

COSTARS™ CONNECTION

pennsylvania
DEPARTMENT OF GENERAL SERVICES 

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COSTARS CONTRACTS SHOW HUGE INCREASES

Top Gainers are Food, Janitorial, ER Loose Supplies

Local governments and non-profits were certainly not immune to the recessionary economy in 2009. Like everyone else, they reduced discretionary purchases of big-ticket items such as computers and copiers. Despite the gloomy economic situation and, in some cases, maybe because of it, several COSTARS contracts produced substantial increases in activity. The two biggest gainers were food and janitorial supplies, which increased by 397 percent and 167 percent respectively.

“Regardless of the economic situation, people need to eat and facilities need to be cleaned,” COSTARS’ Director of Marketing and Constituent Services Tim Fulkerson explained. “More of our members looked to our program to save money in these essential areas and that’s why these contracts showed such dramatic gains.”



Other contracts that produced healthy increases were:

COSTARS-12	Emergency Responder Loose Supplies	+164%
COSTARS-19	Medical Supplies	+ 61%
COSTARS-6	Software	+ 56%
COSTARS-9	Graphic & Printing Services	+ 47%
COSTARS-8	Maintenance, Repair & Operation	+ 26%

Maureen McIlvaine, Purchasing Director for Bucks County says they try to use COSTARS as a source whenever they can.

“Even though we can piggy-back off state contracts, our county commissioners insist that we get several quotes from different suppliers and make competition work for us. We get prices from state contracts, U.S. Communities as well as several COSTARS suppliers. COSTARS pricing is usually the lowest.”

Bucks County almost tripled its use of COSTARS contracts last year, spending more than \$2.2 million compared to \$815,000 in 2008.

The county used COSTARS for practically everything, including copiers, IT hardware, janitorial supplies, software, maintenance & repair supplies, vehicles, emergency responder supplies, and laboratory supplies. Public bidding is usually reserved for multi-year and construction contracts, according to McIlvaine.

The Altoona Area School District in Blair County increased its usage of the COSTARS program by 176 percent, becoming the fourth-highest spending member in 2009. Henry Adams, Assistant Superintendent for Business, is a fan of the program “because it streamlines the buying process and provides good service and good prices.” Altoona’s use of the program centered on three contracts – IT Hardware, Maintenance, Repair and Operations, and Recreation and Fitness.

Geisinger System Services, based in Danville in Montour County, is a large non-profit integrated delivery network of health care services. It has been receiving a lot of favorable national publicity because of its cost-effective approach to health care. One of the factors in that cost-effectiveness is its procurement practices, according to Deborah Templeton, Associate Vice-President for Materials Management.

Geisinger spent more than \$3.1 million via COSTARS contracts in 2009, ranking it second among all 6,700 COSTARS members last year. Geisinger is a big user of COSTARS, according to Templeton, because “its contracts are applicable to what we need. The program and its website are easy to use. COSTARS helps us get better prices which allows us, in turn, to provide lower prices to our patients and clients. As we have grown, our use of the COSTARS program has and will continue to grow.” In addition to COSTARS contracts, Geisinger also uses state contracts, such as the roadsalt contract.



MESSAGE FROM THE DIRECTOR

Scott Cross, Director Program & Systems



COSTARS PROGRAM EVOLVES, CHANGES, TO BETTER SERVE YOU.

The COSTARS Program is administered by the Department of General Services (DGS), Bureau of Procurement. All DGS contracts where Local Public Procurement Units (LPPU's) and state-affiliated entities may make purchases, including specific statewide agency contracts and COSTARS-exclusive contracts, are part of the COSTARS Program.

In 2004, the General Assembly passed an amendment to the Commonwealth Procurement Code that expanded DGS authority by allowing DGS to enter into contracts exclusively for the benefit of LPPUs and state-affiliated entities. As a result, DGS developed the COSTARS program. By the end of 2005, COSTARS program staff had implemented ten COSTARS-exclusive contracts representing 183 suppliers. At that time, there were just over 3,000 registered COSTARS members taking advantage of these COSTARS-exclusive contracts, as well as certain statewide agency contracts. Today, the COSTARS program manages 28 COSTARS-exclusive contracts representing 413 suppliers and the number of registered COSTARS members eligible to purchase from these contracts has increased to more than 6,700.

