

## SPOTLIGHT ON PLAYGROUNDS

### COSTARS 14 - RECREATION & FITNESS EQUIPMENT

Bradley Harman, Director of Buildings and Grounds for the City of York School District, was thrilled after learning the district still had more than \$100,000 available to spend from a Pennsylvania Department of Education grant from May 2007. McKinley Elementary School needed new playground equipment and the grant was a perfect fit. Unfortunately, Harman had to spend it within thirty days or it was lost. He knew that was not enough time to write specifications and go to bid.

“COSTARS was a lifesaver,” Harman reminisced. “We would not have been able to fulfill our time factor without COSTARS.”

Purchasing through COSTARS negates the need to go

Upper Makefield Township, in Bucks County, was looking to build a new park for its community. Sandra Winitzky, the township’s Finance Officer, was familiar with COSTARS since its police department had purchased some vehicles, equipment, and computers through the program. The township’s Parks and Recreation Board searched the COSTARS web site and invited several COSTARS-authorized vendors to make presentations to the Board. The Board then made recommendations to the Governing Body, which approved the purchase using one COSTARS supplier (General Recreation) for the playground equipment and a different COSTARS supplier (RecConnect) for the park benches.

According to Winitzky, township



LEFT - Upper Makefield Township CENTER - Lampeter-Strasburg SD RIGHT - York SD

through the public bidding process, since suppliers fulfilled that requirement in order to be awarded a COSTARS contract. Harman called his salesman from a previously used COSTARS authorized supplier. They worked out the details and completed the purchase order in time for the next school board meeting and before the June 30 grant deadline.

Harman learned about COSTARS while attending a Pennsylvania School Business Officials (PASBO) conference. York School District has previously used COSTARS to purchase power equipment, a pick-up truck, and office furniture.

officials were very pleased with the process and the results and is already planning a Phase 2 of the project. They want to use the same vendors, which is easy using COSTARS, but wouldn’t be guaranteed if the township had to go through the public bidding process, where the low bidder must be chosen.

Rural, peaceful Lancaster County in southeastern Pennsylvania, is one of the fastest growing counties in the commonwealth. With expanding enrollment, the county’s Lampeter-Strasburg School District needed a new K-2 elementary school. They designed a bright, open, stimulating, and colorful new building. They wanted playground equip-

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## PUBLIC AUTHORITIES USING COSTARS

Procurement by public authorities became a whole lot easier when the Pennsylvania Legislature amended Act 57 in 2002, to allow public authorities to “piggy-back” off state contracts. Then, in 2004, when the legislature included public authorities as eligible Local Public Procurement Units to join COSTARS – the state’s cooperative purchasing program – procurement became even easier, and with a lot more choices.

As the COSTARS story has spread, public authorities have dramatically increased their participation in COSTARS. Membership in COSTARS among authorities has grown by 32 percent in the last 21 months. Actual purchases through the COSTARS program among public authorities quadrupled in 2007 versus 2006.

Herb Schoell Jr., Manager of the Municipal Authority of the Township of Upper Southampton in Bucks County, expresses a typical reaction among authority managers: “I love the streamlined operation. With all the bidding done ahead of time by the state, I can get the best deal without spending a lot of time doing research.”

Schoell has recently purchased several vehicles and a backhoe through the program and is about to purchase carpet and a copying machine. He estimates that, in addition to the time savings, the authority saved 10-15 percent on the cost of the vehicles it purchased.

According to Manager Roger Hadsall, the Tunkhannock Borough Municipal Authority, located in Wyoming County, has been a member of COSTARS for several years. Hadsall appreciates the “very simple, fairly straightforward” buying process through COSTARS.

“Eliminating the need to advertise and write specifications equates to a significant time savings,” Hadsall added.

Their most recent purchase was a Ford F350 truck and plow, costing approximately \$32,000 (see photo). Earlier purchases included a backhoe and several other vehicles.

A relatively new COSTARS member is Milton Regional Sewer Authority (MRSA) in Northampton County. It joined when it learned about the program in 2007, as it was preparing to build a new administrative building. It furnished the entire building with furniture and filing cabinets, buying through COSTARS-2, the COSTARS Office Furniture contract, according to Office Manager Ronda Bogle.

