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DEPARTMENT OF GENERAL SERVICES

COSTARS

2019 PA Procurement Expo & Forum
Plans are in the Works!

By Kim Bullivant, COSTARS Marketing Manager

Government That Works!

PA PROCUREMENT EXPO & FORUM

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The 2019 PA Procurement Expo & Forum is a little more than one year away, and planning has commenced! Recently, the COSTARS staff surveyed individuals who attended the 2017 Expo to determine what they liked, as well as areas we can improve upon next time. Overall, respondents were very pleased with their experience, and an impressive 86 percent said they plan to attend the 2019 Expo!

The 2017 Expo was comprised of a variety of educational and networking opportunities for exhibitors and attendees. When attendees were not visiting exhibitors in the Expo hall, they could participate in procurement related educational and speed networking sessions.

The top ten most popular breakout sessions according to respondents were:

- ☞ What is COSTARS?
- ☞ How to Bid on a COSTARS Contract.
- ☞ How to Search Contracts and Negotiate with COSTARS Suppliers to Save Taxpayer Money.
- ☞ Grants. What's Available and How to Get Them.
- ☞ Best Practices.
- ☞ COSTARS Members Success Stories.
- ☞ Speed Networking.
- ☞ PA New RFP Process.
- ☞ DGS Small & Small Diverse Business Program.
- ☞ Show Me the Money!

Some suggestions for additional breakout sessions were:

- ☞ E-procurement tools.
- ☞ Overview of Jaggaer system.
- ☞ New channels – Artificial Intelligence (A.I.) and chatbots.
- ☞ Pros & cons of the procurement process.
- ☞ Technology in government, cyber-security, Private Cloud, Hybrid VoIP.
- ☞ A session focused on service providers.
- ☞ A session relating to public housing and/or redevelopment authorities.

One of the most unique highlights of the 2017 Expo was speed networking.

Only 27 percent of respondents participated in a session; however, those who did attend found them to be extremely valuable. Respondents mentioned they were pleased with the variety of suppliers and purchasers who attended the event.

Some other interesting takeaways included:

- ☞ Great exposure to multiple agencies with upcoming procurements. Able to put faces to names of individuals we have worked with in the past.
- ☞ Networking with higher level people who don't normally visit exhibitor booths.
- ☞ Liked that they were fast, and you met with a lot of vendors at once.
- ☞ Ability to meet with representatives from different departments, districts/counties in a relaxed and controlled environment.
- ☞ The representatives were very open and interested in working with the suppliers. It was a great opportunity to connect one-on-one and get some information right from the decision-makers.
- ☞ The format was great, best I've seen at a show.
- ☞ It was worth the cost of admission.

Road Salt Contract Update

Although winter 2017-2018 is a distant memory, the cold weather will be upon us once again in just a few short months! The Bureau of Procurement's Transportation Team has been busy updating the commonwealth's 2018-19 Road Salt Contract, for which 1,653 COSTARS members are participating and committed to the purchase of 888,092 tons of road salt. The team was able to renew contracts for 49 counties with minimal increases. The remaining 18 counties, previously serviced by Cargill, were rebid.

Because of the severe winter last season (compared to previous milder winters), there has been a 9 percent average increase or $4.94 average statewide increase per ton.

The following counties previously serviced by Cargill will have a new supplier this year:

- **American Rock Salt**
  Beaver, Cambria, Carbon, Columbia, Juniata, Luzerne, Northumberland, Snyder, Sullivan and Union counties

- **Morton**
  Franklin and Lawrence counties

- **Eastern Salt**
  Perry county

NOTE: Montour, Pike, Susquehanna, Wayne and Wyoming counties will continue to be serviced by **Cargill**.

IMPORTANT REMINDER: Members must order 60 percent of their minimum or pay a $3/ton storage fee at the end of season. Conversely, in the event of severe weather, members may order a maximum of 140 percent of their originally stated estimates. **Therefore, it is crucial that storage capacities and estimates are accurate.**

For your reference, the 2018-2019 Road Salt Contract has been posted to the Members Area page on the COSTARS website under the Newsflash/Current News headings on the right-hand side of the page.

Electricity - Real Results. Real Savings.

COSTARS and the Penn State Facilities Engineering Institute (PSFEI) have teamed up to help COSTARS members save money on their electric bills with these two great offers!

