



COSTARS Connection

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Image provided courtesy of VisitHersheyHarrisburg.org

COSTARS Training Leaps Into The 21st Century

By Claire Osborne, COSTARS Marketing Manager

COSTARS system online training is about to enter the 21st Century. Marketing Managers Claire Osborne and Kim Bullivant are currently developing new and improved online training materials for COSTARS members and suppliers. With the understanding that people learn differently, the team has provided multiple tools for COSTARS participants to obtain the training and knowledge needed to use the new enhanced COSTARS systems. Each new training module includes notes that address common questions often asked by COSTARS Members and Suppliers.

The Members area of the Resource Center will include instructions on how to complete the COSTARS Member Association Request, COSTARS Member Registration and the COSTARS User Registration forms, as well as how to Register for Sodium Chloride (Road Salt) Contract, Search and order Aggregates and Anti-skid Materials, Search COSTARS Exclusive, Statewide and ITQ Contracts, Update Member Profile and View the Sodium Chloride (Road Salt) Contract.

The Suppliers area of the Resource Center will include instructions on how to: Access the COSTARS Supplier Gateway, Bid on a COSTARS Contract, Access COSTARS Member Contact Information, Pay the Annual Administrative Fee, Report Sales and Update COSTARS Supplier Information.

For each process, three different training techniques are offered:

- The **Cue Card** is a sequential context-sensitive instruction. The Cue Card offers a step by step guide with the option to expand a link to display a Screen image. This is a printer friendly guide to refer to as Members and Suppliers perform necessary functions on the website.
- The **Simulation** allows Members and Suppliers to watch the process from beginning to end. The Simulation shows an example of the process to the Members and Suppliers. It allows the end user to be taught by displaying an example of someone performing the process.
- The **Guided Help** is a tool that Members and Suppliers can open and keep in the corner of the computer screen as the procedure is executed. It will act as a step by step guide, while the user is completing the process. This aid is recommended for Members and Suppliers that need minimal guidance or as a reminder after reviewing the Cue Card or Simulation module.

These new training resources should be available to our Members and Suppliers in February. Check the [COSTARS](#) website often for updates regarding these and other new and improved COSTARS system training materials.

Member Resources			
COSTARS User Registration	Simulation	Cue Card	Guided Help
COSTARS Member Registration	Simulation	Cue Card	Guided Help
COSTARS Member Association Request	Simulation	Cue Card	Guided Help
Update COSTARS Member Profile	Simulation	Cue Card	Guided Help
Search Aggregates and Anti-Skid Materials Contracts	Simulation	Cue Card	Guided Help
Search COSTARS Exclusive Contracts	Simulation	Cue Card	Guided Help
Search Statewide and ITQ Contracts	Simulation	Cue Card	Guided Help
Register for Sodium Chloride (Road Salt) Contract	Simulation	Cue Card	Guided Help
View the Sodium Chloride (Road Salt) Contract	Simulation	Cue Card	Guided Help
Supplier Resources			
Access the COSTARS Supplier Gateway	Simulation	Cue Card	Guided Help
Bidding on a COSTAR Contract	Simulation	Cue Card	Guided Help
Pay Your Annual COSTARS Administrative Fee	Simulation	Cue Card	Guided Help
Report COSTARS Sales	Simulation	Cue Card	Guided Help
Update COSTARS Supplier Information	Simulation	Cue Card	Guided Help
Access COSTARS Member Contact Information	Simulation	Cue Card	Guided Help
Search COSTARS Exclusive Contracts	Simulation	Cue Card	Guided Help
Search Statewide and ITQ Contracts	Simulation	Cue Card	Guided Help
COSTARS Newsletters			
COSTARS Member Brochure			
COSTARS Supplier Guide - How to do business with COSTARS			
COSTARS Supplier Brochure			

Training resources will be available on the [COSTARS](#) website under the Resource Center link

Editor's Note: The COSTARS Marketing Team is proud to introduce this newly designed COSTARS Connection, with a fresh look at all of the news that's important to you!