“It was easy,” Bogle said. “Registration and set-up was quick and easy. We looked in the contract for a COSTARS dealer in our area, we set up a meeting, and told them what we needed. They did all the legwork. We didn’t have to go to bid. That saved us an astronomical amount of time.”

Bogle estimates, based upon similar bid processes, that the authority would have spent more than \$25,000 to hire a firm to write specifications, administer the bid pro-

*continued on page 3*

## ROAD SALT UPDATE

The 1,060 COSTARS members (up from 911 last year) who signed on to the state’s 2008-09 Road Salt contract through the COSTARS program are breathing a huge sigh of relief these days. These municipalities and the state were able to secure very competitive prices, despite extremely difficult market conditions, because of the combined buying power of the state and the COSTARS members partnering with the state. The state contract was for 1,616,150 tons of salt, but PennDot and/or municipalities can order up to an additional 544,460 tons under the contract.

Prices under the contract are determined on a county-by-county basis, based on transportation costs and on which supplier was awarded the contract for a particular county. On average, the COSTARS price for salt statewide this year is \$58.24 per ton. That compares to the current market price of over \$130 per ton, with some quotes more than \$180! Based on this current market price, COSTARS members under the contract saved at least \$42 million and PennDOT saved more than \$72 million! Participation under the state contract was open to any COSTARS member who completed their Salt Contract Participation Agreement by the March 15, 2008 deadline.

Salt prices have spiked because of supply shortages, increased demand, and increasing and uncertain transportation and energy costs.

Unfortunately, those municipalities that elected not to participate in the commonwealth’s sodium chloride contract found significantly higher prices per ton, and in some cases, did not receive any bids. On October 21, PennDOT and the Department of General Services announced that PennDOT will sell approximately 82,000 tons of salt, at \$77 per ton, to those municipalities previously identified as “having difficulty obtaining road salt.” Those municipalities should contact their local PennDOT municipal service manager.

COSTARS strongly encourages all municipalities to carefully consider participating in the state’s sodium chloride contract for the 2009-10 year through the COSTARS program. Please check the COSTARS website at [www.dgs.state.pa.us/costars](http://www.dgs.state.pa.us/costars) to complete the electronic Salt Participation Agreement beginning in January, 2009.



Ford F350 Truck & Plow recently purchased through COSTARS by Tunkhannock Borough Municipal Authority

cess, and advertise. She would also have had to spend 80-100 hours of her time on the project. Bogle also indicated that there were “pretty significant savings” on the furniture itself. MRSA plans to check out the COSTARS-15, Water & Waste Water Treatment Consumables Contract, as well as the COSTARS IT Hardware Contract for near future purchases.

## MESSAGE FROM THE DIRECTOR

Scott Cross, Director—Program & Systems

Dear Readers:

I am pleased with the satisfaction expressed by so many COSTARS members with the results they received by participating in the program. This reinforces our belief that we are meeting member needs as well as forging successful relationships between the COSTARS members and the contracted suppliers. In this newsletter, you will read a sampling of the many success stories we have heard from COSTARS members across the state.

In addition to those success stories, we are also announcing our efforts to deliver training for COSTARS members through a partnership that we have nurtured with the Pennsylvania State Association of Township Supervisors and the Governor’s Center of Local Government Services. This training will commence in mid-November.

The Commonwealth is also searching for ways to assist municipalities in managing their rising energy costs. The Department of General Services (DGS) Bureau of Procurement’s Materials Division, directed by Walt Quade, is initiating a program to address this very important issue. I direct your attention to the informative articles that he and Bruce Stultz have authored and encourage you to contact them with your questions.

With winter fast approaching, I also want to thank those individuals in DGS and the Department of Transportation (PennDOT), who worked hard to find a solution to the inability to obtain sodium chloride (road salt) for this winter season. The two departments worked closely with the affected members and associations to explore potential options and find a solution. I strongly urge those municipalities that did not participate in the Commonwealth’s sodium chloride contracting process this year to consider participating next year. Watch for information in January 2009 concerning the application process that will enable you to participate in the 2009-10 salt contract.

