

COSTARS™



pennsylvania
DEPARTMENT OF GENERAL SERVICES

The Commonwealth of Pennsylvania's Cooperative Purchasing Program
Passport to Business Opportunity and Procurement Savings

SUPPLIER GUIDE

COSTARS PROGRAM

PARTICIPATION

Forward

The purpose of this guide is to acquaint potential suppliers with the Commonwealth of Pennsylvania's cooperative purchasing program, "COSTARS", managed by the Department of General Services (DGS) Bureau of Procurement.

The COSTARS Program provides registered local public procurement units as well as state affiliated entities (members) and suppliers a tool to find and do business with each other effectively using a contract established by DGS.

We welcome you as a potential supplier to the COSTARS Program.

Introduction

The passage of the Commonwealth Procurement Code, Act 57 of 1998 ("Code"), permitted local public procurement units (LPPUs) and state-affiliated entities to engage in cooperative purchasing with the Commonwealth. Initially, DGS limited the LPPUs' cooperative purchasing options to certain statewide agency contracts. In spring 2004, DGS developed the COSTARS Program to increase the cooperative purchasing options available to its members.

In 2004, the General Assembly passed an amendment to the Code that expanded DGS's authority, allowing DGS to enter into contracts exclusively for the benefit of LPPUs and state-affiliated entities. DGS has included these special non-Commonwealth agency contracts, known as "COSTARS-exclusive contracts", as part of its COSTARS Program. All DGS contracts through which LPPUs and state-affiliated entities may make purchases, including specific statewide agency contracts as well as COSTARS-exclusive contracts, are part of the COSTARS Program. Local purchasers using these contracts must be registered COSTARS members.

This guide is for suppliers who wish to do business with COSTARS members using a COSTARS-exclusive contract established by DGS. (Commonwealth agencies may not make purchases from COSTARS-exclusive contracts.) While this guide addresses COSTARS-exclusive contract participation, suppliers may also do business with COSTARS members using certain statewide agency contracts. For more information regarding statewide agency contracts participation, please visit the DGS Materials & Services Procurement website at www.dgs.pa.gov.

Table of Contents

ONE	OVERVIEW	Page 6
1.1	Legislative History	
1.2	Contracts	
1.3	Member-Specific Benefits of COSTARS Participation	
1.4	Supplier-Specific Benefits of COSTARS Participation	
1.5	Frequently Asked Questions	
TWO	MEMBERS	Page 8
2.1	Member Eligibility	
2.2	Member Registration	
2.3	Member Participation	
2.4	Purchasers	
THREE	GENERAL REQUIREMENTS FOR SUPPLIERS	Page 10
3.1	Supplier Registration	
3.2	Registering with the PA Department of State	
3.3	Department of General Services Small and Small Diverse Business Programs	
FOUR	SOLICITATIONS & SOLICITATION RESPONSES	Page 11
4.1	Bidding Opportunities	
4.2	e-Alert Subscription Service	
4.3	Solicitations	
4.4	Submission of Bids	
4.5	Exceptions or Qualifications to Provisions	
4.6	Facsimile Bids	
4.7	Electronic Bidding	
4.8	Bid Opening Date	
4.9	Public Bid Openings (Electronic Bids)	
FIVE	EVALUATION, AWARDS & PERFORMANCE	Page 13
5.1	Signature of Bid	
5.2	Questions	
5.3	Multiple Awards	
5.4	Administrative Fee	
5.5	Bid Protest	
5.6	COSTARS-Exclusive Contract Accessibility	
5.7	Contractor Responsibility Provisions	
5.8	Performance Bond (Security)	
5.9	“Assembly/Installation/Construction Activities” when applicable as an Ancillary Service	
5.10	Subcontracting	
5.11	Right-to-Know Law	

SIX CONTRACT SALES

Page 16

- 6.1 Ordering and Payments
- 6.2 Volume of Sales
- 6.3 Marketing
- 6.4 Sales Reporting
- 6.5 Suppliers Gateway