COSTARS SPEND TOPS \$645 MILLION

Savings to Members \$140 Million

By Bruce Beardsley, COSTARS Marketing Manager



During Calendar Year (CY) 2012, 7,679 COSTARS members, including 292 new members registered in 2012, spent \$647.6 million using the COSTARS program. Nearly \$446 million in sales were generated by COSTARS-exclusive contracts and \$201.7 million was spent “piggy-backing” off of Pennsylvania statewide contracts. The total was 11 percent more than CY 2011.

As it has since the program’s inception, COSTARS-3 IT Hardware was the most utilized contract with sales of \$181.3 million spread over 19,661 transactions. COSTARS-25 Municipal Work Vehicles had the second-highest spend with \$72.1 million, reflecting a 17.6 percent increase. Leading among state contracts, COSTARS members spent more than \$40.6 million using the commonwealth’s Sodium Chloride (Road Salt) contract and \$36.9 million using the Wireless Communication contract.

The entire COSTARS program generated 86,848 transactions, 7,518 which were from public entities that exceeded the 2012 bidding threshold of \$18,500. By not

having to submit those purchases to the formal bidding process, these public entities saved approximately \$26 million in taxpayer money. In addition, COSTARS members saved more than \$114 million through discounted prices. The contracts that saved members the most money through lower prices were the COSTARS-exclusive Maintenance, Repair, & Operations contract and the state’s Small Package Delivery contract.

The fastest-growing COSTARS-exclusive contracts were COSTARS-19 Medical Supplies which grew 249 percent over the previous year, COSTARS-12 Emergency Responder Loose Supplies which increased to \$9 million in 2012 from \$4.17 million in 2011, and COSTARS-5 Janitorial Supplies with an increase of 83.7 percent.

Among the more than 1,000 suppliers participating on COSTARS-exclusive contracts in 2012, the average supplier had sales to COSTARS members of more than \$400,000. The average IT Hardware supplier generated COSTARS sales of \$980,271; Laboratory Supplies vendors ranked second with average sales of \$826,182, followed by Copiers with \$595,644.

SELECTED CONTRACTS	2012 SPEND	2011 SPEND	CHANGE
COSTARS-3 IT Hardware	\$181,350,079	\$182,699,489	-0.7%
COSTARS-5 Janitorial Supplies	\$10,998,750	\$5,987,443	+83.7%
COSTARS-13 Emergency Responder Vehicles	\$36,764,145	\$20,861,130	+76.2%
COSTARS-19 Medical Supplies	\$2,075,249	\$594,080	+249.3 %
Staff Augmentation Services (State)	\$984,155	\$159,868	+516 %
Tires (State)	\$6,843,130	\$1,571,081	+336%

Bidding Thresholds Increase (Effective Jan. 1, 2014)

Pennsylvania Department of Labor & Industry published the authority and municipal bidding thresholds for 2014 under Act 90 of 2011. Under Act 90, the Municipality Authorities Act was amended to raise the bidding thresholds and provide for an annual inflation adjustment based on the Consumer Price Index for All Urban Consumers.

The percentage change for the 12-month period ending September 30, 2013, is 1.2%. Therefore, beginning on January 1, 2014, the bidding thresholds for municipal authorities will be as follows:

- Purchases and contracts below \$10,300 require no formal bidding or written/telephonic quotations.
- Purchases and contracts between \$10,300 and \$19,100 require three written/telephonic quotations.
- Purchases and contracts over \$19,100 require formal bidding.

NOTE: These threshold requirements do not apply when using the COSTARS Cooperative Purchasing Program.

It's Time to Reserve Your Road Salt for the 2014 -2015 Winter Season!

By Kim Bullivant, COSTARS Marketing Manager

What do Atlas, Boreas, Cleon, Dion, Electra, Falco and Gemini all have in common? No, they're not the names of one-hit wonders of the 60's, 70's and 80's; they're the names cleverly bestowed upon the last seven winter storms of 2013, courtesy of the Weather Channel! (See official list of winter storm names below.)

Even though winter has just begun, and we may have yet to endure the wrath of Maximus, Nika and Orion, it's time to start planning ahead for next winter's road salt requirements by signing up for the 2014-2015 Pennsylvania State Sodium Chloride contract.

