

COSTARS MEMBERS USE NEW STATE CONSTRUCTION CONTRACT

Wide Variety of Projects

Introduced one year ago to COSTARS members, the state's new Job Order Contract (JOC), also known as the Indefinite Quantity Construction contract, has been gaining popularity as more and more COSTARS members become familiar with it. The contract, currently administered by The Gordian Group, is designed for small and mid-size construction and renovation projects.

During its first year, COSTARS members used the contract for a wide range of projects, including replacing a hot water heater, renovating a bathroom, installing handicap ramps, installing new air conditioners, installing a new roof, removing and replacing fencing, installing a parking lot, installing fiber optic cable, and refurbishing a basketball court. In total, COSTARS members spent almost \$2.5 million on this contract during its first year.



Cheyney University basketball court constructed by The Gordian Group through the JOC contract.

Aleppo Township, a small community in Allegheny County, decided earlier this year that they needed to double the size of their public works garage to store their equipment. Their engineer, John Mowry of KLH Engineering, recommended using the JOC Contract through the COSTARS program because another of his municipal clients had used it successfully. The 60 X 60 metal pole-building was completed in one month and according to schedule.

According to Aleppo's Public Works Supervisor Mark Kerr,

"thousands of dollars were saved compared to the traditional way of going to bid. There were no extra fees for engineering or drawings. They were all included," Kerr said. "We were able to use our own people for the electric work and for tearing down the old building and preparing the site, which saved us additional money," he added. His boss, Township Manager Gwen Patterson, indicated that "the process was very smooth and the contractors were very easy to work with and very responsive."

East Stroudsburg University used the contract for four different projects including renovations to their University Center and for installing fiber optic cable. According to Director of Procurement Mike Crapp, their primary motivation was that the program was a "turnkey project" and required minimal staff time. "It was a very positive experience," Crapp said.

East Stroudsburg was the first school within the state's higher education system to use the contract, according to the Assistant Director for Facilities Management Bill Pierson.

"Based upon our positive experience and recommendation, other schools are now using it," Pierson said. "We saved time and money in the bidding process, the award process, and the design process. We didn't need to provide and prepare as much detail as we would have if we went to bid. Normally, if we get a request for work in March, we can't do the work until the summer of the next year. [With this COSTARS process] we completed the projects the same summer."

Cheyney University, in southeastern Pennsylvania, realized they needed to rebuild their basketball court last November. The only problem was they needed it done for their season opener on January 6. They knew they didn't have time for the formal bidding process, so they investigated the COSTARS program and discovered the JOC. They met with The Gordian Group on December 6 and the basketball court was completed just 28 days later!

Norristown Area School District in Montgomery County had an air conditioning unit malfunction early this spring. They used the JOC for emergency repairs and again for replacing the unit. Business Manager Anne Marie Rohricht had to convince her school board that this state contract was cost-effective. She called around and received other quotes and the state contract price was comparable plus she didn't have to go through time and extra expense of a formal bid process.

MESSAGE FROM THE DIRECTOR

**Scott Cross,
Director Program & Systems**

We are pleased that our COSTARS membership base passed the 6,900 member threshold. We have every reason to believe that we will surpass 7,000 members this calendar year. The growth of our membership base is testimony to the benefits of the program. This large purchasing base provides opportunities for significant savings to our members and ample sales opportunities for suppliers that elect to participate in COSTARS contracts.



In this issue of the COSTARS Connection, we have focused on several contracts that may be of great use for our members. One article describes the success of the Department of General Services' Job Order Contract for small construction projects. The variety of projects that can be handled through this contract is significant. As you will see in reading the comments from the members that have used this contract, it once again emphasizes that ease, time and cost savings are some of the program's greatest attributes.

During the last several months, our staff has written and implemented three new COSTARS-exclusive contracts, continuing our efforts to proactively improve our offerings to our members. Our Traffic Signs contract is a direct response to new federal requirements that will necessitate replacing almost all traffic signs in the nation to improve their reflectivity. We hope our COSTARS-27 insurance contract will help employers provide expanded, but lower-cost, benefit options to their employees. Additionally, our emphasis on helping our members deal with rising energy costs continues with the awarding of contracts under our new COSTARS-28 Energy Conservation Management Supplies contract. One exciting facet of the contract assists our members who wish to switch to alternative energy sources, such as solar or wind. Another element of the contract provides control systems to better manage and conserve existing energy outlays.