Finally, I encourage you to contact the COSTARS staff to express your comments, concerns, recommendations or questions concerning the program. The program’s success hinges on the feedback of its members and suppliers.

## HANDS-ON TRAINING

### COSTARS, PSATS, GCLGS WORK TOGETHER

With more than 85 percent of the eligible Pennsylvania political subdivisions, school districts, and colleges registered as COSTARS members, the training seminars conducted by COSTARS staff have switched emphasis from program awareness to hands-on, how-to computer training.

Beginning in November, COSTARS, in conjunction with PSATS and the Governor’s Center for Local Government Services (GCLGS), will conduct six workshops in November and December throughout the commonwealth. The dates are:

November 18 — Lackawanna County

November 19 — Schuylkill County

November 25 — Armstrong County

December 2 — Blair County

December 4 — Dauphin County

December 11 — Tioga County

These morning workshops will be conducted at locations equipped with a minimum of sixteen personal computer stations and wired for live internet capabilities. Participants, designed for elected officials, auditors, administrators, and purchasing staff, will receive individualized, comprehensive, hands-on knowledge and experience interacting with the new COSTARS web site and contract search capabilities. All COSTARS members are eligible to participate. There is a \$25 fee. Course topics will include: Basic Concepts of Local Public Procurement Law, Overview of COSTARS Program, Access and reading contracts, Negotiating with suppliers, Operating Audit-Ready, Other uses of the COSTARS program

An enrollment form is printed on the reverse side of this page. Online registration is available at [www.palocalgovtraining.org](http://www.palocalgovtraining.org). For further details call COSTARS at 1-866-768-7827 or GCLGS at 717-763-0930.

#### 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 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



# COSTARS TRAINING

The PA Local Government Training Partnership, in cooperation with the PA Department of General Services (DGS), is pleased to announce upcoming COSTARS training. Elected officials, auditors, administrators, and purchasing agents will experience using the COSTARS program, interacting with a live internet hook-up at their own computer station. The session will also explain: How to be auditing ready; how to negotiate with suppliers; grant- writing; budgeting; and price benchmarking

**November 18, 2008**  
LACKAWANNA COUNTY  
University of Scranton  
800 Linden St., Hyland Hall – 4th Floor  
Scranton, PA 18510  
(570) 941-7400  
www.scranton.edu

**November 19, 2008**  
SCHUYLKILL COUNTY  
Schuylkill Community Educational Council  
1500 Rockwood Center, Rt. 61 South  
Pottsville, PA 17901  
(570) 385-5556  
www.schuylkilleducation.org

**November 25, 2008**  
BLAIR COUNTY  
PennDOT District 9-0  
1620 N. Juniata St.  
Hollidaysburg, PA 16648  
(814) 696-7106

**December 1, 2008**  
ARMSTRONG COUNTY  
Armstrong Educational Trust  
81 Glade Drive  
Kittanning, PA 16201  
(724) 543-2599  
www.armstrongedutrust.org

**December 4, 2008**  
DAUPHIN COUNTY  
Dixon University Center  
2986 N. 2nd St.  
Harrisburg, PA 17110  
(717) 720-4080  
www.dixonuniversitycenter.org

**December 11, 2008**  
TIOGA COUNTY  
Pennsylvania College of Technology  
Penn College North Campus, RR#3  
Wellsboro, PA 16901  
(570) 724-7703  
www.pct.edu

**Session 1:**  
7:45 a.m. Registration  
8:00 a.m. Program Begins  
10:30 a.m. Adjourn

**Session 2:**  
10:30 a.m. Registration  
10:45 a.m. Program Begins  
12:45 p.m. Adjourn

**Registration:** The registration fee for this workshop is \$25 per person, per session. To register, return the form below to PSATS. Please be sure to indicate which session you plan to attend. Registration checks should be made payable to 'PSATS' and mailed along with the registration form to: PSATS, 4855 Woodland Drive, Enola, PA 17025 or register on-line at [www.palocalgovtraining.org](http://www.palocalgovtraining.org).

**(Cancellations** received less than 10 working days before the session are subject to a \$10 penalty. Those received within 48 hours of the session forfeit the full registration fee.)