To sign up, members must complete the 2014-2015 Salt Participation Agreement which can be accessed by clicking on the orange bar across the top of the [COSTARS Website Members](#) page as of Jan. 2, 2014. If you have not accessed your COSTARS Membership account since July 9, 2013, you must create a new User ID and Password to complete the Salt Participation Agreement for the Aug. 2014 - July 2015 Season. Any COSTARS User ID(s) and Password(s) used prior to July 9, 2013 will not work in the new system. The new COSTARS system uses a shared login portal with other Pennsylvania state government systems. If you have a User ID and password that has been used to access other state government functions via the Pennsylvania Login service, those same credentials should allow you to access the COSTARS system. If necessary, please select the link to [User Registration](#) on the left side of the Members page and follow the instructions provided to create a new User ID and Password.

The Salt Participation Agreement is a simple one-page document, which can be completed and submitted electronically. 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, but can buy up to 140 percent of their needs at the contracted price. **Please note: The deadline to submit the Salt Participation Agreement is March 15.**

After compiling members' total road salt requirements, and including the needs of the Pennsylvania Department of Transportation (PennDOT), the Department of General Services (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. **Because contracts are awarded by county, members who are requesting road salt for**

locations in multiple counties must complete a New User Registration/Salt Participation Agreement for each location.

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

In 2013, 1,528 COSTARS members registered for the 2013-2014 Sodium Chloride contract, ordering more than 700,000 tons of road salt for the season.



ADVISORY - Surveillance, Security & Fire Systems

The Department of General Services (DGS) recently received notice that some COSTARS suppliers may be offering surveillance, security, and fire systems from the COSTARS-3 IT Hardware contract. The scope of this contract (see box below) does not include surveillance, security, or fire systems. These types of systems can be purchased by COSTARS members through the DGS statewide agency contract, Parent #6350, titled Surveillance, Security and Fire Systems.

Certain individual products that might be used as part of a surveillance, security, or fire system may be available through several COSTARS-exclusive contracts including COSTARS-3 IT Hardware, COSTARS-8 Maintenance, Repair, Operations Equipment & Supplies, or COSTARS-12 Emergency Responder Loose Supplies. COSTARS members should review the respective scopes of these contracts or contact the appropriate COSTARS Commodity Specialist at 1-866-768-7827.

To avoid confusion and to simplify the purchasing process, COSTARS is considering issuing a COSTARS-exclusive contract that would include surveillance, security, and fire systems and related products and is currently soliciting input from members and prospective suppliers. To provide input, contact Tera Akpan at takpan@pa.gov.

For your reference, a copy of this Advisory has been posted to the [Members](#) page of the COSTARS website under Newsflash/Other Vital News.

SCOPE OF COSTARS-3 IT HARDWARE
• Desktop PCs and Monitors
• Items to Support Multimedia Communications and LANs
• Laptops/Notebooks and Personal Computing Devices
• Peripherals and Networking Gear
• Servers and Data Storage
• Telephony equipment and software to accommodate COMPUTER-TO-COMPUTER voice service. DOES NOT INCLUDE FIXED OR MOBILE TELEPHONE SYSTEMS.

These Faces Have Names!

Meet Your COSTARS Commodity Specialists

By Kim Bullivant, COSTARS Marketing Manager

From police command vehicles to municipal work vehicles, Commodity Specialist Stacey Logan-Kent has seen it all!

Stacey has served the Commonwealth of Pennsylvania for the past 24 years, and is the resident expert when it comes to vehicle contracts: COSTARS-13 Emergency Responder Vehicles; COSTARS-25 Municipal Work Vehicles; and COSTARS-26 Passenger Vehicles; as well as COSTARS-33 Street Lighting, Parking Meters and Street Furniture; and COSTARS-36 Appliances, Cafeteria Equipment and Supplies.

Stacey began her career with the commonwealth in 1990 as a Clerk Typist 2 for the Pennsylvania State Police (PSP). In 2004, Stacey moved to the Department of General Services (DGS), where she assumed the role of Commodity Specialist.

