



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 September 2011

Defeating A Supplier's Negotiating Strategy

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By Charles Dominick, SPSM, SPSM2
www.NextLevelPurchasing.com

Do You Decipher Suppliers' Negotiating Strategies?

In a recent Next Level Purchasing Association webinar, presenter Tom DeMarco from ClearEdge Partners cited negotiation advice culled from the book "The Art of War" by Sun Tzu. The excerpt he quoted was "The key to victory is not defeating the enemy, but in defeating the enemy's strategy; therein lies their vulnerability."

But do you always know what your supplier's negotiating strategy is? You cannot defeat a negotiating strategy if you don't know what it is.

Let's discuss this via an example. An IT supplier may engage and negotiate with an IT professional who has little negotiating experience instead of engaging a procurement professional. The supplier's strategy will (a) make the IT professional feel like he got a "good deal" so that he resists any procurement involvement that would diminish his "negotiating glory," and (b) give the supplier a defense against procurement negotiation like "There's no room to further reduce my price because your company already negotiated it down."

Defeating this negotiating strategy would involve collaborating with the IT department to reach a common understanding of suppliers' strategies and to defeat them by establishing clear roles, in advance, for who conducts technical evaluations and who negotiates.

Another example may be an incumbent supplier who proposes an inflated price, thinking it would be too hard for you to switch suppliers. That supplier's

negotiating strategy might be to be firm with its price and say things like "if other suppliers bid lower than us, they obviously don't understand your requirements like we do."

Defeating this negotiating strategy will require you to be serious about qualifying other suppliers and prepared to switch. You need to know more about the incumbent's competition than the incumbent does and to allow the incumbent to see visible evidence that you are seriously considering other suppliers.

Win-win negotiation is the norm today. However, if a supplier comes to the negotiating table with a strategy to "win" more than you, deciphering and defeating that strategy (not that supplier) is a key to favorable results.

Submitted by
Robert Barwick
City of West Allis



PROCUREMENT CARD

Waukesha County is moving forward with an RFP for the procurement card program. The current contract with JPMC expires on 2/28/12. Anyone interested in participating in this bid should contact Cindy Greco at 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>

AID MATRIX UPDATE

Award of the Aid Matrix Resource Directory project shall take place at the Milwaukee County Board meeting of September 29, 2011. Grant of \$30,000 from the Office of Justice Assistance shall provide the set up fees for the Disaster Vendor Database pilot program.

At the September 8th Emergency Resource Directory Planning meeting, participants from the vendor community such as WW Grainger and Service Master, expressed great interest in the project. Service Master Representative, Mark Cyganiak, requested that this resource directory obtain the necessary documents on-line for background checks, qualifications and proof of insurance before a disaster occurs. WW Grainger Representative, Brad Deja, stated that they are the largest safety supplier in the United States and that they have four (4) branches in the Milwaukee area to service the needs of agencies before, during and after a disaster occurs. The following Project Leaders have accepted their responsibility in making the Disaster Vendor Database project a success:

- Kate Pillman, Executive Director of Citizens & Organizations Active in Disaster (COAD) – Overall Project Coordinator
- Diane Kelly, Racine County – V.A.L.U.E. Group Project Manager
- Ben Schliesman, Wisconsin Emergency Management Association – Emergency Management Project Manager
- Mark Cyganiak, Service Master and Brad Deja, WW Grainger – Vendor Community Project Managers



U.S. COMMUNITIES UPDATE

The U.S. Communities Government Purchasing Alliance is a leading national government purchasing cooperative that assists local and state government agencies, school districts (K-12), higher education, and nonprofits in reducing the cost of purchased goods through pooling the purchasing power of public agencies nationwide.



NEW MRO CONTRACT

U.S. Communities Government Purchasing Alliance is pleased to announce that its lead public agency, Maricopa County, Arizona, has awarded the

Maintenance, Repair and Operating Supplies contract to The Home Depot, HD Supply Facilities Maintenance and Applied Industrial Technologies. The contract was competitively solicited and awarded on August 1, 2011 and is available for use by participating agencies nationwide, effective immediately.

