

## **NATIONAL PURCHASING COOPERATIVE BYLAWS**

The National Purchasing Cooperative (“Cooperative”) was established on May 26, 2010, by the entry of certain governmental entities into an Organizational Interlocal Agreement (“OIA”), pursuant to MD. CODE ANN., STATE FIN. & PROC. § 13-110 (West 2009), and R.I.GEN.LAWS § 16-2-9.2 (2009).

The Cooperative was formed for the benefit of its members, which are eligible governmental entities in the United States of America. The Cooperative exists and operates under the OIA, these bylaws, and interlocal or intergovernmental agreements authorized by the Cooperative for its members (“Cooperative Members”).

### **1. PURPOSE**

1.1 The general purposes of the Cooperative are to obtain the benefits and efficiencies that can accrue to Cooperative Members by participating in a cooperative effort to (a) comply with the governmental procurement requirements applicable to the State of purchase; (b) identify qualified vendors of commodities, goods and services that will meet the needs of Cooperative Members; (c) relieve or ease the burden of the governmental purchasing function by promoting administrative efficiency and intergovernmental cooperation; and (d) realize the various potential economies of scale, including administrative and other cost savings, that can be achieved from volume purchasing on a national scale.

### **2. MEMBERSHIP**

2.1 Membership in the Cooperative is open to any school district or other governmental entity, including a county, municipality, state agency or other entity which is authorized to be a party to an interlocal, intergovernmental, joint powers or similar agreement under applicable State laws and as may be determined by the Cooperative. Further, income to such entity must qualify for exemption under Section 115 of the Internal Revenue Code.

### **3. WITHDRAWAL FROM MEMBERSHIP**

3.1 Any Cooperative Member may withdraw from the Cooperative in accordance with the terms of the membership agreement executed with the Cooperative. A Cooperative Member who withdraws from the Cooperative must still honor any and all pending contractual obligations with Cooperative vendors.

### **4. GOVERNANCE**

4.1 The Cooperative shall be governed by a Board of Directors.

4.2 The Board shall govern and manage the Cooperative in accordance with the terms of the OIA, these bylaws, and agreements and policies adopted by the Board from time to time. The Board shall have the further functions, powers, and duties as provided by law.

4.3 All Cooperative Directors, though maintaining their official capacity as elected or appointed officials or employees of their respective governmental entities, shall act in the interest of all Cooperative Members with respect to Cooperative business.

## 5. BOARD QUALIFICATIONS AND COMPOSITION

5.1 The number of Directors shall be nine (9) individuals. The composition of the Board shall be as follows: (a) five (5) shall be elected or appointed officials or employees of Cooperative Members as selected by the Board; (b) one (1) shall be a school board member from a Cooperative Member school district as selected by the Board; (c) one (1) shall be an employee of a sponsoring state school boards association as selected by the Board; (d) one (1) shall be appointed by the Texas Association of School Boards; and (e) one (1) shall be appointed by the National School Boards Association (“NSBA”) from its board. No Cooperative Member shall hold more than one seat on the Board. Any Director who no longer meets the qualifications set forth herein shall be deemed to have vacated the position on the Cooperative Board.

5.2 The Directors shall serve for staggered terms of three (3) years, with three terms expiring concurrently. A term shall commence on January 1 and end three years later on December 31. Each Director shall hold office until the Director’s term expires or until such Director’s resignation or removal. No Director may serve more than three full terms on the Board.

## 6. VACANCY

6.1 Any vacancy on the Board, whether for a full or partial term, shall be filled consistent with the composition and qualification requirements provided in Section 5 above. For all purposes, including the determination of a quorum, each vacancy on the Board shall reduce full membership of the Board by one (1) until such time as the vacancy is filled; however, in no event shall the Board’s membership constitute fewer than three (3) individuals.

## 7. REMOVAL

7.1 Any Director who is absent from three (3) consecutively scheduled meetings or for cause may be subject to removal by a majority of the remaining Directors. Additionally, if a Director is unable or unwilling to serve, that Board seat may be declared vacant by a majority of the remaining Directors.

## 8. MEETINGS

8.1 The Chair shall call meetings of the Board as follows:

8.1.1 At least four (4) times annually for the regular transaction of business, of which one shall constitute the annual meeting to occur during the last quarter of the calendar year.

8.1.2 When any three Directors submit to the Chair a request in writing for a meeting. In such event, the Chair shall then call a meeting within 30 days of the latest of the three Directors' requests.

