Chapter highlights

Purpose: This chapter covers policies related to sponsoring and using joint and/or cooperative procurements, and the use of GSA Schedule 70 contracts by public bodies, for the procurement of information technology (IT) goods and services.

Key points:
The joint and/or cooperative procurement is formed when multiple parties identify common requirements suitable for a joint and/or cooperative procurement arrangement and sign a written agreement to jointly and cooperatively procure.
The CIO must approve all joint and/or cooperative procurement arrangements for the procurement of IT goods and services and all purchases from jointly and cooperatively procured contracts, including GSA Schedule 70 contracts, regardless of the amount of the IT purchase.
Joint and/or cooperative contracts, including GSA contracts, typically should not be used for procurements involving intellectual property rights (e.g., software purchases, custom systems development) or that include service level agreements.
If the joint and/or cooperative procurement involves an off-premise (cloud hosted) solution, agencies must follow the Enterprise Cloud Oversight Services (ECOS) Process and Third Party Policy Workflow.

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### 20.0 Introduction

The *Virginia Public Procurement Act* (VPPA) addresses joint and/or cooperative procurements in §2.2-4304 and §2.2-2012(B). Joint and/or cooperative procurement contracts can provide convenient vehicles for agencies to buy IT goods and services. Instead of seeking quotes, bids or proposals, public bodies simply select products and services from the joint and/or cooperative contract catalog, saving considerable time and effort. Agencies can also be assured that the contract was conducted in accordance with the sponsoring state’s or locality’s procurement laws or regulations. Most joint and/or cooperative procurement arrangements utilize rigorous standards when establishing contracts. Joint and/or cooperative procurement arrangements can save significant time and money in obtaining an information technology (IT) product or service and may result in lower pricing through the power of aggregation. Joint and/or cooperative procurements may also help realize supplier diversity initiatives.

Joint and/or cooperative purchasing also allows for the General Services Administration (GSA) to provide states and localities access to certain items offered through the GSA's Federal Supply Schedule 70, Information Technology (IT), and Consolidated Schedule contracts, containing IT special item numbers (SINs). The information technology (IT) available to state and local governments includes automated data processing equipment (including firmware), software, supplies, support equipment, and services.

All public bodies including agencies and institutions must request CIO approval—
- To sponsor, conduct or administer a joint and/or cooperative procurement arrangement for IT goods and services regardless of the amount of the resulting contract.
- To purchase IT goods and services from GSA Schedule 70 or other approved GSA Schedule regardless of the amount of the planned purchase.

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20.1 Purchases from joint and/or cooperative procurements (non-GSA Schedule 70)

20.1.1 Characteristics of good joint and/or cooperative procurements
Some IT commodities and services have certain characteristics that make them more suitable for joint and/or cooperative purchasing arrangements than others. Commodities that are purchased in large volume and/or are routinely purchased may be purchased successfully from a joint and/or cooperative contract. Most joint and/or cooperative purchasing efforts involve bulk commodities with standard specifications (i.e., standard desktop computers). Wide geographic availability and adequate distribution channels are important for the contract to appeal to a large group of purchasers. The use of local suppliers to provide support may be utilized to make a joint and/or cooperative contract more convenient and provide business opportunities for local suppliers. Multiple purchasers and common use between agencies will contribute to wider contract usage and drive deeper pricing discounts.

20.1.2 Benefits of joint and/or cooperative procurement arrangements
Joint and/or cooperative IT procurement arrangements can provide many benefits including significant savings as volume purchasing lowers pricing, reduces the need for specification development, and provides convenience and flexibility, as well as providing IT contracts with qualified suppliers and proven products. By standardizing IT products and services and aggregating requirements, public bodies can benefit from the combined economies of scale achieved when partnering with multiple government organizations. By joining together and using specialized requirement or specification writers, procurement professionals and technical evaluation committee members, governments may be able to produce better contracts for higher quality products and services. Smaller public bodies benefit from the combined resources of larger government agencies and from the market share leveraged by larger government consumers. With one procurement process and one contract serving multiple governments, joint and/or cooperative contracts can reduce administrative costs because the preliminary work has already been done and administrative efforts and costs are spread across multiple governments.

