



TRAINING REMAINS TOP PRIORITY



Suppliers' Workshop "Enormous Success"

During the months of March and April, COSTARS marketing staff hosted a series of 21 supplier workshops at the Pennsylvania Bureau of Procurement offices in Harrisburg. All 845 suppliers who have been awarded COSTARS-exclusive contracts were invited. The 90-minute presentation included a program overview, a tutorial on navigating the COSTARS one-stop website, marketing ideas, sales reporting, and questions and answers.

435 company representatives attended the free workshops. A post-presentation feedback survey indicated that 74 percent of the attendees felt that the workshop was a "very good" use of their time and 25 percent felt that it was a "moderately good" use of their time. Only three participants felt that attendance was "not much" or "not at all" a good use of their time.

"When you do a program for hundreds of participants, all of whom had to disrupt their normal work schedule and travel dozens, if not hundreds, of miles to the venue and 99 percent of them say it was worth the effort, that's an enormous success," commented Dawn Eshenour, COSTARS Program Manager.

A sampling of comments from attendees included: "finally a government program that is easy to use, and truly makes sense," "well done and informative," "short, sweet, to the point and encouraging," "This is such a great program."

A similar workshop for holders of state contracts is planned for later in the year.



Supplier-Sponsored Member Training

One of the COSTARS program's toughest challenges is to train its more than 7,200 members on how to fully understand and take advantage of the program and save money on almost everything they purchase. With the encouragement of the COSTARS Marketing team, COSTARS-authorized suppliers are stepping up and sponsoring training programs for COSTARS members.

These events are truly win/win/win opportunities, according to COSTARS Marketing Manager Bruce Beardsley. "The program benefits with a better-educated membership base, the members benefit by learning how to navigate the website and save money on almost everything, and the suppliers benefit by developing a helpful relationship with their customers and prospective

customers and by creating a well-attended event in which to demonstrate their products," Beardsley said.

Two COSTARS-authorized suppliers, Schaedler Yesco Distribution and Xpedx, recently developed a strategic partnership and jointly sponsored two "Facility Solutions & MRO Days" in Pittsburgh and Harrisburg where Beardsley conducted COSTARS training for approximately 100 COSTARS members in attendance at each event.

Five additional suppliers, Applied Video Technology, Geo Decisions, Siemens Industry, Milham Ford and Faulkner Auto, have scheduled COSTARS member training events in the coming months. For additional information on how to create a COSTARS member training event, call 717-214-3432.

"These meetings are just another example of businesses and our government partnering together through the COSTARS program for the benefit of our communities," Beardsley added.



COSTARS Marketing Manager Bruce Beardsley conducts member training at Facility Solutions & MRO Day



DIRECTOR'S MESSAGE

Scott Cross, Director Program & Systems

Emphasis on Training



All of the members and suppliers who attended the various workshops provided by the

Bureau of Procurement's COSTARS staff are aware of the efforts that have been extended to provide program education. The COSTARS staff have attended various conferences and workshops sponsored by member and supplier associations, universities and members of the General Assembly. The staff has originated supplier and member workshops throughout the Commonwealth to provide training on such topics as how to use our website; how to register as a member or supplier; and how to respond to solicitations and find awarded contracts, to name just a few of these topics.

We have encouraged our members to coordinate workshops with others within their locale so we may increase the potential number of attendees. This will enable the sharing of communications relative to common goals and shared challenges that may result in more savings, increased sales and potential program enhancements that will benefit all of you. To this end, we encourage your comments, solicit your attendance at COSTARS sponsored workshops, and promote your initiative in sponsoring educational sessions. We will strive to participate in as many workshops and conferences as our resources permit and, as always, we are available to address any of your inquiries.



Bidding Opportunities

All bidding opportunities through the Department of General Services (DGS) with an estimated cost in excess of \$10,000 for supplies and services for commonwealth agencies 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

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 DGS 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

2011-2012 ROADSALT CONTRACT READY TO BID



A record 1,528 Costars members have completed their 2011-2012 Salt Participation

Agreements totaling 818,897 required tons. Combined with the Pennsylvania Department of Transportation's (PennDOT) needs of approximately one million tons, the Department of General Service's (DGS) Raw Materials team will solicit bids within the next 30 days. DGS Raw Materials Manager Joel Shiffler is anticipating somewhat higher prices due to the increased price of fuel and the heavy use of salt during the just completed winter, particularly in the southeastern part of the state. The awarded contracts, with prices by county, will be posted on the COSTARS website on August 1.

