

COSTARS™ CONNECTION



Governor Tom Corbett

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Secretary Sheri Phillips

MEMBER SURVEY RESULTS

A survey of COSTARS members was conducted in 2012 from November 19 – December 4 via an email invitation to all members. We received responses from 361 members.

Based upon the results, COSTARS program staff will consider developing two new contracts, according to Program Manager Dawn Eshenour. More than half of the respondents (52.9 percent) indicated interest in a comprehensive and broadly written “Uniforms” contract. “In addition to uniforms, we may offer a cafeteria supplies and equipment contract, which would include appliances,” Eshenour said.

The survey also provided an opportunity for members to suggest other new contracts. “The most striking finding among the survey results, according to Marketing Manager Bruce Beardsley, was that almost half of the items proposed by members are already covered by existing COSTARS-exclusive or statewide contracts. “Obviously, this points to the need for greater education and awareness about the vast variety of goods and services already included in the COSTARS program. We need to work on that,” Beardsley said.

Another part of the survey assessed the effectiveness and utility of the program. Only 15.8 percent of the respondents use COSTARS for most of their purchasing needs, while 78.4 percent use it only occasionally. The chief reasons cited for not using COSTARS were: purchasing amounts are below the bidding threshold, website and search mechanisms are too difficult, best price is not offered, preference for local vendors, and lack of awareness of what is offered. In response, Beardsley reminds members that “best price” is achieved through negotiation and that members should urge their local suppliers to join COSTARS. “Actually, by far, the main reason new suppliers investigate COSTARS is that members recommend or require suppliers to be part of the program,” Beardsley said. He added that everyone can look forward to our new and enhanced search capabilities that will be introduced this summer (see article on page 2).

The vast majority of respondents (81.2 percent) indicated lower prices as an important reason to use the program, while 54.6 percent cited reduced administrative costs/time. In addition, 32.7 percent cited multiple vendor choices.

Members registered overwhelming satisfaction with COSTARS vendors and program staff. Only 4.2 percent cited dissatisfaction with vendors and only 4.1 percent have indicated problems with staff.

OVERALL PROGRAM EVALUATION

Excellent	38.2%
Somewhat Usefull	47.6%
Needs Improvement	13.0%
Not At All Usefull	1.1%

BIDDING THRESHHOLDS RAISED

Beginning this year, the Department of Labor and Industry is required by statute to publish changes to the base amounts triggering the requirement for public and informal bids for public entities, based on the percentage change in the Consumer Price Index.

	General Contracts & Purchasing
Contracts below \$10,200 (was \$10,000)	No advertising or competitive bidding required.
Contracts between \$10,200 and \$18,900 (was between \$10,000 and \$18,500)	Three informal (written, telephonic, electronic) price quotations are required, with award to lowest.
Contracts over \$18,900 (was \$18,500)	Advertising twice and formal competitive bidding is required (unless utilizing COSTARS or other acceptable cooperative purchasing program.)

SUGGESTIONS FOR PROGRAM IMPROVEMENT

Improved Website	51.0%
Improved Search Capabilities	65.7%
More Contracts	35.7%
More Training	24.4%

STATE AGGREGATES CONTRACT REVISED

No Mini-Bid Required for Pick-Up

Responding to suggestions from COSTARS members, suppliers, and PennDOT Municipal Services specialists, the new contract between PennDOT and aggregates suppliers includes language that allows COSTARS members to “piggy-back” their annual Source Pick Up Pricing for aggregates and anti-skid materials. The result of this change is that municipalities who pick up their aggregate supply rather than have it delivered can choose any authorized supplier based on a published, fixed annual price per ton. They will no longer be required to solicit prices through a mini-bid process. **The mini-bid is still required for orders that are delivered by the vendor.**

Members may still choose to use the mini-bid process for pickup orders and are reminded that not all authorized vendors have provided a Source Pick Up price. “Depending on market conditions and quantity, a lower price might be obtained through the mini-bid process,” according to Bureau of Procurement Transportation Commodity Manager Joel Shiffler.

