



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

June 2009

Thank you for your efforts...

I'd like to take a moment to reflect back on all the work and effort that goes into all the activities within the V.A.L.U.E. organization. We have a number of cooperative and piggyback bids available for our member's use and benefit. We have a number of dedicated lead agencies that help make this all possible for the benefit of all. We have a very dedicated group of people who are a regular part of the Planning Committee who work diligently towards new bid opportunities, spend time implementing our Strategic Plan for the future, offer educational opportunities and plan our annual meeting. All these activities take a lot of work and effort from our group of volunteers and I just wanted to take a moment to say thank you to everyone for all that you do.

For those of you who benefit from these efforts, I'd ask that as you bump into the people who do the work of our organization to extend your expression of thanks and gratitude to them for the work they do. Perhaps as you follow-up to an email that you receive from them you can add your note of thanks for their efforts. I'd also ask that as communications go out from our lead agencies requesting your input or opinion to please take the time out to respond to them in a timely manner so that they can focus on the work of their request to you.

Everything we do is led by volunteers who take time out of their busy schedules to try to help make the procurement function more efficient for everyone. They also rely on you to help make decisions on things like problem identification/resolution, should a bid be extended, renewed or re-bid and also for your commitment with bid opportunities. I know we are all very busy, but any help you can offer our small army of volunteers in responding to their requests and in a timely manner would be appreciated.

Thanks for your help in this matter, I too really appreciate you, our members and our army of volunteers who make all this possible every day.

Bill Kurer
V.A.L.U.E. in Local Government Chairperson



SHREDDING SERVICES

You may or may not have received notice but as of May 1, 2009, Cintas Corporation has acquired Complete Shredding Solutions. Cintas has agreed to honor the contract pricing quoted to V.A.L.U.E. members by Complete Shredding.

I am currently working with Complete Shredding to reassign the contract to Cintas. If any issues arise that would prevent us from doing business with Cintas, I will rebid these services.

In the meantime, agencies can continue to do business with Cintas at their discretion. Please reference the attached letter for further clarification.

Diane Knoll, CPPB
Sr. Buyer
Waukesha County

CRACK SEALANT

The crack sealant bid results for the period June 1 to Sept 30 are posted on the website

Robert Barwick
City of West Allis

P-CARDS

P-Card Rebate: The amendment for the revised p-card rebate is now posted at the V.A.L.U.E. website in the 2009 member bid directory if anyone needs a copy for their files (or for any agencies who want to see how well they could do under this program).

Cindy Greco, Principal Buyer
Waukesha County

HYBRID VEHICLES

The results of the Hybrid Vehicle bid have been posted to the V.A.L.U.E. website.

Any questions let me know.

Karen Bollinger, CPPB
Senior Buyer
Waukesha County

FORD VEHICLE PURCHASE INFORMATION

A letter was received from Ford with an offer to agencies to order Ford product up to 7/31/09 at the current contract price.

If anyone would like to take advantage of this, please contact Scott directly.

Diane Knoll, CPPB
Sr. Buyer
Waukesha County



V.A.L.U.E. MONTHLY PLANNING MEETING MINUTES May 20, 2009

Present: Bill Kurer, Peggy Watson, Karen Bollinger, Diane Kelly, Laurie Dudley, and Robert Barwick

Common Solutions/Open Forum Discussion

A. Diane Kelly, Racine County and Bill Kurer, Washington County are looking for Banking Services RFP's. They currently have documents from Waukesha County and Walworth County. Laurie Dudley stated that the School District recently completed this process and would forward a copy. If anyone else has documents, please forward.

B. Laurie asked how other agencies are disposing of pills (medications). She did contact Waukesha Memorial Hospital and inquired with a couple of other agencies without much success. Currently, no one in attendance has a contract or has been requested to obtain such a service.

C. A question was posed as to who is currently involved in the EECBG grant. Currently it was just the County agencies who are requesting boiler replacement, solar heating for water, thermal curtain project, etc.

Ongoing/Unfinished Business

A. Annual Meeting 2009 Review/Feedback

1. Disaster Situation

Robert is currently working on obtaining information / templates and will follow-up at the next meeting in June.

