Category
Partnerships

Geography/ Location
AB, BC, MB, NB, NL, NS, ON, PE, QC, SK

Municipality Size
Small

Tier
Enabling

Constraints
Effectiveness

Administrative Capacity Required
Low

Fiscal Tool Brief: Group Purchasing Organizations (GPOs)

Local Governments for Sustainability
Les gouvernements locaux pour le développement durable
CANADA

Group Purchasing Organizations help municipalities and partners lower costs and improve procurement access by combining their purchasing power for shared goods, services, and climate-resilient solutions.

A Group Purchasing Organization (GPO) is an entity that is created to leverage the purchasing power of a group of businesses and organizations to obtain discounts from vendors based on the collective buying power of the GPO members. With a group purchasing organization, organizations including municipalities, public sector agencies, Indigenous communities, and non-profits can leverage their collective purchasing power to obtain goods and services at reduced costs. GPOs are widely used by municipalities to improve procurement efficiency, reduce costs, and increase access to goods and services that may otherwise be unaffordable or difficult to source individually, such as acquiring books for libraries or starting a building project.[1,2] In the context of advancing climate adaptation, GPOs are increasingly used to support these initiatives at the local level by making it easier and more affordable to access climate-resilient infrastructure, technologies, and professional services. There are various models, ranging from local and regional purchasing co-operatives to sector-specific group purchasing organizations.[3] By aggregating demand, GPOs help smaller entities overcome cost and capacity barriers in climate adaptation procurement, from green infrastructure (e.g., rain gardens) to wildfire-resilient materials (e.g., firefighting equipment).