The structure of the contract will remain the same: One year with renewal options; monthly fuel adjustments; built-in flexibility for COSTARS members (legally obligated to purchase 60 percent of their stated needs, allowed to purchase up to 140 percent of their needs at contracted price).

The DGS decision to solicit bids in the spring plus the large tonnage requirements of PennDOT combined with COSTARS members, has resulted in Pennsylvania's ability to maintain lower contract salt prices than our neighboring states.

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 Emergency Responder Loose Supplies
- COSTARS-13 Emergency Responder Vehicles
- COSTARS-14 Recreational & Fitness Equipment
- 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-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

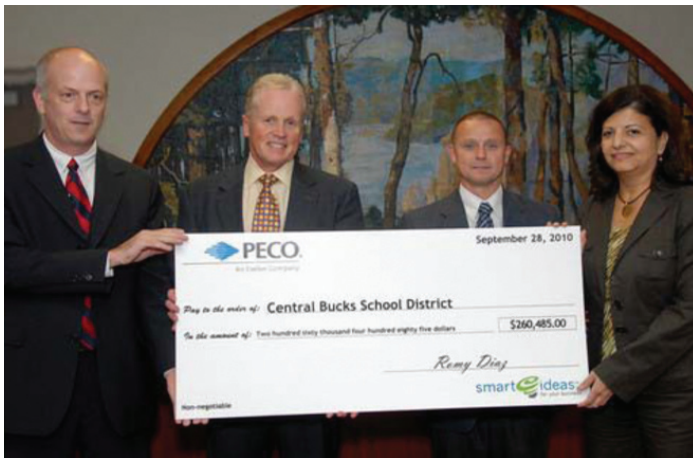




ENERGY EFFICIENCY INCENTIVES

Pennsylvania's major utility companies are offering energy efficiency programs that provide financial incentives to encourage their government and non-profit customers to install high efficiency lighting, motors, HVAC, refrigeration, energy management systems and other equipment. These financial incentives are designed to offset a portion of the incremental costs of installing the equipment.

COSTARS members can purchase energy-efficient equipment at discounted prices without the necessity of having to solicit public bids themselves by purchasing through various COSTARS contracts, including COSTARS-8 Maintenance, Repair and Operation Equipment; COSTARS-18 LED Traffic Signals; and COSTARS-28 Energy Conservation Management Supplies. In addition, COSTARS members can "piggy-back" off of state contracts, such as the Commercial Grade Foodservice and Laundry Equipment contracts.



COSTARS member Central Bucks School District received an incentive check for \$260,485 from their utility company in September, 2010 to offset the purchase of new energy efficient lighting components, such as bulbs, sensors and ballasts, which were purchased from a COSTARS-authorized supplier. According to the school district's Director of Operations Scott Kennedy, the district is expecting an even larger check this year.

Incentives are currently retroactively available for qualifying equipment purchased and installed after mid to late 2009, depending upon the utility. For a limited time, no pre-approval is necessary for most programs, but applicants are strongly encouraged to submit a pre-approval application. Applications received after May 15, 2011 may be subject to lower incentive rates, so COSTARS members are urged to contact their utility company!

In addition to the financial incentives, participating entities also save energy, reduce their energy costs and enjoy increased productivity in an improved facility environment.

NEW DGS SECRETARY LAUDS COSTARS PROGRAM

Recently confirmed Department of General Services (DGS) Secretary Sheri Phillips applauded the success of the COSTARS program during her testimony before the House and Senate Appropriations Committees on the Governor's proposed 2011 budget.



