

COSTARS™ CONNECTION



The Commonwealth's Cooperative Purchasing Program

Building Capacity Through Contracting

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U.S. Small Business
Administration

In support of Governor Shapiro's initiative to maximize opportunities for small, small diverse, and veteran-owned businesses, the COSTARS team has begun a marketing collaboration with the Small Business Association. As part of this effort, the United States Small Business Administration (SBA) has provided valuable information for small businesses to keep top of mind when exploring government contracting as a business strategy.

One of the most striking differences between small businesses and larger organizations, such as governments and corporations, is the way purchasing decisions are made and facilitated. In small companies, the decision makers are often the owners, the end user, with a personal stake in the outcome. Internal lead times are short, and the procedural requirements simple.

However, governments and corporations are far more likely to operate according to bureaucratic procedures, compartmentalized functions, and pre-set budget constraints. Large purchases may require approvals by more than one department or supervisor.

These differences can be perplexing to small businesses when they attempt to sell to governments and corporations. As a small business decision-maker, you might wonder who you need to convince in the organization, how many more hurdles do you need to jump and is it worth the effort?

Before answering the last part of that question, think about this:

What do the following products and services have in common?

Computers | Commercial printing | Oatmeal cookies | Office furniture | Tires

The largest customer for each of these products and services is the United States Government. In fact, the federal government is the largest buyer in the world of thousands of different products and services, spending more than \$650 billion annually with private-sector businesses. In 2021, almost \$150 billion of that annual amount was spent on transactions with small businesses.

Some of these are big-ticket purchases, such as supercomputers, weapons systems, and office buildings. But the government buys almost every type of product and service imaginable, providing opportunities to all sizes of companies.

So, is selling to the government worth the effort? Absolutely. And not only because of the potential sales volume. Government purchases generate crucial revenue during economic downturns when sales to businesses and consumers are lackluster. During the pandemic, the SBA noticed the small firms that were already established in the government pipeline were able to weather the economic storm, occurring across virtually every industry, much more successfully than firms that were not government vendors. The reason being is that in many cases, government agencies are responsible for providing services to the public or protecting life, liberty, and property. Those types of critical needs do not disappear during a pandemic and, in many cases, government agencies ramped up their staff and operations to provide much needed assistance and relief during these unprecedented times.

Another helpful aspect of working in the federal marketplace is the Federal Prompt Payment Act. The Prompt Payment Act stipulates that the federal agencies must pay their bills within 30 days of submission of a proper invoice which is huge for so many small firms. At some point, virtually all small businesses experience payment



Building Capacity through Contracting (cont.)

payment or cash flow issues. We routinely hear horror stories from clients about how they've waited four (4) or more months for payment, because another company in their supply chain is also awaiting payment before they pay it forward. This scenario continues a cycle affecting multiple vendors and can be devastating to small firms that do not have the means to sustain themselves during a delay in payment for work already completed. These types of issues almost never occur in the federal marketplace. The overwhelming majority of federal agencies pay their bills well before the stipulated 30-day timeframe with most payments being made within two (2) weeks.

Although the government marketplace can be lucrative and very worthwhile for small firms, it is important to not become overly dependent on government contracts. Not only do the government's buying patterns and habits change over time just like any other entity, but there is also a good deal of volatility in government agency budgets. Elected officials transition routinely which means agency budgets and priorities can change relatively quickly. Certain projects that were on the backburner are suddenly at the forefront and vice versa. No small business firm should try to sustain their entire business existence on government work alone.

When entering into government contracting, many small firms automatically assume that they need to "go big" and pursue federal work. However, that is not always a sound strategy, and these firms would benefit more by working with state and local government entities before trying to jump into the federal sector. State government represents excellent opportunities for small businesses.

Many small business owners have the erroneous idea that the federal government has thousands of contracts available for start-up firms. However, that simply is not true. Not only can procurement rules and regulations be very cumbersome and overwhelming for small businesses at the federal level, federal agencies and contracting teams demand excellence in the products purchased and the transaction process with vendors, including small businesses. When bidding on federal contracts, all firms must be able to demonstrate their capacity and capabilities to federal buying activities by proving that they have already performed work with other corporations or levels of government that is similar in scope to the work in a federal solicitation. The federal government prefers to purchase from established businesses that can demonstrate the necessary capabilities to successfully meet the expectations. At the SBA, we counsel our firms on being "procurement ready", as it is virtually impossible for any small firm with less than two years of successful business performance with other entities to win a federal contract. Securing a government contract at the state or local level tends to be a great stepping stone for small businesses looking to build their capacity to eventually enter into the federal contracting space.

