



Cooperative Purchasing

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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T.C.A. § 12-3-1205 (a) authorizes any local government of the state to participate in, sponsor, conduct, or administer a cooperative purchasing agreement with one or more other Tennessee local governments to procure supplies, services, or construction in accordance with an agreement entered into between the participants. This includes, but is not limited to, a multi-party contract. Where a city is required to advertise and receive bids, it is sufficient that the purchasing entity comply only with its own purchasing requirements.

T.C.A. § 12-3-1205 (b) (1) authorizes any local government of the state may participate in a cooperative purchasing agreement with one or more out-of-state governmental entities to the extent allowed by the other state's laws for the procurement of goods, supplies, services, or equipment or with an agency of the United States, to the extent allowed by federal law, in accordance with an agreement entered into between or among the participants. Such goods, supplies, services, or equipment must be procured in a manner that constitutes competitive bidding and are advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

T.C.A. § 12-3-1205 (b) (2) authorizes any local government in this state to participate in a master agreement by adopting a resolution accepting its terms. If a participant to the master agreement is required to advertise and receive bids, it is sufficient that the purchasing entity complied with its own requirements. The participant is required to acquire and maintain documentation that the purchasing entity complied with its own purchasing requirements.

T.C.A. § 12-3-1205 (b) (4) lists the items that are excluded under this authorization to include:

- 1) the purchase of new or used motor vehicles (unless manufactured for a special purpose as defined in TCA § 12-3-1208). Under this section, motor vehicle does not include farm tractor, mower, earth-moving machinery, construction machinery, or other similar machinery or equipment;
- 2) purchases of construction, engineering or architectural services, construction materials. Construction materials does not include materials used in the operation of a municipal utility system;
- 3) purchases of fuel or fuel products and lubricating oils.

T.C.A. § 12-3-1205 (b) (5) states that the authorization for exercising joint purchasing authority with an agency of the United States under T.C.A. § 12-3-1205 (b) (1) does not include the authority to purchase construction machinery utilized in construction or on construction sites.

T.C.A. § 12-3-1205 (c) states that the chief procurement officer may collect information from local governments concerning procurements acquired under cooperative purchasing agreements.

A municipality may participate in a cooperative purchasing agreement with the Central Procurement Office and a public institution of higher education to procure goods and services. This type of cooperative purchasing must be awarded through full and open competition. T.C.A. § 12-3-512.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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