

**SUPPORT SERVICES COMMITTEE (Weights & Measures)**

**AGENDA**

**APRIL 11, 2012**

**New Business:**

- 1.) Request for approval of out-of-state travel to attend the 2012 meeting for the Northeastern Weights & Measures Association in Seekonk, Mass. from May 14-16, 2012. There will be no cost to the County and I will be attending as State president of the association.
- 2.) Request for approval to attend the NYS Weights & Measures Association Annual Training School in Syracuse on June 11-15, 2012 at a total cost of \$494.75, which is included in the departmental budget.

# **RESOLUTION REQUEST FORM NO. 15**

## ***Requesting Approval for Out-of-State Travel\****

***\*If the conference announcement or details are available in writing, please attach.***

**DEPARTMENT NAME:** WARREN COUNTY WEIGHTS & MEASURES DEPT.

**DATE:**

- (a) Dates of Travel: MAY 14-16, 2012
  
- (b) Purpose (include complete name of any conference, school, etc.):  
APPROVAL TO ATTEND ANNUAL (2012) MEETING OF THE NORTHEASTERN WEIGHTS AND MEASURES ASSOCIATION
- (c) City/Town & State:  
SEEKONK, MASSACHUSETTS
  
- (d) Employee(s) Traveling (include title(s): HERB LEVIN  
DIRECTOR, WEIGHTS & MEASURES
  
- (e) Is County paying the costs or is another Agency?  
ALL EXPENSES TO BE PAID BY NEW YORK STATE WEIGHTS & MEASURES ASSOCIATION
  
- (f) Mode of Transportation to be Use:  
PERSONAL VEHICLE (County Vehicle or Mass Transportation)

***Please note: If County vehicle use is requested, upon resolution approval, please provide Fleet Manager Frank Morehouse with vehicle request form properly completed.***

AUTHORIZATION TO ATTEND MEETING OR CONVENTION

Check one:

In-State (needs Supervisory Committee authorization)

Out-Of State (needs Board resolution)

The Support Services Committee hereby authorizes Herb Levin

(Supervisory Committee)

(Employee Name)

to attend 2012 Northeastern Weights & Measures Association Annual Meeting

(Name of meeting or organization)

at Seekonk, Massachusetts

(Address)

on May 14-16, 2012 Mode of transportation to be used Personal Vehicle

(Dates)

(County Vehicle or Mass Transportation)

If the mode of transportation is not a county vehicle or mass transportation, please explain:

The entire cost (including fuel) of this conference will be reimbursed by NYS Weights & Measures Association.

Proper documentation must be attached when submitting for approval.

(Please check documents attached)

Notice of meeting or convention including cost.

For Overnight Travel

*N/A - see note above.*

Room rate \$ \_\_\_\_\_ GSA\* Rate \$ \_\_\_\_\_

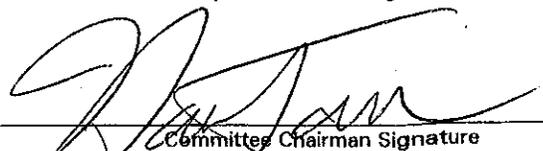
Meal costs - GSA\* per diem rate \$ \_\_\_\_\_

\*[www.gsa.gov](http://www.gsa.gov)

Date: April 6, 2012

  
Department Head Signature

Date: April 11, 2012

  
Committee Chairman Signature

# NORTHEASTERN WEIGHTS AND MEASURES ASSOCIATION

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## Meetings

- ANNUAL MEETING
- INTERIM MEETING
- TRAINING SCHOOL

## 2012 Annual Meeting

### Future Meetings

May 13-16, 2013  
TBD

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### May 14-17, 2012 Seekonk, MA

- [Download Meeting Registration Form](#)
- [Form 15: Proposal to Amend Handbooks](#)

**Registration Fee**  
Member: \$75.00  
Non-Member: \$100.00

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### Hotel Accommodations

**Johnson & Wales Inn**  
213 Taunton Avenue  
Seekonk, MA 02771

**Reservations**  
[www.jwinn.com](http://www.jwinn.com)  
800-489-1567  
Please mention the "NEWMA" to obtain the special group rate.  
Deadline: April 13, 2012

