

Member (Purchaser) FAQs

How do we register our organization to become a COSTARS Member?

Provided your organization meets the statutory eligibility requirements, you may register your local public procurement unit (LPPU) or state-affiliated entity as a COSTARS member by completing the online registration form. Only LPPUs and state-affiliated entities who have registered with the Department of General Services (DGS) may participate in the COSTARS Program.

For complete instructions on how to register as a member and obtain a User Registration, go to: <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> > Learn more about COSTARS participation for Member entities (last sentence, 3rd paragraph) > Click on the yellow Members button > Training Center > COSTARS Member Registration or User Registration. For further assistance, please call the COSTARS team at 1-866-768-7827.

What if we're unsure whether our group is eligible as a local public procurement unit under the law?

To review member eligibility requirements, go to: <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> > Member Information. If you are still unsure of your organization's eligibility, contact DGS's COSTARS team by e-mail to gs-pacostars@pa.gov, or simply fill out the online registration and submit the form. In either case, DGS will evaluate your organization and get back to you concerning your status.

Is there a fee involved in registration?

No, the only fees connected with the COSTARS Program are charged to COSTARS contract suppliers.

How long does it take for COSTARS registration to be effective?

Within approximately five business days of correctly and completely submitting an application for COSTARS membership, DGS will either confirm your organization's eligibility or request additional information from you to determine its eligibility.

What if our organization is interested in contracting with a supplier that doesn't hold a COSTARS or statewide contract with the Commonwealth?

Participation in any COSTARS purchasing is completely voluntary. COSTARS members may procure items available on COSTARS contracts through other appropriate procurement vehicles. Members may suggest to the supplier that they learn more about becoming a COSTARS supplier by accessing the Supplier Information page of the COSTARS website at <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> or calling 1-866-768-7827.

What is the difference between a statewide contract and a COSTARS-exclusive contract?

A statewide contract is awarded by DGS to procure goods or services for Commonwealth agencies. For most statewide contracts, awarded suppliers are afforded the opportunity to provide the contracted goods or services to COSTARS members. If an awarded supplier chooses to allow COSTARS members to purchase from the contract, the same goods or services under the same terms and conditions of the statewide contract are offered to COSTARS members.

Alternatively, COSTARS-exclusive contracts are administered by DGS solely for the use of COSTARS members. These are usually multiple-award contracts that include a group of

suppliers that can provide the products or services. When COSTARS members utilize COSTARS-exclusive contracts, they are urged to solicit quotes from at least three awarded suppliers and negotiate pricing with several suppliers to achieve their best value. Awarded suppliers may not charge COSTARS members prices in excess of that supplier's COSTARS contract prices, but they may provide additional discounts during the negotiation process.

What is the significance of the six-digit vendor number (also referred to as the SAP number or supplier's number)?

The vendor number is a supplier identification number and a pre-requisite for doing business through the Commonwealth. A supplier's contract number (as opposed to the vendor number) is the key indicator a supplier may be a COSTARS participant and should be indicated on all paperwork.

For statewide contracts, how do we know if a supplier has agreed to sell to COSTARS purchasers?

Each statewide contract listed in eMarketplace will specify whether the supplier has agreed to sell to COSTARS members with a Yes or No in the COSTARS column.

Do we order supplies/services through DGS?

No. After you review the specific statewide or COSTARS-exclusive contract in which your organization is interested, you will deal directly with the awarded supplier of your choice to review products and pricing in detail and to place any order. You should, however, state the contract number and your COSTARS member ID number on your purchase order to the supplier.

Do we need to notify DGS of orders from statewide and/or COSTARS contracts?

No. The supplier is required to report all purchases to DGS on a periodic basis.

Must a local government entity first solicit competitive bids if it wants to purchase through the COSTARS program?

