must follow the Enterprise Cloud Oversight Services (ECOS) Process.

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20.0 Introduction

The VPPA addresses joint and/or cooperative procurements in §2.2-4304 and §2.2-2012(B). Joint and/or cooperative procurement contracts can provide convenient vehicles for agencies to buy IT goods and services. Instead of seeking quotes, bids or proposals, public bodies select products and services from the joint and/or cooperative contract catalog, saving considerable time and effort. Agencies can also be assured that the contract was conducted in accordance with the sponsoring state's or locality's procurement laws or regulations. Most joint and/or cooperative procurement arrangements utilize rigorous standards when establishing contracts. Joint and/or cooperative procurement arrangements can save significant time and money in obtaining an IT product or service and may result in lower pricing through the power of aggregation. Joint and/or cooperative procurements may also help realize supplier diversity initiatives.

All public bodies including agencies and institutions must request CIO approval:

- To sponsor, conduct or administer a joint and/or cooperative procurement arrangement for IT goods and services regardless of the amount of the resulting contract.
- To purchase IT goods and services from GSA or other approved GSA Contract, regardless of the amount of the planned purchase.

Joint and/or cooperative purchasing also allows for the General Services Administration (GSA) to provide states and localities access to certain items offered through the GSA's Federal Supply IT, and Consolidated contracts, containing IT special item numbers (SINs). The IT available to state and local governments includes automated data processing equipment (including firmware), software, supplies, support equipment, and services.

Refer to [Appendix 20.0](#) for additional information and quick facts on joint and/or cooperative procurements.

20.1 Purchases from joint and/or cooperative procurements (non-GSA)

20.1.1 Characteristics of good joint and/or cooperative procurements

Some IT commodities and services have certain characteristics that make them more suitable for joint and/or cooperative purchasing arrangements than others. Commodities that are purchased in large volume and/or are routinely purchased may be purchased successfully from a joint and/or cooperative contract. Most joint and/or cooperative purchasing efforts involve bulk commodities with standard specifications (i.e., standard desktop computers). Wide geographic availability and adequate distribution channels are important for the contract to appeal to a large group of purchasers. The use of local suppliers to provide support may be utilized to make a joint and/or cooperative contract more convenient and provide business opportunities for local suppliers. Multiple purchasers and common use between agencies will contribute to wider contract usage and drive deeper pricing discounts.

20.1.2 Benefits of joint and/or cooperative procurement arrangements

Joint and/or cooperative IT procurement arrangements can provide many benefits including significant savings as volume purchasing lowers pricing, reduces the need for specification development, and provides convenience and flexibility, as well as providing IT contracts with qualified suppliers and proven products. By standardizing IT products and services and aggregating requirements, public bodies can benefit from the combined economies of scale achieved when partnering with multiple government organizations. By joining together and using specialized requirement or specification writers, procurement professionals and technical evaluation committee members, governments may be able to produce better contracts for higher quality products and services. Smaller public bodies benefit from the combined resources of larger government agencies and from the market share leveraged by larger government consumers. With one procurement process and one contract serving multiple governments, joint and/or cooperative contracts can reduce administrative costs because the preliminary work has already been done and administrative efforts and costs are spread across multiple governments.

20.1.3 Before using a joint and/or cooperative contract

A prudent buyer should do the following before utilizing a joint and/or cooperative IT contract:

- Review the joint and/or cooperative IT contract for conformance with state or local procurement laws and best practices.

- Analyze the product or service specifications, price, terms and conditions and other factors to ensure that the joint and/or cooperative IT contract reflects the marketplace and best value.
- Contact the joint and/or cooperative lead agency or public body to verify contract application and eligibility.
- Compare contracts if there are multiple contracts available for the required IT product or service.
- When buying large quantities of goods, verify whether the contract permits negotiation of additional price concessions.
- If a purchase agreement or sign-up agreement is required, confer with an IT procurement professional, VITA or your agency's legal counsel to determine whether the agreement is acceptable.

20.1.4 Challenges in using or establishing a joint and/or cooperative contract

All government purchasing organizations operate under some form of procurement or statutory code intended to achieve best value for its citizens, protect against fraud and abuse, and ensure fairness, equity and transparency and to maintain public trust. However, there may be differences that impact your agency's ability to use or participate in creating a joint and/or cooperative IT contract. Appendix 20.1.4 contains a listing of a number of potential differences that hinder the use of joint and/or cooperative contracts.

