

TWO NEW CONTRACTS DEBUT

Uniforms, Appliances, Cafeteria Supplies & Equipment

Two new COSTARS-exclusive contracts have been introduced as a result of member input reflected in our COSTARS survey conducted last autumn. Interested suppliers may now submit bids on COSTARS-36 Appliances, Cafeteria Equipment and Supplies, which was posted in the Bidding Opportunities section of the COSTARS website on April 2. COSTARS-37 Uniforms was posted on April 17.

COSTARS-36 has a particularly broad scope, according to COSTARS Commodity Specialist Stacey Logan-Kent, the author and administrator of the contract. It includes:

- Commercial and Residential Cooking Equipment and Supplies – such as ovens, deep fryers, charbroilers, ranges, combi ovens, griddles, microwave ovens, steam equipment and commercial countertop equipment
- Commercial and Residential Dishwashing Equipment and Supplies
- Commercial and Residential Laundry Equipment and Supplies
- Commercial and Residential Refrigeration Equipment – such as refrigerators, freezers, ice machines, including reach-in, walk-in cooler/freezers, merchandising coolers, under counter refrigerators and blast chillers
- Commercial Cookware Supplies
- Commercial Food Preparation Equipment and Supplies – such as cooking utensils, cutlery, work tables, and scales
- Disposables
- Meal Delivery Equipment and Supplies
- Serving Equipment and Supplies – such as steam tables, heating lamps, and utensils
- Vending Machines

The contract's terms and conditions include provisions for certain ancillary services: special delivery arrangements, training, extended warranty, post warranty support and maintenance service, and installation. Installation services may be included only when the total project cost does not exceed the purchaser's bidding threshold. As with all COSTARS contracts, ancillary services must be purchased at the same time as the materials purchase and must be directly related to the purchased product.

COSTARS Marketing Manager Bruce Beardsley noted that housing authorities have been particularly vocal about



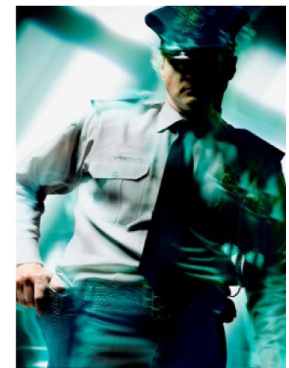
the need for a COSTARS contract that includes residential appliances. Schools, hospitals, and county prisons should also be major users of this contract, according to Beardsley.

The Uniforms contract includes the sale, delivery, laundering, repairs, and rent or lease of many types of uniforms, including food service, security guard, and janitorial. Purchasers may require suppliers to offer proof of insurance prior to commencing work.

Both contracts permit leasing under the contract. The length of the lease may be 12, 24, 36, 48, or 60 months.

As with all COSTARS-exclusive contracts, pricing may be expressed as a customized list, a discount off of a specific price list, or as a cost plus. Pricing submitted by successful bidders will serve as ceiling prices beyond which the supplier may not charge a COSTARS member. Lower prices are permitted.

Depending upon supplier interest, contract awards should begin in late spring, at which time COSTARS members may begin to utilize these contracts.



COSTARS ON THE ROAD

Spreading the message of COSTARS and recruiting and training members and suppliers is part of the mission of the COSTARS Marketing team. Marketing Managers Bruce Beardsley and Richard Zuber travel throughout the state speaking at conferences, workshops, and seminars sponsored by associations, suppliers, universities, legislators, chambers of commerce, and others. Recent sponsors of events/workshops attended by COSTARS staff included:

• Franklin County Municipal Summit
• Deer Country Farm & Lawn
• Houck Services, Inc.
• Kint Fire Protection
• McCafferty Ford
• Pa Asso of Career & Technical Administrators Symposium (PACTA)
• Chester County Pa Public Purchasing Association (PAPPA)
• Paul Davis Restoration & Remodeling
• PA Recreation & Park Society Conference
• NEPA-PTAC Government Contracting Showcase
• Schneider Electric
• SEDA –Council of Governments Small Business Development Center Workshop
• Luzerne County Asso. of Township Officials
• Vestal Asphalt

