

# PURCHASING POWER

A publication of DAS Procurement Services

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## Pilot

# PROGRESS



## E-Commerce Launch Imminent, P-Card Expands

Interest and participation in two of DAS Procurement Services' new programs continue to expand exponentially. The state's e-commerce program is set for pilot roll-out on June 17, while participation in the Purchasing Card (P-Card) looks poised to double by Labor Day.

With e-commerce, Connecticut is clearly ahead of the national curve, crafting one of the most extensive and comprehensive programs in the country. Currently, 20 vendors representing 37 different contracts have signed up to participate. Five state agencies have been identified to participate in the pilot program while 70 towns and schools have come on board.

"Once the pilot is up and running, we will rapidly expand to additional users and continually add additional contracts," says Procurement Manager Jim Passier. "We expect to have all of the currently enrolled agencies, municipalities and schools running on e-commerce by October 1."

Quite a bit has changed since the contract was originally announced. The program has been taken over by the original subcontractor, Datamatix, of King of Prussia, Pa. E-commerce Project Manager Vince McMahon says the company has proven a fantastic partner. "They're a smaller operation and very responsive to our needs, changes, and recommendations," he says. "We're very pleased."

McMahon says it is not uncommon for him to mention to Datamatix that he'd like them to make a change, and then see it happen by the end of the day. They've even offered to "do some things that weren't required by the contract simply to help the project."

One initiative already well into its pilot phase is the state's P-Card, which has been expanded recently to involve not only the initial test agencies - DAS, DEP, and the Comptroller - but also Legislative Management, the Judicial Branch, and the University of Connecticut.

"It's being rolled out to selected agencies in Phases I and II," Program Manager Kerry DiMatteo said. "Phase III will be offered June 1, Phase IV on September 1, and we anticipate that by 2000 all of the executive branch will be on board."

Phase I has included the Departments of Correction, Education, and Social Services, all of which launched their programs in April. The Departments of Mental Retardation and Public Safety will soon follow. Agencies slated to be offered the P-Card in Phase II include the Departments of Agriculture, Banking, Economic and Community Development, Motor Vehicles, Public Health, and Veterans' Affairs, as well as the State Library, and the Chief Medical Examiner, State Treasurer, and OPM. Also coming aboard could be the Military Department, the Workers' Compensation Commission, and Criminal Justice. ■

### PROCUREMENT UPDATE

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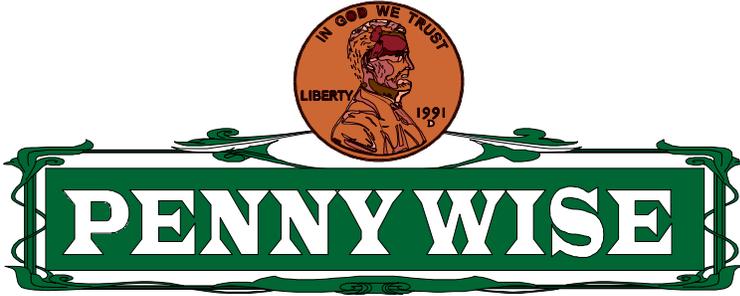
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## Contracting Strategies

**Setting up flexible contracts from the start can save time, money, and aggravation later**

**A LOT HAS CHANGED** in Procurement over the last two years. A great deal of that involved developing new processes and adopting new technologies. It seems we're always changing to something new and better and automated - and a bit more painful than we expected, at least initially.

The pace of adoption of new technology won't change. In fact, we are in jeopardy of falling behind. However, technology is not the only thing changing. We are busily working to make our contracts more effective. All the technology in the world is of little value if the product created by

**DAS IS COMBINING CONTRACTS WHENEVER POSSIBLE, WRITING BROADER, SIMPLER CONTRACTS THAT COVER A WIDER VARIETY OF PRODUCTS, ISSUING MORE MULTIPLE-AWARD CONTRACTS, AND MAKING THEM AVAILABLE TO ALL STATE AGENCIES AND POLITICAL SUBDIVISIONS.**

that technology doesn't help customers. With that in mind, let's talk a bit about what is happening to our approach to contracting.

Many of you remember the warehouse that DAS operated in the not-too-recent past. That facility was responsible for stocking and distributing basic commodities used by agencies throughout the state such as food, copy paper, office and janitorial supplies, and paper products. When the warehouse was closed in 1996, many of the items stored there were converted to "stockless" by creating five prime vendor contracts (one each for food, office supplies, copy paper, paper products, and forms management). Today, these vendors are responsible for warehousing and just-in-time delivery of these products. The prime vendor concept consolidated contracting and ordering to five contracts for these major commodities and resulted in many productivity and efficiency improvements.

Now we are embarking on a similar concept, albeit on a smaller scale. DAS Procurement Services is combining contracts whenever possible in order to reduce the number of individual, very specialized contracts we have in place. We are moving away from contracts written for a very narrow band of commodity items in favor of more broad-based contracts that are easier to use and cover a wider variety of products. Typically, these contracts reference manufacturers' price lists or catalogs, and items are often priced as a percent off of the price list or catalog.