20.1.3 Before using a joint and/or cooperative contract
A prudent buyer should do the following before utilizing a joint and/or cooperative IT contract:

- Review the joint and/or cooperative IT contract for conformance with state or local procurement laws and best practices.
- Analyze the product or service specifications, price, terms and conditions and other factors to ensure that the joint and/or cooperative IT contract reflects the market place and best value.
- Contact the joint and/or cooperative lead agency or public body to verify contract application and eligibility.
• Compare contracts if there are multiple contracts available for the required IT product or service.
• When buying large quantities of goods, verify whether the contract permits negotiation of additional price concessions.
• If a purchase agreement or sign-up agreement is required, confer with an IT procurement professional, VITA or your agency’s legal counsel to determine whether the agreement is acceptable.

20.1.4 Challenges in using or establishing a joint and/or cooperative contract
All government purchasing organizations operate under some form of procurement or statutory code intended to achieve best value for its citizens, protect against fraud and abuse, and ensure fairness, equity and transparency and to maintain public trust. However, there may be differences that impact your agency’s ability to use or participate in creating a joint and/or cooperative IT contract. This list offers some examples:

• **Legal compliance:** Although most procurement laws are similar, there may be differences in government procurement codes. Some governments require strict compliance with their own procurement laws when using joint and/or cooperative contracts awarded by other governments. Communication and participation in the procurement process by joint and/or cooperative members will help the joint and/or cooperative contract achieve universal compliance.

• **Buy local laws:** Many jurisdictions have laws that favor or give preference to local suppliers. These laws may interfere with the ability of a public body to develop and award a joint and/or cooperative contract or may prevent agencies from using a joint and/or cooperative contract.

• **Open competition:** Many government procurement programs maintain lists of suppliers who register to compete for contracting opportunities and are required to post public advertisements for invitations for bids or proposals. Notifying local suppliers of the joint and/or cooperative IT contract solicitation and advertising the solicitation in local publications will ensure that local suppliers have an opportunity to compete for the joint and/or cooperative IT contract. Commonwealth agencies are required to post all solicitations and awards on eVA and may publish solicitations in a paper of general circulation, while our localities are only encouraged to post on eVA.

• **Small business participation:** Some small businesses including small businesses owned by women, minorities, and service-disabled veterans, as well as micro businesses, may be able to handle business for one state or local jurisdiction, but may not be able to handle the combined requirements or needs of multiple governments. Encouraging local delivery and service networks and utilization of small business subcontractors will provide opportunities for these small businesses to continue to serve joint and/or cooperative members.

• **Forms and terms:** With the exception of federal statutory regulations, most state and local governments use unique procurement contract terms and conditions, therefore, a joint and/or cooperative IT contract awarded by one jurisdiction may not conform to the required terms and conditions of another. There are several methods to address
contractual differences, including development of standard terms and conditions for joint and/or cooperative members, inclusion of all government contract variations in the solicitation and negotiation of participation agreements between the government and supplier. Differences in state or local requirements can be addressed in a contract addendum; as long as the sponsoring agency agrees up front in the solicitation that participants may have their own terms and conditions addressed in it. An example of a statutory regulation that may be unique to the Commonwealth is the requirement for suppliers to be and remain authorized to transact business in our state through the State Corporation Commission for the life of any contract.

- **Attention to pricing:** Although most joint and/or cooperative contracts generate considerable cost savings for governments, not all joint and/or cooperative contracts achieve best value. Suppliers may offer higher prices because many of the joint and/or cooperative members are small or located in remote areas. If contract usage estimates are inaccurate, price may be based on much lower than actual usage. Pricing is much more likely to be unfavorable in piggyback contracts because usage is difficult to estimate beforehand. In addition, the supplier may price the contract high because of high administrative costs associated with the joint and/or cooperative agreement.

- **Time and resources:** It takes more time and effort to award a contract that serves multiple governments and agencies than it does for a contract that serves one agency. In theory, joint and/or cooperative IT contract time and resource investments are more than recovered by using joint and/or cooperative IT contracts awarded by other public bodies. Time and resource requirements can also be reduced by using volunteers from other governments to assist with the procurement, draft specifications or participate in the evaluation process.