FUTURE EVENTS INCLUDE:

PA State Association of Township Supervisors (PSATS)
Annual Conference
April 21-23
Hershey

Representative Marcy Toepel Constituent Workshop
April 24
Pennsburg

PA State Association of Boroughs
May 5-6
Hershey

Fire Expo
May 17-19
Harrisburg

Lehigh Valley Meet the Buyers Expo
May 23
Whitehall

Johnstown Area Regional Industries
PTAC Showcase for Commerce
May 29-31
Johnstown

Moshannon Valley Council of Governments
Equipment Show & Training Day
May 22
Clearfield

PA Conservation District Conference
June 5
State College

PA Housing Authority Conference
June 6
Seven Springs

SEDA-COG Prospective Suppliers Workshop
June 11
Harrisburg

Reading Chamber of Commerce Opening Doors:
Reverse Trade Show
June 13
Reading

COSTARS ON THE ROAD *continued on page 3*

IT STUDY UNDERWAY

The COSTARS information technology (IT) contracts (COSTARS-1 Copiers, COSTARS-3 IT Hardware, and COSTARS-6 Software) were among the first contracts written when the COSTARS program began in 2005. Since then, the IT world has changed dramatically and our contracts need to be updated to reflect those changes and the changing environment.

To assist in that process, COSTARS has reached out to our suppliers on those contracts to solicit their expertise and input.



Some of the issues that need to be reviewed include:

- What products should be added/eliminated from the contracts' scopes?
- What influence does "the Cloud" have on existing/future products?
- Are the contracts sufficiently user- friendly?
- What future trends might impact the products in these contracts?
- Are the ancillary services offered sufficient/obsolete?

Input is welcome from all COSTARS suppliers and members. Verbal or written comments should be directed to Commodity Specialist Roxann MacAvoy at rmacavoy@pa.gov or 717-346-2680 by May 15.

COSTARS CONNECTION

is published by the PA Department of General Services.

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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>

INSTALLATION CLARIFICATION

SMALL BUSINESS INITIATIVE



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Department of General Services
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March 22, 2013

SUBJECT: CLARIFICATION
"Installation" when applicable as an Ancillary Service
COSTARS Contract Special Terms and Conditions

Background

The Department of General Services instituted the COSTARS program following the enactment of Act 77 of 2004, which, in part, provided for amendments to the Commonwealth Procurement Code regarding cooperative purchasing. Since its beginning, the COSTARS program has expanded to include more than 30 separate cooperative contracts in place to assist more than 7,700 members of which more than 2,600 are local governmental entities. The added benefit for the governmental entities is that they are able to utilize the COSTARS contracts instead of issuing bids for certain supplies and services as the COSTARS contracts are compliant with the requirements of the Commonwealth Procurement Code. There is no obligation for COSTARS members to use the contracts; they are always able to issue an appropriate procurement on their own if the COSTARS contract does not meet their needs.

Since the inception of the COSTARS program, the Department has monitored the use of the contracts to ensure that the contracts were both meeting the needs of the members and were being used by the members in compliance with any applicable statutes and regulations. Through this monitoring, the Department determined that certain local governmental entities were using the installation provision in certain supply contracts to perform construction activities and circumventing required statutory provisions such as bonding, prevailing wage, and the separation of plumbing, heating ventilation, and electrical in violation of those statutes. Governmental entities are not permitted to split up a project to bring the total project cost, which includes, but is not limited to, all supplies, equipment, and labor below certain statutory thresholds in order to circumvent statutory requirements. Rather than using the COSTARS contracts, which are primarily supply contracts and not structured for any type of construction activity, projects such as these should be bid in accordance with statutory requirements. It is important to note that the ultimate liability for failure to comply with those statutes and regulations for those projects lies with the local governmental entity.