A new “How to Guide for Aggregates Search” incorporating this change has been posted on the COSTARS website in the Resource Center and on the Members’ page. To find the Source Pick Up Price list, go to:

www.dgs.state.pa.us/costars >
[Members > View Statewide Contracts > Search by Description: Aggregates > Click on any Overview icon > click on 2013 Source Pick-Up Price](#)

COSTARS SYSTEM REWRITE PROJECT

Roll-out Scheduled for Summer

When the COSTARS program was being developed in early 2005 in response to a legislative mandate, no one imagined that the program would grow to more than 7,700 members, 1,000 suppliers, 35 contracts, and \$600 million in spend. As the program grew, the data and system demands multiplied and overwhelmed the original operating platform. Although multiple applications were developed to improve the program based on ideas generated by members, suppliers, and staff, many could not be implemented due to technical limitations. Recognizing the value and importance of the program to its constituencies, the new administration authorized an entire system reformulation of the COSTARS operating platform.

More than 100 program changes and enhancements were developed, based upon new and unimplemented past ideas suggested by members, suppliers, IT specialists, and program staff. Included among the program enhancements for external constituencies are improved contract search capabilities and the ability to list multiple contacts for members and, for suppliers, an easier sales reporting system, a new contract status page and credit card acceptance for supplier fees. Overall system security will be enhanced, which **will require all members to have an email address and to change their password. Members without an email address will not be able to electronically change their profile or sign up for the commonwealth sodium chloride (roadsalt) contract.**

The new system is expected to be implemented in the summer of 2013. The COSTARS marketing team is developing a “roll-out” plan that will include training workshops throughout the state, as well as on-line tutorials. To schedule a workshop for COSTARS member-organizations, please call **717-214-3432**.



PA NATURAL GAS VEHICLE GRANT PROGRAM

Included on COSTARS Contracts

One year ago, Act 13 became law when Governor Corbett signed House Bill 1950. Act 13 of 2012 enacted stronger environmental standards, authorized local governments to adopt an impact fee and built upon the state’s ongoing efforts to move towards energy independence. Today, as unconventional gas development continues across Pennsylvania, Act 13 has given the Department of Environmental Protection (DEP) the tools to assist the efforts to achieve its goals. One such tool is the Natural Gas Vehicle Program.

The Natural Gas Vehicle Program is being fueled by a \$20 million grant program available to municipalities to purchase or convert eligible vehicles to natural gas. The round one application deadline of February 1, 2013 has passed. “There are no extensions to this date, but there will be a few years of this program, so at least two more grant rounds (likely once per year)” will occur according to DEP’s Regional Energy Manager Mike Hand. DEP has announced the launch of a Natural Gas Vehicle website to help municipalities make informed decisions about purchasing natural gas vehicles or converting their existing

fleet vehicles to compressed natural gas and liquefied natural gas. Those interested should visit www.dep.state.pa.us and click on the Natural Gas Vehicle Grant Program button.

Alternate fuel vehicles can be purchased through both COSTARS-25 (Municipal Work Vehicles) and COSTARS-26 (Passenger Vehicles) contracts. These COSTARS-exclusive contracts do not dictate any specific items or, in this case, vehicle specifications. Rather, a supplier is free to offer any type or number of vehicles including hybrid, liquefied petroleum gas (LPG), compressed natural gas (CNG), and electric/gasoline powered models from any number of manufacturers, so long as the vehicles are within the scope of the contract. Suppliers may bid product lines from any number of manufacturers who have authorized the suppliers to sell their products. New vehicle conversions done by dealers must be EPA and/or CARB (California Air Research Board) certified. Suppliers must provide a certificate of conformity upon request of Department of General Services or a COSTARS member. In addition, conversion must be compliant with the vehicles’ Original Equipment Manufacturer (OEM) and may not void the OEM warranty, according to the COSTARS contracts’ Special Terms and Conditions. Suppliers interested in these bidding opportunities should visit the COSTARS Bidding Opportunities page of the COSTARS website at www.dgs.state.pa.us/COSTARS.