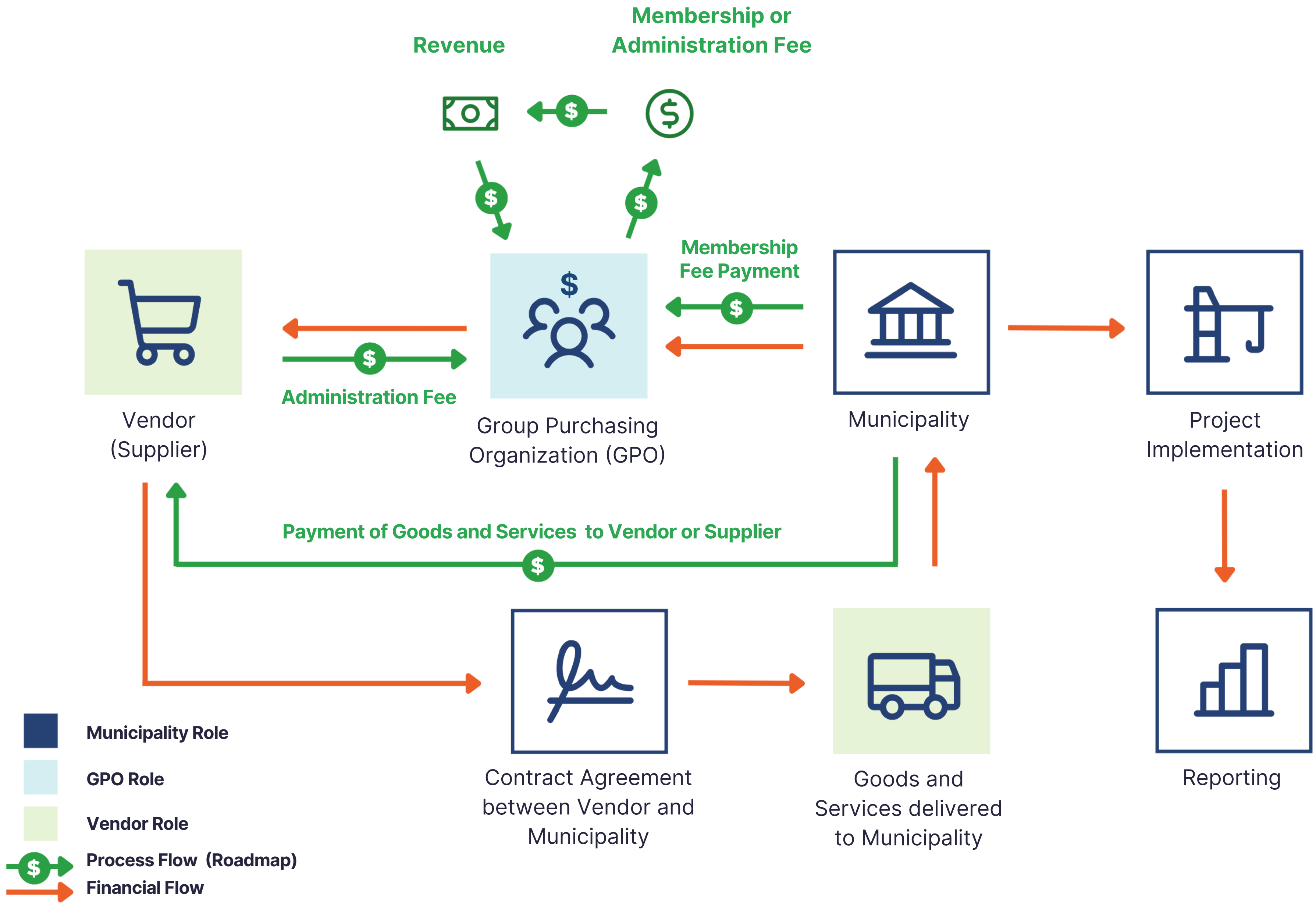

Figure 1. Visual representation of how Group Purchasing Organizations work

Examples

Various public sector group purchasing initiatives are proliferating in Canada. These initiatives are in the forms of different arrangement models, such as regional purchasing co-operatives. Government of Canada's Buyers for Climate Action (BCA) is a coalition of governments who purchase a significant volume of goods and services in the categories such as real property, information and communications technology (ICT), vehicles and low-carbon fuels, and goods and services that improve climate resilience. The objective of the BCA was to help drive the transition to a green, net-zero carbon economy by collaborating on green procurement. The members in the BCA share knowledge and best practices to accelerate and improve green procurement and increase capacity of buyers to work with suppliers to provide greener goods and services.[4] The Canoe Procurement Group is one of the largest co-operative purchasing organizations for public sector organizations, serving over 6,000 municipalities, public sector entities, and not-for-profit organizations. It pools purchasing from hundreds of municipalities and offers access to vendors specializing in areas such as emergency preparedness, road infrastructure, and waste management. Another example is the Niagara Public Purchasing Committee (NPPC). The NPPC is a group of regional and local governments and organizations, such as the Regional Municipality of Niagara, the City of St. Catharines, and the St. Catharines Public Utilities Commission, working together to promote efficiency, economy, and effectiveness in the purchasing management field. Through group purchasing, the NPPC can provide optimum value and resources to its member agencies and client groups through innovative and progressive procurement methods, practices, and techniques while following federal and provincial legislation, municipal bylaws, and agency policy. Lastly, the Municipal Group Buying Program operated by the Association of Municipalities of Ontario allows Ontario municipalities to access competitively priced and sustainable co-operative business services, helping to realize lower costs, higher revenues, and enhanced staff capacity.

Relevance to Advancing Adaptation

GPOs can significantly contribute to the advancement of climate adaptation at the local and regional levels. By simplifying and reducing the cost of procurement, they enable local governments and community organizations to acquire critical infrastructure, materials, and technologies needed for climate resilience—particularly in the face of budgetary and capacity constraints. For instance, the EMS Vehicles and Supply Program from the Canoe Procurement Group can help a small municipality that may lack the expertise or volume purchasing leverage to negotiate a competitive price for the emergency medical services, which can allow them to increase their emergency preparedness and respond to the medical emergencies effectively. In addition to cost savings, GPOs can reduce financial and operational barriers by bundling multiple municipalities' needs, allowing for economies-of-scale and the ability to access goods and services, such as improving community emergency response services, that may be unaffordable or difficult to source individually. This bundling not only creates administrative efficiencies but also unlocks greater funding opportunities by making projects more attractive to funders. Importantly, GPOs help de-risk adaptation investments by providing due diligence, vendor vetting, and even financial mechanisms like backstopping debt or aggregating demand to meet lender thresholds.[6] This reduces perceived risks for both municipalities and external funders, thereby facilitating safer and more scalable financing structures for adaptation projects[7] and advancing the climate adaptation efforts for participating municipalities.

Accessibility

GPOs are accessible to a wide variety of local governments, but the accessibility may depend on factors such as membership eligibility, procurement regulation constraints, and limited knowledge. Regional presence may also be a factor that limits access. While Canadian provinces generally have access to and utilize GPOs, some only exist in a specific geographical area (e.g., the NPPC). In addition, while some large municipalities already participate in GPOs and benefit from established procurement networks, smaller communities or Indigenous governments may face hurdles in participation due to lack of awareness, procurement expertise, language barriers, jurisdictional barriers, or membership costs.[8] In addition, some GPOs are provincially administered or geographically limited, which may affect their reach and accessibility.

