INFORMATION FOR INQUIRIES ON THE UNIVERSITY'S USE OF COOPERATIVE CONTRACTS

In short, as a State of South Carolina state agency, Coastal Carolina University cannot "piggyback"¹, or join after the fact, any multi-state purchasing cooperative contract where it and/or the South Carolina Division of Procurement Services did not participate in the solicitation process used to select the awarded vendor(s). This means the University cannot purchase through cooperative contracts such as E & I Cooperative Services, National Joint Powers Alliance (NJPA), General Services Administration (GSA), and U.S. Communities, to name a few.

Section 11-35-4810 of the South Carolina Code of Laws provides the following related to cooperative purchasing:

"Any public procurement unit may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any supplies, services, or construction with one or more public procurement units or external procurement activities in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi party contracts between public procurement units and open ended state public procurement unit contracts which shall be made available to local public procurement units, except as provided in Section 11 35 4820 or except as may otherwise be limited by the board through regulations.

However, thirty days' notice of a proposed multi state solicitation must be provided through central advertising and such contracts may be only awarded to manufacturers who will be distributing the products to South Carolina governmental bodies through South Carolina vendors; provided, however, that the provisions of this paragraph do not apply to public institutions of higher learning if the institution demonstrates a cost savings to the Office of State Procurement in regard to the multi state solicitation and procurement."

The key words in the above section are "proposed" and "solicitation". These terms are applicable in the procurement process prior to an award being made; meaning a procurement unit must participate in the development of specifications and evaluation of offers.

The following directives related to the above have been received by the University via e-mail correspondence with the S.C. Division of Procurement Services:

- 1. From the State Procurement Officer: "(1) South Carolina doesn't "piggyback." Section 11-35-4810 of the Consolidated Procurement Code only allows the State to join a cooperative solicitation. Paragraph 2 requires that "thirty days' noticed of a proposed multi-state solicitation must be provided through" SCBO (the "South Carolina Business Opportunities" publication). (2) We only advertise in SCBO cooperative solicitations when the State has signed an "Intent to Participate." (3) The State cannot, under the Code, "piggyback" onto any contract after award. Therefore, under the Code, state agencies, higher education institutions and technical colleges, those for whom our statewide term contracts are "mandatory use", cannot order from an NJPA contract for vehicles or any other cooperative contract already in force."
- 2. From the State's Chief Procurement Officer for goods and services: "Reminder: We (State) cannot piggyback onto anyone's contract. We have to participate up front."

Page 1 of 2

¹ Piggybacking (or piggyback cooperative) is a form of purchasing where one entity can be extended the pricing and terms of a contract awarded by and entered into by another entity.

The University is shown as a member of the E & I Cooperative Service. However, this membership is due to a related professional membership in the National Association of Educational Procurement (NAEP). The E & I membership listing does <u>not</u> give the University the right to utilize the E & I contracts.

The S.C. Division of Procurement Services has, however, joined in with several cooperative contracts that the University can utilize (e.g. computer purchases, hand tools, laboratory supplies). These cooperatives can be found within the listing of all statewide contracts at this web location: statewide contracts.