----- **COSTAR TRAINING** -----

- ( ) November 18 / Lackawanna County
- ( ) November 19 / Schuylkill County
- ( ) November 24 / Armstrong County
- ( ) November 28 / Blair County
- ( ) December 4 / Dauphin County
- ( ) December 11 / Tioga County

**Select date/county from above (check box) and also indicate Session 1 or Session 2 here:** \_\_\_\_\_

Nickname/Badge Name \_\_\_\_\_ Full Name \_\_\_\_\_

Position/Title \_\_\_\_\_

Municipality & County \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Accessibility & Other Needs \_\_\_\_\_

Is registrant an elected official ( ) Yes ( ) No

# ENERGY

## USING COSTARS TO MANAGE ENERGY COSTS

Rising energy costs is one of the biggest problems facing local government today. With next year's electricity deregulation coming on top of continued expected wild energy price fluctuations, managing energy costs wisely can save local taxpayers big bucks. COSTARS can help!

Currently, COSTARS members can purchase gasoline, heating oil, and diesel fuel off state contracts and pay the same prices the commonwealth pays. Members can also utilize the Universal Fleet Card to pay for their gasoline purchases, automatically stripping the price of taxes and allowing better management and control of their employees' gasoline usage. Municipalities that replace their traffic lighting with LED bulbs, utilizing the COSTARS-18 LED Signals contract, can save up to 80 percent of their electricity costs.

Many local government buildings use coal. Currently, local public procurement units that purchased less than 500 tons were not eligible to "piggy-back" off the state contract. Beginning in 2009, the state's coal contract will be modeled after the state's roadsalt contract, allowing any COSTARS member to request the state to include their tonnage requirement as part of the state's bid package. Municipalities would complete a Coal Participation Agreement, outlining their specifications, delivery dates, type of boiler, and quantity requirements.

Effective immediately, the Pennsylvania Department of General Services (DGS), Bureau of Procurement, is offering its auction services to COSTARS members for electricity and natural gas.

For electricity, awards would be made based on obtaining auction prices lower than the Local Public Procurement Unit's Local Distribution Company charges.

For natural gas, awards will be made based on obtaining auction prices to the "city gate" (the point or measuring station at which a distributing gas utility receives gas from a natural gas pipeline or transmission station) lower than the Local Distribution Companies' listed prices. Electricity and Natural Gas Information Sheets would have to be completed and submitted to DGS by the COSTARS member.

"We recognize the increasing difficulty local governments, particularly smaller communities, are encountering with managing their energy costs and we hope these additional services accessed through the COSTARS program will be helpful," said Walter Quade, the Commodity Director of the Materials Division of the Bureau of Procurement, who initiated these additional services.

"While we understand that larger municipal governments may have their own experts, we believe that many smaller communities may not be capable of funding either

internal experts or external consultants. This is another "no cost" service available to COSTARS members who wish to participate."

For further details on these programs, or if you would like to participate, contact Greg Knerr, Associate Commodity Manager, at 717-703-2935.

## GUARANTEED ENERGY SAVINGS AGREEMENTS

The Pennsylvania Department of General Services' Energy Management Office is sponsoring two workshops designed to train local government entities on how to save money, energy, and make improvements to buildings by using a Guaranteed Energy Savings Agreement (GESA).

According to Bruce Stultz, DGS Energy Manager, the workshops will explain GESA components such as choosing an Energy Service Company (ESCO), implementing the most cost-effective energy conservation measures, and project financing. Other topics will include the GESA procurement process, investment grade audits, project commissioning and service agreements, and the role of savings measurement and verification.

The workshops will be held on November 12 at the Lancaster Host Resort in Lancaster and on November 14 at the Holiday Inn in Monroeville. Both programs run from 8 am until 4:15 pm. There is a registration fee of \$30.

For registration or other information, contact Nina Lockhart at 202-822-0952, [nkl@dwgp.com](mailto:nkl@dwgp.com) or Marilyn Bygall at 717-346-1425, [mbygall@state.pa.us](mailto:mbygall@state.pa.us).