20.1.5 Types of joint and/or cooperative procurements

Joint and/or cooperative IT procurements are formed when multiple parties identify a common technology requirement suitable for a joint and/or cooperative procurement arrangement and sign a written agreement to jointly and cooperatively procure. The lead agency or government solicits proposals and awards the joint and/or cooperative IT contract. The contract is then available for use by all signature parties and other public bodies if the solicitation provided for use by other public bodies. The participating entities may sign an agreement or a "participating addendum" in the specific contract. The participating addendum may be necessary to include the user's statutory requirements in its agreement with the supplier and for the lead entity to administer effectively.

There are three types of joint and/or cooperative procurement arrangements that can be used for IT:

Type	Description
True (or "pure")	Where two or more organizations combine their requirements and solicit bids or offers. This type of joint and/or cooperative is based on statutory or regulatory authority. The relationship between the issuing agency and the contract users is based on this legal agreement or authority. Contract users are bound by the issuing agency's terms and conditions, unless they take exception in a separate document.
Piggyback	Where statutory authority permits a governmental entity to use "any contract issued by any other governmental entity." The key to a piggyback joint and/or cooperative is that the contract is issued by a single entity (usually without any other participation). There is relationship between the contract users and the supplier or the entity that established the contract. The contract will include an option for other organizations to "ride," "bridge" or "piggyback" the contract as awarded, even if they did not participate in the original solicitation. It is important to remember in a piggyback situation, that any relationship between the supplier and a user should be based on a separate contract, not the piggyback contract, since there is no other legal relationship involved. The federal government uses this structure through its GSA contracts.

Third-party aggregator	When one organization brings together multiple organizations to represent their requirements and manage the resulting contract. Contract users will not realize the benefit and leverage of the full volume use of the contract. The supplier may only offer a minimal discount when participation and usage exceed original contract estimates. An example of a third-party aggregator situation is where a joint and/or cooperative procurement is spearheaded by a group (i.e., U.S. Communities, etc.) that is not a governmental entity, but it gathers interest and commitments from others and then turns around and buys for the whole group. Some “third party aggregators” may not be non-profit entities and their fee structure may be for profit.
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20.1.6 Before issuing joint and/or cooperative solicitations

It is important to research VITA statewide contracts found here: <https://vita.cobblestonesystems.com/public> to ensure that no current contracts exist to satisfy your agency’s technology needs. You may contact scminfo@vita.virginia.gov with any questions or to request a meeting with a VITA sourcing specialist to discuss your IT needs and plans or to obtain advice.

These important actions should be completed before issuing joint and/or cooperative IT solicitations:

- Apply for and receive CIO approval to conduct a joint and/or cooperative IT procurement
- Designate a lead agency to conduct the procurement, with qualified procurement and technical staff and commitment to perform the joint and/or cooperative procurement through completion.
- Invite joint and/or cooperative members, including technical specialists, to participate in the development of specifications, reporting needs and contract terms and conditions. Ensure all pertinent agency, local, state and federal statutory and other requirements for all joint and/or cooperative members are included in the solicitation.
- Utilize a competitive solicitation process to obtain the best-value contract.
- Survey joint and/or cooperative members and research their history on buying patterns and estimated requirements.
- Circulate draft solicitations among joint and/or cooperative members and prospective IT suppliers for comments and suggestions.

20.1.7 Sourcing and issuing the solicitation

In order to maximize efforts intended to increase supplier responsiveness, take these actions when issuing joint and/or cooperative solicitations:

- Use supplier sourcing lists from all prospective joint and/or cooperative purchasing members.
- Advertise the procurement in all participating localities, regions or states in accordance with their prevailing laws or regulations.
- Designate and provide contact information for a single point of contact for supplier inquiries and communication.

20.1.8 Evaluating and negotiating offers

Proposal evaluations and negotiations should be fair and objective using the following guidelines:

- Invite participating joint and/or cooperative members to participate in technical evaluations.
- Negotiate terms and conditions that conform to legal requirements of each participating jurisdiction.
- Carefully evaluate the proposed supplier’s ability to service all public bodies involved in the joint and/or cooperative procurement in a quality manner.
- Contracts are based on free and open competition; however, sometimes a single award is the best option.

