



V.A.L.U.E. IN LOCAL GOVERNMENT
Cooperative Purchasing Program
Of Southeastern Wisconsin

www.value4gov.org

V.A.L.U.E. OF THE MONTH August 2011

A 19-Point Supply Risk Checklist

PurchTips - Edition # 235 July 26, 2011

By Charles Dominick, SPSM, SPSM2

www.nextlevelpurchasing.com

Can A Supply Risk Checklist Help You Avoid Disaster?

Supply risk comes in many forms. You can mitigate one type of supply risk but be victimized by another. This supply risk checklist can help you identify and prevent common risks of on-boarding a critical new supplier.

- Research the supplier's reputation.
- Evaluate the probability of the supplier going bankrupt or experiencing financial challenges.
- Uncover any supplier plans for new machines, new systems, reorganization, etc. that could hurt short-term efficiency before productivity gains take hold.
- Investigate how a safety issue (e.g., fire, explosion, accident, etc.) might disrupt supplier production.
- Evaluate the likelihood that the supplier's quality performance will not be within acceptable limits.
- Evaluate the probability of supplier delays (e.g., researching process control, capacity scalability, historical reliability, etc.).
- Evaluate the probability that the supplier will try to renegotiate pricing due to input cost increases.
- Research the probability of port closures and container shortages for ocean shipping, if applicable.
- Evaluate the probability that the supplier will covertly use prohibited materials (e.g., lead paint).
- Evaluate the probability that the supplier will covertly use child or slave labor.
- Evaluate the probability that the supplier will experience shortages of purchased raw materials.
- Identify at least one secondary source in the event of a failure of the primary supplier.
- Determine if multiple Tier I suppliers have a sole source relationship with a common Tier II supplier.
- Evaluate the probability of work stoppages (i.e., strikes) for multiple tiers of suppliers.

- Evaluate the probability of IP theft.
- Research the probability of a pandemic influenza outbreak in the supplier's region.
- Research the probability of a natural disaster (e.g., proximity to fault lines, hurricane belt, flood plains, etc.) in the supplier's region.
- Evaluate the probability of political unrest in the supplier's country including uprisings, war, or sanctions by your country.
- Evaluate the probability of new legislation that would require a design or materials change.

Submitted by
Robert Barwick
City of West Allis



FIRE FIGHTER TURNOUT GEAR

The V.A.L.U.E. bid for Fire Fighter Protective Clothing (Turnout Gear) has been awarded to Paul Conway Shields of New Berlin, WI. The pricing is set for 3 years, and the bid is piggybackable to all V.A.L.U.E. members.

Robert Barwick
City of West Allis

GASOLINE/DIESEL FUEL

The V.A.L.U.E. bid for Gasoline/Diesel Fuel has been awarded to Lakeside Oil for the period 8/1/11 to 7/31/13.

Cindy Greco
Waukesha County

For more information on all V.A.L.U.E. bids, visit the website at: <http://www.value4gov.org/2011.html>

The complete V.A.L.U.E. Contract List is on the website at: <http://www.value4gov.org/calendar.html>



NIGP TRAINING/ WEBINARS

Register Now for Contract Administration ONLINE

Same great content as our face-to-face course without travel expense or time away from the office.

Tuesday, September 13 - Tuesday, November 8

- 8-week collaborative and interactive Web-based course
- 24 contact hours; 3 recertification points

Contract Administration ONLINE strengthens the knowledge and performance of contract managers at every level. Participants work together on weekly assignments that use case studies as the foundation for understanding and applying theory while learning the best practices and processes that ensure achievement of public procurement goals.

Registration is limited and will be accepted on a first-come, first-served basis. Early registration is encouraged.

Registration Deadline: Tuesday, August 30



**CAN'T MAKE IT TO FORUM?
WE'LL VIRTUALLY BRING A
PART OF IT TO YOU!**

LIVE Webcast

**Monday, August 29
8:30AM - 2:30PM (Eastern)**

In an effort to bring some Forum experience to those of you who can't join us in National Harbor, Maryland, NIGP is offering this live webcast.

You'll see, hear and participate in these major Forum activities.

- **8:30AM – 9:30AM Plenary Session – Supporting the Business of Government: GSA's Strategy, Vision, and Priorities** featuring Martha Johnson, Administrator, U.S. General Services Administration

- **10AM – 11:30AM Workshop – Balancing Procurement Goals with Socio Economic Priorities.** Presented by: David Dise, CPPO, Director, DGS, Montgomery County Government, MD

- **1PM – 2:30PM – Workshop – What's in the Print and Why?** Presented by: Mike Bevis, CPPO, CPSM, C.P.M., PMP, Chief Procurement Officer, City of Naperville, IL

Questions will be accepted during the workshops via a special email address provided with your confirmation and login information.

Registration deadline: Monday, August 22.



Price Adjustments: Are Volatile Commodity Prices Driving You Crazy?

Pricing: \$75 Members/ \$105 Non-Members

Date & Time: Thursday, Sept. 15, 2011, 12 -1:30 PM

Presented by: Theresa Jordan, CPPO, CPPB, C.P.M., FCCM

Registration Deadline: September 14, 2011, 5:00 PM

Intermediate. Erratic price swings make it difficult to accurately predict costs and control risk. Subsequently, many suppliers are refusing to honor or commit to long-term fixed pricing. To be effective, buyers must be able to articulate fair and enforceable price adjustment calculators when developing contract specs. To minimize risk price adjustments should be closely tied to applicable indices and primary cost drivers, be simple to understand and administer, and take into consideration what is going on in the marketplace. This webinar will provide insights into the variables of establishing, managing and calculating price adjustments.