CONTRACT HIGHLIGHT

COSTARS-25 MUNICIPAL WORK VEHICLES

The COSTARS-25 Municipal Work Vehicles contract continues to show impressive growth. Sales under this contract are estimated to surpass \$70 million in 2012, which ranks second among all COSTARS-exclusive contracts. Spend has increased 77 percent over the last two years and the average sales per supplier was more than \$489,000!

One of the reasons for the contract's popularity is its broad scope which includes:

- Air compressors and generators (truck mounted)
- 4X2 Utility vehicles
- Alternate fuel conversion vehicles
- Bucket trucks
- Cab and chassis
- Cranes (truck mounted)
- Garbage trucks
- Hydraulic systems (truck mounted)
- Liftgates
- Liquid winter maintenance systems (truck mounted)
- Lifts - Vehicle, Mobile (which do not require construction to install)
- Pickup trucks and cargo vans
- Recycling trucks
- Salt/Sand spreaders (truck mounted)
- Snowplows (truck mounted)
- Trailers
- Vacuum trucks/Street sweepers

Chassis suppliers are only authorized to sell items for which they are an authorized dealer. Body upfits must be purchased from awarded, authorized suppliers under the COSTARS contract; or the body must be purchased separately in accordance with the member's regular procurement requirements. Suppliers are authorized to provide a single invoice for a chassis and body upfit if that invoice references the COSTARS contract from which the chassis or body upfit is purchased, is priced according to that contract, is compliant with all contract terms and conditions, and contains no markup on the body upfit.

This contract has grown to include much more than just Municipal Work Vehicles. For example, members utilize this

contract to buy mobile vehicle lifts as well as seasonably appropriate accessories such as Salt/Sand Spreaders and Snowplows. In addition, the scope of this contract was recently revised to add 4x2 Utility vehicles and street sweepers.

This contract is managed by Commodity Specialist Stacey Logan-Kent. Please refer any specific questions you may have about this contract to Stacey at **717.787.2355** or **slogankent@pa.gov**.

**TIME TO
SIGN-UP FOR
2013-14 SALT
CONTRACT**



Although the current winter season has barely begun, it's time to sign-up for next winter's Pennsylvania state sodium chloride contract. The 2013-2014 Salt Participation Agreement is posted on the COSTARS website at **www.dgs.state.pa.us/costars** in the right margin of the Members' page under NewsFlash. Members will have until March 15 to complete the agreement.

The Salt Participation Agreement is a simple one-page document, which can be completed and submitted electronically. **(WARNING! DO NOT FORGET TO CLICK THE SUBMIT BUTTON!)** It is a legally binding contract, but has substantial flexibility built in for COSTARS members. For example, participants are only obligated to purchase 60 percent of their stated needs (REMEMBER – this is a legally-binding obligation!), but can buy up to 140 percent of their needs at the contracted price.

After compiling the total needs of the participants, DGS goes to bid in the spring and awards the contracts, by county, in July. The contract is posted on the COSTARS website in early August.

Apart from state agencies, only registered COSTARS members may participate. The salt is guaranteed to meet PENNDOT requirements and, therefore, a municipality may utilize their Liquid Fuel Funds.

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>**

Statewide Contract 440006326 Telecommunications Managed Services

COSTARS – Verizon Contact Information

To Place an Order:

- If you wish to place an order leveraging the Commonwealth of Pennsylvania contract and cannot identify your normal Verizon contact for orders, you should call **877-288-9473**.

For Billing Issues:

- If you have a billing issue which requires assistance to resolve and do not know where to go, you should call **866-849-4688**.
- You may also open a "quick ticket" online! Click **Verizon Enterprise Center Quick Ticket** for easy to follow instructions.