To support continued growth and better support our members and suppliers, the Bureau of Procurement put into place the following major program and contractual changes:

CONTRACTS TRANSITION – BOP began restructuring the COSTARS Program in 2007 by transitioning COSTARS-exclusive contracts from a limited number of COSTARS staff to a significantly larger number of Bureau of Procurement Materials and Services teams' commodity specialists. It was the bureau's intent to take advantage of these specialists to increase efficiency and improve customer service to program participants by making better use of existing resources. This was accomplished in two phases: Phase 1 transferred 11 COSTARS-exclusive contracts to Materials teams to manage beginning in July 2007; and Phase 2 transferred the remaining nine COSTARS-exclusive contracts plus one additional new contract to Materials and Services teams to manage beginning in April 2008. The current contract listing, including commodity specialist assignment and contact information can be found on page three.

CONTINUOUS BIDDING – In 2008, to further increase cooperative purchasing options available to its members and in response to supplier demand, the Bureau of Procurement revised the COSTARS-exclusive contract terms and conditions to include "continuous bidding" provisions. Continuous bidding permits prospective suppliers to submit a bid on a COSTARS-exclusive contract at any time, instead of waiting for a supplemental bidding opportunity.

BOP accepts bids in response to COSTARS-exclusive contract solicitations on any given commonwealth business day. This change in COSTARS-exclusive contract provisions required that BOP cancel all contracts upon expiration and issue new Invitations for Bids for new COSTARS-exclusive contracts to include new terms and conditions. Our goal continues to be to provide better contracts with competitive pricing, while increasing participation of eligible participants.

The COSTARS program continues to experience phenomenal growth. As previously stated, there are more than 6,700 registered COSTARS members taking advantage of these COSTARS-exclusive contracts as well as a large selection of statewide agency contracts for which suppliers have consented to participate. COSTARS members spent more than \$255 million using COSTARS-exclusive contracts in 2009. Use of statewide agency contracts by COSTARS members during 2009 is estimated at \$100 million, bringing total COSTARS sales to more than \$355 million.

While a business process transition such as the one I described is fraught with challenges, the COSTARS marketing and constituent relations staff, along with the Bureau of Procurement's Materials and Services Divisions, continue to work toward improving its delivery of contracts that meet our members' needs and provide increased opportunities for supplier participation. We appreciate your patience and thank you for your response to our surveys and the continuous feedback that you provide throughout the year.

In addition to servicing the existing COSTARS membership and suppliers, COSTARS program staff of Tim Fulkerson, Bruce Beardsley, and Dawn Eshenour continue to dedicate themselves to increasing COSTARS program awareness and participation by taking part in expos, conventions, forums and trade shows; conducting workshops throughout the Commonwealth; publicizing contracts and opportunities via trade publications; publishing the COSTARS Connection newsletters; conducting surveys, and continuing to improve our technology capabilities so that we may be responsive to the needs of our customers.

NEW SUPPLIERS BROCHURE AVAILABLE

A new eight-page COSTARS Suppliers' brochure is a great resource for prospective suppliers considering whether to participate in the COSTARS program. It includes information on the enabling legislation, supplier benefits, and general provisions of the contract and bidding process. It is available upon request at gs-pacostars@state.pa.us or online at www.dgs.state.pa.us > Suppliers > COSTARS Suppliers Brochure.



ROADSALT UPDATE



1,508 COSTARS members have enrolled in the 2010-2011 state Roadsalt contract representing 816,530 tons of roadsalt, more than a six percent increase over the current year.

The Department of General Services, after successfully negotiating with all of its sodium chloride suppliers, has exercised its option to renew for another year at a 2.3 percent across-the-board increase, effective August 1, 2010 through July 31, 2011. After a slight decrease in prices in the current year, DGS Manager for Raw Materials Joel Shiffler noted that the price of salt under the state contract has increased just 1.2 percent over the bid price of July 2008. The Producer Price Index indicates that rock salt has increased 20 percent during that same period of time across the United States! Regionally, Pennsylvania's price is substantially lower than New York, Ohio, Maryland, and West Virginia, according to Shiffler.

