

Cooperative Purchasing for Healthier School Environments

An effective purchasing network can save school districts money, time, and hassle.

By Greg Spencer



Cooperative purchasing networks leverage the purchasing power of thousands of members to negotiate the best values on a wide range of goods and services. They also give school districts the opportunity to aggregate purchases system-wide to take advantage of any volume discounts offered through the network.

Just as important, an effective network can streamline the procurement and quality-control processes and save school districts money, time, and hassle.

School districts across the country use cooperative purchasing networks to connect directly with topflight suppliers and to buy everything from pencils and paper to janitorial

supplies, office equipment, and cafeteria services at substantial savings.

But only in the past decade or so have school districts recognized that they can also use cooperative purchasing networks to save energy and create a better, healthier, more comfortable indoor environment. The scope of cooperatives has expanded to include the systems and services

needed to maintain a school district's most essential physical asset: the buildings themselves.

Improving Building Efficiency

According to the U.S. Environmental Protection Agency, schools in the United States collectively spend more than \$20 billion a year on energy, and as much as 30% of that energy is wasted by school buildings that are simply not energy efficient. That amounts to about \$6 billion a year that schools could be investing in new programs, books, computers, or facility improvements. Heating, ventilating, and air-conditioning (HVAC) systems and lighting offer the biggest energy-saving opportunities for school districts. Together, HVAC and lighting account for about 70% of a typical school building's energy use.

Working with their procurement departments, facility management teams can use vendors in their cooperative networks to improve building systems and services in new or existing schools and to create better-performing facilities. High-performance school buildings use less energy, cost less to operate, and have a smaller environmental footprint, thanks to advancements in technology and operations and maintenance practices.

Those opportunities are available at just the right time as school districts face the challenges of rising energy prices, shrinking operating budgets, and the aging of the U.S. educational infrastructure.

Energy-Saving Investments

School districts can improve their return on investment and compound their savings by working with original equipment manufacturers or energy services companies that make their products and services available through a cooperative network.

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Districts purchase systems and services directly from the vendors, with the cooperative purchasing network facilitating the transaction. Typically, a school district does not pay a fee to join a cooperative network, and most districts belong to several. Vendors usually incorporate such fees into the products and services sold according to the purchase price and financing method.

A cooperative that serves school districts and other types of organizations estimates that its members typically save 10%–15% on HVAC systems and services. But even that number does not represent the full savings opportunity that membership in a cooperative network can afford a school district that is considering an

investment in energy upgrades, building retrofits, or new HVAC service contracts.

Purchasing products and services through a cooperative network saves time and money by expediting the procurement process. Advertising bid opportunities and conducting time-consuming request-for-proposal and request-for-quote processes are unnecessary; purchasing from a cooperative-affiliated vendor generally satisfies all state bidding requirements. Procuring HVAC systems and services through a cooperative network simplifies documentation and provides public assurance that the district is operating in compliance with state procurement laws and regulations.

How to Leverage Opportunities

As increasingly more school districts move energy efficiency up on the to-do list, it makes sense for them to take advantage of the opportunity to save money and streamline the procurement process by leveraging their cooperative memberships. Here are some tried and true strategies:

Identify cooperative contracts. Since school districts invest in energy-efficient HVAC equipment and services less frequently than office supplies and furniture, the facility director may be unfamiliar with the district's cooperative network arrangements. Many districts work with several cooperative networks, so it makes sense to check with the procurement department to see whether it is trying to increase volume with a particular organization to qualify for preferred pricing or other benefits.

Of course, that is just one factor in the decision-making process, and ultimately, the district will want to choose the best-qualified HVAC vendor with the experience and track record to meet all of its requirements. A quick visit to the websites of relevant cooperative networks will help the team determine which vendors are members of which cooperative networks. It is important to note that most major HVAC manufacturers have exclusive arrangements with particular cooperative networks.

Reach out to participating vendors. For more information about vendors and their capabilities, facility and procurement managers can use the cooperative networks' websites to identify national account managers and obtain their contact information. Company representatives can provide detailed information on their organizations' experience and expertise and can provide references for similar projects. They can also outline the terms and conditions of the cooperative agreement and the procedures school districts need to take to maximize the benefits of their network membership. For example, the discussion might include whether pricing is set and whether a certain volume is required to qualify for the largest discount.

The discussion should also include responsibility for administrative tasks, compliance with state and local requirements and covenants, and ways in which the vendor can help streamline the procurement process, saving time and workload for the district.

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It is important that school districts verify the pricing levels provided by the vendor in the cooperative contract. Cooperatives should have a mechanism to allow a third-party audit to provide the verification using a benchmarking tool. That process reassures the school district that the values provided by a cooperative purchase are vetted.

Conduct an energy audit. Once a vendor is selected and the district has decided to move forward, an energy audit is a logical first step. Energy audits are proven strategies for determining where, when, why, and how energy is used and for identifying opportunities to reduce consumption in existing buildings. ASHRAE (formerly the American Society of Heating, Refrigerating and Air Conditioning Engineers) estimates that an audit can identify measures to reduce energy and operating costs in an existing building by as much as 40%.

New energy advisory services can accelerate the audit process by creating an energy-performance snapshot, which helps engineers visualize where energy is being wasted compared with ideal operating conditions. With that information, the building can often be “tuned and tweaked” to deliver better performance. In addition, vendors can use the data to conduct targeted physical inspections to identify and address variations and performance-improvement opportunities.

Follow through on audit results. An energy audit normally yields an extensive list of potential energy-efficiency measures that will need to be selected, prioritized, and implemented. In most cases, an audit reveals some energy-efficiency opportunities that can be implemented at little or no cost, whereas others may take time to pay for themselves.

Using sophisticated modeling software and other analytical tools, a well-qualified vendor can help a school district make informed decisions that will improve

building efficiency now and throughout the building’s decades-long occupied life. Too often, building operators fail to follow through on the findings of a building audit, leaving potential savings and the opportunity to improve the education environment on the table.

To maximize the potential of the cooperative network agreement, school districts should develop a multiyear implementation plan to take full advantage of the availability of volume discounts.

They will also want to consider financing improvements with an energy performance contract that pays for upgrades with future energy savings, requiring little or no up-front capital outlay.

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Consider cooperative networks for new construction. Use of cooperative networks to purchase HVAC systems for new construction, renovation, or building expansion projects has increased in recent years. School districts can now take advantage of their cooperative membership to reach out to vendors for support with the concept, design, construction and installation, and long-term service processes.

Remember to include service options. An effective service and maintenance strategy is essential to keep school buildings running at peak efficiency. For example, energy management services can use advanced sensing technology and proprietary analytics to continuously collect, interpret, and act on data compiled from building systems and other sources to continuously optimize building performance.

School districts nationwide continue to look for ways to do more with less—less money, less energy, and fewer resources—while still creating learning environments that are healthier, more comfortable, and more productive. Cooperative networks provide the opportunity to do all that—and more—without breaking the bank.

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