Policy

In response to the wrongful use of COSTARS supply contracts by local governmental entities, the Department determined that installation would only be allowed under very strict dollar thresholds and amended the affected COSTARS contracts accordingly. In addition, the Department offers the following guidance regarding the appropriate uses of the installation provision in COSTARS contracts:

1. Procurements in which the total project cost (including, but not limited to, all supplies, equipment, and installation labor) is less than the amount established by statute for local governmental entities and school districts for advertised competitive bidding or \$25,000, whichever is less, **and** require installation may be done under the COSTARS contract if such

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contract allows for installation. *Governmental entities and school districts are still required to comply with any applicable statutes including, but not limited to, requirements for performance or payment bonds.*

2. Procurements in which the total project cost (including, but not limited to, all supplies, equipment, and installation labor) is more than the amount established by statute for local governmental entities and school districts for advertised competitive bidding or \$25,000, whichever is less, **and** require installation may not be done under the COSTARS contract.
3. Procurements for the purchase of the **materials only**, where any installation will be done by employees of the local governmental entity or school district, may be done under COSTARS contract regardless of the total cost of the materials.

Because each installation is unique as to the total project cost and scope of work to be done, the Department determined that it was not possible to define construction in any meaningful way for all possible situations which is why thresholds were used. The Department also strongly encourages local governmental entities to discuss individual projects with their legal counsel to ensure full compliance with all statutory requirements.

Local governmental entities who require installation of supplies purchased off of the COSTARS contract where the total project cost exceeds the thresholds on the contract must issue a competitive bid for the entire project to ensure that the procurement meets all statutory requirements.

On November 21, 2011, Governor Tom Corbett signed Executive Order 2011-09 establishing the Small Business Procurement Initiative (SBPI) to develop and create more state contracting opportunities for small businesses. For the first time, small businesses will be able to bid on certain state contracting opportunities that have been reserved for competition among self-certified small businesses only.

Although the COSTARS program has focused on small businesses since its inception in 2005 (two-thirds of COSTARS-authorized suppliers are small businesses), this initiative makes it easier for those businesses to compete for and be awarded state contracts.

In implementing the Governor's executive order, the Department of General Services (DGS) has centralized the certification process for small businesses. Previously, bidders on COSTARS-exclusive contracts completed a small business self-certification form included in their COSTARS bid package. The new guidelines require new bidders, **as well as renewing COSTARS-authorized suppliers**, to utilize the self-certification process detailed at www.smallbusiness.pa.gov.

To be eligible as a small business, a business must:

- be a for-profit, United States business.
- be independently owned.
- not be dominant in its field of operation.
- not employ more than 100 full-time equivalent employees.
- not exceed \$20 million in the previous three-year average gross sales (\$25 million for information technology goods and services)

The application process requires the company's three most recent federal tax returns to verify annual gross sales. The self-certification shall be valid for one year. Anyone providing false information in connection with obtaining certification may be subject to criminal prosecution, among other penalties. Upon completing the application, a personalized certificate may be downloaded. A valid certificate will be required to entitle a business to the reduced COSTARS annual administrative fee of \$500.



Additional information about the SBPI can be found at www.smallbusiness.pa.gov.

COSTARS ON THE ROAD *continued from page 2*



COSTARS Marketing Manager
Richard Zuber

If you would like to arrange for a representative to speak about COSTARS or conduct a training session for members or prospective suppliers, please contact:
Bruce Beardsley at 717-214-3432 or bbeardsley@pa.gov or
Richard Zuber at 717-346-3838 or rzuber@pa.gov.

THESE NAMES HAVE FACES

Meet Your COSTARS Commodity Specialists

EDITOR'S NOTE: We continue our series on profiling the COSTARS Commodity Specialists.

Roxann MacAvoy is COSTARS' easy-going commodity specialist for the COSTARS IT-related contracts (COSTARS-3 IT Hardware, COSTARS-6 Software, and COSTARS-1 Copiers). These contracts represent some of COSTARS' most popular contracts. Indeed, COSTARS-3 IT Hardware has the highest spend and the most supplier participation of any COSTARS-exclusive contract, topping at 193 suppliers in 2012 and \$180 million in spend. Dealing with so large of a supplier base is extremely intense. Like her commodity specialist peers, Roxann works very closely with suppliers and members providing strong technical knowledge of her product categories and related issues. Her goal is to provide operationally simple contracts for both COSTARS suppliers and members, while working with the COSTARS marketing team to leverage spend throughout the commonwealth. Year by year, as Roxann serves as Commodity Specialist for these three COSTARS-exclusive contracts, she manages as many as 270 suppliers annually with expenditures of up to \$206 million.