APPENDIX A TERMS & CONDITIONS

Page 18

APPENDIX B DEFINITIONS

Page 19

- 1.1 **Legislative History** – COSTARS is a program managed by the Department of General Services (DGS) for local public procurement units (LPPUs) and state affiliated entities within the Commonwealth of Pennsylvania as established by Section 1902 of Act 57 on May 15, 1998 (“Commonwealth Procurement Code”), as amended by Act 142 of December 3, 2002, 62 Pa. C.S. Section 1902 and Act 77 of July 15, 2004, 62 Pa. C.S. Sections 1902 and 2107. These acts authorize LPPUs and state affiliated entities (together “members”) to purchase from those contracts for supplies and services made available by DGS.
- 1.2 **Contracts** – DGS awards specific contracts for Commonwealth agencies' use statewide. Registered COSTARS members may also purchase from many of those statewide agency contracts for which suppliers have consented to participate. In 2004, the Pennsylvania General Assembly amended the Commonwealth Procurement Code to direct DGS to issue special contracts solely for the use of LPPUs and state-affiliated entities for certain supplies and services. DGS has included these special non-Commonwealth agency contracts, known as "COSTARS-exclusive contracts", as part of its COSTARS Program. All DGS contracts through which LPPUs and state-affiliated entities may make purchases, including specific statewide agency contracts as well as COSTARS-exclusive contracts, are part of the COSTARS Program.
- 1.3 **Member-Specific Benefits of COSTARS Participation**
- **Flexibility** – Members have the option to purchase from COSTARS-exclusive contracts, from a large selection of statewide agency contracts for which suppliers have consented to participate, or from any other cooperative procurement contracts. Participation in any COSTARS purchase is completely voluntary; meaning that each member is also free to obtain supplies and services through its regular procurement procedures.
 - **Cooperative Purchasing Requirements** – Because the Commonwealth awards contracts through its own competitive bidding process, COSTARS procurements meet the cooperative purchasing requirements under the Commonwealth Procurement Code for local government purchasing. However, other statutory provisions, including but not limited to the requirement for prevailing wage determinations in certain circumstances and other construction-related requirements, may apply to specific purchase orders by particular types of entities.
 - **Dollar Savings** – Volume purchasing results in lower prices; using contracts established by DGS eliminates the need for specifications development, advertising, printing, mailing and bid evaluation.
 - **Best Value** – Members determine the “best value” for their purchase; each member decides what will best suit their needs. Factors considered may include administrative cost and time-savings, compatibility with existing equipment, delivery time, or keeping spend in their local community.
 - **Convenience** – Using contracts established by DGS facilitates the purchase of supplies and services by simply issuing a purchase order to a contractor.
 - **Education** – The COSTARS team provides free training, workshops, and a quarterly newsletter to assist members on how to use contracts, how to purchase from specific contracts of interest, as well as other topics of interest and trends in government purchasing.
- 1.4 **Supplier-Specific Benefits of COSTARS Participation**
- **Additional Business Opportunities** – There are several thousand COSTARS members taking advantage of existing contracts. A list of currently registered [COSTARS members](#) can be found on the DGS COSTARS website.
 - **COSTARS Brand** – COSTARS participating contractors may use the COSTARS name and logo in broadcast or Internet media and on business cards, brochures, and other print publications, in accordance with contract terms and conditions.

- Flexibility – COSTARS-exclusive contracts do not dictate any specific lists of items. Rather, a bidder may offer any type or number of items within the scope of the contract. Resellers may bid as many manufacturers' product lines as the manufacturers authorize them to sell. A contractor may supplement its COSTARS-exclusive contract to provide pricing for additional items within the scope of the contract in accordance with the contract terms and conditions or to remove items or services it no longer wishes to offer at any time. A contractor may update its COSTARS-exclusive contract pricing information to adjust its pricing in accordance with the contract terms and conditions.
 - Leases and Installment Purchases – Where applicable, leasing and installment purchases are options a contractor may offer.
 - Ancillary Services – Certain COSTARS-exclusive contracts enable a contractor to offer ancillary services in conjunction with the products it provides to a purchaser. Sample ancillary services include, but are not limited to, installation, special delivery, training, extended warranty, and post-warranty support and maintenance. However, any ancillary services offered must be: (1) expressly authorized in the original Invitation for Bids/Contract, (2) directly related to the delivery, installation or normal use of the product or component parts purchased, (3) limited to the actual product or component parts purchased, and (4) initiated/ordered at the time of product purchase. Stand-alone services are not within the scope of a supply contract.
 - Dealer Network – All COSTARS-exclusive contracts enable a contractor to offer contract items through its local dealer network.
 - Volume Sales – Members may purchase jointly to mutually benefit from quantity discounts.
- 1.5 **Frequently Asked Questions** – For more information regarding the COSTARS Program, please view the frequently asked questions along with their official answers via the [“FAQ’s”](#) within the COSTARS Supplier Toolbox found on the DGS COSTARS Supplier Information page.

TWO

MEMBERS

2.1 **Member Eligibility** – Entities eligible for COSTARS membership include any LPPU defined as:

- Any political subdivision (local government unit), such as a municipality, school district, or commission;
- Any public authority (including authorities formed under the Municipality Authorities Act of 1955 or other authorizing legislation, such as the Public Transportation Law or the Aviation Code);
- Any tax-exempt, nonprofit educational institution or organization;
- Any tax-exempt, nonprofit public health institution or organization;
- Any nonprofit fire, rescue, or ambulance company; and
- To the extent provided by law, any other entity that spends public funds for the procurement of supplies, services, and construction (such as a council of governments, an area government, or an organization that receives public grant funds).

DGS reserves the right to review and determine eligible applicants as local public procurement units on a case-by-case basis.

A state-affiliated entity is a Commonwealth authority or other Commonwealth entity that is not a Commonwealth agency. This includes:

- The Pennsylvania Turnpike Commission;
- The Pennsylvania Housing Finance Agency;
- The Pennsylvania Municipal Retirement System;
- The Pennsylvania Infrastructure Investment Authority;
- The State Public School Building Authority;
- The Pennsylvania Higher Education Facilities Authority; and
- The State System of Higher Education

The COSTARS Program is not available for use by Executive Agencies and Independent Agencies as defined by the Commonwealth Procurement Code, or any agency or entity using funds appropriated to the Department of General Services through Capital Budget Project Itemization legislation for the procurement of furniture, fixtures, and equipment.

