

Illinois Cities Save Millions By Opting into State Contracts

Costs for Electricity and Computer Software Drop Due to Volume Discounts

Like many businesses, a growing number of Illinois municipalities have begun standardizing the desktop computer software used by their employees in order to increase productivity, enhance teamwork and improve communication.

Unlike those private-sector companies, however, cities and other local government agencies in Illinois have been able to purchase the upgraded software at a significant discount – thanks to a State of Illinois initiative known as the Joint Purchasing Program.



The Program – run by the Illinois Department of Central Management Services, the main procurement arm for State agencies – offers local governments the opportunity to save time and money when purchasing software and many other commodities, services and equipment. Not only do they save an average of 27.5% per purchase, but Illinois municipalities are also able to reduce administrative expenses when purchasing from these select State contracts.

So far, local governments ranging from Peoria, Rantoul and Romeoville to Evanston, Naperville and Waukegan to Rush North Shore Medical Center to the DuPage County Health Department have taken advantage of the State's master contract to purchase Microsoft software licenses at significant savings.

These local agencies have joined dozens of State agencies that now use Microsoft Office software to help their employees perform services including scheduling meetings, sending e-mail, and creating documents, spreadsheets, presentations and more.

It has been estimated that the innovative, bulk-purchasing

agreement will save State agencies at least \$10.5 million over the five years, while local governments in Illinois are poised to save even more than that.

Another contract that has vast potential to help municipalities manage their energy resources is the Bulk Electricity contract. Since April 2007, several local taxing bodies have joined the electricity procurement program, including the City of Bloomington.

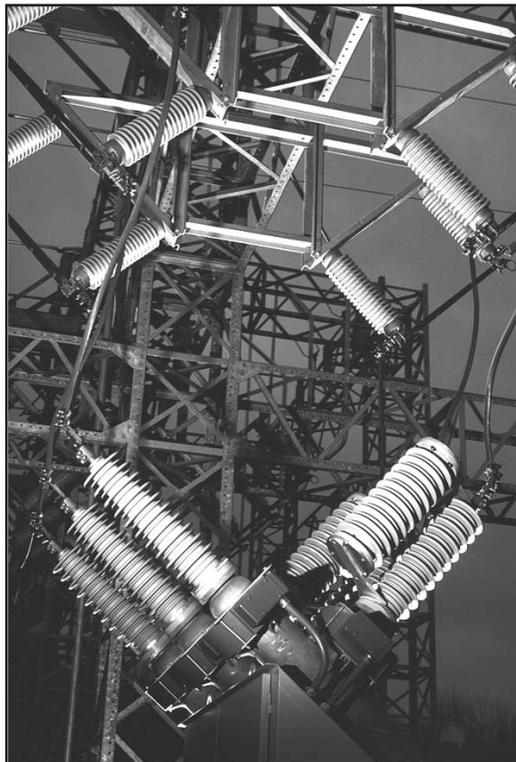
Facility Manager Bob Floyd estimates that the Bloomington will save \$250,000 a year from the electricity arrangement with the State that he calls “a good match.” Flood says that he and Purchasing Agent Kim Nicholson, who worked on the contract, prefer the new electronic billing system to the former, paper-based version they had:

“Bills are stored electronically instead of hard copies stored in two locations. There is a two-page summary bill which makes it easy to quick-reference total usage, price per kilowatt and total cost. We also like the 60-day payment schedule versus 30 days.”



Many other local governments including the Homewood Public Library District and the Chicago Park District – which anticipates saving as much as \$4 million annually – have begun taking advantage of the electricity contract.

Under the Joint Purchasing Program, instead of managing the time- and cost-consuming competitive-bid process on its own, a city can take advantage of the work that the State's procurement experts have already done – such as working to determine specifications, evaluate bidders, check references, select the highest-quality bid, and aggressively negotiate price discounts using the State's massive purchasing power.



The State benefits by being able to push per-unit costs down further when its bulk-purchasing power is enhanced by the increased sales volume added by local governments.

New contracts recently added to the Joint Purchasing Program include:

- ATV Utility Vehicles
- Coleman Folding Cots
- Information Technology:
 - BlackBerry Software and Maintenance
 - Dell and HP Servers and Accessories
 - IBM Disaster Recovery
 - Laptop Encryption Software
 - NetMotion Software
 - Off-Site Vaulting
- Snowplow Blades
- Spacesaver Storage Systems
- Street Sweepers
- Thermal Imaging Cameras

Any unit of local government – provided it was created by statute or has the ability to tax – can qualify for the Joint Purchasing Program. Joining the voluntary program does not obligate the local government to procure any items from State contracts; program members work directly with the State vendor to purchase the service or equipment.

To learn more about the Joint Purchasing Program, visit the CMS exhibit (Booth #804) at the Illinois Municipal League Annual Conference, October 19-20, 2007 at the Hilton Chicago, or contact Joint Purchasing Coordinator Dennis Smith at 217-785-6935 or dennis.smith@illinois.gov.

For more information regarding the bulk electricity contract, municipalities can contact Mark Pruitt at the University of Illinois-Chicago Energy Resources Center at 312-413-3146 or mpruitt@uic.edu. ■

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	Don't let safety take a holiday
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Be sure to check out the November <i>Review</i> for pictures from the IML Annual Conference in Chicago October 18-21, 2007

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