- **Watch piggybacking:** Since "piggyback" contracts are not based on aggregated volume, agencies “piggybacking” on another entity’s contract may not benefit from true economies of scale. Piggybacking off of another public entity’s contract does not always produce best value. In some cases, entities may piggyback off of an existing joint and/or cooperative but fail to notify the lead state or complete a participating addendum to the contract. This can result in undocumented contract activity and volume and impact volume discounts.

- **Fees:** Many joint and/or cooperative purchasing programs assess usage and access fees to other governmental entities to use their joint and/or cooperative contracts. Fees range from one time or annual enrollment fees to transaction fees ranging from less than 1% to 2% of the value of every purchase. These fees may be collected directly by the joint and/or cooperative lead contract administering entity or from the supplier.

### 20.1.5 Types of joint and/or cooperative procurements

Joint and/or cooperative IT procurements are formed when multiple parties identify a common technology requirement suitable for a joint and/or cooperative procurement arrangement and sign a written agreement to jointly and cooperatively procure. The lead agency or government solicits proposals and awards the joint and/or cooperative IT contract. The contract is then available for use by all signature parties and other public bodies if the solicitation provided for use by other public bodies. The participating entities

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may sign an agreement or a “participating addendum” in the specific contract. The participating addendum may be necessary to include the user’s statutory requirements in its agreement with the supplier and for the lead entity to administer effectively.

There are three types of joint and/or cooperative procurement arrangements that can be used for IT:

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<td>True (or “pure”)</td>
<td>Where two or more organizations combine their requirements and solicit bids or offers. This type of joint and/or cooperative is based on statutory or regulatory authority. The relationship between the issuing agency and the contract users is based on this legal agreement or authority. Contract users are bound by the issuing agency’s terms and conditions, unless they take exception in a separate document.</td>
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<td>Piggyback</td>
<td>Where statutory authority permits a governmental entity to use “any contract issued by any other governmental entity.” The key to a piggyback joint and/or cooperative is that the contract is issued by a single entity (usually without any other participation). There is relationship between the contract users and the supplier or the entity that established the contract. The contract will include an option for other organizations to “ride,” “bridge” or “piggyback” the contract as awarded, even if they did not participate in the original solicitation. It is important to remember in a piggyback situation, that any relationship between the supplier and a user should be based on a separate contract, not the piggyback contract, since there is no other legal relationship involved. The federal government uses this structure through its GSA contracts.</td>
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<td>Third-party aggregator</td>
<td>When one organization brings together multiple organizations to represent their requirements and manage the resulting contract. Contract users will not realize the benefit and leverage of the full volume use of the contract. The supplier may only offer a minimal discount when participation and usage exceed original contract estimates. An example of a third-party aggregator situation is where a joint and/or cooperative procurement is spearheaded by a group (i.e., U.S. Communities, etc.) that is not a governmental entity but it gathers interest and commitments from others and then turns around and buys for the whole group. Some “third party aggregators” may not be non-profit entities and their fee structure may be for profit.</td>
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20.1.6 Before issuing joint and/or cooperative solicitations
It is important to research VITA statewide contracts found here: [https://vita.cobblestonesystems.com/public/](https://vita.cobblestonesystems.com/public/)
to ensure that no current contracts exist to satisfy your agency’s technology needs. You may contact scminfo@vita.virginia.gov with any questions or to request a meeting with a VITA sourcing specialist to discuss your IT needs and plans or to obtain advice.