2.2 **Member Registration** – DGS requires LPPUs and state affiliated entities to register as COSTARS members, and only those entities registered with DGS may purchase from COSTARS-exclusive and statewide COSTARS-participating contracts. Should the supplier become aware of, or be contacted by, any potential purchaser not currently registered as a COSTARS member, where the potential purchaser believes it may qualify for, and wishes to participate in the COSTARS Program, the supplier may refer the potential purchaser to the DGS COSTARS website to complete the [User Registration](#) and *COSTARS Membership* online application processes.

2.3 **Member Participation** – COSTARS members have the option to purchase from COSTARS-exclusive contracts, from a large selection of statewide agency contracts for which suppliers have consented to participate, or from any other cooperative procurement contracts. Member participation in any COSTARS purchase is completely voluntary, meaning that each COSTARS member is also free to obtain products and services through its regular procurement procedures.

TWO

MEMBERS (Continued)

- 2.4 **Purchasers** – The supplier understands that it will not be providing any items directly to DGS or any other Commonwealth agency under a COSTARS-exclusive contract. Any contract that DGS bids as a COSTARS-exclusive contract is for **exclusive** use by LPPUs and state affiliated entities who have registered with DGS as COSTARS members.

Currently, there are several thousand registered COSTARS members, and the list of registered members continues to grow. A [list of registered entities](#), updated frequently, is available on the DGS [COSTARS website](#). In the COSTARS Member Search area, suppliers can select the Search button to see the most current member list, without adding any search criteria.

THREE GENERAL REQUIREMENTS FOR SUPPLIERS

- 3.1 **Supplier Registration** – In spring 2007, DGS adopted the MySAP Supplier Relationship Management (SRM) system for suppliers of goods and services to the Commonwealth. SRM is a secure, Web-based system that allows suppliers to search and respond to current statewide agency contracts, manage account information, and access other collaborative functions. In fall 2009, DGS extended SRM to procurement suppliers participating on COSTARS-exclusive contracts. A critical component of SRM is supplier registration.

Suppliers are required to register their business in the PA Supplier Portal and receive a six-digit vendor number as a prerequisite to bidding on a statewide agency or COSTARS-exclusive contract. The Supplier Registration process is available at www.pasupplierportal.state.pa.us. **NOTE: If your company already has a six-digit vendor number issued by the Commonwealth, you may already be registered.**

For more information regarding registration, please visit the “Supplier Service Center” at www.dgs.pa.gov. From the home page, select the Businesses link at the top of the page, then select Materials & Services Procurement/Supplier Service Center.

The Supplier Service Center contains helpful tools to provide assistance throughout the Supplier Registration process.

Registering and receiving a vendor number does not mean that you are an awarded supplier and able to sell your products to COSTARS members.

To become a COSTARS supplier, one needs to respond to bidding opportunities that are published on the DGS [COSTARS](#) or PA [eMarketplace](#) websites. A supplier that successfully responds to a contract solicitation may be awarded a contract.

- 3.2 **Registering with the PA Department of State** – Under Pennsylvania Law, every proceeding for the organization of corporations, both for-profit and nonprofit, and every ancillary transaction relating to such corporations is required to be filed with the [Department of State Corporation Bureau](#). Other businesses registering with the Bureau include: professional corporations, municipal authorities, and limited partnerships, foreign corporations (incorporated outside of Pennsylvania) qualifying to do business in the Commonwealth and individuals and corporations conducting business under an assumed or fictitious name.

DGS asks all bidders other than individuals using their given names to supply evidence with their bids to show compliance with these requirements. If your business is not incorporated or registered in Pennsylvania, you must take action to register prior to being approved for a COSTARS-exclusive contract.

Forms for registering with the Department of State can be found on their website at <http://www.dos.pa.gov/BusinessCharities/Business/RegistrationForms/Pages/default.aspx>.

- 3.3 **Department of General Services Small and Small Diverse Business Programs** – The Commonwealth, through the Small and Small Diverse Business Programs, maintains a strong commitment to providing training, technical assistance, and support for small and small diverse business owners to compete for prime and sub-contracting opportunities with the goal of promoting the economic growth and success of these businesses. The Bureau of Diversity, Inclusion, and Small Business Opportunities (BDISBO) assists SDBs and SBs on “How to do Business with the Commonwealth” and with contracting opportunities. Working in concert with the COSTARS team, BDISBO’s goal is to continue to promote access in governmental contracting.

For information or assistance on BDISBO’s programs, or becoming a DGS self-certified small business or a verified small diverse business contact 717-783-3199 or access the link below: <https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Pages/default.aspx>.

FOUR SOLICITATIONS & SOLICITATION RESPONSES

- 4.1 **Bidding Opportunities** – All COSTARS-exclusive contract [bidding opportunities](#) are published on the DGS [COSTARS website](#). DGS does not post on its website any one particular COSTARS member's request to contract for a specific purchase. Any contract that DGS bids as a COSTARS-exclusive contract is available for use to *all* COSTARS members.
- 4.2 **e-Alert Subscription Service** – The e-Alert system is a notification tool that emails information about upcoming solicitations or changes to posted solicitations. This tool is available to both registered Commonwealth Suppliers and the general public.