B. 2010 Annual meeting

1. Topics/Theme/Ideas

a) Update on Emergency Mgt (National Contracts). Suggestions included:

* Directory of Services / Supplies (vendors) reference those noted on scenarios

* Checklist - Grab & Go Bag

* Provide an estimated timeline for each agency to reference when developing their own program/information

* Develop a V.A.L.U.E. sponsored Mutual Aid / Intergovernmental Support agreement

* Reference National Contracts, i.e., GSA

b) Green Procurement (LEED)

A representative from Delta Institute provided a brief overview of the organization and their desire to work with the V.A.L.U.E. group. The proposal letter from Delta Institute was distributed. Delta is an organization that works with groups/agencies to assist them with Green Initiatives. Currently they are working on projects with the City of Chicago, a group in Michigan and a group in the Racine Kenosha area. They have completed their first year of their three-year funding. General discussions were held on the proposal. The group had several questions and concerns and felt it would be best to set up another meeting to discuss them with Delta and also to inquire about providing some type of training. Robert will contact them to arrange for another meeting; tentatively June 3, 2009 from 1:00 p.m. - 3:00 p.m.

2. Survey - Since we really do not know how much interest there is in Green Procurement (LEED) everyone felt the survey would be very helpful. It was agreed to hold off until we speak with Delta to determine how we want to proceed.

3. Strategic Planning

a) Implementation of Strategic Action

Items

A spreadsheet has been created to track our progress. We are off to a great start. There are only four items we have not started on.

Bid Reports / Updates

A. Review V.A.L.U.E. Contracts Listing for updates and discussion items

1. Crack Sealer - Robert will be sending a letter to the vendors to obtain updated pricing.

2. Gasoline, Diesel, Fuel - There was a poor response to the request for information on usage (7 out of 21). This contract will be extended.

3. Recycling, Computers & Electronics - This will be rebid in June unless new legislation is passed which will make this the responsibility of the manufacturers. Larry Neitzel, Brown Deer will coordinate the bid process between V.A.L.U.E. and BeSmart programs.

4. Office Supplies - Responses were received from the survey. Thanks to all who responded. An inquiry was made as to whether or not anyone was having problems with their service rep. A couple of people stated that they now have a new rep and they really do not get the best service/response. The rep will be contacted for pricing, but takes a while to receive the information or a call back.

B. Updates on ideas for new bid opportunities
Due to lack of time, this will be discussed at the next meeting.

New Business

GSA Training from Expo in June

There was interest expressed in having training on using the GSA website. Ernie Love stated that he would provide us training on the website. Ernie will be contacted to see if he would do this via teleconference onsite and will try to set it up for the next meeting.

Adjournment

Counterfeiting – What (and Who) Can You Trust? Author: Robin B. Gray Jr.

May/June 2009, *eSide Supply Management* Vol. 2, No. 3

The Real Impact of Fake Goods, and How to Avoid Sourcing Them

Counterfeiting is no longer just fake watches and DVDs; it involves pharmaceuticals, electronic

components, medical devices, automotive and aircraft parts, navigation charts and much more. It has rapidly become the preferred business for organized crime, terrorist groups and state-supported industries.

A few shocking statistics:

- The FBI estimates that counterfeiting and piracy of intellectual property (IP) amounts to as much as US\$250 billion a year. And, according to the World Customs Organization, that figure could reach as high as US\$600 billion in lost sales every year.
- Counterfeiting and piracy have resulted in the loss of 750,000 jobs in the United States, according to the U.S. Customs and Border Protection Agency.
- If counterfeiting of auto parts was eliminated, the U.S. Federal Trade Commission estimates the auto industry could hire 250,000 additional workers.
- The U.S. Department of Commerce identified more than 9,000 incidents of counterfeit electronic parts in 2008.

Legislation Efforts on the Rise

Last year, growing concern over the impact and danger of counterfeit goods prompted the U.S. Congress to enact the PRO-IP Act, which toughens civil and criminal laws against counterfeiting and IP piracy and provides enhanced enforcement and prosecutorial resources. In late 2008, the General Services Administration (GSA) proposed a rule that would require contractors selling informational technology products to the U.S. Department of Defense, GSA and NASA to represent that such products are genuine. Currently, the GSA is considering a revised proposal which would extend the rule to other products purchased by the federal government.

In fact, the Department of Defense is so concerned about counterfeit electronic components in its supply chain that it sponsored a 2008 survey, conducted by the U.S. Office of Technology Evaluation (OTE), to determine the magnitude the problem. Among the most surprising findings was a preponderance of counterfeit electronic parts incidents in the \$1.01 to \$10 range, followed closely by parts in the \$11 to \$100 range. This indicated counterfeit electronic components were showing up in small-ticket items rather than expensive parts, such as microprocessors.

The OTE broadly defines a *counterfeit product or part* as:

- An unauthorized copy
- One which does not conform to the manufacturer's design, model and/or performance specifications
- One which is not produced by the manufacturer, or is produced by unauthorized contractors
- An off-specification, defective or used manufactured product sold as new or working
- One which has incorrect or false markings and/or documentation
- One which is sold as complying with applicable regulatory and/or industry standards

If your organization buys counterfeit products, the impact can be dramatic and severe. Its liability exposure can be enormous, particularly if the products it sells affect public health and safety.