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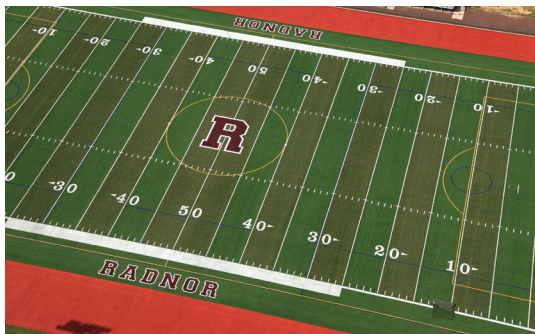
Further information on the COSTARS Program is available  
by phone (866) 768-7827 or on the web at  
<http://www.dgs.state.pa.us/costars>

ment designed for very young children and personalized to their beautiful new building. Kathy Focht, the incoming veteran principal, has always tried to use state contracts. In fact, like any school principal, she regularly receives dozens of product catalogues for supplies, furniture, equipment, etc. She routinely discards any catalogues that are not from state or COSTARS-authorized suppliers. Her new school is completely furnished with furniture purchased through the COSTARS program. Principal Focht particularly likes COSTARS contracts because of the large choice of vendors available. After looking over the COSTARS-14 contract, she chose to meet with two vendors. She explained her needs regarding customization, space requirements, and the flexibility to keep within a budget. She also received three quotes for the playground surface, also available through COSTARS-14. She chose George Ely & Associates for both the equipment and the surface. She also chose to include the ancillary service of installation, as allowed under COSTARS contracts.

“This is their business. They do it all the time. They know what they’re doing,” Focht said. “The COSTARS process and Ely & Associates have been wonderful to work with.”

It’s not every public high school that has a world-class artificial turf football field. But, Radnor Township High School’s new state-of-the-art Sprinturf Ultrablade DF artificial turf, purchased through COSTARS, is the same surface used by the Kansas City Chiefs, UCLA and even the United States Naval Academy.

“COSTARS not only saves money in terms of bid administration, advertising, engineering, and contract development, the prices are very, very competitive – comparable and sometimes even lower than public bid pricing,” according to Radnor’s Director of Operations, Leo Bernabei.



He estimates that the district saved about 10 percent - that’s about \$70,000 – just on pre-bid engineering costs for the football field project, plus weeks of time saved on contract development.

“There is still plenty of opportunity for competition within the program,” Bernabei added. “We don’t have to settle. We can get exactly what we want.”

Bernabei also uses COSTARS for his vehicle purchases.

“For large expenditures, the first place I look is COSTARS.”

Thirteen million dollars was spent through the COSTARS-14 Recreation & Fitness Equipment Contract in 2007, a 68 percent increase over 2006. In addition to playground equipment and surfaces, COSTARS-14 includes bleachers and benches, gymnasium equipment, all types of shelters, lights, real and artificial turf, water recreation equipment, hockey rinks, skateboard parks, and much more. Currently, there are 63 authorized suppliers on the contract. In 2007, 48 percent of COSTARS-14 sales came from colleges, 30 percent from public school districts, and 18 percent from municipalities.

## SALES REPORTING

### WHY?

COSTARS-authorized suppliers are required to report their COSTARS sales to the Department of General Services (DGS) on at least a quarterly basis, according to the terms and conditions of their COSTARS contract. This data is compiled and analyzed by COSTARS staff and reported to the state legislature as required by law. The data is also shared with COSTARS members and authorized suppliers in order to evaluate the program’s effectiveness and to institute program improvements.

For example, if a particular contract’s sales are minimal or not experiencing growth, COSTARS staff can investigate the reasons and take remedial action such as offering marketing suggestions or training for suppliers and/or increasing awareness among members. In extreme situations, a COSTARS contract can be discontinued.

Sales data can point to regions of the state or categories of membership or even specific local public procurement units that may not be fully utilizing certain contracts or the program in general which can trigger special marketing or training initiatives. The sales data can be used to highlight opportunities for suppliers to increase sales efforts in an underserved geographic or user market. By tracking the size of average COSTARS transactions, we are able to provide input to the legislature as they consider revising the threshold requirements of the commonwealth’s Public Bidding laws.

Lastly, sales data is the primary accountability measure of the overall effectiveness of the COSTARS program and the COSTARS staff.