Electricity Shopping Events are typically held twice per year. These events allow electrical suppliers the chance to bid on accounts, resulting in the lowest possible rates for COSTARS members. The Spring 2018 electricity shopping event was a huge success with a total of 324 accounts solicited and awarded. Lower rates were locked in for 48 COSTARS members resulting in *more than $450K in projected savings!* To participate in the next event, enroll and provide account information at http://www.psfei.psu.edu/Services/Energy/COSTARS.aspx by Aug. 24 to have your account included in the Fall 2018 shopping event. To read more about the latest shopping event, visit http://www.psfei.psu.edu/news/Press-Releases/2018-COSTARS-spring-shopping-event-FEI.aspx

Customers from a variety of sectors have seen first-hand how the COSTARS electricity procurement program helps their organizations.

Avoided Cost Savings by Member Category	
Member Category	Total Avoided Electric Costs
Municipalities (e.g., cities, boroughs, townships)	$366,000
Authorities (e.g., water, housing, wastewater)	$42,000
Educational (e.g., schools, libraries, museums)	$36,000
Emergency Services (e.g., fire, ambulance, 911)	$6,000

"The benefit of using the group shopping event is that we can participate in a much larger group rather than solo. It allows our staff to save time by not doing exhaustive cost comparisons with a variety of vendors ourselves."
~ Scott Rhoat, Executive Director & Chief, Bellefonte EMS

"…It is cost-effective and reassuring to know that the best possible choices are made and the results are given as a follow-up in clear, Excel format."
~ Doreen Santiago, Senior Office Assistant, Monroe County Commissioners Office.

As an added-value for COSTARS members, PSFEI began conducting **Complimentary Bill Reviews** in the Fall of 2017. The results have been eye-opening, *with more than $300,000 in refundable incorrect charges* discovered since January 2018. Take the guesswork out of the review process and let the staff at PSFEI do the work for you!

"I would strongly encourage any agency to take advantage of this complimentary bill review to potentially recoup back charges, and to benefit from larger group purchasing power for future months. A review by the PSFEI staff, who are experts in the field of electricity procurement, is well worth the minimal effort it took us to provide them the information needed. It's good to have someone on the customer's side." *~ Scott Rhoat, Executive Director & Chief, Bellefonte EMS*

"Scott from PSFEI helped a lot and made the process very simple for us. He also discovered that our previous supplier was charging us sales tax and we'll be getting that returned. The new contract looks like it is going to save us a lot of money over the years, which we can certainly use for other priorities." *~ Judy Snyder, Purchasing Agent, City of Allentown*

Current COSTARS members interested in this value-added opportunity may submit their electricity bills, one current bill for each account with all included pages of the bill, to Scott Harford at sharford@engr.psu.edu. All bills must be received by July 31 to be considered.

COSTARS

U.S. Bank Credit Card Services Contract
Now Available to COSTARS Members!

COSTARS and U.S. Bank are excited to offer COSTARS members the exclusive opportunity to earn money while you spend it through the Commonwealth's newly expanded Credit Card Services contract including purchasing card and corporate card programs!

- No spending requirement – Unlike other purchasing cards, which require a certain amount of spend on an account before rebates kick-in, the Commonwealth/COSTARS purchasing card enables members to save based on the overall combined spend volume of all participating members (strength in numbers) and the individual speed of payment for each participating member (paying fast = more cash).

- Real-time online data – Along with improved payment, processing and increased expense control, the card offers greater accessibility to spending data with enhanced reporting and analytics to easily audit and track payments and purchases to detect fraud or misuse.

- Comprehensive purchasing access – This card is not just for COSTARS contract purchases, you can use it to purchase goods and services from vendors around the world! The Commonwealth/COSTARS purchasing card is accepted across the globe, giving you comprehensive purchasing access to the businesses of your choice. Add on the 24/7 cardholder service, and you're never left without the assistance you need when you need it!

- Call today to sign up or get more information on how this card can benefit your organization now! Call Ryan Calloway at 704.243.3278 or email him at ryan.calloway@usbank.com. Also, stay-tuned for upcoming educational webinars hosted by U.S. Bank to learn more about the program and the application process.

AUCTION!

The DGS Bureau of Supplies and Surplus Operations is sponsoring a Heavy Equipment Auction on Wednesday, Sept. 5, 2018 followed by a Passenger Vehicle Sale sponsored by the DGS Bureau of Vehicle Management on Sept. 6, 2018 at the Farm Show Complex in Harrisburg.