The general public can access the e-Alert system from the [Supplier Service Center](#). Or, if already registered on the PA Supplier Portal at www.pasupplierportal.state.pa.us, log in using your PA Supplier Portal credentials, and then follow the menu path: "*Bidder*" tab, "*Enterprise Applications*", "*DGS e-mail Notifications (e-Alerts)*" and select the categories your company may qualify for. If you fail to select a category you will not receive any e-Alert notifications.

The system will allow you to enter multiple email addresses to receive these notifications. You can do this by selecting "Set Alternate Email Address" at the top of the e-Alerts page once logged in. Not setting an alternate address will have your email default to the address provided from your PA Supplier account.

- 4.3 **Solicitations** – DGS uses the Competitive Sealed Bidding process to establish COSTARS-exclusive contracts. Suppliers participate in the COSTARS Program as contractors by submitting a responsible and responsive bid to a COSTARS Invitation for Bids (IFB) to receive a COSTARS-exclusive contract award.
- 4.4 **Submission of Bids** – Refer to the *COSTARS Contract General Instructions* for detailed information on submission of bids.
- 4.5 **Exceptions or Qualifications to Provisions** – The *COSTARS Contract General Instructions* and *COSTARS Contract Terms and Conditions* are uniform for all COSTARS-exclusive contracts. DGS does not change these provisions for any specific contract beyond what may be specific in the *COSTARS Contract Specifications* for that contract. Therefore, bidders should not propose changes to the terms and conditions with their bids, as proposing changes or noting exceptions may be grounds for rejection of the bid. If there is any question about these terms, the bidder should submit the question to the attention of the DGS Commodity Specialist identified in the COSTARS IFB.
- 4.6 **Facsimile Bids** – Facsimile Bids are not accepted.
- 4.7 **Electronic Bidding** – As of February 7, 2022, bidders on COSTARS-exclusive bidding opportunities must submit bids via [COSTARS Electronic Bidding](#).
- 4.8 **Bid Opening Date** – All COSTARS-exclusive contract [bidding opportunities](#) are continuous. Continuous bidding permits prospective suppliers to submit a bid on a COSTARS-exclusive contract at any time, instead of waiting for a supplemental bidding opportunity.

Bids will be accepted on any given Commonwealth business day. Any bid received after the Bid Opening Time (1:30 p.m. Eastern) will be opened on the next Commonwealth business day.

FOUR SOLICITATIONS & SOLICITATION RESPONSES (Continued)

4.9 **Public Bid Openings (Electronic Bids)** – Public bid opening will consist of a Commonwealth Procurement Representative opening and announcing the suppliers whose bids were timely received. Suppliers will not be allowed to review the bids at the opening.

FIVE**EVALUATION, AWARDS & PERFORMANCE**

- 5.1 **Signature of Bid** – The supplier's electronic signature on the original Bid will be considered a legal signature. When the Bidder/Contractor is a corporation, the president or vice president should sign the electronic bid submission. If another corporate representative signs the electronic bid submission, the bidder should include a copy of a corporate resolution or by-laws authorizing that individual to sign the electronic bid submission on behalf of the corporation, to demonstrate that the individual has legal authority to bind the corporation. The *DGS Corporate Certification* form is also an acceptable proof of signature authority. If the bidder is a partnership, a general partner should sign the electronic bid submission; for a limited liability company, the manager should sign; and for sole proprietorships, the owner should sign the electronic bid submission. Any other signature on the electronic bid submission requires a proof of delegation of authority acceptable to the Commonwealth.
- 5.2 **Questions** – Any questions concerning conditions and specifications must be directed to the attention of the DGS Commodity Specialist identified in the COSTARS IFB.
- 5.3 **Multiple Awards** – DGS awards COSTARS-exclusive contracts to all responsible and responsive bidders. Because everyone who is responsible and responsive will be awarded a contract, DGS will not compare bidders' pricing submittals for COSTARS-exclusive procurements. Although pricing will not be a factor in contract award, pricing may be a consideration when members select a contractor and place their orders. Consequently, each bidder should present their very best response to an IFB.
- 5.4 **Administrative Fee** – Suppliers are required to pay the appropriate fee in each contract period, for each contract, and according to the following criteria:

Bidder Classification	Required Administrative Fee
Department of General Services Verified Small Diverse Business	\$166
Department of General Services Self-Certified Small Business	\$500
All Other Bidders	\$1,500

If the bidder is a DGS Self-Certified Small Business or DGS-verified Small Diverse Business, the bidder must submit a copy of its active Small Business Contracting Program certificate with its bid submittal. To see if your firm qualifies as a small business, program guidelines, Frequently Asked Questions (FAQs), and step-by-step process for self-certification and to continue to the verification process for small diverse businesses go to www.smallbusiness.pa.gov.

The Administrative Fee is not a security, nor is it a fee paid for marketing services; it is a fee charged to all COSTARS participating contract suppliers. The Administrative Fee shall include a nonexclusive license to use the COSTARS Brand (COSTARS name and logo) in accordance with contract terms and conditions.