While you are probably familiar with Home Depot, you may not be as familiar with Applied Industrial Technologies. Applied has core product offering and services which include:

- Bearings, Power Transmission & Material Conveyance
- Hydraulic & Pneumatic Components and Accessories
- Hose, Hose Fittings, Quick Disconnects and Adapters
- Repair and maintenance services
- Fabrication and Assembly of Fluid Power and Rubber Components
- Inventory Management
- Technical Support



NEW AUTO PARTS CONTRACT

CARQUEST has been awarded the U.S Communities Auto Parts and Accessories contract by lead public agency, the City of Charlotte, Mecklenburg County. This competitively solicited contract is available to all U.S. Communities participating agencies beginning September 1, 2011. All proposals were evaluated by the Lead Agency with the assistance of an evaluation team, which is made up of key government purchasing officials from across the United States.

CARQUEST Auto Parts is the premier supplier of replacement products, accessories, supplies and equipment for virtually all makes of automobiles, as well as light and heavy-duty trucks, off-road equipment, buses, recreational vehicles and agricultural equipment. Additionally, CARQUEST distributes and sells tools, equipment, chemicals, paint and accessories.

For more information regarding these contracts, go to www.uscommunities.org

Submitted by
Robert Barwick
City of West Allis



The 2011 NIGP Vision Map for Public Procurement

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

Date & Time: Thursday, Sept. 29, 2011, 12 -1:30 PM

Presented by: Eric Zoetmulder, Market Director, Public Sector, SciQuest, Inc and Tina Borger, Research Director, NIGP

Registration Deadline: September 28, 2011, 5:00 PM

Basic. NIGP has engaged many of its members and thought leaders in a new research project called the 2011 NIGP Vision Map. The end result is a practical roadmap towards transforming our teams into the procurement organizations of tomorrow. Learn what this group of forward thinkers has to say about managing through economic difficulties, learning measure and advocate, building people, simplifying processes and taking advantage of technology.

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

- Identify the core challenges facing our procurement profession today
- Describe the general roles and responsibilities of the procurement organization in the public sector
- Understand the 4 core areas of focus that allow you to transform your procurement team and processes
- Explain practical steps to start the transformation journey
- Know who the thought leaders are that participated in the Vision Map for future reference

Procurement Transparency and Efficiency: Implementing an E-Commerce Market place

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

Date & Time: Thursday, October 6, 2011, 12-1:30 PM

Presented by: David Fajer, Director, Procurement Services, Multnomah County School District, Portland, OR

Registration Deadline: October 5, 2011, 5:00 PM

All skill levels. Like other procurement organization, you're likely faced with shrinking budgets and limited staff. Is your agency still using paper based procurement models in which supplies are identified in print catalogs and then purchased by way of handwritten requisition forms and fax/e-mail Purchase Orders? Or do users go on-line to shop from supplier's web sites causing significant off-contract or non-compliant spend that is difficult to track and control?

New E-Commerce Marketplace technologies offer the potential to provide flexible, responsive, and cost-effective delivery of services and supplies to your community, while maintaining procurement oversight of spend and contract compliance.

Procurement Services at Portland Public Schools recognized empowering end-users to shop on-line as an immediate, operational imperative in a challenging budgetary environment. They also realized that enabling end-user on-line shopping could not come at the expense of a fully transparent process capable of enforcing compliance with "best value" contract pricing.

In the educational webinar, Portland Public Schools will share lessons learned in planning, scoping, budgeting, implementing, and promoting a successful E-Commerce Marketplace.

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

- Identify ways to make public sector procurement processes fully transparent and compliant with "best value" purchasing and "best practice" process.
- Outline a roll-out plan for deploying an E-Commerce Marketplace, including supplier enablement, technology deployment, and internal promotions and communications.
- Prepare a list of key requirements for an E-Commerce Market place based on your agency's organizational goals and objectives, purchasing policies and procedures, and technology infrastructure.