Initially, Stacey was assigned to the Pennsylvania Emergency Management Agency's (PEMA) Homeland Security Program, procuring command vehicles and equipment for several of our nine counter-terrorism task forces throughout the state. Stacey spent some of her time traveling to western Pennsylvania to audit the task forces in that area. While doing so, she was quickly educated on the daily workings of local first responders and became well-versed in the world of emergency response vehicles.

The extensive knowledge gained by Stacey through her experiences with PSP, PEMA and DGS is exhibited everyday through the top-notch service she provides to COSTARS members and suppliers. Furthermore, Stacey's hard work has paid off: the number of suppliers awarded contracts for COSTARS-13, 25, 26, 33 and 36 has increased by more than 20 percent over the past year. Also, through Stacey's efforts, the spend for COSTARS 25 Municipal Work Vehicles (her most lucrative contract) has increased by nearly 14 percent over the past year.

Although Stacey is an expert on all types of vehicles, street furniture and cafeteria equipment, her main interests in life are her family, involvement in her church and reading mysteries and thrillers, specifically those written by James Patterson!

If you would like to learn more about the contracts Stacey handles, you may contact her at 717-787-2355 or slogankent@pa.gov.



Comparing Cooperative Purchasing Programs

By Bruce Beardsley, COSTARS Marketing Manager

The Commonwealth of Pennsylvania Procurement Code permits local public procurement units (LPPUs) to participate in competitively bid cooperative purchasing agreements conducted by or on behalf of more than one public procurement unit or by a public procurement unit located outside of Pennsylvania. A LPPU is defined as:

A political subdivision, public authority, tax-exempt, nonprofit educational or public health institution or organization, nonprofit fire company, nonprofit rescue company, nonprofit ambulance company and, to the extent provided by law, any other entity, including a council of governments or an area government, which expends public funds for the procurement of supplies, services and construction.

In 2004, Pennsylvania law authorized The Department of General Services to enter into cooperative purchasing contracts for the exclusive use of LPPUs and state-affiliated entities and COSTARS was born.

In eight years, COSTARS has become THE premiere cooperative purchasing program in Pennsylvania, with more than 7,800 members, 2,000 suppliers, and \$645 million in spend. However, it is not the only game in town. While the establishment and use of COSTARS is specifically authorized by Pennsylvania's legislature, there are several other local and national non-profit cooperative purchasing programs (sometimes called GPOs – group purchasing organizations) available to Pennsylvania's LPPUs. **(LPPUs should always consult with their solicitor when contemplating the use of other cooperative purchasing programs to ensure that they comply with all relevant Pennsylvania statutes.)**

Because many of these programs, including COSTARS, have awarded contracts through a competitive bidding process, public entity members can forgo this formal process, which saves time and money. There are usually significant price savings as well, depending on the details of the program, the manner in which awards are made, the degree negotiation is encouraged and conducted, and the number of suppliers that offer bids. Some programs also offer additional services, such as product and vendor research, shopping assistance, and facilitation with vendor issues.

While many of these programs have similarities, there are significant differences in what products and services are offered, the number and nature of authorized vendors, vendor fees and selection process, pricing, and other factors (See table below). These programs are tools available to LPPUs to save money and to make more effective, flexible, and efficient buying decisions.

Some GPOs specialize in serving specific memberships or specific products. For example, there are programs that cater only to hospitals or only deal with food. The federal government's co-op program (GSA) is only open to government agencies and is limited to technology, security, and law enforcement products and services. PEPPM specializes in technology products. Most programs offer a limited, but diverse, selection of categories. COSTARS offers an extensive variety of products and services through 35 COSTARS-exclusive contracts and more than 100 statewide agency contracts.

However, there may be products that are not offered through a COSTARS contract, but may be available through another co-op program. For example, most publicly financed construction activities must be bid separately under Pennsylvania's 1913 Separations Act and cannot be included as part of a materials contract. Keystone Purchasing Network offers a unique contract for small construction projects that is modeled after a discontinued Pennsylvania state contract that met all Pennsylvania legal requirements.

Continued on next page

Comparing Cooperative Purchasing Programs (cont'd)

Also, COSTARS contracts no longer include installation (except in very limited circumstances), while most other programs continue to include installation as a permitted ancillary service. Governmental entity members are reminded that the use of any cooperative program does not exempt the entity from compliance with other statutory requirements, such as Prevailing Wage and the Separations Act.