Attendees will have the opportunity to bid live on more than 500 pieces of heavy equipment and vehicles from PennDOT, the PA Turnpike Commission and PA Vehicle Management.

Available items will include dump trucks, plows, spreaders, loaders, passenger vehicles and more!

More than 500 Items!

2019 PA Procurement Expo & Forum *Plans are in the Works! Cont.*

Some suggested speed networking session improvements include:

- Let vendors know in advance who they are meeting with.
- More sessions would be nice, maybe to allow for more time in each session.
- Better recognition of who is at the table. Provide short introductions. Checklist of what the organization is looking to gain more information on (example: looking for more vendors, purchasing software, etc.) This will allow the vendors to know what the organization is looking for and won't waste their time if they are not interested in your products/services.
- It would be more organized if suppliers signed up in advance. I was able to speak with everyone I wanted to, but some people did not have enough time because there were too many people, and no one was waiting in a line.
- Sub and prime networking.

One common criticism among exhibitors was the moderate number of attendees in the Expo hall. Increased, earlier and more focused marketing efforts are planned to ensure a greater turnout in 2019. Additionally, during the event, attendees will be encouraged to spend more time visiting exhibitors in the Expo hall using some of the tips provided to us by survey respondents including:

- Understand the audience that will be attending and marketing appropriately, create a layout on the exhibition floor that is logical and industry specific, with clearly marked areas for the different industries (i.e. education, building/construction, finance, etc.), provide industry specific sessions, better support, and check-ins from the conference staff with the exhibitors. Provide a map to all attendees.
- Cocktail reception in hall.
- Breaks in the Expo hall.
- Encourage people to visit the vendors - host a "meet the vendors" social with ice cream or pizza. Publicize the prize drawings. Host after-hours functions at a local attraction (i.e. rent out Hershey Park).
- Have designated show hours so that no breakout sessions are happening. This will allow people to walk around without having to rush to the next session. Have the vendor hall closer to the sessions rooms if possible (cuts down on amount of walking to different areas of building).

Additional suggestions for improving the overall experience include:

- Adding more parking shuttles.
- Post breakout session schedules.
- Put a map in the program.
- Better directional signage.
- Once again offer a luncheon for champion level sponsors and Commonwealth of PA executives.
- Make Wi-Fi available in more locations for vendors, this would be an event that vendors could stay at for the entire day. Many had to leave to get access to Internet throughout the day.
- Send the schedule to attendees before the Expo, so they can decide which breakout sessions they want to attend.

The planning committee is looking forward to improving upon the things that worked well in 2017 and implementing new ideas for 2019! Stay-tuned for important information and updates about the 2019 PA Procurement Expo & Forum in the near future!

Suppliers' Sales Reporting

By Bruce Beardsley, COSTARS Marketing Manager

One of the contractual responsibilities of COSTARS- authorized and -participating suppliers is to electronically report COSTARS sales at least quarterly. 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.

Once a supplier accesses its COSTARS Supplier Dashboard on the COSTARS Supplier Gateway via the PA Supplier Portal, reporting sales is easy. Below are a few tips:

Reported Sales

The Reported Sales Journal lists all the sales entered by a supplier on a specific contract since the beginning of time. If it is not listed, it has not been reported. If it is listed, it has been successfully reported. This is the supplier's confirmation their reporting has been successful.

Directly above this list is a search function for retrieving reported data. **This is only a search function and is not part of the entry function!** To enter a new sale, simply click on the "Add New Sale" button on the bottom of the page. (Fig. 1)

Figure 1

Zero Sales

A supplier must report sales quarterly even if they did not have any COSTARS sales during that quarter. This is necessary so that a distinction can be made between zero sales or simply not reporting for that quarter. There is a button on the Reported Sales Journal page for "No Sales to Report." The most common error is not entering a Sales Date. (Fig. 1)

Note: If a supplier is reporting for the 2nd quarter (April – June 2018) on July 10 and fails to enter a sales date, the computer will enter July 10 as a default. But, July 10 is within the 3rd quarter and the computer (not <u>yet</u> programmed to read minds), still has no entry for the 2nd quarter, and will generate a reminder email! (Fig. 2)

Figure 2

Multiple Contracts

A supplier must enter a report for each of their COSTARS-exclusive and participating state agency contract.

Uploading Sales

This function is intended for use by suppliers who have many sales to report. If a supplier has only a few sales, it is probably easier to enter each individually. If using the Sales Data Upload, the spreadsheet must match the provided template exactly.

Clicking the "Upload Sales Data" button will access the template, product codes, and member ID numbers which must be used in the spreadsheet. When entering sales on a state agency contract, there are no product codes, so that column on the spreadsheet should remain present, but left blank.

Figure 3

What is a Transaction?

A transaction is NOT the number of units or line items. We use the transaction quantity to determine how much a COSTARS member saved by not having to go through formal bidding. The number of transactions should equal how many times the customer would have formally bid, if they had not used COSTARS. If a customer made multiple purchases over a short period of time, if they had to formally bid, they probably would have just included all the purchases in one bid package. So, the correct number of transactions would be "1."

When reporting sales, a supplier should combine all its sales for the same customer for the same product category in the same quarter, as one entry and one transaction. When in doubt, a supplier should always enter one transaction.

Training

To view the COSTARS online training module for reporting COSTARS sales, visit www.costars.state.pa.us. From the **Businesses** tab at the top of the page, select **Materials & Services Procurement**, then select the **COSTARS Supplier Information** link under Additional Resources. On the Supplier Information page, select the **COSTARS Training Center** link. Under **Task Modules**, select the **Report COSTARS Sales** link and follow the instructions.

Contract News
Scope Expansions, Clarification, Contract Updates

COSTARS-6 Software
- Addendum 10 revises the definition of Software to include "shrink-wrap" software, downloadable software, on-premise software and on-premise software as a subscription. Supplier hosted and cloud hosted solutions are specifically excluded from the scope of this contract. Also, Section 11 Software Licenses of the *COSTARS Contract Special Terms and Conditions* is revised, and Attachment C Sample Software License Agreement is replaced.

COSTARS-13 Emergency Responder Vehicles
- Addendum 16 revises the COSTARS Special Terms and Conditions to include Demonstrator Units.

COSTARS-24 Traffic Signs
- Addendum 13 amends the scope to include Sign Posts.

COSTARS-25 Municipal Work Vehicles
- Addendum 15 amends the scope to include Tow Trucks, Towing Apparatus, and Accessories.
  (See inset for more information about this contract addition.)
- Addendum 16 revises the COSTARS Special Terms and Conditions to include Demonstrator Units.

COSTARS-26 Passenger Vehicles
- Addendum 12 revises the COSTARS Special Terms and Conditions to include Demonstrator Units.

COSTARS Members' Contract Requests
We are Listening!

Recently, William Pirolli, Deputy Manager of Procurement for the Philadelphia Parking Authority (PPA) contacted Commodity Specialist Stacey Logan-Kent requesting that she add Tow Trucks, Towing Apparatus, and Accessories to the COSTARS-25 Municipal Work Vehicles contract.

"The PPA spends more than $160,000 a year on tow truck apparatus and accessories," Pirolli said. "This is the main reason I would like to see them added to the COSTARS contract."

Does your organization have a significant need for materials or services it uses on a consistent basis? If so, we want to hear about it! COSTARS staff will review your requests to determine if a new contract or addition to an existing contract would be beneficial to most COSTARS members.

COSTARS Members Speak Out!

By Bruce Beardsley, COSTARS Marketing Manager

COSTARS staff is working towards customer driven improvements and values your feedback! We recently sat down with some attendees at the annual conferences of the Pennsylvania Boroughs' Association and the Township Commissioners to discuss the COSTARS Program. Watch for more sessions like these at conferences we attend in the near future. We want to hear from you!

"Most COSTARS members use the program, but not to its full potential. The website is still difficult to navigate; would like it to be less cumbersome. Education is important to stress, particularly for rural communities. Webinars could be useful to younger people, but could be challenging for older generations. The COGS have mostly lost their procurement function because COSTARS takes care of that. Perhaps, COSTARS can assist regional groups of smaller communities to offer services such as Code Enforcement, etc."

~ *T. James Davis*
Westfield Borough Council President

"We recently used COSTARS to purchase playground equipment and a police car. It certainly makes the procurement process smoother and quicker. I attended the COSTARS workshop at the conference and learned a lot. It will be the first place we check when we need to buy anything."

