



SPOTLIGHT

TOP COSTARS USERS

Many members use the COSTARS cooperative purchasing program only on large expenditures, like vehicles, computers, or power equipment. However, according to Herb Dougherty, purchasing agent for the Westmoreland County Housing Authority (WCHA), huge savings in time and money can be saved by buying smaller, less-expensive items through COSTARS.

WCHA, the fourth-largest housing authority in the state, had more individual purchases (503) than any other COSTARS member during 2008. It primarily buys cleaning supplies and paper products off of COSTARS-5, Janitorial Supplies, and such things as faucets, air filters, and plumbing supplies through the COSTARS-8, Maintenance, Repair and Operation contract. The authority also purchased some copiers off of the COSTARS-1, Copier, contract.

Total purchases were \$172,153 for the year, but the savings to the WCHA are estimated to have been more than \$40,000. Dougherty was directed by the Authority's Board of Directors to use COSTARS suppliers whenever possible, and he's glad they did.

"It's made my life a lot easier," Dougherty said. "We can choose more local suppliers, and they're more responsive to our needs."

Dougherty also said he often urges local suppliers to get on the COSTARS program. Many of them have.

The largest COSTARS user in 2008 was the Pocono Mountain School District, located in northeastern Pennsylvania. It is one of the fastest-growing school districts in the state, serving more than 11,500 students. The district spent more than \$6.2 million through the COSTARS program as it completed three school building renovations in 2008. The bulk of that spending was from the COSTARS-3, IT Hardware contract, reflecting the school board's commitment to providing "state-of-the-art" educational resources. However, they also used COSTARS office furniture, office supplies, janitorial supplies, maintenance, repair, operation, and recreation and fitness contracts.

The Pennsylvania Cyber Charter School is the largest cyber school as well as the largest charter school in Pennsylvania. They purchased just less than \$6 million

through the COSTARS program last year, making them the second-largest COSTARS user for the year. Their purchases were primarily from the COSTARS copiers, furniture, IT hardware, and vehicle contracts.

Penn State University also used COSTARS for 391 transactions last year, totaling almost \$5.3 million. According to Steve Blazer, Assistant Director of Purchasing, the flexibility of using COSTARS helps them in many ways.

"In addition to the ease of purchasing and the competitive pricing, COSTARS provides us the flexibility to match existing products that we already have on hand."

John Deegan, the chief purchasing officer for Allegheny County, likes COSTARS' competitive pricing and the ability to make a purchase quickly.

"The ability to negotiate with suppliers is really attractive," Deegan said.

In addition to buying off of COSTARS contracts for vehicles, recreation equipment, voting systems, office furniture, and IT hardware, Allegheny County regularly "piggy-backs" off of state agency contracts for heavy duty

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New Stanton Manor, a family housing development administered by the Westmoreland County Housing Authority.

MESSAGE FROM THE DIRECTOR

Scott Cross, Director Program & Systems

Based on the feedback that we have received from the COSTARS members and suppliers, I am pleased to announce that COSTARS experienced another successful year in 2008.

Success can only be achieved through the COSTARS staff diligently working to identify COSTARS member needs and providing opportunities for suppliers to meet those needs. I congratulate the COSTARS staff for achieving that goal. Most importantly, I thank the members and suppliers for their insight and willingness to work in a collaborative effort with our staff to create a "win-win" environment.

The year will bring new challenges to all participants in the program. The economic climate heightens financial sensitivities for each of you. We are not exempt from the considerations and subsequent impacts that are presented in this environment; however, we will strive to continue improving existing contracts and offer new contracts that meet our members' needs and deliver competitive pricing, while providing suppliers expanded business opportunities.

It is noteworthy to mention that COSTARS membership has grown to more than 6,000 Local Public Procurement Units and state-affiliated entities. Approximately 2,000 suppliers offer sales to these members. This growth in both categories has benefited the participating entities.

In the coming weeks we will survey our membership to determine their needs and what new opportunities may exist to satisfy them. The COSTARS staff will initiate some of these surveys and will once again work with organizations that represent many of our members in an effort to gauge the magnitude of that desire. I ask that you provide your feedback when offered that formal opportunity, but want to reinforce our previously expressed position that we are open to receive your comments and concerns at any time.

I hope you find the articles contained within this newsletter interesting and beneficial. Please do not hesitate to contact my staff or me to express your thoughts on the program. On behalf of the entire COSTARS staff I wish you a successful 2009.



