TRADITIONAL VS. COOPERATIVE PURCHASING AGREEMENTS

TRADITIONAL		COOPERATIVE
PROCESS		
Agencies handle the entire procurement cycle independently, from creating detailed RFPs and negotiating with suppliers, to managing compliance requirements and contracts. These processes involve extensive documentation, multiple approval stages, and ongoing supplier relationship management.		Agencies leverage pre-established contracts with trusted suppliers, enabling procurement teams to skip the RFP process. Ready-to-use contracts, standardized terms, and proven supplier relationships also help procurement leaders gain collective buying power.
TIME		
Procurement typically spans 3 to 24 months, depending on project scope, stakeholder involvement, and complexity. The process involves several rounds of review, lengthy negotiations, and approvals.		Procurement can take just days or weeks, thanks to instant access to existing contracts and the ability to skip the RFP process, resulting in faster project starts and swifter response to organizational needs.
RESOURCES		
Organizations manage the entire procurement process independently, which requires dedicated procurement teams, legal departments, and contract specialists to ensure full oversight. Staff must stay abreast of each procurement category and nurture individual supplier relationships.		Multiple organizations collaborate to streamline procurement. By sharing expertise, resources, and contracts, participating agencies can reduce duplicated efforts and lighten the administrative load. Oversight responsibilities are distributed or centralized through the cooperative, allowing internal teams to focus on bigger-picture goals.
TECHNOLOGY USE		
Organizations manage multiple e-procurement systems and supplier portals. Each requires regular oversight and updates, creating technology silos and increasing maintenance costs.		A unified system provides access to integrated supplier networks and contract management, offering real-time pricing and availability while reducing complexity.
COST STRUCTURE		
Pricing is based on individual contracts, which can lead to higher administrative costs and limited bulk savings. Organizations bear the full procurement overhead and miss volume discounts.		Collective purchasing leverages volume-based pricing and shares administrative costs across multiple agencies, generating significant savings. This structure reduces the burden while maximizing purchasing power.
RISK MANAGEMENT		
Individual agencies handle supplier vetting, compliance, and performance monitoring. Organizations need strong internal controls and risk management systems in place.		Collective purchasing's pre-vetted suppliers, collective compliance efforts, and standardized performance monitoring help mitigate risk management and ease the burden on individual agencies.

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