**V.A.L.U.E. IN LOCAL GOVERNMENT
MONTHLY PLANNING MEETING
WEDNESDAY, AUGUST 17, 2011
WEST ALLIS CITY HALL**

Attending Members: Sung Ye Jacobs, Diane Kelly, Lori Schleimer, Nick Cramer, Cindy Matz, Bill Kurer, Amos Owens, Vicky Nash, Barb Weller, Anissa Perkins and Karen Bollinger

Common Solutions/Open Forum

Diane Kelly asked if anyone has Inmate Food Service RFP's they would be willing to share.

Bill Kurer thanked those who forwarded bids/RFP's for grass cutting and snow removal.

Cindy Matz asked how other agencies determine their awards, i.e., line item vs. aggregate, multiple vendors, etc. A general discussion ensued. Cindy also asked if anyone had a list of items to look for in specifications. It was recommended that she check NIGP – Forms and the Resource Library for other specification documents. A review of the V.A.L.U.E. website, Document, included a check list for specifications.

Update on CAMA Software (Computer Assisted Mass Appraisals)

Area assessor met and agreed it would be more beneficial if they joined together to obtain a higher parcel count. In addition they agreed to perform their own RFP due to the need to implement a system ASAP. Robert Barwick will review the documents and provide assistance throughout the process.

Ongoing/Unfinished Business

Update on AidMaxtrix (WIRED) – Diane Kelly announced that Grainger has agreed to participate as a merchant contact to obtain another perspective of the information to include on the website. No further update is available.

Annual Meeting Update – Nick Cramer distributed the agenda and reviewed all of the topics and times for each day. At this point, Thursday will consist of Public Works topics and Friday will offer vendor presentations, updates from the State and WTCS Consortium new Sci Quest program. At the next meeting, Committee members are to provide

suggestions for possible vendor presentations. Karen Bollinger stated that DWD has agreed to provide a speaker to discuss Prevailing Wage. A separate meeting will be held on August 25, 2011 to further discuss the Thursday Public Works topics and potential speakers.

Vicky Nash presented her findings for potential hotels. Hyatt Place can only accommodate a large group of 36 people and Comfort Suites does not have a conference area. We currently have information from the Hilton Gardens and will check into the Radisson. Vicky will visit both places and recommended that other committee members go view these places for additional input.

Strategic Planning – It was asked if anyone had any comments and there were none.

Bid Calendar Routing – Karen Bollinger stated that she found the listing she completed and had forwarded it to Bill Kurer. The document will be reviewed and discussed at the next meeting.

Bid Reports/Updates

Karen discussed updates to the calendar. The pricing for crack sealant will need to be updated for October 1, 2011. Cindy Greco is currently reviewing the P-Card program, as a new RFP will be released in the 3rd Quarter. She has asked if any of the agencies who are currently using the State of Wisconsin program could forward the contract to her attention. The documents for Vehicles and Lt Trucks will be posted to the website the week of August 22nd. Diane Knoll is currently working on the Police vehicle bid. In the Piggyback section, there are asterisks next to some of the items. This indicates these are new items that have been added to the list. If any agencies have commodities/services that allow for piggybacking and would like them included on this contract list, they should forward the information to Karen.

Next meeting is scheduled for Wednesday, September 21, 2011 at West Allis City Hall.

Adjournment

Respectfully submitted by
Karen Bollinger
Waukesha County



MONTHLY PLANNING MEETING

Wednesday, September 21, 2011

8:30 AM - 10:30 AM

West Allis City Hall 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. Update on status of vendor resource listing in cooperation with SE WI Emergency Mgt Group & Aid Matrix
- B. 2012 Annual Meeting Planning
 - 1. Annual Meeting Location
 - 2. Public Works Session
 - 3. Other Topics
- C. Strategic Planning
 - 1. Implementation of Strategic Action Items
- D. Bid Calendar Routing

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

V. Adjournment

Future Meetings - Date/Location/Refreshments & Minutes

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 8 & 9, 2012 Location TBD Annual Meeting		