

## **COSTARS Supplier FAQs**

### **How does my company become a COSTARS member?**

*COSTARS membership is for purchasers, not sellers (suppliers), and it is exclusive to local public procurement units (LPPUs) and state-affiliated entities, as those terms are defined in the Commonwealth Procurement Code.*

### **How does my company become a COSTARS supplier?**

*Becoming a COSTARS-authorized supplier requires TWO steps. First, the supplier must register with the Commonwealth of Pennsylvania and receive a six-digit vendor number at the PA Supplier Portal website ([www.pasupplierportal.state.pa.us](http://www.pasupplierportal.state.pa.us)). Second, the supplier may be designated as a COSTARS supplier by one or both of the following methods:*

- (a) To become a COSTARS-authorized supplier, the supplier must submit a responsive and responsible bid to a COSTARS-exclusive contract solicitation posted under the Bidding Opportunities link on the COSTARS Supplier Information page of the COSTARS website (<https://www.dgs.pa.gov/COSTARS/Pages/default.aspx>). Once the supplier is notified that it has been determined to be responsive and responsible, the supplier submits the required annual administrative fee and is awarded a COSTARS-exclusive contract, which pre-qualifies the supplier to submit quotes to COSTARS members, through the COSTARS program.*
- (b) To become a COSTARS-participating supplier, a supplier which has been awarded certain statewide contracts for the use of Commonwealth agencies, must complete the COSTARS Election to Participate form within the bid package, which requires the supplier to sell to COSTARS members under the same terms and conditions included in the statewide contract. The supplier must submit the required annual administrative fee.*

*Only after the issuance of an award letter, the payment of the annual administrative fee, and the posting of the contract on the COSTARS or PA eMarketplace (with a "YES" in the COSTARS column) website, can a COSTARS member make a purchase from a supplier through the COSTARS program.*

*For complete instructions, Go to: <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> > Learn more about COSTARS participation for Suppliers (last sentence, bottom of the page) > Suppliers Brochure (step by step on how to become a supplier) & Suppliers' Guide (Detail on how the program works.) After registering with DGS (as indicated in the brochure), go to: <https://www.dgs.pa.gov/COSTARS/Pages/default.aspx> > Learn more about COSTARS participation for Suppliers > COSTARS Training Center > Supplier Training Presentation > Bidding on a COSTARS contract.*

### **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 (including COSTARS). 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 (e.g. purchase orders, quotes, etc.) when dealing with COSTARS members.*

### **Why is DGS issuing Invitations for Bids for various types of goods when DGS has already awarded statewide contracts for these goods?**

*The Department of General Services (DGS) awards specific contracts for Commonwealth agencies' use statewide. COSTARS members may also purchase from many of those statewide contracts when the awarded supplier voluntarily agrees, in advance, to sell to COSTARS members under the same terms and conditions of their statewide contract. In 2004, the Pennsylvania General Assembly, via the Procurement Code, directed DGS to issue special contracts solely for the use of LPPUs and state-*

*affiliated entities, known as "COSTARS-exclusive contracts." DGS is required by law to offer COSTARS-exclusive contracts for the same goods or services as state agency contracts under certain conditions. All DGS contracts through which LPPUs and state-affiliated entities may make purchases, including specific statewide contracts as well as COSTARS-exclusive contracts, are part of the COSTARS Program.*

**How do I know what to bid? The *Bid Item Workbook* does not include an item list.**

*COSTARS-exclusive contracts do not dictate any specific items. The bidder is free to offer in its bid any type or number of items, from any number of manufacturers that have authorized the bidder to sell their products, provided the items are within the general scope of the contract.*

**We are not able to offer items in all product categories of the Contract Scope. Can we submit a bid for only those items we can offer?**

*Yes. Bidders need not offer the full spectrum of items encompassed in the procurement; however, DGS encourages bidders to offer the widest possible selection of their products/services allowable under the scope of the contract.*

**If a bidder's product offerings are contained in multiple price lists, not consolidated into a single pricelist, may the bidder identify more than one price list on its Bid Item Sheet?**

*The bidder must submit each price list on a separate Bid Item Sheet. If the bidder is offering part but not all the items on any specified price list for its COSTARS-exclusive contract, the bidder must clearly identify the offered items and clearly mark the items not offered under the contract.*

**If I am awarded a COSTARS-exclusive contract for products from a specific manufacturer, am I authorized to sell from that manufacturer's entire product line?**

*No. You may only sell products listed in your Bid Item Workbook and are within the scope of the contract.*

**May a manufacturer respond to the bid with a direction that all orders and billing be done through a local dealer network?**

*Yes. However, the manufacturer must list those authorized dealers on the appropriate Bid Item Workbook page and those dealers must comply with the terms and conditions of the manufacturer's contract. The manufacturer remains responsible for contract compliance, including sales reporting. A manufacturer's authorized dealer is also eligible to respond to the COSTARS Invitation for Bids and to receive its own separate contract award. Please refer to the Instructions to Bidders for COSTARS Contracts and the COSTARS Contract Special Terms and Conditions for complete information.*

**If resellers bid the contract, are they allowed to bid more than one manufacturer's product line?**

*Yes. Resellers may bid as many manufacturers' product lines as they are authorized to sell. Please refer to the Instructions to Bidders for COSTARS Contracts for complete information.*

**If the bidder is a reseller and purchases product through a distributor, will DGS accept the distributor's written authorization for the bidder to sell the goods and materials?**