These important actions should be completed before issuing joint and/or cooperative IT solicitations:

- Apply for and receive CIO approval to conduct a joint and/or cooperative IT procurement
- Designate a lead agency to conduct the procurement, with qualified procurement and technical staff and commitment to perform the joint and/or cooperative procurement through completion.
- Require joint and/or cooperative members to sign an agreement that includes the policies and procedures under which the joint and/or cooperative will work.
- Invite joint and/or cooperative members, including technical specialists, to participate in the development of specifications, reporting needs and contract terms and conditions. Ensure all pertinent agency, local, state and federal statutory and other requirements for all joint and/or cooperative members are included in the solicitation.
- Provide for delivery, service, maintenance and other value-added services to be provided by designated local suppliers and small businesses including small businesses owned by women, minorities, and service-disabled veterans as well as micro business suppliers.
- Utilize a competitive solicitation process to obtain the best-value contract.
- Survey joint and/or cooperative members and research their history on buying patterns and estimated requirements.
- Circulate draft solicitations among joint and/or cooperative members and prospective IT suppliers for comments and suggestions.

20.1.7 Sourcing and issuing the solicitation
In order to maximize efforts intended to increase supplier responsiveness, take these actions when issuing joint and/or cooperative solicitations:

- Use supplier sourcing lists from all prospective joint and/or cooperative purchasing members.
- Advertise the procurement in all participating localities, regions or states in accordance with their prevailing laws or regulations.
- Designate and provide contact information for a single point of contact for supplier inquiries and communication.

20.1.8 Evaluating and negotiating offers
Proposal evaluations and negotiations should be fair and objective using the following guidelines:

- Invite participating joint and/or cooperative members to participate in technical evaluations.
• Negotiate terms and conditions that conform to legal requirements of each participating jurisdiction.
• Carefully evaluate the proposed supplier’s ability to service all public bodies involved in the joint and/or cooperative procurement in a quality manner.
• Contracts are based on free and open competition, not sole source; however, sometimes a single award is the best option.

20.1.9 Contract award and administration
Once a decision has been made to award a joint and/or cooperative IT contract, the lead agency should do the following:

• Notify participating members of the award and provide electronic copies of the entire contract.
• Provide written guidelines for contract administration and contract management.
• Maintain a list of all authorized contract users.
• Contractual disputes relating to a particular purchase order should be handled by the affected joint and/or cooperative member and those relating to the contract as a whole by the lead governmental entity.
• Establish a supplier performance reporting system for all members to report and monitor supplier performance on a regular basis. Many public bodies have additional reporting requirements including statutory reporting (i.e., SWaM and non-SWaM subcontractor reporting) identified in the contract.
• Require the supplier to provide periodic contract sales reports. The lead contracting agency should obtain a volume purchase report for the term of the contract from the supplier prior to contract expiration or renewal action. This data can be used to support estimated usage for the next solicitation or when evaluating contractor requested price adjustments.
• Invite participating members to comment on proposed contract extensions, renewals and amendments.
• Negotiate deeper discounts based on projected volume sales or if actual purchases exceed estimates.
• Provide plenty of time for procuring replacement contracts.

20.1.10 Documentation for the procurement file
All solicitation, negotiation and award documentation should be included in the master procurement file, including any supplier-certified representations. A complete procurement file should be maintained for each purchase transaction and should contain all the information necessary to understand the why, who, what, when, where and how of the transaction, including the contract from which the good or service is being procured.

20.2 Purchases from federal GSA Purchasing Schedule 70 (technology)

20.2.1 Background and description
In 2003, Congress opened GSA Schedule 70 (Information Technology and Telecommunications Hardware, Software and Professional Services) for state and local government use. GSA Schedule 70 is a catalog of supplier contracts used by federal agencies when they need to purchase information technology products. GSA Schedule 70 suppliers are selected through an open and continuous qualification process instead of competitive bids or proposals. GSA users seek competition from GSA contractors at the point of sale by obtaining quotes. GSA requires most favored customer pricing, which provides state and local governments with a price advantage based on federal purchasing economies of scale. GSA contracts are based on price ceilings and contractors are allowed by GSA to offer further discounts to states and localities. GSA encourages state and local governments to establish separate contract arrangements with the GSA supplier. Each Schedule 70 contract price includes an industrial funding fee (IFF), which is represented in the prices paid by ordering activities and passed on to GSA by schedule contractors. The IFF reimburses GSA for procurement and administrative costs incurred to operate the GSA Schedules Program.

Only suppliers with a COOP/PURCH logo next to their names on the GSA Schedule 70 have agreed to extend their pricing to state and local governments.