- 5.5 **Bid Protest** – Refer to the *COSTARS Contract General Instructions* for guidance regarding bid protest procedure.
- 5.6 **COSTARS-Exclusive Contract Accessibility** – An awarded supplier will receive a copy of their fully executed contract. COSTARS-exclusive contracts are published within the [COSTARS Members Area](#) of the COSTARS website where prospective COSTARS purchasers may access contract terms and conditions, contractor data, offered products and pricing, as well as any link to a contractor's website.

FIVE**EVALUATION, AWARDS & PERFORMANCE (Continued)**

- 5.7 **Contractor Responsibility Provisions** – For detailed information on contractor responsibility provisions, please refer to the *COSTARS Contract Terms and Conditions*. The bidder's bid submission functions as the certification of contractor responsibility. If the bidder is unable to make the certification because of a specific set of circumstances, the bidder must submit, along with its bid, a detailed written explanation.
- 5.8 **Performance Bond (Security)** – DGS does not require performance security for COSTARS-exclusive contracts. Though DGS holds the COSTARS-exclusive contracts for the benefit of third-party purchasers, as DGS is not a purchaser of the contracted items, the requirement of a bond would be difficult for DGS to administer or enforce. The COSTARS-exclusive contracts have several provisions providing substantial protection for the purchasers, including the potential that DGS could suspend or debar any contractor defaulting on any purchase order, which would affect that contractor's ability to do business in municipalities and states throughout the U.S., and potentially in other countries as well.

Performance bond, *if required by the purchaser*, shall be negotiated and executed between the purchaser and the contractor, without DGS involvement.

- 5.9 **“Assembly/Installation/Construction Activities” when applicable as an Ancillary Service** – Circumstances concerning “assembly/installation/construction activities” will depend on the commodity. In these specific contracts, DGS offers the following guidance regarding the appropriate uses of the assembly/installation/construction activities provision:
- Assembly and installation, and construction activities for non-governmental members, are permitted without dollar value limitation.
 - Construction activities for governmental entities and school district members are limited to those projects to which The Separations Act of 1913 (71 P.S. § 1618; 53 P.S. § 1003 for municipalities), requiring the solicitation of separate bids and the award of separate contracts where design/specifications are developed for more than one type of electrical, plumbing or HVAC work, is determined to be inapplicable (i.e., below the Separations Act threshold or only one construction discipline is involved). For permitted construction activity purchases by governmental and school district members, certain statutes regarding public construction may apply depending upon the total project cost and nature and content of the project work.
 - At the time a quote is requested, the governmental entity purchaser shall inform the supplier of any applicable laws and requirements. Failure by the purchaser to do so, however, does not eliminate or otherwise affect the applicability of the laws and requirements to the purchase.

Please refer to the terms and conditions of the individual contract for further guidance.

- 5.10 **Subcontracting** – In accordance with Subsection 25.b. of the *COSTARS Contracts Terms and Conditions*, “The Contractor shall not subcontract with any person without the Purchaser’s prior written consent, which consent may be withheld at the Purchaser’s sole and absolute discretion.”

FIVE

EVALUATION, AWARDS & PERFORMANCE (Continued)

However, provided that the bidder includes the name of its subcontractor(s) in its bid submission, any COSTARS member ordering those services under the COSTARS-exclusive contract would by implication be approving the service subcontractor. Subsection 25.b. is intended to prevent a contractor from substituting a previously unspecified third party under its COSTARS-exclusive contract without the Purchaser's consent.

Please refer to the *COSTARS Contract Terms and Conditions, Section 24, Assignability and Subcontracting*, in its entirety.

- 5.11 **Right-to-Know Law** – The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, applies to COSTARS-exclusive contracts.

This legislation requires most state contracts, including COSTARS-exclusive contracts, to be available for public viewing on an Internet website. To comply with this legislation, COSTARS-exclusive contracts are published within the [COSTARS Members Area](#) of the COSTARS website and are also accessible from the [PA eMarketplace](#) website and the [e-Contracts Library](#) hosted by the Pennsylvania Treasury Department. This means that you can view your competitors' COSTARS-exclusive contracts and they can view yours.

While anyone may access COSTARS-exclusive contracts directly from these websites, this does not change the requirement that eligible LPPUs and state affiliated entities register as COSTARS members, and only those entities registered with DGS may purchase from a contract.