Secretary Phillips called COSTARS "a great program for local municipalities. The savings have been wonderful." She cited the growth in the number of COSTARS contracts, as well as the significant increase in the number of participating suppliers. Recognizing that "more and more municipalities are interested in saving money... We will continue to promote [the program] and we will look at other contracts that we can do on a COSTARS basis to try to reduce the spending for municipalities because the program has been so successful," Phillips said. She discussed the "almost \$2.5 million" savings that COSTARS members realized by piggy-backing off of statewide energy contracts, as well as the \$82 million in total savings to COSTARS members generated in 2009, most of which is local taxpayer funds. Secretary Phillips also lauded the "great savings" for local governments who utilized the state contract for roadsalt.

In a separate statement, Secretary Phillips described the COSTARS program "as a great example of how our government can partner with the private sector to produce taxpayer savings."

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/costars>



MRO VENDING MACHINES REDUCE COSTS

The use of modern vending machines to dispense maintenance, repair and operation (MRO) supplies at larger customer point-of-use locations is driving dramatic cost savings through reduced wasteful consumption and pilferage, better inventory control, lower order processing costs, reduced retrieval travel time and higher worker productivity through immediate point-of-use product availability.

Many of today's machines can be configured to dispense everything from earplugs, gloves, and helmets to general maintenance items like batteries, tape, and tools. With the newest electronic machines, employees can scan an ID badge or punch in a key code, making them accountable for what they use, and management can set controls limiting what and how much, each employee can vend. Users can also be prompted to enter pertinent information before they vend – for example, their department, group or the project they're working on – allowing management to track usage accordingly. This ability to track and control each transaction is helping customers realize dramatic reductions in product consumption.



"It's a simple, cost-effective way to make workers accountable for what they use," said Jim Markle, Pennsylvania government sales specialist for Fastenal, a COSTARS-authorized supplier on the COSTARS-8 MRO contract. "Every time a worker doesn't grab that second pair of gloves, or those extra batteries, it's saving taxpayer dollars."

Return on investment is driven through cost savings as well as the supplier's willingness to negotiate the machine's initial and operating costs. For example, Fastenal will absorb the capital cost of the machine(s) in exchange for the opportunity to supply more product needs to COSTARS members. Many suppliers will also manage the machine's inventory through an automated ordering process: When stock for an item runs low, the supplier receives an automated alert and comes out to fill the machine, eliminating purchase orders, stock outages and excess inventory. Some suppliers even provide the inventory in the machines on a consignment basis.



Tom Hart, Regional Manager for Applied Industrial Technologies, another COSTARS-authorized supplier on the COSTARS-8 MRO contract, advises COSTARS members to consider the following factors when choosing a vending solution:

- Machine durability;
- Variety of machine types;
- Connectivity to IT Management Systems;
- Hidden costs, such as start-up, service and trouble-shooting costs; and
- Product specification, i.e. Are you locked into one supplier?

Several COSTARS-8 authorized suppliers offer automated dispensing systems. Interested COSTARS members are urged to contact several suppliers and to negotiate the best arrangement for their specific needs.

COSTARS-1 COPIERS

Periodically, as space permits, we'll print the names of our COSTARS-authorized suppliers. With this issue, we'll start with COSTARS-1, as of May 1, 2011.

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|-----------------------------|---------------------------|
| Advanced Laser Printer | Muratec America |
| Canon Business Solutions | IKON Office Solutions |
| Colony Business Systems | Ricoh Americas Corp. |
| Oce' North America | Ford Business Machine |
| Davis Business Machines | RISO |
| Golden Business Machines | Starr Image Products |
| Fraser Advanced Information | Sharp Electronics |
| Toshiba America Business | Xerox Corporation |
| Konica Minolta Business | XSE Group of Pennsylvania |
| Kyocera Mita America | |



STAY CURRENT

Update Your Profile Please...

Periodically, COSTARS staff must communicate with our members regarding important news, updates, notices, etc. It is critical that we have accurate contact information for each of our 7200 members, including a contact person's name, address, phone, and email. Members can confirm that their information is up-to-date and/or update their profile through the COSTARS webpage.

Connect to COSTARS using this link,
www.dgs.state.pa.us/costars

> **MEMBER** > Update Profile.

When cued, log in with your with your COSTARS Member ID and password, make the changes you need and submit.