Networking is more accessible with people that are geographically close, and you are much more likely to be familiar with your own state's operations and needs than those of the federal government. Suppliers also have more opportunities to build relationships with purchasing decision-makers because they share a common community and the state and local procurement rules and regulations are typically less restrictive than at the federal level. Just like any consumer, state and local government strives to support businesses they trust that provide quality products and services at fair and reasonable prices. Understanding how local agencies function and operate regarding buying timelines, budget projections and the like will help you be seen as a more competitive, reliable bidder and potential business partner.

When building your capacity through government contracts as a young, small business, it is important to know your limits. Doing business with government agencies can be a lucrative growth strategy for many small firms. However, a focus on building capacity and reputation as a quality small business vendor, through modest transactions, first, is key to sustaining your government contracting strategy and growth for the long-term.

There are endless opportunities with government agencies, from every imaginable industry, so be diligent and do not rush. No matter which level of government you pursue, if you focus on quality, value, professionalism, and client delight, you are positioning your business to win contracts and be successful.

To learn more about small, small diverse and veteran-owned business opportunities with federal government, visit <https://www.sba.gov/>.



To learn how to become a COSTARS authorized supplier, visit www.dgs.pa.gov/COSTARS > COSTARS Supplier Information > Become a COSTARS Supplier and follow the four- step process.

Prefer to watch a demo? View the "**Procurement 101 for Suppliers**" recorded webinar at <https://www.youtube.com/watch?v=R7HC9TETpdE>.

Steps in the Sodium Chloride Contracting Process

In the fall of 2022, we held a webinar educating COSTARS members on "[Navigating the Sodium Chloride Program](#)" where we provided a roadmap of the sodium chloride (bulk road salt) contracting process deadlines and action items. Not sure where we are in the process?

The 2022-2023 contract pricing and supplier-by-county award will expire on 7/31/23.

The 2023-2024 new pricing and by-county supplier designations will begin on 8/1/23.

In early August, watch your inbox for an email announcing the arrival of the 2023-2024 details including instructions on where to locate the new contract.



Storage Fee Notice for 2022-2023 Sodium Chloride Contract Participants

During negotiations of the 2023-2024 sodium chloride contract renewals, the Department of General Services' Transportation team negotiated favorable terms and conditions regarding storage fees and minimum tonnage requirements for those members who did not meet their contractually obligated 60 percent minimum during this past winter.

COSTARS participants of the 2022-2023 Pennsylvania statewide Sodium Chloride (Road Salt) contract, please note that due to the light snowfall this past season, a significant number of members did not meet their 60 percent minimum order requirement. However, the Transportation team was able to secure agreements with all salt suppliers on this contract to waive storage fees and remaining minimum tonnage obligations for the 2022-2023 contract. If you have remaining tonnage to be ordered from your 2022-2023 estimate and have the necessary storage capacity, we encourage you to order enough salt under the current contracted pricing to fill your stockpile prior to July 31, 2023. We expect the 2023-2024 contract to reflect pricing increases from prices offered on the current contract.

The current version of the statewide Sodium Chloride contract is always available by visiting www.dgs.pa.gov/COSTARS > Member Information. Links to this document, as well as the Sodium Chloride Ordering Tracking Sheet Template which will help you track your minimum, maximum and contract orders are found in the "Member Resources" section in light blue on the right side of the webpage.

If you are new this contract, view the "[Navigating the Sodium Chloride Program](#)" webinar recording at https://youtu.be/T-YW8_Gc8PU. Viewers will see a detailed overview of the contract and learn how to use the tracking template as a helpful forecasting and budgeting resource.

COSTARS Staff Update

Felicia Campell, COSTARS Marketing Manager and editor of the COSTARS Connection Newsletter, is transitioning in July to [PENNVEST](#), the Pennsylvania Infrastructure Investment Authority, as their Legislative, Outreach and Policy Specialist. About this news, Felicia comments "This opportunity fills me with mixed emotions. I'm incredibly excited for this new journey in my career, but so sad to leave the COSTARS family and the rewarding work we do here."



The good news is that in her new role at PENNVEST, many of the clients PENNVEST serves are COSTARS member entities. Not only will she still engage with many COSTARS members, but residents of Pennsylvania are also eligible to apply for PENNVEST's low cost financial assistance for clean water projects, expanding Felicia's ability to help Commonwealth communities on a broader scale. "I'm excited to continue my relationship with the COSTARS team in collaborative engagement opportunities to promote the COSTARS and PENNVEST programs as a combined solution, from the initial funding phase through the procurement of products and services needed to complete clean water projects!"