20.1.9 Contract award and administration

Once a decision has been made to award a joint and/or cooperative IT contract, the lead agency should do the

following:

- Notify participating members of the award and provide electronic copies of the entire contract.
- Provide written guidelines for contract administration and contract management.
- Maintain a list of all authorized contract users.
- Contractual disputes relating to a particular purchase order should be handled by the affected joint and/or cooperative member and those relating to the contract as a whole by the lead governmental entity.
- Establish a supplier performance reporting system for all members to report and monitor supplier performance on a regular basis. Many public bodies have additional reporting requirements including statutory reporting identified in the contract.
- Require the supplier to provide periodic contract sales reports. The lead contracting agency should obtain a volume purchase report for the term of the contract from the supplier prior to contract expiration or renewal action. This data can be used to support estimated usage for the next solicitation or when evaluating contractor requested price adjustments.
- Invite participating members to comment on proposed contract extensions, renewals and amendments.
- Negotiate deeper discounts based on projected volume sales or if actual purchases exceed estimates.
- Provide plenty of time for procuring replacement contracts

20.1.10 Joint and/or cooperative procurements resulting in high-risk contracts

Virginia Code § 2.2-4303.01 defines “high risk contracts” and outlines review and evaluation criteria for all public procurements which may result in a high-risk contract. **Any IT procurement that is anticipated to result in a high-risk contract must be reviewed by VITA and the OAG before the solicitation can be issued.**

Agencies are required to contact SCM at: scminfo@vita.virginia.gov during the contract preparation stage for assistance with preparing and evaluating the proposed contract’s terms and conditions.

VITA’s High Risk Contracts Policy can be found on our website, accessible through the following link: <https://www.vita.virginia.gov/supply-chain/scm-policies-forms/scm-policies/>. Also see Chapter 25 of this manual, “IT Contract Formation”.

20.1.11 Documentation for the procurement file

All solicitation, negotiation and award documentation should be included in the master procurement file, including any supplier-certified representations. A complete procurement file should be maintained for each purchase transaction and should contain all the information necessary to understand the why, who, what, when where and how of the transaction, including the contract from which the good or service is being procured.

20.2 Purchases from federal GSA Multi-Award Schedule (technology)

20.2.1 Background and description

GSA is a catalog of supplier contracts used by federal agencies when they need to purchase information technology products. GSA suppliers are selected through an open and continuous qualification process instead of competitive bids or proposals. GSA users seek competition from GSA contractors at the point of sale by obtaining quotes. GSA requires most favored customer pricing, which provides state and local governments with a price advantage based on federal purchasing economies of scale.

GSA contracts are based on price ceilings and contractors are allowed by GSA to offer further discounts to states and localities. GSA encourages state and local governments to establish separate contract arrangements with the GSA supplier. Each GSA IT contract price includes an industrial funding fee (IFF), which is represented in the prices paid by ordering activities and passed on to GSA by contractors. The IFF reimburses GSA for procurement and administrative costs incurred to operate the GSA program.

Only suppliers with a COOP/PURCH logo next to their names on the GSA IT contracts have agreed to extend their

pricing to state and local governments.

Multiple award schedules (MASs) under GSA can be used to meet an agency's IT needs. For large or complex requirements, MAS suppliers can join with other schedule contract holders and submit a total solution under a team arrangement. A GSA schedule contractor team arrangement (CTA) is an arrangement between two or more GSA suppliers to work together to meet a customer's requirements. If two or more GSA suppliers have teamed up to provide an IT solution, they will enter into a written agreement (CTA agreement) detailing the responsibilities of each supplier. The CTA allows the GSA suppliers to meet the customer's needs by providing a total solution that combines the supplies and/or services from the team suppliers' separate GSA schedule contracts. It permits them to complement each other's capabilities to compete for orders for which they may not independently qualify.

A customer benefits from a CTA by buying a solution rather than making separate buys from various suppliers. A CTA relationship is different from a prime contractor-subcontractor relationship. In prime-sub arrangements, the relationship is very tightly defined and controlled by the prime contractor; whereas in CTAs, the roles and responsibilities are defined by the team, as accepted by the purchasing body.

GSA suppliers are allowed to modify their contracts at any time during the contract period, allowing the addition of new IT items regularly. This assures the latest technology is always available to the customer. Incidental items not listed in the GSA contract may be added to a schedule delivery order as long as it results in the lowest overall cost, the appropriate procurement regulations have been applied, and the price has been determined fair and reasonable.

20.2.2 Benefits of purchasing from GSA Contracts

Purchasing IT from a GSA contract may lessen a procuring agency's administrative burden, shorten procurement lead time and may, in some cases, offer lower pricing than an agency could obtain from its own procurement. Refer to subsection 20.1.2 of this chapter for a broader discussion on benefits for these types of joint and/or procurements.

20.2.3 Challenges of purchasing from GSA Contracts

Since GSA is based on maximum pricing, many state and local contracts reflect lower pricing than the federal prices. Agencies should first verify that there is not an existing statewide contract available for the IT good or service.