SIX CONTRACT SALES

- 6.1 **Ordering and Payments** – Any COSTARS member electing to purchase from a contract will order items directly from the Contractor and be responsible for payment directly to the Contractor. Each purchase order will incorporate the contract terms and conditions. The supplier is required to confirm membership using the online member database, "[List of Current COSTARS Members](#)", on the DGS COSTARS website.
- 6.2 **Volume of Sales** – As there are multiple awards and no requirement for COSTARS members to purchase from any particular awarded supplier, DGS does not guarantee volume of contract sales.
- 6.3 **Marketing** – It is the sole responsibility of the awarded supplier to promote their offered products and services to registered COSTARS members.
- **List of COSTARS Members** – A complete list of currently registered COSTARS members can be accessed via the Supplier Gateway (see log in instructions under Section 6.5 below). Contractors are encouraged to utilize this member database for their own marketing purposes. Please note, COSTARS member contact information is provided to the DGS by the members, and it is the responsibility of the members to update this information on a consistent basis. Although this list is provided "as-is," it is reviewed periodically by our staff to determine if physical and/or email addresses are "undeliverable," and the appropriate updates/deletions are made through commonwealth IT resources.
 - **COSTARS Brand** – DGS has registered the COSTARS name and logo (together, the "COSTARS Brand") as a trademark with the Pennsylvania Department of State. COSTARS participating contractors may use the [COSTARS Brand](#) in broadcast or Internet media and on business cards, brochures, and other print publications, in accordance with contract terms and conditions.
 - **Contractor Dedicated Website** – DGS strongly encourages each contractor to provide a dedicated website for COSTARS members to include a complete listing with contract pricing for all items required under the contract, product and customer support information, and the capability for COSTARS members to place online orders for contract items, in accordance with contract terms and conditions. Neither the manufacturers nor their authorized resellers are excluded from participation as COSTARS suppliers if they are unable to provide a dedicated website.

To introduce the COSTARS Program and increase awareness and participation, COSTARS Program staff may:

- Participate in expos, conventions, forums, and trade shows.
 - Conduct workshops throughout the Commonwealth.
 - Attend state legislators' grant workshops.
 - Publicize contracts and opportunities using the DGS website, social media, and trade publications.
 - Publish periodic [newsletters](#).
 - Survey the membership to determine their needs and what new opportunities may exist to satisfy them.
 - Conduct supplier forums.
- 6.4 **Sales Reporting** – Contractors are required to electronically report their contract sales to COSTARS members to the DGS COSTARS Program Office on at least a quarterly basis, per the terms and conditions of their contract. Contractors shall submit the reports using the web-based COSTARS *Supplier Gateway* within the [PA Supplier Portal](#). For step-by-step instructions, please visit the [COSTARS Supplier Information](#) page.

This data is compiled and analyzed by COSTARS staff and reported to the appropriate reviewing organizations. In addition, this sales data is the primary accountability measure of the overall effectiveness of the COSTARS Program and assists DGS to institute program improvements.

6.5 **Supplier Gateway** – The COSTARS *Supplier Gateway* is accessible by way of the [COSTARS Supplier Information Page](#) area webpage or by logging in directly to the PA Supplier Portal at www.pasupplierportal.state.pa.us and following the path “Bidder” and “Enterprise Applications”. The *Supplier Gateway* enables suppliers who have been awarded a COSTARS-exclusive contract to:

- Review participation and system training materials.
- Review and update contact information.
- Review Bid Item Workbook exactly as it appears to members.
- Review the terms and conditions of the contract.
- Electronically assemble and report quarterly contract sales.
- Pay annual contract administrative fee by credit card.
- Access COSTARS member list complete with contact information.

APPENDIX A TERMS & CONDITIONS

The following documents comprise a COSTARS-exclusive contract IFB:

- i. COSTARS Contract General Instructions
- ii. COSTARS Contract Specifications
- iii. GSPUR-89 Reciprocal Limitations Act Requirements
- iv. COSTARS Contract Terms and Conditions
- v. Addendum(s) (if applicable)

Please refer to COSTARS-exclusive contract [bidding opportunities](#) published on the DGS COSTARS website to review these documents in detail.

APPENDIX B DEFINITIONS

The following are definitions of terms that may be used for purposes concerning COSTARS.

Act 57: *Act 57 of May 15, 1998.* (Known as Commonwealth Procurement Code, 62 Pa. C.S. 101) Section 1902 permits Local Public Procurement Units (LPPUs) to engage in cooperative purchasing with the Commonwealth.

Act 142: Amends the Commonwealth Procurement Code. Act 142 of December 3, 2002, 62 Pa. C.S. Section 1902 expands the definition of eligible entities.

Act 77: Amends the Commonwealth Procurement Code. Act 77 of July 15, 2004, 62 Pa. C.S. Sections 1902 and 2107 requires DGS to create contracts for the exclusive use of LPPUs and state-affiliated entities.

Advertising: The placement of a public notice of a contracting opportunity.

Agency: An executive or independent agency.

Agency Head: The Secretary, or other official, who is first in responsibility within an agency.

Amendment: A written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract.

Assignment: The transfer or taking over by another of a contract or any part of a contract or any contractual right or duty.

Bid: A firm and unconditional offer in response to an invitation for bids.

Bidder: A person that submits a bid in response to an invitation for bids.

Competitive Bidding: The offer of firm bids by individuals or entities competing for a contract, privilege, or right to supply specified materials or services.

Contract: A type of written agreement, regardless of what it may be called, for the procurement of supplies, services, or construction and executed by all parties in accordance with the *Commonwealth Attorney's Act, Act of October 15, 1980 (P. L. 950, No. 164)*.

Contract Modification: A written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract. Sometimes called an "amendment".

Contracting Officer: A person authorized to enter into and administer contracts and make written determinations with respect to contracts.

Contractor: Any person that has entered into a contract with a Commonwealth agency.