COSTARS Marketing and Constituent Service Manager Tim Fulkerson lauded the work of Shiffler and his team and also credited the high participation rate of COSTARS members on the state contract with helping to keep Pennsylvania's roadsalt costs low.

COSTARS CONTRACTS AND ASSIGNMENTS

Contract #	Contract Description	Commodity Specialist	Phone	Email
COSTARS-1	Copiers	Roxann MacAvoy	346-2680	rmacavoy@state.pa.us
COSTARS-2	Office Furniture	Lisa Vega	346-4290	lvega@state.pa.us
COSTARS-3	IT Hardware	Roxann MacAvoy	346-2680	macavoy@state.pa.us
COSTARS-4	Office Supplies	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-5	Janitorial Supplies	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-6	Software	Roxann MacAvoy	346-2680	rmacavoy@state.pa.us
COSTARS-7	Foods	Margie Juran	346-8112	mjuran@state.pa.us
COSTARS-8	Maintenance, Repair & Operation (MRO) Equipment & Supplies	Lilly Mangan	346-3846	lmangan@state.pa.us
COSTARS-9	Graphic & Printing Services	Toniann Noss	783-2090	tnoss@state.pa.us
COSTARS-10	Voting Systems	Roxann MacAvoy	346-2680	rmacavoy@state.pa.us
COSTARS-11	Toiletries	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-12	Emergency Responder Loose Supplies	Jeff Henry	346-3847	jefhenry@state.pa.us
		Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-13	Emergency Responder Vehicles	Susan Reinhold	703-2931	sureinhold@state.pa.us
COSTARS-14	Recreational & Fitness Equipment	Barb Cain	783-6941	bcain@state.pa.us
COSTARS-16	Water & Waste-Water Treatment Plants - Components/Equipment	Rich Woodworth	787-4103	rwoodworth@state.pa.us
COSTARS-17	Waste, Recycling & Material Handling Containers	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-18	LED Traffic Signal Modules and/or Housings	Robin Morse	346-8180	rmorse@state.pa.us
COSTARS-19	Medical Supplies	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-20	Laboratory Supplies	Kathy Lewis	346-4056	kalewis@state.pa.us
COSTARS-22	Weatherization Materials	Terry Rohrer	787-5180	trohrer@state.pa.us
COSTARS-24	Traffic Signs	Lori Vessella	705-5794	lvessella@state.pa.us
COSTARS-25	Municipal Work Vehicles	Bob Isenberg	703-2930	risenberg@state.pa.us
COSTARS-26	Passenger Vehicles	Alfonzo Robinson	346-8181	arobinson@state.pa.us
COSTARS-27	Stop-Loss & Voluntary Benefits Insurance	Emanuel Williams	703-2946	emwilliams@state.pa.us
COSTARS-28	Energy Conservation Management Supplies	Rick Bahl	787-5427	rbahl@state.pa.us
		Rich Woodworth	787-4103	rwoodworth@state.pa.us

★ What is a Census Taker?

Open the door to a census taker and open doors for your community

By being counted you are standing up for what your community's needs are. That's why census takers are so important. A census taker is a person from your community who is hired by the Census Bureau to make sure that your neighborhood gets represented as accurately as possible. The census taker's primary responsibility is to collect census information from residences. Most of these residences have not sent back their 2010 Census form.

- The Census Bureau provides the census taker with a binder containing all of the addresses that didn't send back a filled out census form.
- The census taker then visits all of those addresses and records the answers to the questions on the form.
- If no one answers at a particular residence, a census taker will visit a home up to three times and attempt to reach the household by phone three times. The census worker will leave a double-sided (English and Spanish) NOTICE of VISIT in the doorway that includes a phone number for the resident to schedule an appointment.

The census taker will ONLY ask the questions that appear on the census form.

Do I have to talk to the census taker?

Yes. Your participation in the 2010 Census is vital and required by law, (Section 221, of Title 13 of the U.S. Code). However, rather than rely on criminal charges, the Census Bureau is very successful in getting participation by explaining the importance of the questions we ask and how the information benefits our communities.

Your privacy and confidentiality is our priority: The census taker who collects your information is sworn for life to protect your data under Federal Law Title 13. Those who violate the oath face criminal penalties: Under federal law, the penalty for unlawful disclosure is a fine of up to \$250,000 or imprisonment for up to 5 years, or both.