At the end of this Webinar, students will be able to:

- Recognize the value of price adjustment clauses.
- Identify resources for price adjustment information.
- Calculate price adjustments.
- Differentiate key cost drivers.



**V.A.L.U.E. IN LOCAL GOVERNMENT
MONTHLY PLANNING MEETING
WEDNESDAY, JULY 20, 2011 @ WEST ALLIS
CITY HALL**

Attending Members: Karen Bollinger, Sung Ye Jacobs, Jim Bembenek, Roy Hartmann, Nick Cramer, Diane Kelly, Cindy Matz, Amos Owens, Robert Barwick, Monique Jones, Anissa Perkins, and Dawn Gurda

Guests: Steve Miner, Bob Lorier, and Charles Rudd

Common Solutions/ Open Forum

CAMA Software – City Assessors, Steve Miner (Wauwatosa) and Bob Lorier (Brookfield) discussed the possibility of V.A.L.U.E. helping out with putting together an RFP, with a group of assessors, to evaluate and purchase Computer Assisted Mass Appraisal (CAMA) software. Most municipalities in Wisconsin do not have enough parcels to make it affordable to purchase on their own, but the idea of a cooperative, bulk purchase was discussed. Strategies and ideas of how this could be done were shared. V.A.L.U.E. offered to help, and the assessors will get back to us to let us know if they need any further assistance.

Jim Bembenek – Jim announced his decision to retire from the City of Wauwatosa, and expressed his gratitude and fondness towards the members of V.A.L.U.E. Cake and coffee were served in celebration of Jim's many outstanding years of service to Wauwatosa, V.A.L.U.E., and the public purchasing profession.

Ongoing/ Unfinished Business

AidMatrix Update – Diane Kelly announced the latest news from a joint meeting with County Emergency Management Team, Homeland Security and V.A.L.U.E. representatives. An agreement between AidMatrix and OJA is in the process of being written. The Dept of Justice is covering the cost for set-up of the website, and the County Emergency Team will pick up the cost of maintenance and support for three years. The emergency management vendor list provided by V.A.L.U.E. will be included in the website. A test website is expected to be

available by the end of summer. Possible vendor sponsorships of the website were discussed.

Annual Meeting Update – Nick Cramer discussed the latest news on the March 2012 Annual V.A.L.U.E./WAPP meeting. A quote has been received by Hilton Gardens –Menomonee Falls area, and we are expecting at least one more quote from another hotel. We are still looking for topics and speakers for this event. The main focus of events will be directed towards public works topics. Such topics include: Public Works Construction Bids, prevailing wages, bid bonding, change orders, AIA documents, etc. Other topics may include an AidMatrix update, a commodity update, and a city of Milwaukee Reverse Auction update. Other suggestions would be appreciated.

Strategic Planning Update – Karen Bollinger reviewed the V.A.L.U.E. Strategic Plan and Action Items. She listed off the items that are in need of attention for this coming year, these include: inviting non-members to our annual meeting, compiling the information collecting from each agencies bid lists, revising the member packet and brochure, further developing the Mentoring Program, and continue adding vendors to the Emergency Management Vendor List to be included on the AidMatrix website. Committee roles were also reviewed and updated.

Bid Reports / Updates

Karen also discussed updates to the calendar, including the new fire turnout gear bid, updates to the gas and diesel fuel bid, the police vehicle bid being updated, and a few co-op agreements that were added to our piggyback list.

Next meeting scheduled for Wednesday, August 17, 2011 @ West Allis City Hall.

Adjournment

Respectfully submitted by
Robert Barwick
City of West Allis



MONTHLY PLANNING MEETING

Wednesday, August 17, 2011

8:30 AM - 10:30 AM

West Allis City Hall Room 128

Phone: 414-302-8300

(Refreshments & Meeting Minutes by Karen Bollinger)

AGENDA

I. Common Solutions/Open Forum Discussion

- A. Learn from your peers or bring an issue you'd like to discuss

II. Update on CAMA Software (Computer Assisted Mass Appraisals)

III. Ongoing/Unfinished Business

- A. Update on status of vendor resource listing in cooperation with SE WI Emergency Mgt Group & AidMatrix (WIRED)
- B. 2012 Annual Meeting Planning
 - 1. Annual Meeting Dates & Location
 - 2. Public Works Session
 - 3. Other Topics
- C. Strategic Planning
 - 1. Implementation of Strategic Action Items
- D. Bid Calendar Routing

IV. Bid Reports/Updates

- A. Review V.A.L.U.E. Contracts Listing for updates and discussion items
- B. New Bid Opportunities

V. New Business

VI. Adjournment

Future Meetings - Date/Location/Refreshments & Minutes

Sept. 21, 2011 City of West Allis Dawn Gurda	October 19, 2011 City of West Allis Vicky Nash	Nov. 16, 2011 City of West Allis Diane Kelly	December 7, 2011 City of West Allis Social Dev Comm	January 18, 2012 City of West Allis Winona Marshall
February 15, 2012 City of West Allis Nick Cramer	March ??, 2012 Location TBD Annual Meeting			