

7 Reasons to Use Cooperative Contracts

As purchasing requirements for education become more complicated and budgeting constraints become tighter, procurement professionals are continuing to seek innovative ways to deliver savings and efficiencies. This is especially true for educational and related institutions.

As an important resource in the procurement toolbox, the benefits available through a purchasing cooperative like E&I Cooperative Services are more valuable now than ever before.

1 Strength in numbers.

As the saying goes: the numbers don't lie! The sheer volume of purchasing power aggregated by the size of a cooperative provides each individual member with economies of scale that they would likely not be able to achieve on their own.

2 Superior pricing.

A cooperative is generally able to negotiate lower prices for goods and services than any of the single members in the collective. By leveraging this purchasing power, members are able to take advantage of superior pricing.

3 Best practices.

Due to the ability to access the combined knowledge of all its members, a cooperative can identify best practices, processes, technology, and methods. This reduces total cost and extends efficiencies.

This combined knowledge and expertise is invaluable to the cooperative and lends itself to the development of RFPs for the products and services that are most relevant-and valuable-to the membership.

4 Time savings.

Time is money, and many procurement professionals simply don't have the time or the resources to research new products categories, source competitive quotes, and negotiate pricing. These individuals are able to realize tremendous time savings when an RFP process has already been conducted by a cooperative.

5 Strategic value.

By eliminating time spent on more labor intensive tasks, resources can be reallocated to focus on more strategic projects. Procurement professionals are able to utilize more time to establish and develop the important collaborative relationships that are imperative to the success of an organization.

6 Spend analysis.

Many cooperative purchasing organizations conduct a spend analysis across their membership to identify suppliers, goods, and services that are the most meaningful in particular contracting areas. This results in a portfolio of suppliers which are most committed to meeting the specialized needs and delivery requirements of the members.

7 Patronage refunds.

Many not-for-profit cooperatives such as E&I distribute their net income to their members in the form of patronage refunds and certificates of equity (COE). These are based upon the member's annual contract purchases and are subject to Board approval.

E&I Cooperative Services is the largest member-owned, not-for-profit purchasing cooperative serving the needs of education and related institutions. We proudly provide over 120 competitively awarded contracts as well as consulting services and dedicated member resources available nationwide. As a trusted advisor to the education community for over 80 years, we exist solely to help our members save time and money.