Multiple award schedules (MASs) under GSA Schedule 70 can be used to meet an agency’s IT needs. For large or complex requirements, MAS suppliers can join with other schedule contract holders and submit a total solution under a team arrangement. A GSA schedule contractor team arrangement (CTA) is an arrangement between two or more GSA Schedule suppliers to work together to meet a customer’s requirements. If two or more GSA suppliers have teamed up to provide an IT solution, they will enter into a written agreement (CTA agreement) detailing the responsibilities of each supplier. The CTA allows the GSA suppliers to meet the customer’s needs by providing a total solution that combines the supplies and/or services from the team suppliers’ separate GSA schedule contracts. It permits them to complement each other’s capabilities to compete for orders for which they may not independently qualify. A customer benefits from a CTA by buying a solution rather than making separate buys from various suppliers. A CTA relationship is different from a prime contractor-subcontractor relationship. In prime-sub arrangements, the relationship is very tightly defined and controlled by the prime contractor; whereas in CTAs, the roles and responsibilities are defined by the team, as accepted by the purchasing body.

GSA suppliers are allowed to modify their contracts at any time during the contract period, allowing the addition of new IT items regularly. This assures the latest technology is always available to the customer. Incidental items not listed in the GSA contract may be added to a schedule delivery order as long as it results in the lowest overall cost, the appropriate procurement regulations have been applied, and the price has been determined fair and reasonable.

The Local Preparedness Acquisition Act (Public Law 110-248) [PDF,120KB], authorized state and local governments access to Federal Supply Schedule 84, Total Solutions for Law
Enforcement, Security, Facility Management Systems, Fire, Rescue, Special Purpose Clothing, Marine Craft, and Emergency/Disaster Response. As GSA Schedule 84 does not include information technology, it is not addressed in this Manual.

20.2.2 Benefits of purchasing from GSA Schedule 70
Purchasing IT from a GSA contract may lessen a procuring agency’s administrative burden, shorten procurement lead time and may, in some cases, offer lower pricing than an agency could obtain from its own procurement. Refer to subsection 20.1.2 of this chapter for a broader discussion on benefits for these types of joint and/or procurements.

20.2.3 Challenges of purchasing from GSA Schedule 70
Since GSA is based on maximum pricing, many state and local contracts reflect lower pricing than the federal prices. Commonwealth agencies and institutions must place GSA orders through eVA, after approval is received from the CIO.

20.2.4 Contractual terms and conditions
Agencies and institutions will usually find it necessary to modify GSA contract terms to meet state statutory requirements. When an agency purchases from a GSA Schedule 70, the terms and conditions of the underlying GSA contract are incorporated by reference in the state’s contract with the GSA supplier. Agencies may add terms and conditions to the GSA contracts if they are required by statute, regulation, etc., to the extent that they do not conflict with GSA Schedule 70 terms and conditions; however, if a required state term and condition conflicts with a GSA term, then an agency cannot purchase from that GSA supplier. Please obtain guidance on this from OAG.

20.2.5 Voluntary use of schedules by suppliers
Schedule 70 suppliers have a five-day period in which to decline or accept an agency’s purchase order and will generally make this decision on two levels. First, on the contract level, they will decide which IT items they want to offer under the GSA joint and/or cooperative procurement contract and will enter into a mutual agreement with GSA to modify the contract and reflect their contract item list. Second, even after an existing contract is modified or a new contract awarded, a Schedule 70 supplier will retain the right to decline orders received from state or local government entities on a case-by-case basis. Schedule 70 suppliers may decline an order, for any reason, within a five-day period after receipt of the order; however, credit card orders must be declined within 24 hours.