Consider, for example, counterfeit parts that cause an airplane to crash or a brake system to fail on a school bus. Not only is that business at risk for lawsuits, but the damage to its brand and reputation is potentially huge. Tort lawyers can capitalize on cases like these, and government prosecutors can enact criminal and civil penalties.

Avoiding and Minimizing Risk

According to the OET, in 2008, 50 percent of counterfeit electronic components were bought from brokers (30 percent) and unauthorized distributors (20 percent). The remaining 50 percent came from more than 13 other sources, with no single source accounting for more than 7 percent.

Fortunately, finding an authorized source is as simple as checking a product manufacturer's Web site for a list of its authorized distributors and resellers. Also keep in mind that while you might be able to find genuine parts from unauthorized sources, many manufacturers are increasingly denying returns, warranty protection and support for products purchased outside the authorized channel.

Because good supply management practice dictates buying from authorized sources, the following recommendations apply.

Assess the seller's reputation. Does the seller stand behind the product? Many manufacturers will not

honor warranties for product sold by an unauthorized seller. Also, will the seller provide technical and customer support?

Even if a seller seems reputable, do you know how reputable everyone else is in its supply chain? Products frequently change hands multiple times during production.

Determine the seller's financial stability. Does the seller have sufficient financial resources to honor refunds? Will it still be in business if that happens?

Practice quality control. Does the seller have quality control and authenticity procedures in place? Be wary of visual inspection procedures; many counterfeits cannot be spotted this way, particularly with regard to functionality, proper handling and storage, chemical composition and so on. Also be skeptical of random-sample testing because counterfeiters frequently "salt" genuine product with counterfeits.

Determine the product's traceability. Does the seller know where the product came from? Can it trace the product's route back to the original manufacturer?

Ask for documentation. Can the seller provide documentation regarding product compliance with all laws?

Assess legal liability. Will the seller assume product liability for penalties, damages and injuries resulting from product defect? Remember, buying from sources not authorized by the manufacturer might absolve that manufacturer from legal liability, even if the product is genuine. And, if the product is counterfeit, there is no manufacturer liability.

The Bottom Line for Supply Management Professionals

The best way to avoid or minimize your organization's counterfeiting risk is to buy exclusively from authorized sellers or resellers – either purchasing directly from the manufacturer or from a distributor or reseller contractually authorized by the product's manufacturer to resell the product. Doing so offers the best assurance that the product is genuine and provides the full benefits of warranty, liability protection and support.

Submitted by:
Robert Barwick
City of West Allis



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

www.value4gov.org

Monthly Planning Meeting
Wednesday, June 17, 2009
8:30 AM - 10:30 AM, West Allis City Hall
7525 W Greenfield Avenue
West Allis WI 53214
Room - 128, Phone: 414-302-8300
(Refreshments & Meeting Minutes by Dawn Gurda)

AGENDA

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

- II. Ongoing/Unfinished Business**
 - A. Annual Meeting 2009 Follow Up
 - 1. Disaster Situations - Robert Templates for posting info from Annual Mtg
 - B. 2010 Annual Meeting
 - 1. Topics/Theme/Ideas
 - a. Update on Emergency Mgt (National Contracts)
 - b. Green Procurement (LEED)
 - 2. Survey members on interest in Green Procurement?
 - 3. March 11 & 12, 2010 - Confirmed, will be held at Crowne Plaza again
 - C. Strategic Planning
 - 1. Implementation of Strategic Action Items
 - a. Review status sheet/next items to work on
 - D. Delta Institute Meeting review from June 3 - Revised Proposal

- III. Bid Reports/Updates**
 - A. Review V.A.L.U.E. Contracts Listing for updates and discussion items
 - B. Update on ideas for new bid opportunities
 - 1. Safety Supplies (list of supplies or other contracts to use?)
 - 2. Lubes, wash, antifreeze, etc (Robert Barwick update from Public Works and how these items are purchased)

- IV. New Business**
 - A. GSA Training from Expo in June

- V. Adjournment**

Future Meetings - Date/Location/Refreshments & Minutes

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| July 15, 2009 City of West Allis Jean Kienzle | August 19, 2009 City of West Allis Vera Butts | September 16, 2009 City of West Allis Laurie Dudley | October 21, 2009 City of West Allis Jim Bembenek | December 9, 2009 City of West Allis Vicky Nash |
| January 20, 2010 City of West Allis Diane Kelly | February 17, 2010 City of West Allis Peggy Watson | March 11-12, 2010 Crowne Plaza Annual Meetings | | |