8.1.3 At such other times that the Chair deems necessary or appropriate.

8.2 Directors shall have a minimum of 15 days written notice of any meeting of the Board. Notice may be fewer than 15 days if a majority of the entire Board affirmatively waives such time period, in writing or by vote or other action. A Director's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not properly called or convened.

8.3 A meeting of the Board may be conducted in person or by alternate means, such as teleconference, videoconference, the Internet, or any other means through which each meeting participant can communicate with all other meeting participants.

8.4 All meetings of the Board shall be conducted pursuant to the latest edition of Robert's Rules of Order.

## 9. QUORUM AND VOTING

9.1 A majority of the Board, including those participating pursuant to Section 8.3 above, shall constitute a quorum. When a quorum exists, concurrence of a majority of those present and voting at any Board meeting shall be necessary for any official action taken by the Board, unless otherwise provided by these bylaws.

9.2 On any occasion when a meeting is called and a quorum is not present, the Chair may conduct valid business by polling the Directors who are present and then polling the absent Directors by telephone or other electronic means. Similarly, on any occasion when the Chair deems that a meeting is not feasible, the Directors may be polled by telephone or other electronic means. In any poll taken by telephone or other electronic means, the Directors who are polled shall confirm their action in writing, and such writing (whether in a single document or several) shall be made part of the minutes. A majority of the entire Board must concur for any action taken by poll.

9.3 A Directors, may participate in any Board meeting by proxy by submitting to the Board in writing a notice of Director substitution before the start of the meeting at which the proxy is to take effect.

## 10. OFFICERS

10.1 At its annual meeting during the last quarter of the calendar year, the Board shall elect the following Officers from among its members for a one-year term to commence on January 1 of the upcoming year: Chair, Vice Chair, and Secretary.

## 11. CHAIR

11.1 The Chair shall preside at all meetings of the Board, perform such other duties as provided in these bylaws, and have such other authority and powers as the Board may prescribe.

11.2 The Chair, on behalf of the Cooperative, shall have the authority to sign and execute all contracts and other instruments.

11.3 The Chair may delegate to a member of the Board any authority or power vested in the Chair by these Bylaws as necessary and appropriate to conduct the business of the Cooperative and as approved by the Board.

## 12. VICE CHAIR

12.1 In the absence of the Chair, or in the event of the Chair's inability or refusal to act, the Vice Chair shall perform the duties of the Chair and when so acting shall have all the duties of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as may be assigned by the Chair.

## 13. SECRETARY

13.1 The Secretary, or his/her designee, shall keep the minutes of all meetings of the Board and shall attend to the giving and serving of all notices.

13.2 The Secretary, or his/her designee, shall have charge of the Cooperative's books, records, and such other books and papers as the Board may direct and shall have the authority to sign and execute contracts and other instruments as delegated by the Board or Chair. The Secretary shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

13.3 In the absence of the Secretary, the Chair may appoint any person, other than the Chair, to act as Secretary during such absence. In any meeting of the Board at which both the Chair and Vice Chair are absent, the Secretary shall initially preside over such meeting for the sole purpose of having the Directors appoint a presiding officer for the duration of the meeting.

## 14. COMMITTEES

14.1 The Chair may appoint committees of the Board as the Chair deems necessary to properly perform or more effectively carry out the mission and purposes of the Cooperative.

14.2 Unless the Board has authorized otherwise, all committees shall cease to exist when the term of the Chair expires.

## 15. EXPENSE REIMBURSEMENT

15.1 Directors shall serve without compensation. In accordance with Board policy, the Cooperative may reimburse reasonable expenses incurred by Directors in attending to the business of the Cooperative, including certain expenses which may be characterized as "compensation" for

federal tax purposes. However, under no circumstances may a Director simultaneously serve as an employee, consultant, or independent contractor of the Cooperative.

## 16. POWERS AND DUTIES

16.1 The Board, in addition to other powers and duties conferred or authorized by law, shall have the following powers and duties:

- 16.1.1 To enter into contracts as the Board deems necessary or appropriate, and to fix the time, manner and payment there for;
- 16.1.2 To set a budget and provide for the proper financial accounting and reporting of the activities of the Cooperative;
- 16.1.3 To require an audit at such times the Board deems appropriate;
- 16.1.4 To carry out all of the duties necessary for the proper operation and administration of the Cooperative on behalf of Cooperative Members and, to that end, have all powers necessary for the effective administration of the affairs of the Cooperative, including the delegation of powers;
- 16.1.5 To arrange for the investment of assets according to an approved investment policy. The Board shall appoint, by resolution, one or more investment officers, who may or may not be a member of the Board, to be responsible for the investment of Cooperative assets;
- 16.1.6 To require, at the Board's discretion, the securing of a fidelity bond for those entities or persons charged with handling any of the monies or investments of the Cooperative;
- 16.1.7 To engage an administrator, attorney, accountant, or other professional or service provider that the Board deems necessary for the proper administration of the Cooperative;
- 16.1.8 To terminate the membership of any Cooperative Member in accordance with the Cooperative's bylaws, agreements or policies;
- 16.1.9 To authorize the commencement, defense, or other appearance of the Cooperative in any litigation, claim, or dispute related to Cooperative matters, and to engage counsel and appropriate experts in respect of such litigation.