20.2.6 GSA supplier performance
If the supplier does not perform acceptably under a GSA Schedule 70 purchase order issued by a state or local entity, GSA will not take corrective measures against that supplier. Acceptance of an order by the Schedule 70 supplier constitutes the formation of a new contract between the agency and the Schedule 70 supplier. The ordering agency’s contracting officer is responsible for all contract administration under the new contract.
While the majority of the terms and conditions of the supplier’s Schedule 70 contract are incorporated by reference into the ordering agency’s purchase order, the federal government is not liable for the supplier’s performance or non-performance. Disputes that cannot be resolved between the parties may be litigated in any state or federal court with jurisdiction, using the principles of federal procurement law and the Uniform Commercial Code, as applicable and appropriate. State and local government entities may submit information concerning a supplier’s performance to the GSA contracting officer for consideration when evaluating the supplier’s overall performance under the GSA Schedule 70 contract.

20.2.7 Ordering from GSA Schedule 70
Prior to initiating a GSA Schedule 70 order, ensure there are no existing VITA statewide contracts available for that IT good or service: https://vita.cobblestonesystems.com/public/
All orders from GSA Schedule 70 suppliers shall use the procedures in Federal Acquisition Regulation (FAR) 8.405-2 when ordering Schedule 70 contract services priced at hourly rates. The applicable services will be identified in Schedule 70 publications and contractors' Schedule 70 price lists. When ordering Schedule 70 contract supplies and fixed-price services for a specific task, where a Statement of Work is not required (e.g., installation, maintenance, and repair), ordering activities shall use the procedures in FAR 8.405-1, Ordering Procedures for Supplies, and Services Not Requiring a Statement of Work (SOW). Contact scminfo@vita.virginia.gov for assistance with GSA ordering.

20.2.8 When ordering IT goods utilizing GSA Schedule 70
All orders for GSA Schedule 70 purchases shall use eVA and state the GSA number in the contract number field. The eVA order will be routed for CIO review. To ensure a best value determination is made, the agency should survey at least three Schedule contractors through the online shopping service GSA Advantage!® or review the catalogs or price lists of at least three Schedule contractors, and seek additional price reductions where appropriate. Ensure the following actions are completed:

- Based upon the initial evaluation, seek additional price reductions from the Schedule suppliers considered to offer the best value.
- Select the best value; and
- Submit the eVA order.

20.2.9 When ordering Cloud/Software as a Service goods or services from GSA Schedule 70 or any other authorized Cooperative Agreement
If the Joint and/or Cooperative Procurement involves an off-premise (cloud hosted) solution, agencies must follow the Enterprise Cloud Oversight Services (ECOS) Process and Third Party Policy Workflow. A Security Assessment of the cloud service will need to be completed by the supplier and approved by ECOS, via a work request 1-003, and special Cloud Services Terms & Conditions must be included in the contract prior to award. The Security Assessment form and Cloud Services Terms & Conditions should be included in the request for quote document package sent to supplier(s) for supplier(s) to complete and submit with
its proposal and to provide their redlines/exceptions to any of the Cloud Terms & Conditions.

20.2.10 Procurement file documentation
The procurement file for a GSA order should include:

- The Schedule contracts considered, noting the contractor from which the service was purchased;
- A copy of the CIO approval;
- A description of the service purchased;
- The amount paid;
- The evaluation methodology used in selecting the GSA supplier to receive the order;
- The rationale for any tradeoffs in making the selection;
- The best value determination.
Appendix A

Joint and/or Cooperative Procurement Quick Facts

Joint and/or Cooperative procurement approvals required

- CIO must approve all IT joint and/or cooperative procurement arrangements and all IT procurements from jointly and cooperatively procured contracts regardless of the amount of the IT purchase.

- Enterprise Cloud Oversight Services (ECOS) process. Regardless of the amount, if the Joint and Cooperative Procurement involves an off-premise (cloud hosted) solution, agencies must follow the ECOS Process and Third Party Policy Workflow. A Security Assessment of the cloud service will need to be completed by the supplier and approved by ECOS, via a work request 1-003, and special Cloud Services Terms & Conditions must be included in the contract prior to award.

- Public body can sponsor, conduct or administer an IT joint and/or cooperative procurement arrangement on behalf of other public bodies, agencies, institutions, or localities of several states for combining requirements to increase efficiency and reduce administrative expenses if approved by the CIO.

- A public body may purchase from another public body’s contract even if it did not participate in the RFP or IFB, if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies and the procurement is approved by the CIO.