HANDS-ON TRAINING

During the months of November and December, COSTARS staff traveled across the commonwealth delivering intensive hands-on, computer training on how to use the COSTARS Cooperative Purchasing Program. Fourteen sessions were conducted in conjunction with the Pennsylvania State Association of Township Supervisors (PSATS) and the Governor's Center for Local Government Services. More than 140 elected officials, managers, and purchasing staff members from townships, school districts, public authorities, boroughs, cities, and county governments, received individualized, comprehensive, hands-on knowledge and experience interacting with the COSTARS web site and contract search capabilities.

The workshops, conducted by Tim Fulkerson and Bruce Beardsley, were well-received, earning an average evaluation rating of 4.6 on a five-point scale. Some participant comments included:

- "Speakers were very knowledgeable and were able to field all questions. Very helpful!"
- "This course helped me understand and navigate the COSTARS website easier and more effectively. I also learned that we have the power to negotiate with costars suppliers."
- "Excellent class. I will use many of the things that were covered."

Both Fulkerson and Beardsley will travel anywhere in the state where a group of COSTARS members can get access to a computer lab to deliver the training. To arrange a training session, call Tim Fulkerson at 717-787-5181.

Upcoming presentations and training workshops include:

- March 17, Frazier Chester County Municipal Mgrs
- March 17, Colerain South Lancaster County Inter-Municipal
- March 17, Chester Cty American Public Works Assoc.
- March 22-23, Hershey Pa Boroughs Association Conference
- March 23, Hamburg Rep. Tim Seip's Grant Workshop
- March 30, Tremont Rep. Seip's Grant Workshop
- April 16, Fort Wash. Rep. Josh Shapiro's Business Luncheon
- April 19-21, Hershey PSATS Annual Conference



Tim Fulkerson, COSTARS Director of Marketing & Constituent Service, conducting a recent training class.

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construction, agriculture equipment, and body armor.

In 2008, Allegheny County spent more than \$3.2 million on 363 transactions on COSTARS contracts. That translates into approximately \$684,000 in savings to the Allegheny County taxpayer, according to COSTARS staff.

“RIGHT TO KNOW” CHANGES

As you probably know, the General Assembly passed and Governor Rendell signed a new “Right to Know” law in May, 2008. This legislation requires most state contracts, including COSTARS contracts, to be available for public viewing via the internet.

To comply with this legislation, effective Feb. 6, 2009, COSTARS members are no longer required to log in with their COSTARS member identification number and password to view COSTARS contracts. Members simply click on the “Members” button, as they always have, and proceed immediately to the “Members” page. However, for members’ protection, they are still required to log in when accessing the “Update Profile” function, and for other functions that require secure assurance of your identity, such as the Salt Contract Participation Agreement.

COSTARS contract suppliers should note that this change means that your contracts will no longer be secured from view and they will be able to view their competitors’ contracts. For suppliers’ protection, all federal ID numbers have been redacted from COSTARS contracts. Simply click on the “Members” button and you will proceed immediately to the “Members” page. Choose the link to “COSTARS Contracts,” or “View Statewide contracts,” on the left side of the screen. The suppliers page remains unchanged and the Suppliers Gateway still requires a Federal ID number in order to gain access.

To assist you with contract search functions, please review the “Guide for searching COSTARS & State Agency Contracts,” found in the “NEWSFLASH” area of the COSTARS members’ pages.

While anyone may now access COSTARS contracts directly from the COSTARS members’ pages beginning Feb. 6, this does NOT change the requirement that eligible Local Public Procurement Units and State Affiliated Entities register as COSTARS members. Only those entities registered with the Department of General Services may purchase from the contract.

If you have any questions, contact us at GS-PACostars@state.pa.us, or dial toll-free, 1-866-768-7827.

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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>

COSTARS CONTRACT SPEND NEARS \$300 MILLION

MORE MEMBERS ARE SAVING MORE MONEY;
\$58 MILLION IN 2008 ALONE

COSTARS members spent more than \$287 million using COSTARS contracts last year, a dramatic increase of 43 percent over 2007. COSTARS membership also increased to 5,910, growing by 17 percent from the previous year.

The fastest-growing member classification was non-profit health institutions, which grew by 42 percent.

“The COSTARS program continues to demonstrate dramatic growth, due to its ease and flexibility, as more and more eligible entities learn about the program and use it to purchase a greater variety of commodities,” said COSTARS Marketing Manager Bruce Beardsley.

For the first time, COSTARS staff has been able to estimate overall savings to its members. By using COSTARS contracts, it is estimated that members saved approximately \$58 million in 2008. That includes \$12.5 million in process savings to public entity members who did not have to go through the expensive and time-consuming public bidding process (since state government did it for them), plus an additional \$46 million in commodity savings.

The COSTARS-3, IT Hardware contract, was again the most-used contract, accounting for \$128 million in spending. COSTARS-1, Copiers, and COSTARS-13, Emergency Responder Vehicles, each produced more than \$42 million in sales.

