

U.S. Communities Program Memo

From: Marc Shapiro
Sent: Thursday, September 03, 2009 2:36 PM
To: exec@sml.nlc.org
Subject: Update on U.S. Communities program

As you may have heard or read recently, the U.S. Communities Government Purchasing Alliance, the national cooperative purchasing program sponsored by NLC and four other national organizations, along with 25 state municipal leagues, has become the target of a false and misleading campaign questioning the integrity of the organization.

Since its inception, the program has saved cities, counties, schools and states over \$1 billion dollars. Currently over 38,000 units of local government are registered to use the program and an additional 400 register to participate each month. By aggregating the buying power of public agencies nationwide, U.S. Communities contracts offer unprecedented savings with no cost to participate and no minimum spending requirements.

U.S. Communities has an ongoing review process in place to ensure that any claim or allegation is thoroughly investigated and any necessary corrective action is executed in cooperation with the Lead Public Agency that is responsible for the contract award. Contracts are also regularly audited for compliance by an independent third party auditing firm

Despite the tremendous public benefits that this program provides, a disgruntled former Office Depot employee, in conjunction with the National Office Products Alliance, an organization that represents competitors to U.S. Communities' suppliers, has engaged in a campaign to undermine U.S. Communities' reputation. Numerous wild, frivolous and false claims have been made. Moreover, the stream of attacks is being launched on the Internet, through various blogs and e-mail—mediums that are not subject to reasonable standards of facts, ethics, integrity or truth.

In response to the false allegations, attorneys for U.S. Communities have delivered a Cease and Desist letter to the National Office Products Alliance on August 28, with demands that the false allegations be retracted and corrected within 10 business days.

NLC has a permanent seat on the Board of U.S. Communities and actively participates in all Board meetings. This year, Don Borut is the Chairman of the Board. Additionally, an Advisory Board of 20 public procurement officials from around the country provides leadership and professional oversight of the program. Advisory Board members presently include representatives from Los Angeles, CA; Denver, CO; Charlotte, NC; Houston, TX; San Antonio, TX; and Seattle, WA.

Above all else, NLC values its reputation and that of the sponsoring state municipal leagues and wants to assure you that we have complete confidence in U.S. Communities and continue to

endorse the program as an excellent way for our members to save taxpayer dollars during these challenging times.

Below are additional facts about U.S. Communities:

- Serves over 38,000 public and nonprofit agencies (“Participating Public Agencies”) nationwide;
- Saves Participating Public Agencies - an estimated \$1 billion since it began operations in 1996;
- Saves Participating Public Agencies - an estimated \$200 million annually;
- Offers 19 contracts with 24 suppliers, each of which was competitively solicited and awarded by a Lead Public Agency (All contracts are voluntary, non-exclusive and require no minimum spending requirements);
- Subjects its suppliers to rigorous program commitments, including best government pricing;
- Encourages Participating Public Agencies to consider other options and let value drive choice;
- Aligns with the best interests of Participating Public Agencies, along with its Sponsors and Advisory Board.

We will forward additional information as it become available.

If you have any questions or concerns about the U.S. Communities program please contact me at Shapiro@nlc.org or 202.626.3019. We will forward additional information as it become available.

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