- Any authority, department, agency may participate in, sponsor conduct or administer a joint and/or cooperative procurement arrangement with public bodies, private health or educational institutions or with public agencies of the several states, territories of the U.S. or D.C. for the purposes of combining requirements to effect cost savings or reduce administrative expense in any acquisition of IT goods and services upon CIO approval.

- Sponsoring a joint and/or cooperative procurements

- All public bodies including agencies must request CIO approval to sponsor, conduct or administer joint and/or cooperative procurement arrangements regardless of the amount of the resulting contract. In order to obtain CIO approval, agencies and institutions should forward a completed IT Joint and/or Cooperative Procurement Approval Request Form to scminfo@vita.virginia.gov.

- If a joint and/or cooperative procurement arrangement is approved, the agency must specify in the solicitation that the procurement is being conducted on behalf of other public bodies. The inclusion of this language allows additional agencies and institutions not named in the solicitation to purchase from the resulting contract.

- An agency that sponsors a joint and/or cooperative procurement must serve as the contract manager and administrator for the contract.

- Using jointly and cooperatively procured contracts.

- Agencies desiring to purchase IT from jointly and cooperatively procured contracts must request CIO approval before doing so regardless of the amount of the purchase. In order to obtain CIO approval, agencies should forward a completed IT Joint and/or Cooperative Procurement Approval Request Form to scminfo@vita.virginia.gov.
• Agencies are not permitted to procure IT from jointly and cooperatively procured contracts if the same items are available on an existing statewide contract or an Office of Small Business Assistance and Certification-certified small business, including small businesses owned by women, minorities, and service-disabled veterans as well as micro businesses, is available to provide the goods or services at fair and reasonable prices.

• Jointly and cooperatively procured contracts, including GSA contracts, typically should not be used for procurements involving intellectual property rights (e.g., software purchases or custom systems development) or that include service level agreements.
Appendix B
Steps for Ordering IT Services Utilizing GSA Schedule 70

When ordering IT services from GSA Schedule 70, contact VITA’s SCM Division at scminfo.vita.virginia.gov prior to completing the following:

1. Prepare a request for quotation (RFQ) that includes:
   - **Statement of work:** Include detail on the work to be performed, the location of the work, the period of performance, the deliverable schedule, the applicable performance standards and any special requirements (e.g., security clearances, reports, travel, and special knowledge).
   - **Evaluation criteria:** At a minimum, include evaluation of a project plan for performing the task, price, experience and past performance.
   - **Pricing:** A firm-fixed price order shall be requested, unless the ordering agency makes a determination that it is not possible to estimate accurately or with any reasonable degree of confidence the extent or duration of the work or costs. When such a determination is made, a labor-hour or time-and-materials quotation may be requested. The firm-fixed price of the order should also include any travel costs or other direct charges related to performance of the services ordered. A ceiling price must be established for labor-hour and time-and-materials orders.
   - **Special pricing:** A requirement for pricing information that ties the offered prices to the Schedule 70 contract prices and seeks additional price reductions where appropriate.

2. Transmit the RFQ to GSA Schedule 70 contractors
   - **Obtain three quotes:** Provide the RFQ (including the statement of work and evaluation criteria) to at least three Schedule 70 suppliers that offer the IT services requested and to any other Schedule 70 suppliers that request copies.

   **Note:** Each Schedule 70 contract has a maximum order threshold, which will vary by special item number. The maximum order threshold represents the point where, given the dollar value of the potential order, the ordering activity shall seek a price reduction.

3. Evaluate responses and place the order or establish the blanket purchase agreement
   - **Conduct evaluations:** Evaluate all responses received using the evaluation criteria in the RFQ. GSA has already determined that the hourly rates for services contained in the supplier’s Schedule 70 price list are fair and reasonable. However, the customer is
responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total firm-fixed price or ceiling price is fair and reasonable.

- **Make award:** Place the purchase order with the Schedule 70 supplier that represents the IT best value.

Appendix C

**IT Joint and/or Cooperative Procurement Approval Request Form**

This form is available on the VITA SCM website at the following URL: