

Purchasing Potpourri

*Regional Elevator Maintenance and
General Liability Insurance: Andrea Woods,
Franklin Regional COG*

*Shared Weights and Measures Services: Jay
Donovan, Northern Middlesex Council of
Governments*

*Cooperative Fire Equipment Purchasing:
Steve Daly, Metropolitan Area Planning
Council*

Sept. 2, 2010

FRCOG Cooperative Purchasing

Overview

Andrea Woods, Chief Procurement Officer
Contact/Questions: bids@frcog.org

Program Overview

- Provides bidding and contracting services to all 26 towns in Franklin County
- Major purchases include Fuels, Highway Products & Services, Dog Tags & Licenses for 4 counties, Homeland Security and Emergency Communications
- Towns with limited resources utilize Program for special Procurement projects
- Procurement for FRCOG internal programs in Planning, Public Health, Teen Programs paid for with Grant Funding

Program Basics

- 1 full time person trained in MA Purchasing Laws with a program budget of \$75,000
- Program is Fee for Service – towns pay to be part of cooperative bids. Participation fee is based on population of town
- Communities outside Franklin County and Non-Profits participate to take advantage of bulk purchasing

District Local Technical Assistance (DLTA) Funding Opportunities

- DLTA funding has allowed the Program to innovate and explore new cooperative purchases including working with all the Franklin County Schools
- Results of these exploratory studies is mixed. Sometimes aggregating needs and pursuing bulk purchasing results in great savings, sometimes “More is Not Better”

Lessons Learned – What Didn’t Work

- Small dollar items like office supplies take too much time and the needs are too diverse. Bidding laws do not come into play and that’s where we’re more valuable. We decided against an Office Supply Bid.
- Geography is a consideration. When we considered a Regional Salt Shed, we determined that the County is too “spread out” and transportation costs would make it cost prohibitive.

Implemented Projects in 2010

- Tradespersons bid resulted in an on-call electrician contract for schools – several realized significant savings
- IT Consultant bid resulted in an available resource for all towns plus a back-up consultant
- GASB 45 Audit of 5 school districts = 30% savings
- Researched & implemented alternative road salt offering
- Highway equipment and services sharing study provided a detailed equipment list for all participants and plans for cooperative equipment purchases and sharing agreements
- Elevator maintenance bid for schools and towns
- Property and Liability bid for schools and towns

Cooperative Elevator Maintenance

- Towns were locked into long-term, overly expensive elevator maintenance contracts
- FRCOG surveyed Franklin County towns and schools on their elevator needs and researched and developed specs for a bid
- Year One – Only one town able to extricate themselves from their multi-year contract and sign on to our final contract. Realized 40% savings.
- Year Two – Six more towns/school districts were able to join the cooperative bid. The contract is drawn up to favor the Town's interest instead of the Contractor, and has saved them 30-50% over their old contracts.
- The process "let in" a smaller, local company to compete. The bigger companies will play hard ball, but if you have a cooperative contract with several accounts at stake, and you know the bidding laws, they will have to play by the rules.

Property and Liability Insurance

- School business managers were concerned they may have gaps or over-coverage in some areas
- FRCOG assisted with a cooperative procurement of the services of an independent insurance consultant to review their policies and give them a report in "layman's" terms.
- This report resulted in a recommendation to go out to bid (*not required under MA bidding laws and thus discouraged by Insurance providers*). Consultant created the specs and reviewed the submitted bids. A bid for the whole 7 school district package resulted in a very substantial savings of 23.8% (\$119,000 less than the previous year.)
- Benefits: Cost Savings, Knowledge, On-Going Support

Summary

- Starting a cooperative bid requires surveys, study, and patience. Determining the costs of doing a bid and administering the contract and then spreading that cost among the participants is difficult for a brand new project.
- Grant funding to start new programs is helpful. After doing it once, the costs/time involved are more manageable. However, it's difficult to get participants to pay for what they have received free in the past.
- It's important for Cooperative Purchasing to have a "bread and butter program". For us, this is Highway Products and Services which provides a base income for the Program.
- Think of a fee for service program more like a small business and less like a government program. Continue to think of ways to give your "customers" more for their money to keep them on board!
- Handouts (Brochure, Elevator Survey, Insurance Contract Excerpt)

FRANKLIN REGIONAL COUNCIL OF GOVERNMENTS

425 Main Street, Suite 20, Greenfield, MA 01301-3313
Telephone 413-774-3167 • Fax 413-774-3169 • www.frcog.org
Executive Director • Linda Dunlavy



Purchasing Potpourri Handout

EXCERPT FROM FY11 AGREEMENT FOR SERVICES FOR INSURANCE CONSULTANT TO EVALUATE FRANKLIN COUNTY SCHOOL DISTRICT'S PROPERTY AND LIABILITY INSURANCE

SERVICES AND RESPONSIBILITIES OF THE CONSULTANT

The Consultant shall perform professional services in accordance with the following Scope of Services:

1. Review current District(s) insurance contracts; provide a written summary of key policy provisions; make suggestions for additions, deletions, or changes to the program; discuss with Business Managers as a group and individually specific recommendations.
2. Prepare Bid Specifications for FY 2011; solicitation and vetting of agents and carriers to participate; review of bid and recommendation to purchasing or business manager; review of delivered policies for compliance with specifications.
3. Annual Retainer for 7/2010-7/2011 for insurance resource on questions of coverage for new and proposed programs, leases, contracts; questions regarding potential claims etc.