COSTARS: The Commonwealth's cooperative purchasing program managed by the Department of General Services, Bureau of Procurement, for local public procurement units (LPPUs) and state affiliated entities as established by Section 1902 of Act 57 on May 15, 1998 ("Commonwealth Procurement Code"), as amended by Act 142 of December 3, 2002, 62 Pa. C.S. Section 1902 and Act 77 of July 15, 2004, 62 Pa. C.S. Sections 1902 and 2107.

COSTARS Brand: COSTARS name and logo registered as a trademark with the Pennsylvania Department of State.

APPENDIX B DEFINITIONS (Continued)

COSTARS-Exclusive Contract: Non-Commonwealth agency contract established by the Pennsylvania Department of General Services through which registered local public procurement units and state-affiliated entities may make purchases.

Cure Notice: A notice, either oral or in writing, that informs the supplier that he or she is in default and states what the supplier must do correct the deficiency. If the notice is oral it shall be confirmed in writing.

Debarment: Action taken by the head of the purchasing agency to remove a person or entity from consideration for an award of any Commonwealth contract or subcontract for a specified period of time.

Delivery Date: The date, as stated within the contract, when items are required to be delivered or services are to be rendered.

DGS: The Department of General Services.

Effective Date: A date fixed by the contracting officer that is on or after the date the contract has been fully executed by the contractor and by the purchasing agency and all approvals required by Commonwealth contracting procedures have been obtained. The contract shall not be a legal and binding contract until after the Effective Date is affixed and the contract is sent to the contractor.

Electronic: Any electrical, digital, magnetic, optical, electromagnetic, or other form of technology that entails capabilities similar to these technologies. Electronic includes transmission via a telefacsimile device.

Executive Agency: The Governor and the departments, boards, commissions, authorities, and other officers and agencies of the Commonwealth. The term does not include any court or other officer or agency of the unified judicial system, the General Assembly and its officers, and agencies or any independent agency or state-affiliated entity.

Expiration Date: The date on which a contract expires. The last date when work to be billed under the contract can be performed.

Evaluation of Bids: The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and other characteristics of the bid relating to selection for award.

Force Majeure: An irresistible or extraordinary force, natural event, or effect that cannot be reasonably anticipated or foreseen, prevented, or controlled. An act of God.

Grant: A furnishing of assistance by the Commonwealth or any person, financial or otherwise, to any person to support a program. The term does not include an award whose primary purpose is to procure construction for the grantor. A contract resulting from such an award is a procurement contract and not a grant.

Independent Agency: Boards, commissions, and other agencies and officers of the Commonwealth which are not subject to the policy supervision and control of the Governor. The term does not include any state affiliated entity, any court or other officer or agency of the unified judicial system, the General Assembly and its officers and agencies, any state-related institution, political subdivision or any local, regional, or metropolitan transportation authority.

Invitation for Bids ("IFB"): All documents, including those either attached or incorporated by reference, used for soliciting bids.

License: Permission or authority to use personal property for specific purposes without possessing title to, or any interest in, the property itself.

APPENDIX B DEFINITIONS (Continued)

Life Cycle Cost: The total cost of the supply in terms of purchase cost, installation cost, maintenance cost, energy cost, supply cost, and other costs.

Local Public Procurement Unit (LPPU): The term includes any political subdivision; any public authority; any tax-exempt, nonprofit educational institution or organization; any tax-exempt, nonprofit public health institution or organization; any nonprofit fire, rescue, or ambulance company; and any other entity that spends public funds for the procurement of supplies, services, and construction.

Materials: Supplies, excluding insurance.

Option to Renew: A provision of the IFB and included as a provision within the contract which allows the continuance of a contract for an additional time period.

PA Supplier Portal: A website which provides suppliers with access to Commonwealth procurement opportunities and procurement documents while allowing them to manage catalogs and update company data. It also supports communication between the Commonwealth and suppliers.

Party: Any person, corporation, unincorporated association, partnership, state governmental agency, political subdivision, authority, another state, or the United States government.

Performance Bond (Security): Security provided by a contractor solely for the protection of the purchasing or using entity receiving the materials or services, conditioned upon the faithful performance of the contract in accordance with plans, specifications, and conditions of the contract.

Procurement: Buying, purchasing, renting, leasing, licensing or otherwise acquiring any material, service, or construction. The term also includes all functions that pertain to the obtaining of any material, service, or construction, including description of requirements; selection and solicitation of sources; preparation and award of contract; and all phases of contract administration.

Procurement Description: The words used in a solicitation to describe the material, service, or construction to be procured. The term includes specifications attached to or made a part of the solicitation. Sometimes called "Contract Scope".

Protest: A written complaint about an administrative action or decision brought by a bidder to the appropriate administrative section with the intention of receiving a remedial result.

Purchase Order: Written authorization from a purchasing or using entity for a contractor to proceed to furnish a material or service in accordance with the terms of the IFB and the awarded bidder's bid or a contract.

Responsible Bidder: A bidder that has submitted a responsive bid and that possesses the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance.

Responsive Bid: A bid, which conforms in all material respects to the requirements and criteria in the invitation for bids.