Finally, many of you have had the opportunity to take advantage of Tim Fulkerson's COSTARS program knowledge and tireless effort in delivering quality customer service across the Commonwealth. Tim has recently retired from state government and I wish to formally thank him and wish him well in his new endeavor. Although his loss will initially restrict our ability to approach the number of presentations and workshops that we attend, our staff will continue to deliver the COSTARS program message and provide assistance to our members and suppliers.

"The process was extremely user-friendly and easy," she said. "We were happy with the work, the prices, and the vendor." Rohricht added that the school district uses the COSTARS program "pretty extensively."

The greatest benefits for COSTARS members of utilizing any state contract are cost savings and speed. This is particularly true with the Job Order Contract. The cost of assembling a traditional bid package for construction projects can add up to eight percent to the total cost of the project. "Piggy-backing" off this state contract can substantially reduce or completely eliminate these costs. Actual construction costs are reduced because contractors are providing a volume discount since they are bidding on a master contract that combines many small projects. Since the bidding process has already been done for you by the state, JOC projects can be started quickly. Jobs involving worsening conditions such as a leaking roof can be fixed almost immediately, thereby substantially reducing ancillary damages and limiting the scope of the new work. In addition, unlike normal bid work, contractors do not include contingency costs in their bids. Lastly, there are less change orders and virtually no contractor-initiated claims in JOC projects, further reducing costs.

To investigate this process further:

1. Go to EZIQC.com;
2. Enter your name, contact information, and project description;
3. An EZIQC representative will contact you and walk you through the process.

CURRENT COSTARS EXCLUSIVE CONTRACTS

- COSTARS - 1 Copiers
- COSTARS - 2 Office Furniture
- COSTARS - 3 IT Hardware
- COSTARS - 4 Office Supplies
- COSTARS - 5 Janitorial Supplies
- COSTARS - 6 Software
- COSTARS - 7 Foods
- COSTARS - 8 Maintenance, Repair, Operation
- COSTARS - 9 Graphic & Printing Services
- COSTARS - 10 Voting Systems
- COSTARS - 11 Toiletries
- COSTARS - 12 Emerg. Responder Loose Supplies
- COSTARS - 13 Emerg. Responder Vehicles
- COSTARS - 14 Recreational & Fitness Equip.
- COSTARS - 15 Water & Waste Water Treatment-Consumables
- COSTARS - 16 Water & Waste-Water Treat. -Components/Equip
- COSTARS - 17 Waste, Recycling & Mat. Handling Containers
- COSTARS - 18 LED Signals
- COSTARS - 19 Medical Supplies
- COSTARS - 20 Laboratory Supplies
- COSTARS - 22 Weatherization Materials
- COSTARS - 24 Traffic Signs
- COSTARS - 25 Municipal Work Vehicles
- COSTARS - 26 Passenger Vehicles
- COSTARS - 27 Stop-Loss & Voluntary Benefits Insurance
- COSTARS - 28 Energy Conservation Management Supplies

THREE NEW COSTARS CONTRACTS UNDERWAY

Insurance, Traffic Signs, and Energy Conservation

Three new COSTARS contracts became operational this spring with the awarding of contracts to suppliers under COSTARS-24 Traffic Signs, COSTARS 27 Stop-Loss & Voluntary Benefits Insurance, and COSTARS-28 Energy Conservation Management Supplies.

Traffic Signs

In 2008, the Federal Highway Authority issued new regulations increasing the retro-reflectivity standards for all traffic signs in the nation. Signs must meet these new requirements by 2015 (street signs by 2018). To assist COSTARS members with this requirement, COSTARS-24 was written and an Invitation for Bids (IFB) was issued. On May 3, two suppliers were awarded contracts: Ibis Signs and U.S. Municipal Supply. As with all COSTARS contracts, the IFBs are continuous and new suppliers are welcome to submit bids.



The contract includes the most commonly used signs:

Chevrons	No Turn on Red
Curve Ahead	Railroad Crossing
Do Not Enter	Right Turn
Emergency Parking Only	Speed Limit
Left Turn	Stop
No Parking	Street Names.

All signs must comply with all applicable Pennsylvania Department of Transportation requirements.

Lori Vessella, 717-705-5794, lvessella@state.pa.us, is the Department of General Services (DGS) Commodity Specialist that administers this contract.

Insurance

COSTARS-27 includes suppliers of two types of insurance products. Stop Loss Insurance is coverage purchased by employers in order to limit their exposure under self-insured medical plans. This coverage is initiated when a claim

reaches the threshold selected by the employer. After the threshold is reached, the stop-loss policy would pay claims up to the lifetime limit per employee for the self insurance medical plan. Voluntary Benefits Insurance provide options to employers such as Long Term Care, Group Term Life, Short- or Long-Term Disability, Critical Illness, Cancer, Dental, Supplemental Prescription Drug, Home, Auto, and Pet Insurance.