★ Preparing For the Census Taker

What to do when a census taker visits you.

“Conducting the census is an enormous task, and the Census Bureau goes to extraordinary measures to keep all the data we collect confidential.”
— Robert M. Groves, Director of the United States Census Bureau

If you don't send back your form, you may receive a visit from a census taker. If a census taker visits you, here's what you should do:

- First ask to see their ID. All census workers carry official government badges marked with just their name; they may also have a “U.S. Census Bureau” bag
- Note that the census taker will never ask to enter your home
- If you're still not certain about their identity, please call the Regional Census Centers to confirm they are employed by the Census Bureau
- Answer the census form questions for your entire household (you must be at least 15 years old to answer questions) so that the census taker can record the results for submission to the Census Bureau

Census takers visit local homes several times to capture resident information for the 2010 Census. If you prefer, you can schedule a visit with your census taker. Should the census taker come when you are away from your home, they will leave a contact number. If a census taker has not visited your home or you have a question about your participation with the census, call your Census office.

Help for non-English speaking respondents

Census takers will have a flashcard containing a sentence about the 2010 Census written in approximately 50 languages. If a resident doesn't speak English, the census taker shows the flashcard to the resident, and the resident points to the language he/she speaks. A census crew Leader will then reassign the case to a person who speaks that language.

TOP SUPPLIERS DO BIG BUSINESS

★ Twenty COSTARS suppliers logged more than \$2 million each in sales to COSTARS members in 2009. The top six suppliers each did more than \$8 million! Another 29 suppliers sold between \$1-2 million and an additional 90 suppliers had sales in excess of \$250,000. We asked some of the top suppliers what they thought of the program and why they were so successful.

Ricoh Americas Corporation had sales of more than \$12.6 million on the COSTARS-1 Copier Contract in 2009, which was a dramatic increase of 66 percent over 2008.

Lori Toth, Senior Government Account Manager, had this to say about the COSTARS program:

"COSTARS is an extremely important contract for Ricoh Americas Corporation and we are grateful for the opportunity to be a Costar's vendor. Costars offers a valuable solution for local governments by providing them with a legal procurement vehicle from which to acquire our equipment, services and solutions across PA and subsequently allow our distribution to provide localized service and support to both existing and new customers. Political subdivisions and vendors alike appreciate the benefits of the Costars program -- from the straightforward and simple registration process to the broad program offerings commensurate with today's public sector procurement objectives. With over 6,600 registered entities, many of our clients are already members. We are also excited to observe firsthand the positive trends of membership and program growth. At Ricoh we truly understand the value of the Costars contracts and appreciate the strong partnership between Costars, and our distribution network."

Darren Raiguel, National Vice-President for ePlus Technology, which holds contracts for COSTARS-3 IT Hardware and COSTARS-6 Software, says:

"ePlus Technology has 3 offices in the Commonwealth of PA (Pittsburgh, Camp Hill, Pottstown) and have had a team focused specifically on the Public Sector for well over a decade. Through the support of the General Services, the addition of the COSTARS-3 and COSTARS-6 contracts have provided a viable, bid-protected means for ePlus to assist public sector entities in PA with their IT needs. We have found the COSTARS contracts to be one of the more flexible contract vehicles around the country, especially as far as the breadth of items that are covered and available under the contract. With ten outside account executives and nine inside sales representatives dedicated to the public sector in PA alone, ePlus has been able to achieve a wide coverage area and high level of customer service to our constituents. To supplement and enhance our product offerings, a large number of highly certified engineers are available to assist customers with initial design, configuration, implementation, and ongoing management of their IT infrastructure through the ancillary services part of the COSTARS program. "

Integra One Vice-President Marty Andrefski:

"COSTARS is a great vehicle for Integra One to use to focus on the public sector, particularly the K-12 public schools. It provides more options that we can present to our clients so that they can make an educated decision that's right for them, providing them with real value. The program has become very widely adopted by our public sector customer base and is just a great fit for the participation of Integra One. We market our involvement through association conferences and technology shows, utilizing the COSTARS logo, as well as directly to prospective clients by our sales team. Our sales staff has become very familiar with the COSTARS website, and uses it as a resource to answer customer questions."