20.2.4 Contractual terms and conditions

Agencies wishing to purchase goods and services using a GSA Multiple Award Schedule (MAS) Contract will usually find it necessary to modify GSA contract terms to meet state statutory or regulatory requirements. When the GSA MAS Contractor accepts an order from such an agency under the MAS Schedule contract, a separate contract is formed between the GSA contractor and the agency which incorporates by reference all the terms and conditions of the MAS Schedule contract, except for any terms and conditions excluded in that contract as non-applicable to a non-Federal ordering entity. The ordering entity (e.g., the agency) may include or add terms and conditions that are required by state statute, regulation or order, or as otherwise allowed by state government entities as part of a Statement of Work (SOW) or Statement of Objective (SOO), to the extent that the terms and conditions: 1) do not conflict with the applicable GSA MAS terms and conditions, 2) are not prohibited by state law, regulation or policy, and 3) benefit the Commonwealth. If an agency adds a term or condition required by state statute or regulation that conflicts with the applicable GSA MAS contract term, it may not place an order under the GSA MAS contract because that required term or condition will be superseded by the GSA MAS contract term and will be of no effect.

20.2.5 Voluntary use of schedules by suppliers

GSA Information Technology suppliers have a five-day period in which to decline or accept an agency's purchase order and will generally make this decision on two levels. First, on the contract level, they will decide which IT items they want to offer under the GSA joint and/or cooperative procurement contract and will enter into a mutual agreement with GSA to modify the contract and reflect their contract item list. Second, even after an existing contract is modified or a new contract awarded, a GSA supplier will retain the right to decline orders received from state or local government entities on a case-by-case basis.

GSA suppliers may decline an order, for any reason, within a five-day period after receipt of the order; however, credit card orders must be declined within 24 hours.

20.2.6 GSA supplier performance

While the majority of the terms and conditions of the supplier's GSA IT contract are incorporated by reference into the ordering agency's purchase order, the federal government is not liable for the supplier's performance or non-performance. Disputes that cannot be resolved between the parties may be litigated in any state or federal court with jurisdiction, using the principles of federal procurement law and the Uniform Commercial Code, as applicable and appropriate. State and local government entities may submit information concerning a supplier's performance to the GSA contracting officer for consideration when evaluating the supplier's overall performance under the GSA IT contract.

20.2.7 Ordering from GSA

Prior to initiating a GSA order, ensure there are no existing VITA statewide contracts available for that IT good or service: <https://vita.cobblestonesystems.com/public/>. All orders from GSA IT suppliers shall use the procedures in Federal Acquisition Regulation (FAR) 8.405-2 when ordering GSA contract services priced at hourly rates. The applicable services will be identified in GSA publications and contractors' GSA price lists. When ordering GSA contract supplies and fixed-price services for a specific task, where a Statement of Work is not required (e.g., installation, maintenance, and repair), ordering activities shall use the procedures in FAR 8.405-1, Ordering Procedures for Supplies, and Services Not Requiring a Statement of Work (SOW). Contact scminfo@vita.virginia.gov for assistance with GSA ordering.

20.2.8 When ordering IT services utilizing GSA

Refer to [Appendix 20.2.8](#) of this ITPM for the procedures for ordering IT services from GSA.

20.2.9 When ordering IT goods utilizing GSA

Commonwealth agencies must place all orders for GSA purchases through eVA and state the GSA number in the contract number field. The eVA order will be routed for CIO review. To ensure a best value determination is made, the agency should survey at least three contractors through the online shopping service [GSA Advantage! ®](#) or review the catalogs or price lists of at least three GSA contractors and seek additional price reductions where appropriate. Ensure the following actions are completed:

- Based upon the initial evaluation, seek additional price reductions from the GSA suppliers considered to offer the best value.
- Select the best value; and
- Submit the eVA order.

20.2.10 When ordering Cloud/Software as a Service goods or services from GSA or any other authorized Cooperative Agreement

If the Joint and/or Cooperative Procurement involves an off-premise (cloud hosted) solution, agencies must follow the COV Ramp Process. A Security Assessment of the cloud service will need to be completed by the supplier and approved by Enterprise Services, via a work request 1-003, and special Cloud Services Terms & Conditions must be included in the contract prior to award. The Security Assessment form and Cloud Services Terms & Conditions should be included in the request for quote document package sent to supplier(s) for supplier(s) to complete and submit with its proposal and to provide their redlines/exceptions to any of the Cloud Terms & Conditions.

20.2.11 Procurement file documentation

The procurement file for a GSA order should include:

- The GSA contracts considered, noting the contractor from which the service was purchased;
- A copy of the CIO approval;
- A description of the service purchased;
- The amount paid;
- The evaluation methodology used in selecting the GSA supplier to receive the order;

- The rationale for any tradeoffs in making the selection;
- The best value determination.