ELEVATOR MAINTENANCE and REPAIR COOPERATIVE BID - SURVEY FY2011

In hopes of securing more competitive prices for passenger elevator maintenance, repair, and inspection services for Franklin County towns, schools, and non-profit agencies, the FRCOG plans to do a cooperative bid for these services. If interested, please fill out the following survey and return by **MARCH 31, 2010**. Completing this survey does not commit you to joining the final contract. Bids will be due April 29 and bid tabulations will be sent to you for consideration the first week of May. **Contract date will begin 7/1/10 for one year with our sole option to renew for two additional one year terms.** This was a successful program in FY10 saving the participating town more than 40% over their previous service contract with no long term commitment.

Town/Entity:

Contact Person: ph. email:

Check what applies

Add any comments here:

Which services do you desire?

Maintenance Services

Monthly Maintenance

Bi-Monthly Maintenance

Other: _____

Inspection Services

Annual

Other: _____

24-hr. On-Call Emergency Service / Repair Service charged hourly

Other: _____

Parts

Other: _____

(Large empty box for comments)

What equipment do you have?

Make/Model/Year

Elevator Stops Elevator State ID

Address of Building Where Located

Make/Model/Year

Elevator Stops Elevator State ID

Address of Building Where Located

Make/Model/Year

Elevator Stops Elevator State ID

Address of Building Where Located

If you have more than three, add a sheet. There is no limit per town/entity.

Name/Address of elevator contractor(s) who should receive a copy of this Invitation For Bids:

Return this survey to Andrea Woods, CPO, Franklin Regional Council of Governments, 425 Main St., Suite 20, Greenfield, MA 01301 - by FAX 774-3169 or by email bids@frcog.org. Questions? Call 413-774-3167x104.

The Cost of Small Capacity Scale Errors

An error of 0.01 lb (1/100th of a pound) is within the legal error tolerance for a small capacity scale in service. These are the losses to the consumers (+ error) or businesses (- error) at \$3.00 per pound.

<u>Scale Error</u>	<u>per lb.</u>	<u>Weighings per Day</u>	<u>Losses per Day/</u>	<u>Year</u>
0.005 lb	\$0.015	100	\$1.50	\$547.50
0.01 lb	\$0.03	100	\$3.00	\$1,095.00
0.02 lb	\$0.06	100	\$6.00	\$2,190.00
0.03 lb	\$0.09	100	\$9.00	\$3,285.00
0.04 lb	\$0.12	100	\$12.00	\$4,380.00
0.05 lb	\$.015	100	\$15.00	\$5,475.00

Contact Information

David Tilton

Sealer of Weights and Measures for the
communities of Billerica, Chelmsford, Dracut and
Littleton

40 Church Street, Suite 200

Lowell, MA 01852

Tel: (978) 454-8021

dtilton@nmcog.org

Town of Billerica

Department of Weights and Measures



Small & Medium Capacity Scale Requirements

By

The Northern Middlesex
Council of Governments

Listed below are legal requirements and helpful suggestions for owners of commercially used small and medium capacity scales. These requirements and suggestions will aid in maintaining an accurate and operable weighing device.

Legal Requirements

- 1. Approval Seal is the owner's responsibility:** It is prohibited to use a scale that does not bear a current Weights and Measures approval seal.
- 2. Zero Balance is the owner's responsibility:** A scale must indicate zero at all times with no load on its weigh pan. If the scale is out of zero balance, it must be re-zeroed or re-booted before the next transaction.
- 3. Level Condition is the owner's responsibility:** A scale must be maintained in a level condition at all times, firmly placed on its supports. Usually there is a spirit level indicator on top of all scales and a level condition can be obtained by screwing the legs up and down. Wedges of wood or paper placed underneath the legs to obtain level are not acceptable.
- 4. Customer Readability is the owner's responsibility:** Scale manufacturers are required by law to make weighing indications on the customer's side of the scale. It is your responsibility that the scale be so positioned that its indications may be read accurately and the weighing operation may be readily observed by the customer.
- 5. Suitability is the owner's responsibility:** Your scale is required to be type approved "legal for trade". Devices such as baby scales, bathroom scales and portion scales are not permitted to be used commercially. You must use your scale in a manner and for what it was intended by the manufacturer. If you weigh wet commodities such as fish, it must have proper drainage.
- 6. Environmental Factors are the owner's responsibility:** The area around the scale must be kept clear and clean at

all times. Environmental factors such as fans, open doors or refrigerator compressors are not permitted to affect the accuracy of the scales. Scales located outside shall be adequately protected from factors such as wind, rain and snow that may adversely affect performance or operation of the device.