We are also issuing more multiple-award contracts to assure that we cover a commodity group completely and permit customers to choose products that meet their needs best. We routinely make contracts available to all state agencies and political subdivisions and we are including provisions that permit the addition of new items and contract extensions when appropriate.

We want to provide more one-stop shopping experiences for our customers, including the municipalities and school systems that buy off our contracts in growing numbers. Speaking of one-stop shopping, our new e-commerce system will help that as well. Combining e-commerce capabilities with our consolidated contracts creates a much simpler, more productive method of finding and ordering contract products.

We plan to continue the process of refining our contacting procedures and as always welcome your feedback. **S**

*Jim Passier*

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## New Clothing Contract Fits State's Needs to a "T"

**N**ot long ago, buying a complete uniform for state agencies and towns was like shopping at a mall with a sweater shop downstairs by the food court, the store that sells just hats on the fourth floor, and the shirts-only emporium somewhere out in the parking lot. All said, assembling an entire outfit demanded that the shopper cover quite a bit of ground, drop a good-sized chunk of cash (unnecessarily), and waste far too much energy.

OK, while that example is a slight exaggeration, no one at DAS Procurement Services would debate that until recently, putting together a complete uniform was certainly no walk in the shopping park.

"Prior to the establishment of this contract, a separate arrangement existed for all uniform items - sweaters, trousers, shirts, hats, outerwear," remembers Contract Specialist Carol Wilson. "Users had to reference a number of different contracts to compile a complete uniform."

All the more constricting, agencies and municipalities could only buy the products of the low-bid vendor and choose from a very limited range of styles, however suitable or inappropriate the resulting uniform they pieced together might be.

This clearly wouldn't do, Wilson felt, and she rewrote the contract goals using terminology as uncomplicated and straightforward as the new method of purchasing she hoped to establish. The new objective read simply: *To establish a flexible contract for uniforms by allowing state agencies the opportunity to compare various products, determine which product best meets their needs, and then purchase that product.* Easy enough.

The DAS Procurement team got right to work compiling a list of the top products and manufacturers they wanted to include in this new contract. They took this shopping list to market, and found that there were at least five uniform dealers in the state that

were certified small businesses *and* capable of providing the full range of products.

"To give them an opportunity to bid on this would be a big win for Connecticut's small businesses," Wilson believed.

The team competitively bid the manufacturer's catalogs to local uniform dealers who then gave their best discount prices.



**Until now, a separate deal existed for all uniform items. Now, what was once seven contracts has been combined into one big contract shared by a group of Connecticut small businesses.**

The resulting contract was indeed a big win for all involved. Agencies and towns can now secure uniforms that suit their specific needs and tastes more quickly and affordably than ever before. A total of three different Connecticut certified small businesses were awarded parts of this large contract. DAS Procurement won quite impressively as well - Wilson had effectively consolidated seven contracts into one.

As all of the prior contracts had different expiration dates, this contract is being rolled out over a one-year period. But agencies and towns can buy outerwear off the new contract right now. As the current contracts lapse, purchases will be bumped onto the new contract so that by next year, all uniform items will be on this one contract and share a common expiration date. ■

*The contract award # is 989-A-10-0740-C. It is downloadable from the DAS Procurement website at [www.das.state.ct.us/busopp.htm](http://www.das.state.ct.us/busopp.htm)*

# 4 DAS Receives Special CMSDC Merit Award

PURCHASING POWER

## **Business CONNections Praised for its Work with Minority Contractor**

DAS' Business CONNections unit received the very first Special Merit Award for the Connecticut Minority Supplier Development Council (CMSDC) at their 16th Annual Awards Banquet at the Aqua Turf County Club in Plantsville last month.

Amid the awards for corporations and suppliers of the year, Business CONNections Director J. Carlos Velez and Lydia Rosario, a contract specialist in Procurement Services, were cited for their outstanding efforts in the advancement of the state's minority business community and for meeting Connecticut's Set-Aside goals. Also recognized in the banquet program was the "strong commitment and support" of DAS Commissioner Barbara Waters.

Elaine Thomas Williams, executive director of CMSDC remarked, "Congratulations on motivating your team towards building strong partnerships with minority-owned business, and for your continued

success as a leader championing the merits of supplier diversity as a business necessity."

Velez says the award was a particularly special honor because it marks a significant, positive change in the perception of the CMSDC toward the state's outreach to minority businesses.

"It was a terrific feeling being there," Velez recalled, adding that it was "nice to be recognized for heading in the right direction."

Velez says he is excited to continue expanding the mutual cooperation he and the CMSDC have established, remarking that while both his group and the CMSDC are in the business of certifying minority suppliers, the two entities have begun working closely together to promote each others' services for the broader good of the minority business community. **E**



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