



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

December 2009



Sole Source Situations: Eradicate Them!

By Charles Dominick, SPSM
www.nextlevelpurchasing.com
Purchasing Tip # 192, December 1,
2009

How Can You Prevent Sole Source Situations?

Negotiating with a sole source supplier is arguably the most difficult situation for a procurement professional. Therefore, it's important to know how to prevent sole source situations from happening in the first place.

Sole source situations often occur when an engineer or end user writes a new specification that calls for the use of goods or services from a specific supplier. Once the specified item is launched, the specification and suppliers can be very difficult to change.

So, how do you prevent sole source situations? "The first step is actually just communication: letting the Engineering community understand that the more specific

they become with a specification, the harder it is for Procurement to drive value for the overall end product and the end user," according to Jim Nelles, partner with Roland Berger Strategy Consultants.

Nelles says that procurement professionals frequently concede to Engineering too easily when receiving a supplier-specific specification. But, instead of playing victim, he recommends reviewing specifications with engineers, identifying alternatives and their price differences, and stating what better profit margins mean for the company's competitive advantage and the future of the engineering team.

If such collaboration isn't welcomed in an organization with a politically strong engineering department, Nelles suggests getting the best possible quote for the product or service as specified, then running "a parallel process by which you get quotes for the exact or similar performing substitute that you then can go back and present to the group." Though this approach can help on a one-off basis, the longer-term goal of Procurement should be to secure a permanent role on the design team ensuring early involvement in future designs.

"If you can have Procurement be a part of that process, they can

influence the decision up-front and have things done the best way from the beginning as opposed to going back and trying to change things," Nelles says. "It's always easier to do it at the beginning than it is to go back and try to change something once decisions have been made by people."

How can Procurement gain acceptance onto design teams? "At the end of the day, it's really about being able to demonstrate the value that Procurement has delivered," shares Nelles. "If Procurement can demonstrate that they have worked in other areas and found high-performing products that no one knew about that they were then able to spec into a bill of materials, that goes a long way with engineers."

When engineers tell success stories about Procurement, it influences their peers to be less resistant, says Nelles. "But, once you are at the table, if you don't bring the value, you're never going to be asked back again."

Submitted by:
Robert Barwick
City of West Allis

V.A.L.U.E. BIDS

DEICING CHEMICALS

The contract for bid 0849, Deicing Chemicals and Water Softener Salt was due to renew on 10/1/09. All the vendors on bid #0849 agreed to extend for an additional year with the exception of Industrial Systems who provided calcium chloride. We rebid just the calcium chloride on Bid #0943. The awarded vendor is Sicalco and they have agreed to allow piggybacking.

The updated bid documents are now posted to the VALUE website.

<http://www.value4gov.org/piggyback.html>

Diane Knoll, CPPB
WaukeshaCounty

CELLPHONE POLICE & FIRE PROTECTION FEE

Effective September 1, 2009, the State of Wisconsin has imposed a monthly Police & Fire Protection fee at a rate of \$.75 for each wireless telephone number appearing on your bill. This fee will be imposed on the first ten wireless telephone numbers per bill. The amounts collected from these fees will be remitted to the State of Wisconsin and ultimately be distributed back to local governments under the county and municipal aid program to support continued funding of police and fire protection services.

These fees must be paid by agencies using the state contract per Gary McCall, administrator of the Wireless contract for the state.

Barb Weller
City of West Allis

SHREDDING SERVICES

Bid specifications for Shredding Services has been posted to the Member Bid under 2010 as well as the bid tabulation from the past bid.

The bid award has been changed to allow for award in the aggregate or by County i.e, all cities, towns, villages, school districts, etc. that are located within that County.

If you are interested in participating in this bid, please complete the Requirements document and the Agency Commitment form and return to my attention no later than December 11, 2009.

<http://www.value4gov.org/2010.html>

Thank you.

Diane Knoll, CPPB
Waukesha County



V.A.L.U.E. Monthly Planning Meeting Minutes October 21, 2009

Present: Robert Barwick, Jim Bembenek, Diane Berndt, Karen Bollinger, Nick Cramer, Laurie Dudley, Roy Hartmann, Bill Kurer, Jean Kienzle, Vicky Nash, Kathleen Oestreich

Meeting began at 8:30 A.M. and ended at 10:30 A.M. and thanks to Jim Bembenek for refreshments.

Common Solutions/Open Forum
Discussion: Amos Owens,
Purchasing Administrator for

Milwaukee County will appoint a representative to help facilitate monthly Planning Committee meetings.

Bid Reports/Updates: Karen Bollinger will consult with Chris Hubbard, webmaster to update V.A.L.U.E. website "piggyback" bids/contracts and include more

City of Milwaukee cooperative purchasing bids; Karen will also check on welding supplies contractual arrangement.

The City of Milwaukee will soon post an award for Emergency Medical Supplies (EMS) on their website, www.milwaukee.gov

Elmbrook Schools have eliminated their print shop but West Allis has volunteered to takeover any necessary reproductions.

Jim Bembenek is investigating the possible utilization of a piggyback arrangement for Collection Agency Services.

2010 Annual Meeting Topics:

- MMSD is offering help on-going "green" including a tour of their facilities
- US Communities willing to present their revised website.

Potential Green Procurement (LEED) Sessions:

- Delta Institute
- Green Purchasing 101
- Office Electronics Recycling
- Scott Kussow – Auto Industry update
- Roger Adams Recycled Paper Industry/Statistics

NOTE: A special V.A.L.U.E. meeting will be held on November 18th to review and approve 2010 Annual Meeting topics.

Submitted by
Jim Bembenek
City of Wauwatosa



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

www.value4gov.org

Monthly Planning Meeting
Wednesday, December 9, 2009
9:30 AM – 11:30 AM, West Allis City Hall
7525 W Greenfield Avenue, Room 128
West Allis WI 53214
Phone: 414-302-8300

(Refreshments & Meeting Minutes by Vicky Nash)

Agenda

- I. Common Solutions/Open Forum Discussion** (Learn from your peers or bring an issue you'd like to discuss)

- II. Ongoing/Unfinished Business**
 - A. Update on Disaster Situations – Bill, Roy, Peggy, Karen & Dawn
 - B. 2010 Annual Meeting – Subcommittee Update
 - 1. Topics/Theme/Ideas
 - a. Update on Emergency Mgt (National Contracts, GSA)
 - b. GSA Training – follow up training and examples of how to buy off schedules
 - 2. Green Procurement (LEED)
 - a. Survey members interest in Green Procurement – Update from Green Team
 - b. Will tie in with Annual Meeting topics
 - C. Strategic Planning
 - 1. Implementation of Strategic Action Items
 - a. Review status sheet/next items to work on

- III. Bid Reports/Updates**
 - A. Review V.A.L.U.E. Contracts Listing for updates and discussion items
 - B. New Bid Opportunities

- IV. New Business**
 - A. Discussion on nominations for 2010 (Treasurer & Chairperson)

- V. Adjournment**

Future Meetings – Date/Location/Refreshments & Minutes

January 20, 2010	February 17, 2010	March 11-12, 2010
City of West Allis	City of West Allis	Crowne Plaza
Diane Kelly	Peggy Watson	Annual Meetings