The COSTARS Team will greatly miss Felicia and the outstanding contributions she has made to the program over the last three-plus years. We wish her all the best in her future endeavors with PENNVEST!

We Hear You: COSTARS Supplier Verification

As we strive to enhance your experience with COSTARS, we use "We Hear You" to highlight key points from conversations we've had with our program participants throughout the quarter.

It is crucial that COSTARS members exercise due diligence when selecting suppliers. Ensure that the supplier you intend to work with possesses a current contract number. This step is vital for compliance and protecting your interests throughout the procurement process. By verifying the contract number, you can proceed confidently, knowing that you are engaging with a COSTARS-authorized supplier.

Remember, many statewide contracts, in addition to the COSTARS-exclusive contracts, are available to COSTARS members. The platform, found at <http://www.emarketplace.state.pa.us/BidContracts.aspx>, serves as a centralized hub for statewide contracts. When searching eMarketplace, look for the indication of "Yes" in the COSTARS column to identify participating COSTARS suppliers. This ensures you are utilizing reliable and approved sources. Take advantage of this resource to streamline your procurement procedures, access a wider range of products and services, and increase your negotiation power.



The Procurement Toolbox



Have you improvised during a project because you don't have the right tools?

You may be successful, but are you efficient?

COSTARS and Procurated have partnered to provide local public procurement units the tools needed for efficient and informed procurement. These tools, paired together, equip procurement professionals with cost-effective contracts and feedback on past supplier performance.

COSTARS members can benefit from ratings and reviews created by peers on previous experiences with suppliers and provide feedback for the benefit of all in the government and public sector procurement community.



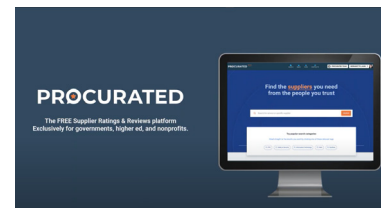
PROCURATED

TOOLS FOR EFFICIENT PROCUREMENT

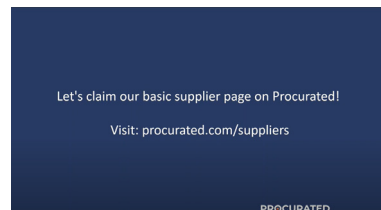
<https://www.procurated.com/>

If you missed the COSTARS webinars on how to utilize Procurated, check out the webinar recordings.

Members can learn how to view previous ratings and reviews as a procurement resource as well as create their own ratings and reviews for the benefit of other procurement professionals by visiting <https://www.youtube.com/watch?v=9Jx-z3u7KaYI>.



Suppliers can learn how Procurated can be a fantastic sales strategy tool by visiting <https://youtu.be/UQHp-v9p5F8>.



GreenGov Council News

We are excited to share the launch of the Pennsylvania Climate Change Mitigation and Resilience Network, also known as the PA Climate Network, in the summer of 2023. This groundbreaking initiative, by the GreenGov Council, aims to promote climate problem solving and human-centered solutions for the benefit of Pennsylvania. As valued members and suppliers of the COSTARS program, we believe this is an excellent opportunity for us all to enhance our understanding of climate-related challenges and contribute to a more sustainable future.

The PA Climate Network is designed to be a self-sustaining, member-driven organization that connects and educates diverse stakeholders. Its goal is to ensure that all stakeholders, including our COSTARS members and suppliers, have access to the expertise, knowledge, and collaborative partnerships necessary to advance informed climate solutions. It will serve as a trusted resource for sharing best practices, fostering climate education and literacy, and promoting the overall well-being of Pennsylvanians.

One exciting aspect of the PA Climate Network is the updated climate training program. This program will provide essential foundational knowledge on climate science, climate impacts, and climate resilience opportunities specific to Pennsylvania. It will equip participants with actionable strategies, resources, and insights to take more effective climate action. The new online training program will soon be available at www.dgs.pa.gov/greengov > PA Climate Network.

By actively participating in the PA Climate Network, COSTARS members and suppliers can play a vital role in reducing harmful greenhouse gas emissions, improving resilience to climate-related hazards, and advancing Pennsylvania's preparedness, economic vitality, public health, and social equity. Together, we can make a real difference in shaping a greener, more resilient future for our state.

Stay connected with the PA Climate Network for upcoming announcements and events by visiting the GreenGov website at www.dgs.pa.gov/greengov. You can also sign up for the GreenGov newsletter under the GreenGov News tile. Together, let's embrace the challenge of climate change and work towards a brighter future.