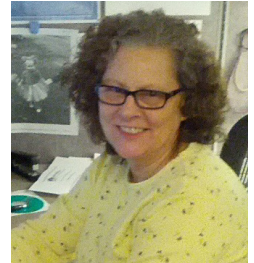
Roxann is also leading the program's initiative to evaluate the COSTARS IT contracts to determine if they need to evolve in an

industry that sees constant and rapid growth and change (see related story on page 2). Despite their dynamic and complex nature, the COSTARS IT contracts remain refreshingly simple and easy for our suppliers to gain award and service our COSTARS members.

As Roxann explains, "These are materials contracts and there is no dollar limit on the amount of items that can be purchased, provided these items are found within the scope of the contract. We want our 7,700 plus members to know that when they purchase through a COSTARS contract, they can be confident that they are procuring responsibly, legally, and from qualified suppliers in which they can trust."

Roxann has worked for state government for 16 years and for the Bureau of Procurement for eight. On a typical day, she is the first to arrive (and the first to leave). She handles an unending stream of emails and phone calls daily, but maintains that easy-going and helpful manner.

Roxann's favorite color "depends on the day". She enjoys jazz and R&B. When asked if she likes animals, she replies, "yes...the ones with four legs!"



Roxann MacAvoy

COSTARS EXCLUSIVE CONTRACTS

COSTARS-1	Copiers
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	Emergency Responder Loose Supplies
COSTARS-13	Emergency Responder Vehicles
COSTARS-14	Recreation & Fitness Equipment
COSTARS-15	Water & Waste-Water Treatment-Consumables
COSTARS-16	Water & Waste-Water Treatment-Components/Equipment
COSTARS-17	Waste, Recycling, & Material Handling Containers
COSTARS-18	LED Traffic Signal Modules/Housing
COSTARS-19	Medical Supplies
COSTARS-20	Laboratory Supplies
COSTARS-21	Pest Control Services
COSTARS-22	Weatherization Materials
COSTARS-24	Traffic Signs
COSTARS-25	Municipal Work Vehicles
COSTARS-26	Passenger Vehicles
COSTARS-28	Energy Conservation Management Supplies
COSTARS-29	Groundskeeping Maintenance
COSTARS-30	Energy Consulting Services
COSTARS-32	Signage
COSTARS-33	Street Lighting, Parking Meters & Street Furn
COSTARS-34	Theater (Auditorium) Furniture, Fixtures, & Equip
COSTARS-35	Furniture & Window Treatments
COSTARS-36	Appliances, Cafeteria Equipment & Supplies

WHERE DO I FIND...

LIGHT BULBS - COSTARS-8 Maintenance, Repair, & Operation Equipment & Supplies

DEFIBRILLATORS - COSTARS-12 Emergency Responder Loose Supplies, State Contract 4400002486 Automatic External Defibrillators

WATER TREATMENT CHEMICALS - COSTARS-15 Water & Waste-water Treatment – Consumables and state contract 4400007827 Water Treatment Chemicals

WATER TREATMENT SERVICES – state contract 4400002779 Chemical Water Treatment Services

PIPES– COSTARS-16 Water & Waste-water Treatment Plants – Components/Equipment, COSTARS-8 Maintenance, Repair, & Operation Equipment & Supplies

SOLAR PANELS - COSTARS-28 Energy Conservation Management Supplies

PARK BENCHES - COSTARS-14 Recreation & Fitness Equipment, COSTARS-33 Street Lighting, Parking Meters & Street Furniture (pending)

CARPET INSTALLATION- Included in state contract 4400003238 with the purchase of carpet or (installation alone) PIBH Products & Services 460013889

TRAFFIC LINE PAINT – state contract CN00034786 Waterborne Traffic Line Paint

BOTTLED WATER- state contract 4810 Water