## 17. PRINCIPAL OFFICE

17.1 The principal office of the Cooperative is located at 1680 Duke Street, FL2, Alexandria, Virginia 22314, which is also its mailing address. The Cooperative also may have such other offices and places of operation as the Board may designate.

## 18. FISCAL YEAR

18.1 The fiscal year for the Cooperative shall begin on the first (1<sup>st</sup>) day of September and end on the 31<sup>st</sup> day of August of the succeeding year. Except where otherwise indicated, any reference to “annual” or “annually” in these bylaws shall mean the fiscal year of the Cooperative.

## 19. BOOKS AND RECORDS

19.1 The Cooperative shall keep books and records of account, minutes of the proceedings of the Board, and shall keep at its principal office a record of the names and addresses of the Cooperative Members.

## 20. MISCELLANEOUS PROVISIONS

20.1 Any notice required or permitted by these bylaws to be given to a Director, Cooperative Member, or other person, may be given in person or by U.S. mail, facsimile, e-mail or other mode of delivery typically used in commerce and accessible to the intended recipient. If mailed, a notice is deemed delivered when deposited in the U.S. mail addressed to the person at his or her address as it appears in the Cooperative’s records, with postage prepaid. If given by facsimile, a notice is deemed delivered when printed confirmation of receipt is obtained from the transmitting mechanism. If given by e-mail, a notice is deemed delivered at the moment it is sent. A person or entity may give notice of a change in address in writing to the Secretary.

20.2 If the conclusion of any time period provided for herein falls on a weekend or a federal holiday, the conclusion of such time period shall be deemed to be extended until the next business day. Otherwise, references to time periods measured by days shall mean calendar days unless business days are specifically designated.

20.3 These bylaws shall be construed under the laws of the State of Rhode Island. All references in these laws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

20.4 To the greatest extent possible, these bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to unregistered entities, such as the Cooperative.

20.5 If any bylaws provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

## 21. IMMUNITY

21.1 To the greatest extent authorized by law, no provision of these bylaws or any agreement or policy approved by the Board, shall be construed to waive the governmental immunity afforded to the Cooperative and any Cooperative Member under law. The Cooperative, its Board, agents and representatives, and Cooperative Members retain all governmental and official immunities conferred by law.

## 22. LIABILITY AND INDEMNIFICATION

22.1 The Cooperative is not formed as a trust; therefore, the members of the Board shall not be deemed to have the duties or liabilities of directors under the laws of any State regulating trusts.

22.2 The Cooperative will not hold members of the Board, its officers and agents or representatives liable for acts taken in good faith and reasonably within the Cooperative's best interest.

22.3 The Cooperative shall indemnify, defend, and hold harmless (with or without insurance) all Directors and officers, to the fullest extent permitted by law, in any claim, litigation, or other proceeding and cover all reasonable expenses, including, but not limited to, attorney's fees, costs, judgments, settlement payments and penalties. The Board may have the Cooperative indemnify, defend, and hold harmless its administrator, sponsor or any endorser, agent or representative it deems appropriate, to the extent permitted by law.

## 23. TERMINATION AND DISSOLUTION

23.1 Termination of the Cooperative shall only occur by action of a two-thirds majority of the entire Board. Notwithstanding anything contained herein to the contrary, upon dissolution of the Cooperative, assets will be first used to pay all debts and obligations of the Cooperative and any remaining funds shall be distributed to the Cooperative Members under a formula of distribution which shall be determined by the Board at the time of dissolution. The precise formula of distribution shall set forth the amount of distribution and the Cooperative Members eligible for such distribution.

## 24. AMENDMENTS TO BYLAWS

24.1 These bylaws may be amended by the affirmative vote of a majority of the entire Board. The Board must not take final action to adopt any amendment until at least 90 days have elapsed from the date the Board initially received notice of the material terms of such proposed amendment. The Board may waive this 90-day waiting period by unanimous consent.

*Amended by the Board on 7/25/2018 to be Effective Immediately*