- 7. Tare Mechanism is the owner's responsibility:** If you own an electronic prepackaging computing scale, it is equipped with a tare mechanism which allows you to compensate for paper, cardboard and plastic wrapping. The tare mechanism is only permitted to operate in the backward direction. Be sure to re-set your tare every time you weigh a new commodity.
- 8. Support For Scale is the owner's responsibility:** A scale must be so positioned that it's firmly and securely supported on a sound base to prevent vibration and to maintain level support.
- 9. Maintenance of Equipment is the owner's responsibility:** A scale and all associated equipment must be continuously maintained in proper operating condition. If you find your scale is not working properly, it is your duty to have it repaired then, not just when it is rejected by a weights and measures inspector. If you cannot make the necessary adjustments yourself, such as re-leveling or zero balance adjustment, then you should secure the assistance of a registered scale repair service. Weights and Measures inspectors are not repairmen. They will not service or make adjustments to your scale. If your scale is rejected, you will be given 30 days to have it repaired. If the scale is beyond repair, it can be seized by the inspector.

The Cost of Fuel Dispenser Errors

An error of 6 cubic inches per 5 gallons is the maximum legal error for a fuel pump in service. There are 231 cubic inches in 1 gallon. These are the losses to consumers (- error) or businesses (+ error) at \$3.00 per gallon

<u>Pump Error</u>	<u>per 5 gal.</u>	<u>Gal. per Day</u>	<u>Losses per Day/ Year</u>	
1 cu. In	\$0.0129	1000	\$2.60	\$949.00
2 cu. In	\$0.0258	1000	\$5.19	\$1,894.35
3 cu. In	\$0.0387	1000	\$7.79	\$2,843.75
4 cu In.	\$0.0516	1000	\$10.39	\$3,792.35
5 cu. In.	\$0.0645	1000	\$12.98	\$4,739.52
6 cu. In.	\$0.0744	1000	\$15.58	\$5,686.70

1 gallon = 128 fl. Oz. 1 tablespoon = .5 fl oz

1 cu. In. = .55 fl.oz/@ \$3.00 per gallon = \$0.0129

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Retail Motor Fuel Dispenser Requirements

By

The Northern Middlesex
Council of Governments

Listed below are legal requirements and helpful suggestions for owners of the single product and blended product type gasoline pumps, for maintaining an accurate and correct measuring device.

- 1. Unit price and product identity must be on the pump:**
On each face of the pump, the prices and identity of the products must be indicated. For blended pumps, when the device is in operation, the grade of blend being dispensed and unit price must be clearly identifiable.
- 2. Indications, computations and operation must be observable:** All customer indications on the dispenser must be legible. The indications on the pump cannot be obliterated or hidden from the customer's view and the measuring operation must be performed in a manner that it may be viewed by the customer.
- 3. Price computation must be accurate:** A device shall compute and display the total sales price for which the product being measured is offered for sale. Any device offering a product or grade at more than one price shall be used only for sales at which the device computes. All indications, including price per gallon, total price and number of gallons dispensed times the price per gallon, must mathematically agree with the total price computation indicated. Half-gallon pricing is prohibited.
- 4. All indications must return to zero before delivery of product:** All indications on the pump must start at zero before each delivery. The Zero-Set Back Interlock prevents product from being dispensed by the pump until the gallonage and price computation indications have been returned to the correct zero position, once the pump is turned off.
- 5. Discharge hose must be appropriate length and contain an Anti-Drain Valve:** The length of the discharge hose cannot exceed 18 feet and must be

adequately reinforced. Since all gas pumps are the wet hose type with the hose full of liquid at all times, an anti-drain valve must be incorporated in the nozzle to prevent the discharge of product from the hose when the pump is turned off and the nozzle is open.

- 6. A lead wire and security seal must be affixed to the adjusting mechanism:** A means must be provided on the gas pump to affix a lead wire security seal to the adjusting mechanism, and it is the owner's responsibility to have a security seal affixed at all times.
- 7. The pump must be maintained in proper working order:** All gas pumps and associated equipment must be maintained continuously in proper operating condition. Devices found to be in error predominantly in a direction favorable to the device user shall not be considered in proper working order. If you find a pump is not working properly, it is your duty to have it repaired then, not just when it is rejected by a weights and measures inspector.
- 8. The storage tanks must be identified and marked:** The storage tanks must be permanently, plainly and visibly marked as to product contained. A color code may be utilized; however, the code key must be conspicuously displayed at the place of business.
- 9. Price display and advertisement:** Any advertised price shall be in agreement with the price indicated on the dispenser and shall not be misleading.
- 10. Printed ticket:** The total price, the total volume of the delivery, and the price per gallon shall be shown on any printed ticket issued by a device or associated equipment.
- 11. Approval seal:** It is prohibited to use a device that does not bear a current weights and measures approval seal.

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