THESE NAMES HAVE FACES

Meet Your COSTARS Commodity Specialists

The COSTARS professional staff is proud of our members who choose to participate in the Commonwealth's co-operative purchasing program. And we are proud of our suppliers who agree to sell quality products and services to our members at competitive pricing. Internally, we are proud of our Commodity Specialists. These are the people who manage the 35 and growing COSTARS- exclusive Contracts. They are just five people, but they are five people strong. Their day- to- day efforts include oversight of more than \$600 million in annual spend. Together, they have a combined 108 years of procurement experience. Individually, they interface with potential and approved vendors and help our more than 7,700 members find the products or services they need. Despite some frustrations, this "fab five" seems to handle their positions with ease and enthusiasm. These five individuals will be showcased over the next several editions of COSTARS CONNECTION.

Kathy Lewis began working with the Department of General Services more than 30 years ago. Over the years, she has witnessed and served under six gubernatorial administrations. She assisted in the development of the initial Commonwealth Procurement Handbook. This handbook provides information on the policies, procedures and guidelines for the procurement of materials, services, and construction under the authority of Act 57 of 1998. Today, Kathy manages nine of our 35 COSTARS- exclusive Contracts. They are:

- COSTARS-7 Foods
- COSTARS-11 Toiletries
- COSTARS-12 Emergency Responder Loose Supplies
- COSTARS-14 Recreational & Fitness Equipment
- COSTARS-15 Water & Waste-water Treatment- Consumables
- COSTARS-16 Water & Waste-water Treatment Plants- Components/Equipment
- COSTARS-19 Medical Supplies
- COSTARS-20 Laboratory Supplies
- COSTARS-29 Groundskeeping (Grounds/Turf) Maintenance

Kathy recently sat down to discuss her contracts and to share more about herself. "COSTARS-15 has no suppliers" were the first words out of her tightened mouth. Indeed, this contract, with a solicitation start date of April 4, 2012, remains without supplier representation. "Can you imagine the first several suppliers to be awarded a COSTARS-15, Water & Waste-water Treatment- Consumables contract will have such an advantage. They will literally, at least for a while, have a unique opportunity to market themselves without much competition for the items that fit under the scope of that contract!" Kathy noted.

Suppliers of water & waste-water treatment consumables, such as chemicals, test kits, and filter media, as well as COSTARS members who know of suppliers that might benefit from holding a COSTARS-15 contract, should contact Kathy Lewis at **717.346.4056** or **kalewis@pa.gov**.

"The thing I like most about my job is working with our suppliers. I'm proud of this program. I've seen it come a long way," Kathy said. "I would like to see the number of

contracts and suppliers grow which will make the program even more beneficial to our members."

By focusing their attention on bringing in new suppliers, COSTARS Commodity Specialists introduce the suppliers to a whole new market of potential buyers and gives members more choices, which is exactly what the COSTARS program is designed to do. In addition to alleviating the need for members to have to go out to bid, when COSTARS provides more suppliers to choose from, members' ability to negotiate effectively increases.

(Kathy's favorite color is blue. Her favorite animals are dogs and horses. She loves her three sons and her taste in music is a toss-up between Maroon 5 and AC/DC!)



*Kathy Lewis,
COSTARS
Commodity
Specialist*

WHERE DO I FIND...

LAWN MOWERS

Agricultural/GroundsKeeping Power Equipment state contract

REFRIDGERATORS, ELECTRIC RANGES

Commercial Grade Foodservice Equipment state contract. Look for new COSTARS contract for Cafeteria Supplies & Equipment coming in the spring.

SNOW BLOWERS

Agricultural/GroundsKeeping Power Equipment state contract

GOLF CARTS

Recently added to COSTARS-14 Recreation & Fitness Equipment

BICYCLES

Recently added to COSTARS-14 Recreation & Fitness Equipment and COSTARS-13 Emergency Responder Vehicles

SEGWAYS

Recently added to COSTARS-13 Emergency Responder Vehicles

FLOOR CLEANING MACHINES

Added to the scope of COSTARS-5 Janitorial Supplies. Also, can be found in Floor Cleaning Machines state contract

AUTOMOTIVE PARTS

Aftermarket Parts state contract