

**LETTER OF UNDERSTANDING
FOR COOPERATIVE PURCHASING**

This Letter of Understanding made this _____ day of _____, 20_____, by and between:
_____ (agency) and Value for Local Government.

In consideration of the mutual promises contained in the Letter of Understanding, the provisions of the By-Laws, and the mutual benefits to result therefrom, the participants agree as follows:

1. Commonly used material, equipment and services as designated by the participants to this agreement may be purchased jointly, commencing with the execution of this agreement.
2. Representatives from each agency shall agree on the specific material, equipment, and services that shall be cooperatively procured and shall set forth in writing, as a minimum, a description for each purchase, the quantity and quality required, the delivery date, and the location for delivery.
3. A designated lead agency shall assume the responsibility for preparing the Invitation for Bid and advertising for bids in accordance with the By-Laws and Administrative Procedures of Value for Local Government. Such jurisdiction shall also be designated to receive and open the bids at the time and in the manner acceptable to all participants.
4. The lead agency shall submit a complete tabulation of all bids to the appropriate authority of each jurisdiction participating in the joint purchase and shall certify as to the responsive bidder offering the most advantageous proposal as set forth in the specification.
5. The lead agency has the right to reject any and all bids where deemed appropriate. When the right is exercised to reject all bids, it shall furnish to each participant an explanation and report on its action along with a complete tabulation of all bids received.
6. Each participant shall be responsible for issuing and expediting its own purchase orders, receiving shipments, inspecting goods, verifying invoices, and paying bills. No participants shall, by execution of this agreement or by participation in any purchase contract, be liable for any material, supplies, or equipment ordered or received by any other participant.
7. Participation in any joint purchase is optional by each agency prior to the release of the joint purchase documents. Thereafter, all agencies who elect to participate are governed by the provisions of the joint purchase and are obligated to purchase committed quantities, with the only allowable exception being unavailability of non-appropriation funding.
8. Any dispute arising between any participants hereto and a successful bidder not relating to (1) the validity of the award of the purchase contract or (2) the rejection of the bids, shall be settled by and at the cost of that participant involved in the dispute.
9. This agreement shall take effect upon execution of the signatures.
10. Additional agencies may, from time to time, execute this agreement; and such execution subsequent to the effective date of this agreement shall not require re-execution by the original participants.

The above Letter of Understanding has been read, duly considered, and discussed and is hereby adopted this _____ day of _____, 20_____.

PARTICIPATING AGENCY

VALUE FOR LOCAL GOVERNMENT

Signature

Signature

Print Name and Title

Print Name and Title