HOW TO BECOME A COSTARS-AUTHORIZED SUPPLIER

Register and Maintain Company Data at the PA Supplier Portal.

Respond to Bidding Opportunities posted at www.dgs.state.pa.us/costars.

Submit a Responsible and Responsive bid to a COSTARS Invitation for Bids (IFB).

If your company has never been a supplier with the Commonwealth, you must register your business at the PA Supplier Portal. This allows you to search and respond to Commonwealth bidding opportunities and to manage your important account information. If your company already has a six-digit supplier number issued by the Commonwealth, you may already be registered with us.

To register, visit the PA Supplier, Portal website at:

www.pasupplierportal.state.pa.us



BIDDING OPPORTUNITIES

All bidding opportunities (with an estimated cost in excess of \$10,000) for supplies and services for Commonwealth agencies and COSTARS Contracts are published online at:

www.emarketplace.state.pa.us

Opportunities to bid on COSTARS-exclusive contracts are published online at

www.dgs.state.pa.us/costars

NEW STATE CONTRACTS OPEN FOR COSTARS PARTICIPATION

Two new statewide facilities contracts have been established and awarded to assist state agencies and the COSTARS community.

Heavy Duty & Industrial Plumbing and Pipe, Valve, and Fitting Products

A new contract is now available that meets end-user needs for heavy duty plumbing and piping products (Schedule 40 and greater; 3" diameter and greater). This multiple-award contract has three participating suppliers: Cooney Brothers, Inc. (contract #4400006255) is based in Plymouth Meeting, PA; Industrial Piping Systems, Inc. (4400006256) is a woman-owned business enterprise, headquartered out of York, PA; and JBTW, LLC (4400006257) is based out of Annapolis, MD.

These contracts are one-year contracts, with four, one-year renewal options available and run from October 15, 2009 through October 9, 2010. They allow for COSTARS participation. Please contact the suppliers, eMarketplace (<http://www.emarketplace.state.pa.us>), or Lilly Mangan, Commodity Specialist at lmangan@state.pa.us or 717.346.3846 for more information.



Light Emitting Diode (LED) Lamps and Fixtures

This contract was awarded to several suppliers in January 2010. This is also a multiple award contract and has many suppliers, due to the relatively new nature of LED technology. Some suppliers represent well-known manufacturers in lamp technology such as Philips, Sylvania/Osram, and General Electric, while others represent new manufacturers' technology that may meet our members' needs. It is incumbent that the end-user does its own due diligence on the supplier or product of choice.

The development of this contract was the result of growing end-user requests and a requested emphasis to utilize the most "green" and energy efficient technology available in

the marketplace. LED technology is not applicable to every lighting scenario, but its use can help reduce energy costs and generate cost savings. LED technology is even more efficient than the compact fluorescent technology that was just recently touted as being the most "green" alternative to traditional lighting. The technology is rapidly improving and changing and this contract will evolve to reflect pricing and technology changes/improvements.

Lilly Mangan also manages these contracts and can be reached at the above contact information.

Ammunition Update

In other news, the statewide Ammunition contract (4400004196) with Jerry's Sports Center, Inc. has been recently renewed. Jerry's, headquartered in Forest City, PA, has agreed to renew its contract with the commonwealth at a zero percent increase in pricing, despite Producer Price Index (PPI) increases over the past year for raw materials. This contract is also COSTARS enabled, and allows for the LPPUs to take advantage of the commonwealth's purchasing power to obtain highly competitive ammunition pricing from a knowledgeable PA-based supplier.

Jerry's has provided superior customer service and excellent price support for the commonwealth and various COSTARS customers during its first year, which led to the decision to renew. As the demand for ammunition products continues to be driven largely by the military, it is advisable to be in regular contact with Jerry's on pricing and availability and to provide them with a reasonable usage forecast well in advance of your anticipated needs. For more information on this contract, please contact Jeff Henry, Commodity Specialist at jefhenry@state.pa.us or 717.346.3847.

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Further information on the COSTARS Program is available by phone (866) 768-7827 or on the web at <http://www.dgs.state.pa.us/costars>