The fastest-growing contracts in sales dollars were COSTARS-20, Laboratory Supplies, (3,267 percent increase), COSTARS-18, LED Signals, (1,272 percent increase), and COSTARS-10, Voting Systems, (103 percent increase).

Use of state agency contracts by COSTARS members during 2008 is estimated at \$120 million, bringing total COSTARS sales to more than \$400 million, and total savings to more than \$80 million!



*The COSTARS Team
Tim Fulkerson, Dawn Eshenour, Bruce Beardsley,
Taju Burden, Scott Cross*

NEW "CONTINUOUS BIDDING" FEATURE TO START

During calendar year 2009, as individual COSTARS contracts reach the end of their current contract periods, the contracts will not be automatically renewed. Instead, COSTARS will issue a new invitation for bids that will include revised terms and conditions allowing for "continuous bidding."

"Continuous Bidding" will permit prospective suppliers to submit a bid on a COSTARS contract at any time, instead of waiting for a quarterly supplement.

The COSTARS-1 Copiers contract went to "continuous bidding" effective Dec. 30, 2008. The new Invitation for Bids for the COSTARS-1 Copiers procurement is available on the DGS COSTARS web site at www.dgs.state.pa.us/costars>Bidding Opportunities.

PLEASE NOTE THAT EACH EXISTING SUPPLIER WISHING TO CONTINUE UNDER THE NEW CONTRACT MUST SUBMIT AN ENTIRE NEW BID PACKAGE, EVEN IF THE BIDDER INTENDS TO KEEP THE ITEMS AND PRICING USED IN THEIR ORIGINAL CONTRACT.

2009-10 ROAD SALT CONTRACT

Many COSTARS members who chose not to sign up for the 2008-09 Road Salt contract either had great difficulty finding a supplier or were saddled with significantly higher prices per ton. In some cases, for reasons of public safety, PennDOT agreed to a one-time only sale of its salt supplies to hard-pressed municipalities. The 1060 COSTARS members who did participate were assured of their salt supply at prices that were sometimes less than half of the market price.

Tim Fulkerson, COSTARS' Director of Marketing and Constituent Relations, has been strongly encouraging all COSTARS members who use more than 25 tons of road salt per year to sign up for next year's winter season. As a result, more than 1400 COSTARS members have signed on for the 2009-10 contract as of the March 15 deadline.

The Salt Participation Agreement was available on the COSTARS website and could be completed and submitted electronically in a matter of minutes. Upon request, the sign-up process could also be handled via FAX. The

IN MEMORIAM

Ray Cunningham, Commodity Specialist for the COSTARS Program since its inception, passed away on November 2, 2008. An integral part of the COSTARS team and original author of several of our contracts, Ray was a beloved associate of his colleagues in the Bureau of Procurement. He has been and will continue to be missed.



Managing your Energy Budget

Given the difficult financial conditions facing local governments, COSTARS continues to offer a variety of opportunities for you to participate in the Commonwealth of Pennsylvania's Energy Procurement Programs.

In our Fall 2008 issue, accessible at www.dgs.state.pa.us, we outlined the various programs available for bidding your energy needs through the Department of General Services' bidding platforms. These services are available at **no cost** to COSTARS members. If the results of our auctions produce lower prices than you are currently receiving, you have the option of accepting or rejecting the respective offers from the supplier.

This is a "No Lose" program for local governments, which can help you manage your organization's energy budget. This service includes coal, electricity and natural gas. You have nothing to lose and everything to gain.

For additional information, please contact the DGS Bureau of Procurement Raw Materials Team:

Greg Knerr, 717-703-2935
Joel Shiffler, 717-346-8179
Walt Quade, 717-787-4775

agreement has built-in flexibility requiring participants to purchase 60% of their stated needs during a light winter and up to 140% of their needs during a harsh winter.

Contracts are awarded and will be announced in August, 2009.

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 Perishable & Non-Perishable Foods
- COSTARS - 8 Maintenance, Repair, Operation
- COSTARS - 9 Graphics & Printing Services
- COSTARS - 10 Voting Systems
- COSTARS - 11 Toiletries
- COSTARS - 12 Emergency Responder Loose Supplies
- COSTARS - 13 Emergency Responder Vehicles
- COSTARS - 14 Recreational & Fitness Equipment
- COSTARS - 15 Waste Water Treatment-Consumables
- COSTARS - 16 Waste Water Treatment-Equipment
- COSTARS - 17 Waste, Recycling Containers
- COSTARS - 18 LED Signals
- COSTARS - 19 Medical Supplies
- COSTARS - 20 Laboratory Supplies