All insurance carriers must meet certain financial ratings based on their ability to pay claims as outlined in the contract and they must be licensed in the Commonwealth of Pennsylvania.

On April 30, AV International of Wayne, Pa., became the first awarded supplier under this contract.

This contract is administered by Emanuel Williams, 717-703-2946, emwilliams@state.pa.us.

Energy Conservation

COSTARS- 28 was written to assist and encourage COSTARS members to utilize alternative energy sources and to assist them in their energy conservation efforts. It includes solar thermal and electric kits and wind turbine generators. It also includes energy automation controls, HVAC system enhancement components, low flow plumbing fixtures, and energy management and efficiency software. The contract also includes uninterruptable power supply batteries.

This contract is designed for renovation work and may not be used to purchase original equipment for installation in new construction.

As of Aug. 1, three suppliers have been awarded contracts: Aztec Solar Power, Energy Equipment and Control, and Warehouse Battery Outlet. Rick Bahl, 717-787-5427, rbahl@state.pa.us, administers this contract.

COSTARS CONNECTION

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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>.

HELPFUL HINTS FOR MEMBERS, SUPPLIERS

Resource Center

In order to assist our customers we prepared a step-by-step tutorial on how to search COSTARS contracts and state contracts. This easy to follow guide is accessed from the COSTARS home page by clicking on “Resource Center” in the left margin.

The Resource Center also provides access to current and past newsletters and a “How-To Guide” for using the state’s aggregates contract.

For COSTARS-authorized suppliers, the Resource Center includes a Sales Reporting manual and allows for the downloading of the COSTARS logo for use on marketing materials.



Vendor Numbers

For security and privacy reasons, COSTARS uses a Department of General Services (DGS)-generated six-digit vendor number as the primary tracking identification number for suppliers. This number is assigned to all suppliers upon a registration process and DOES NOT indicate anything other than that the vendor has notified DGS of its existence. All COSTARS-authorized suppliers must have submitted a bid and have been awarded a contract and a contract number. Contract numbers expire. COSTARS members are strongly urged to confirm a supplier’s program participation through the COSTARS Contract Search or eMarketplace online systems.

Audit-Ready

All public entities in Pennsylvania are subject to periodic audits to confirm, among other things, that the entity is in compliance with the state’s procurement law and applicable municipal code. Failure to demonstrate compliance may result in penalties, including, in the case of Liquid Fuel Tax Funds, repayment to the Fund out of the entity’s current general funds.

In order to verify that a public entity is in compliance, proper documentation is needed for each purchase over \$4000. Specifically, reference the contract number on the purchase order or other purchasing document. Print the following pages and attach to the purchase order: (1) Screen print the COSTARS Contract Search or eMarketplace

screen that indicates the contract and lists the supplier and its contract number. Your printer should automatically print the date; (2) Verify that the actual purchase price is at or below the supplier’s contract price and print the page of the contract that indicates the supplier’s pricing.

State Contract List

There may be occasions when you may not be able to find what you are looking for when searching contracts “by description” using the state contract search system within eMarketplace. For example, searching for “lawn mowers” will not yield a successful search, even though lawn mowers can be purchased through the state’s Agricultural/ Grounds Keeping Power Equipment contract. To alleviate this problem, we recommend that members print out an alphabetical listing of state contracts by title, and maintain as a reference. The contract name will generally indicate what is included in the contract.

To view an alphabetical list of state contracts from the COSTARS Members’ page:

1. Click on “View Statewide Contracts;”
2. Change entries per page from the default “10” to “All;”
3. Click on “View List of Contracts” in the top center of the page;
4. Click on the word “Description” in the center of the page. Click a second time;
5. Print.

TIM FULKERSON RETIRES

Tim Fulkerson, COSTARS’ Director of Marketing and Constituent Service, retired from state government in late June. He had been with the program since its inception in 2004. Under his leadership, the program has grown to include 6,880 members, \$400 million in spend, more than 700 suppliers, and documented taxpayer savings of approximately \$80 million annually.



“I believe the COSTARS program is one of the shining lights of the Rendell administration. Since its beginning, we have saved local taxpayers more than a quarter of a billion dollars. The success of the program is really due to the dedication, commitment, and creativity of a very small group of state government professionals. I was proud to be a part of it,” Fulkerson said.

Fulkerson was a business owner and a former mayor of New Castle, Pa. He is now employed by an international paper products company and is contemplating a return to elective politics.