"Welcome to COSTARS" Video Message

You may have noticed a new feature on the COSTARS webpage...our new "Welcome to COSTARS" introduction video that is appropriate for organizations eligible for membership and suppliers who want to learn about the program's benefits.



If your organization is a member of COSTARS but **you** are new to the program, this will be a great introduction to the value of the program and the resources that will help as you begin using the program's competitively priced contracts.

This video is also a great tool to share with suppliers you wish to be COSTARS-authorized. The video can be accessed on the COSTARS home page at www.dgs.pa.gov/COSTARS or by visiting <https://www.youtube.com/watch?v=DMvfWU6rhGI>.



SHOPPING LIST

- 2022 Ford Escape from Rottet Motors - **Schuylkill County Office of Senior Services**

- 2022 Ford Edge SEL AWD from Rottet Motors - **Schuylkill County Office of Senior Services**

- 2022 Chevrolet 550 Truck from Blaise Alexander - **Rice Township**

- Upfitting of Chevrolet Truck from Powell's Sales & Service - **Rice Township**

- Meeting Sound System from TCW-GAV - **Earl Township**

- Basketball Backstops from National Equipment and Facility Solutions - **Kane Area School District**

- Industrial Paper Shredder from Allegheny Shredder - **Fayette County Recycling**

- Chromebooks from Trafera - **Richland School District**

- Recoating of Gymnasium Floors from All American Athletics - **Tussey Mountain School District**

- Pedestrian Bridge from BoardSafe Docks - **Fleetwood Borough**

- Fire Alarm System from Eastern Time - **Greater Nanticoke Area School District**

- Floor Refurbishing from All American Athletics Flooring - **Greater Nanticoke Area School District**

From the Office of the Budget - PA Supplier Portal



Most challenges suppliers face when working in the [PA Supplier Portal](#) can be avoided by following three simple tips...



Two heads are better than one. It is important for a supplier's PA Supplier Portal record to be up-to-date with at least two (2) administrative users at all times. Administrative user(s) are responsible for maintaining record information including addresses (e.g., default remit-to, ordering, delivery), one bank account, and creation of additional users to access the PA Supplier Portal.



End the guessing game. Don't know who your current administrative user is for the PA Supplier Portal? You can easily find out:

- Visit www.pasupplierportal.state.pa.us (take note of the important system requirements.)
- Select **"Supplier Registration"** located along the left hand margin of the page.
- Enter the Tax ID Number and select **"Next."**
- Enter the six (6) digit Vendor Number and select **"Next."** (If the vendor number is unknown, use the lookup tool at <https://www.budget.pa.gov/Services/ForVendors/Documents/supplier-lookup-tool.pdf>.)
- Under Vendor Identification, make contact with the Administrative User via the contact information provided.



In this case, sharing is NOT caring. Each individual user is to have their own user ID and password associated with an organization-specific email that only they can access. **Do not share user ID's, passwords, or emails!**

Don't Be Out of Touch!

We remind our members continuously how essential it is to maintain current member profile information. What does that mean to you? Your organization may miss important announcements like this if your contact information is not current:

Road Salt Update and Reminders	New Contract Announcements	Program Procedural Changes	Procurement Legal Changes
Grant and Rebate Availabilities	Procurement Expo News	Website Changes	Training Opportunities

Not sure how to update your profile? View the tutorial at:

<https://help.myworkplace.pa.gov/gm/folder-1.11.112790?-originalContext=1.11.97211>.





- Aug. 15 Senator Frank Farry's Municipal Leaders Grant & Funding Workshop
- Aug. 24 York County Municipal Administrators Association Event
- Sept. 9 Perry County Association of Township Officials Conference
- Sept. 17 Pennsylvania Municipal Authorities Association Conference & Trade Show
- Sept. 26 [COSTARS Webinar: The Art of Negotiations](#) (member webinar)
- Oct. 3 PA Coalition of Public Charter Schools Conference
- Oct. 6 Business Managers Workshop for Bucks, Chester, Delaware and Montgomery Counties
- Oct. 9 Aviation Conference 2023
- Oct. 13-15 Pennsylvania State Association of Boroughs (PSAB) Fall Conference
- Oct. 17 [A Guide to COSTARS Marketing](#) (supplier webinar)



Do you want COSTARS to present at your upcoming event? Contact COSTARS at 1-866-768-7827 or email GS-PaCostars@pa.gov.
View our full event calendar at www.dgs.pa.gov/COSTARS > Program Resources.

COSTARS™ CONNECTION
*Published by the
Pennsylvania Department of General Services*

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At DGS, our mission is to help government operate more efficiently, effectively, and safely - delivering exceptional value for all Pennsylvanians.