

EECBG Case Study #5

Joint Purchasing



southeast michigan regional
energy office



Joint Purchasing

Municipality:	6 Cities in SE Michigan
Population:	58,547
Governance:	Varied
Grant Allocation:	\$ 291,715 (lighting only)

Lessons Learned

- Joint purchasing of supplies can save communities substantially over contractor prices
- Maintain control of product specifications by

The Takeaway

Joint purchasing by aggregating material needs between communities and organizations can be a substantial source of savings. Establishing systems to do this on an ongoing basis, while more challenging, can help communities reap benefits over the long term.

Using joint purchasing also facilitates being able to ensure that the products that are being installed meet the minimum specifications according to the community, rather than according to the contractor. Communities can guard against a contractor's specifying an inferior product to be able to offer a lower price.

Scope of Work

The communities of Hazel Park, Lathrup Village, River Rouge, South Lyon, Grosse Pointe Woods, and Grosse Pointe Shores, all members of the Southeast Michigan Regional Energy Office, are completing lighting retrofit projects on 22 buildings in total through their EECBG grants. Lighting retrofits are very similar in different communities. Some common strategies recommended were:

- Replacement of T12 lamps with T8 lamps and magnetic with electronic ballasts
- Replacement of existing incandescent lamps with either compact fluorescents or LEDs
- Delamping or switching existing lamps to lower wattage lamps in overlit areas
- Installation of occupancy and daylight sensors

Through SEMREO, the communities ordered supplies for the retrofit from a supplier, which resulted in a significant cost savings.



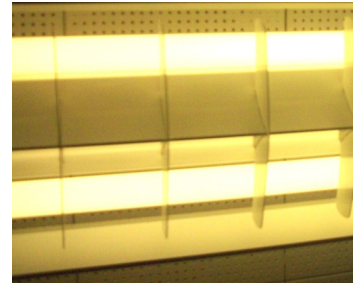
Products ordered in bulk can save money

Project Results

The potential value of joint purchasing in this case was indicated by the quantity of materials needed:

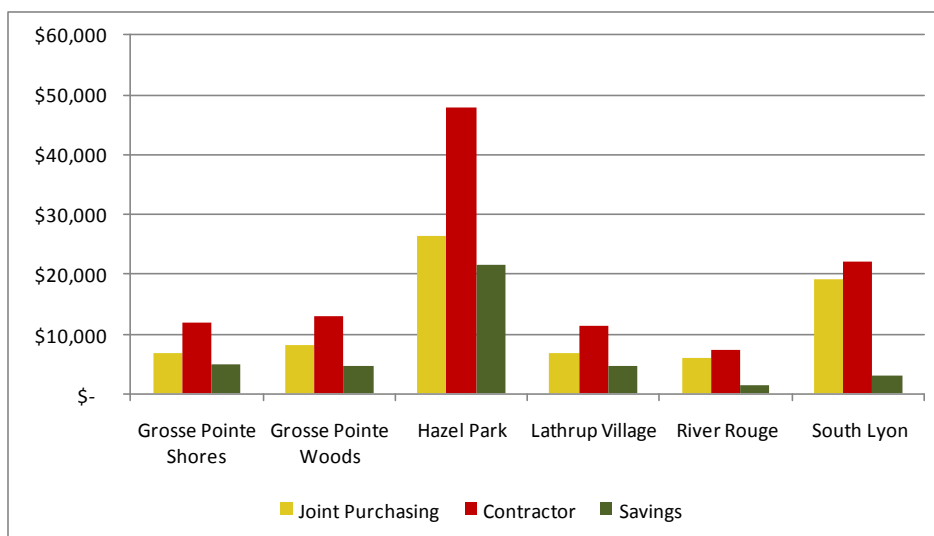
- Over 4,000 32W T8 lamps
- Over 2,000 T8 electronic ballasts
- Over 100 LED Exit Signs
- Over 200 CFLs of different wattages

Through this arrangement, SEMREO saved communities approximately \$40,000 dollars in lighting materials costs, freeing up this money to do additional energy saving projects, equivalent to \$0.68 cents per resident in these communities.



Antiquated T12 fluorescent lamp technology

Cost of Materials from Different Sources



Challenges Overcome

- Knowledge of how to do a two stage (Request for Quote & Request for Proposal) process
- Communication with contractors and suppliers to ensure that each is meeting their needs as well as the needs of the communities.
- Creation of a network of local governments to form joint purchasing agreement
- Lighting audits and analysis completed to understand materials required.

Further Resources

WARM Training Center
<http://www.warmtraining.org/>
Southeast Michigan Regional Energy Office
<http://www.regionalenergyoffice.org/>
Clean Energy Coalition
<http://www.cec-mi.org/>

Michigan Energy Options
<http://www.michiganenergyoptions.org/>
Michigan Municipal League
<http://www.mml.org/home.html>
Mi Source Foundation
<http://www.misource.org/>