*Yes. DGS will accept written proof of the bidder's authorization to sell the manufacturer's goods and materials from the distributor on behalf of the manufacturer. The written proof from the distributor must state that the distributor is authorized to act on behalf of the manufacturer, and as such, is authorizing the reseller to sell the manufacturer's goods and materials.*

**How will DGS compare and score bid pricing? Will DGS use a pricing matrix?**

*DGS awards COSTARS-exclusive contracts to all responsive and responsible bidders. Because DGS awards a COSTARS-exclusive contract to each responsible and responsive bidder, DGS does not score bid price submittals in COSTARS procurements, though DGS does evaluate the pricing to ensure conformity to bid requirements. Although comparative pricing among bidders is not a factor in contract awards, pricing may be a consideration for COSTARS purchasers to select a contractor and place their*

orders. Consequently, each bidder should present its very best response to the COSTARS invitation for bids, while keeping in mind that COSTARS members are urged to negotiate with several awarded suppliers to achieve best value.

**Why is the supplier required to furnish sales reports to DGS?**

DGS collects sales report data to assist DGS in reporting COSTARS contract use 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.

**Most cooperative purchasing programs charge a supplier a percentage of their sales. What percentage of sales does DGS/COSTARS charge suppliers?**

There is no percentage of sales fee as part of the COSTARS program. The only fee charged to suppliers is the Annual Administrative Fee as described in the terms and conditions of the contract. The fee is applicable to each COSTARS contract annually. This fee is designed to cover the personnel and administrative costs of the program. The fee includes a non-exclusive license to use the COSTARS logo in awarded suppliers' marketing materials, access to a list of contact information of COSTARS members, and general assistance from the COSTARS Marketing staff.

**How long does it take to award a COSTARS-exclusive contract?**

From the time a correctly completed Bid Item Workbook is submitted, it normally takes 4-6 weeks to determine that a bidder is "responsive and responsible." Once that determination is made and communicated, a contract is awarded within ten business days of the receipt of the Annual Administrative Fee.

**What does "responsive and responsible bidder" mean?**

A person or business entity that has submitted a bid which conforms in all material respects to the invitation for bids and has the capability in all respects to fully perform the contract requirements and the demonstrated integrity and reliability which will assure good faith performance.

**Can a COSTARS representative review my Bid Item Workbook prior to submittal to ensure it is correct?**

No. However, since we operate under a continuous bidding procedure, omissions or mistakes can be corrected and the Bid can be immediately resubmitted.

**Can an awarded supplier sell similar materials and services other than those listed in their Bid Item Workbook?**

No. Only those items and services listed in the supplier's Bid Item Workbook can be sold/purchased through the COSTARS program. However, suppliers should refer to the contract Special Terms and Conditions for information about adding items to their Bid Item Workbook and allowable customization of their products.

**Can an awarded supplier of a COSTARS-exclusive contract use that contract to sell to entities outside the Commonwealth of Pennsylvania?**

COSTARS membership (the purchasers) is limited to Pennsylvania entities. Only sales to COSTARS members are considered purchases under the COSTARS program. However, a purchasing entity that is not a COSTARS member may use the same language and terms included in a COSTARS-exclusive contract to form a similar contract that is separate and apart from the COSTARS contract. All non-member purchasing entities that seek to procure materials or services from COSTARS suppliers based upon similar terms to a COSTARS-exclusive contract should consult with their own legal counsel to ensure compliance with applicable law(s).

**Can an awarded supplier of a COSTARS-exclusive contract refuse to provide a quote or sell to a COSTARS member?**

*No. The supplier is contractually obligated to sell their contracted products or services to any COSTARS member under the terms and conditions of their contract.*

**When choosing the “cost plus percentage mark-up” pricing standard, is the supplier required to provide a cost-sheet listing all the costs that generated the final price?**

*Yes, upon the request of the purchaser or COSTARS program staff, the supplier must provide written justification for their price.*

**If a supplier is awarded a COSTARS-exclusive contract, how much business should the supplier expect?**

*There is no guarantee of any business. Since COSTARS-exclusive contracts are usually pure multiple contracts, a supplier’s success typically depends upon many factors such as price, competition, service, reputation, proactive marketing, etc.*

**Will DGS accept exceptions or qualifications to provisions contained in the *Instructions to Bidders* or the *COSTARS Contract Standard and/or Special Terms and Conditions*?**

*The Instructions to Bidders and the COSTARS Contract Standard and/or Special Terms and Conditions are uniform for all prospective bidders. Proposing changes or noting exceptions will be grounds for rejection of the bid.*

**I’ve included installation as an offered ancillary service under my COSTARS-exclusive contract. A local government wants to purchase the installation but says I must certify that I’m paying prevailing wage to the installers. That was not included in my bid price. Do I have to honor the contract price?**

*The Prevailing Wage Act applies to any public work project (except road construction) where the estimated total project cost exceeds \$25,000. Its applicability is absolute. Suppliers are not required to list pricing for ancillary services in their Bid Item Workbook and may indicate that the price will be negotiated between the supplier and the COSTARS member. However, if the supplier does indicate pricing for ancillary services, those prices become part of the vendor’s contract, must be offered, and cannot be exceeded.*

*Governmental entity purchasers and/or contractors potentially face penalties or legal consequences in the event that ancillary service charges fail to meet all legal requirements, including, but not limited to The Separations Act of 1913, The Pennsylvania Prevailing Wage Act, and The Public School Code.*