Feasibility

GPOs are highly feasible since they usually align with existing financial and procurement frameworks, are relatively low-cost to administer, and can offer members greater access to efficiency and sustainable initiatives. Since they operate within existing financial systems and do not require new legislation or funding commitments from higher levels of government, they represent a pathway for attracting adaptation-related investments and implementing initiatives to advance adaptation. In addition, group procurement offers a viable alternative to traditional methods, providing several key benefits, including reducing administrative burdens for local governments and enabling faster implementation of climate resilience projects.

Risk

While GPOs mitigate cost-related risks by providing better pricing and contracts, they may introduce risks related to factors such as vendor performance.[9] Poor vender performance may include the failure of delivery of high-quality goods or services on time and within budget, as well as poor communication and responsiveness,[10] which may bring risks such as reputational risk, financial risk, and political risk to the municipality. Additionally, communities with limited capacity may face challenges navigating the terms and conditions of large procurement frameworks without sufficient legal or technical support. However, through the bundling procurement across multiple municipalities, GPOs make adaptation initiatives more attractive to funders and reduce perceived risks for the municipalities and the funders through de-risking the investment.

Scalability

GPOs are scalable, both in terms of geographic reach and procurement scope. There are existing GPOs across Canada, and they are in various models such as purchasing co-operatives, meaning that the procurement scope can be adapted to different sectors. In addition, one of the strengths of GPOs is their ability to bundle demand across multiple municipalities, increasing the scale of procurement, and thus, unlocking more favorable pricing, financing terms, and eligibility for funding programs, opening more funding opportunities for municipalities. For the advancement of climate adaptation, GPOs can scale by incorporating sustainable and resilient products, developing joint procurement programs for climate adaptation projects (e.g., flood mitigation infrastructure), and facilitating GPOs that focus on local or regional needs. Their ability to centralize procurement while supporting decentralized implementation makes them an effective and scalable tool for accelerating local adaptation efforts across Canada. Moreover, GPOs can help de-risk climate adaptation projects—for both municipalities and funders, and in some cases, providing backstopping mechanisms that can make climate adaptation financing safer and more predictable, helping to accelerate implementation of resilient infrastructure and technologies at the local level.

Evaluation Matrix

Scoring: High = +1 | Medium = 0 | Low = −1

Criterion	Rating	Score	Key Evidence	Assessment
Effectiveness & Performance	Medium	0	Enables procurement of adaptation goods/services	Supports adaptation indirectly by improving access to goods and services but does not generate capital.
Economic Efficiency	High	+1	Aggregated purchasing reduces costs	Achieves strong cost savings and efficiency through economies of scale and shared procurement.
Equity & Fairness	Medium	0	Improves access but uneven participation	Enhances affordability but participation barriers may limit benefits for some communities.
Political Acceptability	High	+1	Collaborative, cost-saving model	Broadly supported due to low risk and alignment with value-for-money objectives.
Feasibility (Admin/Legal)	High	+1	Operates within existing systems	Highly feasible with minimal legal barriers and low implementation complexity.
Coherence (Portfolio Fit)	High	+1	Complements procurement and financing tools	Integrates well with municipal operations and supports other fiscal instruments.

Best Use Context

GPOs are most effective for smaller or resource-constrained municipalities seeking cost savings and procurement efficiency. They are particularly useful where internal capacity is limited and can improve access to adaptation solutions when paired with financing tools.

Context Factor	Relevance	Notes
Municipal Size	High	Particularly beneficial for small and mid-sized municipalities.
Administrative Capacity Required	Low	Reduces internal procurement burden through shared services.
Development Pressure	Low	Not dependent on growth; applicable across contexts.
Climate Risk Targeting	Medium	Enables access to solutions but does not directly target risks.
Fiscal Flexibility Required	Low	Does not require borrowing or new revenue sources.

Recommended Citation

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This brief is part of a larger catalogue. The Catalogue of Fiscal Tools to Advance Adaptation examines how municipalities can use and optimize existing fiscal tools to support climate adaptation and climate-resilient infrastructure. Each brief included in this catalogue explores a specific tool, assesses its strengths and limitations through a common analytical framework, and highlights examples of how it has been applied in practice.

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