



Group Purchasing Organization

Group / Coop purchasing is available to School Food Authorities (SFA). Becoming a member of either may provide an opportunity to increase purchasing power and school nutrition participation numbers by offering a higher quality and wider range of products.

Both can accomplish all or part of the purchasing process for goods and services for its members, but there are some important points to understand.

Unless the Coop is comprised of SFAs only, acquiring the services of the group itself is subject to a solicitation process – even if there is no charge for the service or membership.

It is the responsibility of the individual SFA to ensure full and open competition (all suppliers have the same opportunity to compete), so being a member of such a group does not relieve the individual SFA of competitive purchasing.

The agreement between a group of Program operators is not a method of procurement for the individual SFAs within the group - it is an agreement to competitively procure specified goods and services as a group.

The goods and services secured in the Group/Coop Purchasing may be counted as one bid source in the individual SFAs competitive purchasing.

Potential **BENEFITS** to an individual SFA

- Savings – increased buying power
- Improved quality and selection of product

Potential **DRAW BACKS** to an individual SFA

- Possibility of fewer deliveries
- May have to eliminate products to consolidate items with the Group's majority

REMEMBER

Continued strength of the Group depends on members ordering the items secured in its negotiation with vendors. However, if a favorite item of an individual SFA is eliminated, the SFA may procure that item apart from the group in a separate solicitation of goods.