Local government purchasers should consult their appropriate legal counsel for guidance on the procedures for conducting specific purchases. However, since the Commonwealth has awarded COSTARS-exclusive contracts and statewide contracts through its own competitive bidding process, COSTARS procurements meet the cooperative purchasing requirements for local government purchasing under 62 Pa.C.S. § 1902. When purchasing from a COSTARS-exclusive contract, DGS strongly suggests that you review prices and product information on the COSTARS website and contact a minimum of three awarded suppliers to negotiate the best value for your purchase. You should also be aware that COSTARS-exclusive contracts permit contracted suppliers to reduce pricing below the specified COSTARS contract rates, but suppliers may not offer pricing that is in excess of their COSTARS contract rate.

The purchase I am making is being paid for with federal funds. Are there any additional requirements that must be met in order to use a COSTARS-exclusive contract?

Whenever a member is using federal funds, in whole or in part, to pay for a purchase, the member must ensure compliance with any federal requirements for such purchase. One of the main requirements is that the member obtain three quotes for the goods or services. All three quotes can come from COSTARS contracted suppliers or some of the quotes could come from contractors from other cooperative purchasing programs. It does not matter if the federal funds may come directly from a federal agency or come through a Commonwealth agency; members must obtain three quotes to utilize cooperative purchasing programs like COSTARS.

Recipients of federal funds for purchases should consult with appropriate legal counsel and refer to the grant documentation and/or the source of the federal funding to ensure compliance with the federal requirements.

If the COSTARS contract fulfills the competitive procurement requirements for local government entities, authorities, and commissions, does that mean these groups would have no other obligations with regard to placing the COSTARS purchase?

The COSTARS contract fulfills the cooperative purchasing requirements in Chapter 19 of the Commonwealth Procurement Code for governmental purchasing. However, other statutory provisions, including without limitation the requirement for prevailing wage determination in certain circumstances, may apply to specific purchase orders by particular types of entities. Local government purchasers should consult their appropriate legal counsel for guidance on specific purchases.

Does purchasing from a COSTARS-exclusive or statewide contract fulfill procurement requirements for private entities such as nonprofit health or education organizations or fire, ambulance, and rescue companies?

DGS suggests that private purchasers refer to their charters, by-laws, or other policies and/or consult with their boards of directors or legal counsel for guidance. Purchasing policies for private organizations are set by the organization, not by law.

If the specifications for the item do not match what our organization is looking for, may we make additions, deletions, or other changes to the contract terms?

When ordering from a statewide or COSTARS-exclusive contract, you may not change any contract items, options, or specifications for the purchase to be considered a contract purchase; you must order the items exactly as specified on the awarded contract to be within the contract terms, unless the procurement specifically permits customization of a contract item, which is permitted under most COSTARS-exclusive contracts. Any other change is considered a change in the terms of the procurement and therefore could result in a purchase that does not meet the competitive bidding requirements of the COSTARS program and the Commonwealth Procurement Code. Going forward with any changes may place your organization in violation of applicable procurement law.

May we purchase from a supplier who is not under contract with the Commonwealth if the supplier offers the same price as the COSTARS-exclusive or statewide contract offers for the items we want?

If you purchase items from any business other than a contracted COSTARS supplier, you must comply with your organization's legal procurement and bidding requirements to procure the supply or service. Failure to do so may place your organization in violation of applicable procurement law.

Does the COSTARS Program offer used equipment for purchase?

Generally, the COSTARS program does not have any contracts offering used equipment. However, some COSTARS contracts allow the sale of "remanufactured" products, provided all original warranties apply. Members should review the terms and conditions of any contract they use.

The Commonwealth has a Surplus Property Program offering state-owned equipment and supplies that the Commonwealth no longer requires for sale to the general public. The Federal Government also has a Surplus Property Program available to many LPPUs, where the US Government donates used equipment and supplies to eligible entities. If you are interested in more information on the State or Federal Surplus Property Programs, contact the DGS Bureau of Supplies and Surplus Operations at 717-787-6159 or visit the Surplus, Supplies & Equipment website at <https://www.dgs.pa.gov/Surplus/Pages/default.aspx>.