

## Tennessee Legal References

### State Agencies:

Tenn. Code. § 12-3-512 (2017). Cooperative purchasing agreements with other states or local governments

The central procurement office and public institutions of higher education may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of goods or services with one (1) or more other states or local governments in accordance with an agreement entered into between the participants. All cooperative purchasing conducted under this section shall be awarded through full and open competition.

### Local Governments:

Tenn. Code. § 12-3-1205 (2017). Cooperative purchasing agreement

(a) Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, services or construction with one (1) or more other local governments in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between local governments. Where the participants in a joint or multi-party contract are required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.

(b)(1) Notwithstanding any other law to the contrary, any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one (1) or more other governmental entities outside this state, to the extent the laws of the other state permit the joint exercise of purchasing authority, or with an agency of the United States, to the extent federal law permits the joint exercise of purchasing authority, in accordance with an agreement entered into between or among the participants; provided, such goods, supplies, services, or equipment were procured in a manner that constitutes competitive bidding and were advertised, evaluated, and awarded by a governmental entity and made available for use by other governmental entities.

(2) A municipality, county, utility district, or other local government of the state may participate in a master agreement by adopting a resolution accepting the terms of the master agreement. If a participant in a joint or multi-party agreement is required to advertise and receive bids, then it will be deemed sufficient for those purposes that the purchasing entity or the entity that procured the bid complied with its own purchasing requirements. The participant shall acquire and maintain documentation that the purchasing entity or entities that procured the bid complied with its own purchasing requirements.

(3) The powers conferred by this section are in addition and supplemental to the powers conferred by any other law, and any limitations imposed by this section shall not affect powers conferred by any other law.

(4) This subsection (b) does not apply to:

(A) Purchases of new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in § 12-3-1208. As used in this subdivision (b)(4)(A), “motor vehicle” does not include a farm tractor, mower, earth-moving machinery, construction machinery, or other similar machinery or equipment;

(B) Purchases of construction, engineering, or architectural services, or construction materials. As used in this subdivision (b)(4)(B), “construction materials” does not include materials used in the operation of a municipal utility system, including, but not limited to, transformers, conductors, insulators, poles, cross-arms, anchors, pipes, valves, meters, or other components or parts of a utility system,

whether purchased in accordance with a purchasing agreement with the Tennessee Valley authority or another purchasing arrangement; or

(C) Purchases of fuel, fuel products, and lubricating oils.

(5) The authorization for exercising joint purchasing authority with an agency of the United States under subdivision (b)(1) does not include the authority to purchase construction machinery, including, but not limited to, bulldozers and other heavy equipment utilized in construction or on construction sites.

(c) The chief procurement officer may collect information from municipalities, counties, utility districts, or any other local government unit concerning the type, cost, quality, and quantity of commonly used goods, supplies, services, or equipment being procured under cooperative purchasing agreements. The chief procurement officer may make available all such information to any municipality, county, utility district, or other local government unit upon request.

**About Sourcewell:**

Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government. Minn. Const. art. XII, sec. 3. As a public corporation and agency, Sourcewell is governed by local elected municipal officials and school board members. Minn. Stat. § 123A.21 Subd. 4 (2017). Under its enabling statute, Sourcewell is explicitly authorized to provide cooperative purchasing services to eligible members. Id. at Subd. 7(23).

Sourcewell follows the competitive contracting law process to solicit, evaluate and award cooperative purchasing contracts for goods and services. Sourcewell cooperative purchasing contracts are made available through the joint exercise of powers law to member agencies. Minn. Stat. § 471.59 (2017). Membership in Sourcewell is available for all eligible state and local governments, education, higher education and nonprofit entities across North America. § 123A.21 at Subd. 3

**Disclaimer:**

The information found on the Sourcewell website are provided for educational and informational purposes only. This information contained on the website, including any printed material derived from this website, is not legal advice and no attorney-client or other contractual relationship is formed by access to this information. Information here may be out of date, obsolete, or otherwise inaccurate. Please consult with a qualified attorney regarding any questions.

Information current as of: 2022-01-01