~ *Lou Fazekas*
Allen Township Manager

"The COG received a $250,000 grant from the Gaming Economic Development Fund (GEDF) In Allegheny County and our COG wanted to purchase heavy construction equipment for the use of all of our 13 members. Initially, GEDF wouldn't let us use COSTARS, but after our lawyers and the state lawyers issued favorable opinions, GEDF agreed and we were able to use COSTARS and Saved lots of money and time."

~ *Tony Taliani*
East Deer Township Commissioner
President, Allegheny North Council of Governments (COG)

"Borough Managers are the key people COSTARS education should be addressed to. They have their hands on procurement every day. They present the purchase proposals to the Council. Sometimes, it's the Borough's Secretary."

~ *Thomas Albanese*
Mayor, New Brighton Borough

"We use COSTARS all the time, but I'm not sure our staff is negotiating the way it was explained in the workshop. I think I'm going to insist that they complete the Members' Quote Kit and submit that to the Commissioners."

~ *Township Commissioner*

COSTARS On The Road

COSTARS Marketing Managers make it their mission to spread the message about the COSTARS Program, recruit new members and suppliers, and provide training about the program. Marketing Managers Bruce Beardsley and Kim Bullivant travel throughout the commonwealth speaking at conferences, workshops and seminars sponsored by associations, suppliers, universities, legislators, chambers of commerce and others.

Recent Events

♦ **April 17**	Doing Business with the Commonwealth & COSTARS Seminar - Bethlehem	
♦ **April 19**	Lawrence County Boroughs Meeting Lawrence County	
♦ **April 22-24**	PSATS Annual Conference Hershey	
♦ **May 3**	C3 Small Business Networking Event Pittsburgh	
♦ **May 4**	Representative James COSTARS Members Workshop - Oil City	
♦ **May 24**	Representative Schemel COSTARS Workshop - Greencastle	

♦ **June 10-11**	PA Boroughs Association Conference Hershey
♦ **June 21-22**	PA State Association of Township Commissioners Annual Conference - Skytop
♦ **June 22**	Representative Topper COSTARS Workshop - Bedford
♦ **July 12**	Warren County Municipal Secretaries Members' Workshop - Youngsville
♦ **July 13**	SEDA-COG Prospective Suppliers' Workshop - Harrisburg
♦ **July 19**	Philadelphia Area Collegiate Consortium Meeting - Arcadia University

Upcoming Events

♦ **Aug. 5-6**	County Commissioners Association of PA Annual Conference - Gettysburg	♦ **Aug. 23**	DyNet North "Networking for Small Business" Event - Erie

To submit a request for a COSTARS representative to speak or conduct a training session for members or suppliers at an upcoming event, please contact Bruce or Kim at toll free telephone number 1-866-768-7827 or email to GS-PaCostars@pa.gov. The COSTARS Marketing Team's Calendar of Events is also available on the COSTARS website on the COSTARS Program Resources page.

Your Feedback is Important to Us!
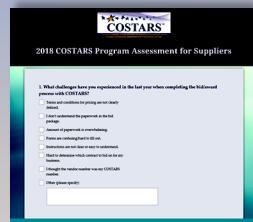
The COSTARS team wants your feedback to help drive improvements that are important to you! In the next few months you may receive brief surveys or emails with voting buttons allowing you to offer your opinion about potential contract updates, new contracts or overall program assessments.

Please take a few moments to provide your feedback, as it is very valuable and allows us to ensure the program stays relevant and effective!

Like us on Facebook, follow us on Twitter, and connect with us on LinkedIn to begin receiving COSTARS updates!

Remember, this does not replace important updates we send to you via email, so please be sure to maintain your member and supplier information in the COSTARS system.

Visit our Facebook page at:
https://www.facebook.com/pages/Costars-PA-Department-of-General-Services/904261462952351?ref=hl

Visit our Twitter page at:
https://twitter.com/COSTARSNews.

Visit our LinkedIn page at:
https://www.linkedin.com/company/department-of-general-services-costars-program/

COSTARS Connection

Curt Topper - Secretary, Department of General Services
Ken Hess - Deputy Secretary for Procurement
Janice Pistor - Chief Procurement Officer
Dawn Eshenour - Chief, Supplier Dev.& Support Div.
Claire Osborne - COSTARS Program Manager
Bruce Beardsley - Marketing Manager
Kim Bullivant - Marketing Manager

Further information on the COSTARS program is available by phone at 1-866-768-7827 or by visiting the COSTARS website at www.costars.state.pa.us.

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