



SAVING TAX DOLLARS THROUGH COOPERATIVE BUYING

Austin, TX

The demand for value is creating opportunity for one sector of government procurement.

Texas is facing an estimated budget shortfall of up to \$18 billion. School districts are cash strapped. Cities are trying to rein in expenses. In short – it's a great time to be in the cooperative purchasing business!

Steve Hamill is general manager of the U.S. Communities Government Purchasing Alliance.

"We're probably seeing anywhere from a 15 to 25 percent increase in volume. And contrast that to what you see in most businesses that are flat or actually losing in this type of environment. It does show that the demand is rising dramatically, and actually it's ramping up over the years," Hamill said.

Hamill's cooperative purchasing program lets cities, counties, non-profits and state agencies buy stuff for cheap – everything from office supplies to light fixtures to computers.

The program buys in bulk from the lowest bidder, using businesses like Home Depot and AutoZone. Then they sell it off to hundreds of agencies across the country, including the Austin and Lake Travis school districts.

Steve Fisher runs another cooperative purchasing program in Texas called the BuyBoard.

"Most of the discounts that we see are going to be 20 to 30 to 40 percent off of what list price would be," Fisher said.

Even in such a competitive pricing environment, a lot of businesses see dollar signs when they hear those magical words, "government procurement."

Tommy Huntress is a vice president at Strategic Partnerships, Inc. He helps put businesses in touch with those contracts.

"You're talking about a number of billions of dollars, a lot of local government participation in those contracts. You can imagine school districts. We have 1,100 school districts around Texas, so it helps them a whole lot in getting their business done," Huntress said.

Small business owners might have a hard time competing with large national suppliers on some bids. But the state of Texas does have opportunities for businesses that are majority owned by minorities or women. They can be certified under the [Historically Underutilized Business Program](#) and increase their odds of landing a government contract.

— Nathan Bernier