Responsive Bidder: A person who has submitted a bid or proposal which conforms in all material respects to the invitation for bids.

Sealed Bid: A bid whose contents are not disclosed until the bid opening date and time. Bids are typically submitted in sealed envelopes to meet this requirement.

APPENDIX B DEFINITIONS (Continued)

Services: The furnishing of labor, time or effort by a contractor not involving the delivery of a specific end product other than drawings, specifications or reports which are merely incidental to the required performance.

Signature: A distinctive mark or characteristic indicating identity.

Small Business: A business meeting each of the following eligibility requirements:

- The business must be a for-profit, United States business.
- The business must be independently owned.
- The business may not be dominant in its field of operation.
- The business may not employ more than 100 full-time equivalent employees.
- The business, by type, may not exceed the following three-year average gross sales:
 - Procurement Goods - \$20 million
 - Procurement Services - \$20 million
 - Construction Goods & Services - \$20 million
 - Building Design Services - \$7 million
 - Information Technology Goods & Services - \$25 million

Additional information and a step-by-step application guide for self-certification is available at www.smallbusiness.pa.gov.

Small Business Contracting Program: The Commonwealth, through the Small Business Contracting Program, maintains a strong commitment to providing opportunities for small businesses to compete for prime contracting opportunities with the goal of promoting the economic growth and success of small businesses. Businesses interested in participating as a small business in the Small Business Contracting Program must first register to do business with the Commonwealth and self-certify as a “small business.”

Small Diverse Business (SDB): A self-certified small business verified as a Minority Business Enterprise, Women Business Enterprise, Veteran Business Enterprise, Service-Disabled Veteran Business Enterprise, LGBT Business Enterprise, or Disability-Owned Business Enterprise.

Small Diverse Business Verification Program: The Bureau of Diversity, Inclusion & Small Business Opportunities (BDISBO) verifies self-certified small businesses that wish to participate as Minority, Woman, Veteran, Service-Disabled Veteran, LGBT, and Disability-Owned Business Enterprises through the Small Diverse Businesses program. Eligible Small Businesses must hold certifications as diverse businesses with one of the Department’s approved third-party certification entities.

Specifications: The description of the physical or functional characteristics or the nature of a material or service. It may include a description of any requirement for inspecting, testing, or preparing a material or service for delivery.

State-Affiliated Entity: A Commonwealth authority or a Commonwealth entity. The term includes the Pennsylvania Turnpike Commission, the Pennsylvania Housing Finance Agency, the Pennsylvania Municipal Retirement System, the Pennsylvania Infrastructure Investment Authority, the State Public School Building Authority, the Pennsylvania Higher Educational Facilities Authority, and the State Systems of Higher Education. None of these terms includes any court or other officer or agency of the unified judicial system, the General Assembly and its officers and agencies, PHEAA, any political subdivision or any local, regional, or metropolitan transportation authority.

Statewide Agency Contract: A contract entered into by DGS which covers the multi-year, annual, semiannual, or quarterly contract requirements of all Commonwealth agencies and allows the agencies to order needed materials, services or construction directly from the contractor. Sometimes called a “Statewide Requirements Contract”.

APPENDIX B DEFINITIONS (Continued)

Subcontractor: An individual, business, university, governmental entity, or nonprofit organization contracting to perform part, or all, of another entity's contract.

Supplier: A bidder or contractor offering to provide materials and/or services. May also be referred to as a "vendor".

Supplier Development & Support Division: A division within the DGS Bureau of Procurement responsible for directing the activity of COSTARS, the Commonwealth's cooperative purchasing program providing registered local public procurement units, as well as state affiliated entities, and suppliers a tool to find and do business with each other effectively through the use of contracts established by DGS; the Unique Source section managing the master agreement/state contract(s) for supplies manufactured and services performed by persons with disabilities; and Supplier Services section tasked with identifying and structuring supplier development programs, as well as providing suppliers with bidding help.

Supplier Registration: A series of steps suppliers must complete to gain access to the PA Supplier Portal. All procurement suppliers must register to be considered a source of supply or services and to respond to Commonwealth contract solicitations.

Supplier Service Center: A website which provides suppliers with the tools necessary to conduct electronic business with the Commonwealth. The Supplier Service Center houses information related to registration, bidding, and account management.

Supplies: Any property including, but not limited to, equipment, materials, printing, insurance, and leases of and installment purchases of tangible or intangible personal property. The term does not include real property or leases of real property.

Suspension: The temporary disqualification of a person or entity from consideration for an award of any Commonwealth contract or subcontract for a period of up to three (3) months pending further investigation or the completion of legal proceedings if there is probable cause for debarment.

Taxes: Certain purchasers may be exempt from excise taxes imposed by the Internal Revenue Service, Pennsylvania state sales tax, local sales tax, public transportation assistance taxes, and fees and vehicle rental taxes. A purchaser may be registered with the Internal Revenue Service to make tax-free purchases. DGS will require each Purchaser claiming any tax exemption to complete the appropriate areas on the PO form to notify the Contractor of the applicable tax exemptions. The Pennsylvania Department of Revenue's regulations provide that exemption certificates are not required for sales made to governmental entities and no such certificates are issued.