Most GPOs award their contracts to only one or very few national vendors or manufacturers. Manufacturers are usually able to authorize local resellers. COSTARS, which serves only Pennsylvania members, has more than 2,000 participating suppliers and encourages small, local businesses to participate, which allows local governing bodies to keep their tax dollars in the local economy. More than 60 percent of COSTARS suppliers are small businesses. All COSTARS-exclusive contracts are multiple vendor contracts (most contracts have between 9 and 190 suppliers) and members are encouraged (but not required) to negotiate prices below the contracted ceiling prices. Obviously, the more suppliers competing for business, the greater the ability to negotiate lower prices or other concessions.

From the suppliers' perspective, the ease of bid submission and award process varies widely among different programs. Some programs award their contracts to the lowest responsible bidder, while most programs use a point system where price is one factor among others, such as breadth of product selection, ability to serve a national market, and quality of marketing plan. COSTARS-exclusive contracts are awarded to all responsive and responsible bidders, while most Pennsylvania statewide agency contracts (most of which are available for use by COSTARS members) are awarded to best value bidder(s). Suppliers are encouraged, but not required, to proactively market their products to COSTARS members and the program provides tools to assist in that effort.

Virtually all programs, except COSTARS, charges suppliers a percentage of their co-op sales, which is presumably added in and included in the supplier pricing. COSTARS charges a flat, annual administrative fee (\$1500 or \$500 for certified small businesses). The average COSTARS-exclusive supplier generated more than \$400,000 in COSTARS sales in 2012.

Selected CO-OP Program/ Features	National Joint Powers Alliance	Keystone Purchasing Network	General Services Administration	PEPPM	US Communities	National Purchasing Partners/ Fire Rescue GPO	COSTARS
Organization Operation	Operated under Minnesota legislative authority	Sponsored by Central Susquehanna Intermediate Unit under PA law	Federal government agency	Sponsored by Central Susquehanna Intermediate Unit under PA law	Government purchasing cooperative	Owned by Virginia Mason Medical Center	PA state government agency
Supplier Fees	2% of sales	2% of sales	0.75% of sales	2% of sales	1% - 2.5% of sales	1.5% of sales	\$1500 annual \$500 for certified small business
Suppliers	<ul style="list-style-type: none"> Mostly single source providers; some multiple vendor contracts Approximately 200, mostly national, mostly manufacturer suppliers 	<ul style="list-style-type: none"> Awarded to lowest responsible bidder. Mostly single source Approximately 40 national or regional suppliers 	<ul style="list-style-type: none"> Multiple vendors, national & local Vendors not required to accept orders 	Multiple vendor contracts	Single sourced	Approximately 55 national suppliers	<ul style="list-style-type: none"> Multiple vendor contracts, awarded to all responsive and responsible bidders (Statewide agency contracts are usually awarded to best value bidders) Over 2000 national & local suppliers
Pricing	<ul style="list-style-type: none"> Negotiable off contract ceiling price Price change requests at any time 	No provisions for negotiation	Negotiable off previous contractually negotiated pricing	No provisions for negotiation, except for volume discounts	<ul style="list-style-type: none"> Members "piggy-back" off of competitively bid contracts of other member agencies that have been awarded to approximately 30 participating suppliers No provisions for negotiation 	Members "piggy-back" off of competitively bid contracts of other member agencies that have been awarded to approximately 55 participating suppliers	<ul style="list-style-type: none"> Negotiable off contract ceiling price Limited price changes during 1-year contractual period
Products	Many product categories	Limited number of contracts, but includes small construction contract	Limited to IT, Security, & law enforcement products & services	Technology products	Approximately 30 product categories	Approximately 30 product categories	Huge variety of products and services
Installation?	Yes	Yes	Yes	Yes	Yes	Yes	Very limited
Website	www.njpacoop.org	www.theKPN.org	www.gsa.gov	www.peppm.org	www.uscommunities.org	www.myngpp.com	www.costars.state.pa.us

COSTARS Connection

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Further information on the COSTARS program is available by phone at 866-768-7827 or by visiting the [COSTARS Website](http://www.costars.state.pa.us).



New Members

Acclaim Cyber Charter School
 ACTS Retirement Life Communities Inc.
 Adams County School of Musical Theatre
 Arcadia University
 Borough of Dormont
 Brackenridge Borough
 Bruin Borough
 Buffalo Valley Recreation Authority
 Carnegie Library of Pittsburgh
 Central PA Behavioral Health Collaborative Inc.
 Clarks Summit Fire Company No. 1 Inc.
 Connections to Independence
 Columbia Montour Family Health Inc.
 Derrick City Volunteer Fire Department
 Downtown State College Improvement District
 DuBois Public Library
 East End Volunteer Fire Department No. 1
 East Nottingham Township
 Economy Fire Department
 Gettysburg Area Recreation Authority
 Greenfield Township Volunteer Fire Company
 Halifax Borough
 Herndon Borough
 Highlands at Wyomissing
 Hollidaysburg Area Public Library
 Jeannette Public Library
 Landisburg Borough
 Lutheran Community at Telford
 Malvern Preparatory School
 Marshall Twp. Volunteer Fire Department
 Montgomery Area School District
 Munhall Area Prehospital Services

New Britain Borough
 North Franklin Township Volunteer Fire Company
 North Sewickley Fire/Rescue Department
 Office of the Pennsylvania State Constable of Eldred Township
 Our Mother of Sorrows
 PA State Constable of Adams County
 Paradise Township Sewer Authority
 Pennsylvania Osteopathic Medical Association
 Pennsylvania State Constable, Pike Township, Berks County
 Petra Community Housing
 Pike County Public Library
 Pitcairn Ambulance
 Pittsburgh Theological Seminary
 Point Township Fire Company
 Recovery Revolution, Inc.
 Rose Tree Fire Company #1
 Sadler Health Center Corporation
 St. Anne School
 The Caring Place
 The Consortium for Public Education
 The Pen Ryn School
 The Shook Home
 Thomas Jefferson University
 Upper Bucks Christian School
 Village Court Apartments
 VNA Community Services, Inc.
 West Bradford Fire Company
 West Side Council of Governments
 Westmoreland County Federated Library System
 Windsor Township
 Winfield Township Volunteer Fire Company

**As of Jan. 24, 2014*

New Suppliers

COSTARS-1 Brothers Lazer Service
 Edwards Business Machines Inc.
COSTARS-3 Brothers Lazer Service
 CSB Technology Partners LLC
 Summit Technology Consulting Group
COSTARS-4 Office Depot
COSTARS-6 Edwards Business Systems Inc.
COSTARS-8 Dagastino Electronic Services
 DataMatrix System
 DVMS Corporation
 Frigo Design
 Industrial Piping Systems
 Integrated Security & Communications
 of Eastern PA LLC
 KIT Network Cabling Inc.
 Knickerbocker Russell Co.
 Penn Power Systems
 RF Design & Integration
 Sycamore Mechanical Contractors
 The A.G. Mauro Company
 The Wire Guys LLC
COSTARS-9 Blake-Barancik Design Group
COSTARS-12 Major Police Supply
COSTARS-14 Streamline Aquatics
COSTARS-15 Environmental Operating Solutions Inc.

COSTARS-16 Industrial Piping Systems
 Optical Robotics
 Trenchless Pipe Solutions
COSTARS-21 World Bound Pest Control LLC
COSTARS-25 Gary Schmidt's Garage
 Mid-Atlantic Waste Systems
 Ken Pollack Nissan
 Abeloff Buick -GMC-Nissan-Kia
COSTARS-26 Riverside Motor Sales
 Videon Chrysler Dodge Jeep Ram
 Abeloff Buick- GMC-Nissan-Kia
COSTARS-29 Matarazzi Contracting LLC
COSTARS-33 Consolidated/Dauphin Associates Inc.
 County Electric Supply
 Wausau Tile, Inc.
COSTARS-35 Radio Maintenance Inc.
 RoData
 RFM Preferred Seating
 Watson Furniture Group
COSTARS-36 Jackson WWS Inc.
COSTARS-37 Bob Barker Company

**As of Jan. 24, 2014*