**Room Rates**  
\$88.00/night plus tax (breakfast included)

**Parking**  
Complimentary

**Transportation**  
\$10.00 to and from TF Green International Airport (Providence, RI)

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**NEWMA Contacts:**

Mark Coyne  
Brockton Weights and Measures  
45 School Street  
City Hall  
Brockton, MA 02301  
email: [mcoyne@cobma.us](mailto:mcoyne@cobma.us)  
phone: (508) 580-7120  
fax: (508) 580-7173

James Cassidy  
City of Cambridge Weights and Measures Department  
831 Massachusetts Avenue  
Cambridge, MA 02139  
email: [jcassidy@cambridgema.gov](mailto:jcassidy@cambridgema.gov)  
phone: (617) 349-6133  
fax: (617) 349-6134

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SCHEDULE "A"  
AUTHORIZATION TO ATTEND MEETING OR CONVENTION

Check one:

- In-State (needs Supervisory Committee authorization)  
 Out-Of State (needs Board resolution)

The Support Services Committee hereby authorizes Herb Levin  
\_\_\_\_\_  
(Supervisory Committee) (Employee Name)

to attend 2012 New York State Weights & Measures Association / New York State Annual Training School and Conference  
\_\_\_\_\_  
(Name of meeting or organization)

at Comfort Inn & Suites 6701 Buckley Road Syracuse, NY 13212  
\_\_\_\_\_  
(Address)

on June 11-15, 2012 Mode of transportation to be used Department Vehicle  
(Dates) (County Vehicle or Mass Transportation)

If the mode of transportation is not a county vehicle or mass transportation, please explain:

n/a

Proper documentation must be attached when submitting for approval.  
(Please check documents attached)

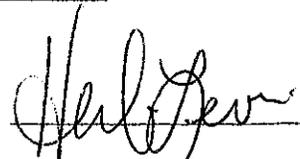
Notice of meeting or convention including cost.

**For Overnight Travel**

Room rate \$ Package A - \$494.75 GSA\* Rate \$ \_\_\_\_\_  
 Meal costs - GSA\*per diem rate \$ Conference Fee - \$25.00

\*[www.gsa.gov](http://www.gsa.gov)

Date: April 6, 2012

  
\_\_\_\_\_  
Department Head Signature

Date: April 11, 2012

  
\_\_\_\_\_  
Committee Chairman Signature

Please refer to the Warren County Travel Policy and County Vehicle Use Regulations



New York State Weights & Measures Association  
 48<sup>th</sup> Annual Training School  
 105<sup>th</sup> Annual Meeting  
 June 11 - 15, 2012  
 www.nyswma.com

**Comfort Inn & Suites**  
 6701 Buckley Road, North Syracuse, NY 13212  
 Tel: 315-457-4000 Fax: 315-453-7877

**HOTEL REGISTRATION FORM**

Must be received by: May 25, 2012

*Please fill out completely. Cancellation must be received by 6:00 pm on day of arrival. If reservations are not cancelled by 6:00pm on day of arrival, 1 night's room charge will be billed as a No Show and the rest of reservation night stays will be cancelled as well.*

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone / E-mail: \_\_\_\_\_

Arrival Date: \_\_\_\_\_ Departure Date: \_\_\_\_\_

Additional Attendees: \_\_\_\_\_

Choose: Double Beds (2) \_\_\_\_\_ King Bed (1) \_\_\_\_\_

**Method of Payment:**

Check: \_\_\_\_\_ Purchase Order #: \_\_\_\_\_

Credit card Number: \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

Tax Exempt Form attached: Yes \_\_\_\_\_ No \_\_\_\_\_.

\* If paying by credit card, the hotel must have a legible copy of the credit card with the organization's name on it.

**Return form to: Comfort Inn & Suites, 6701 Buckley Road, North Syracuse, NY 13212**

**Attention: Megan Campbell; Phone: 315-703-7945, E-mail: mcampbell@syrhotel.com**

**Single Occupancy**

- Package A - \$494.75 - 4 nights / meals
- Package B - \$373.25 - 3 nights / meals
- Package C - \$251.75 - 2 nights / meals
- Package D - \$141.50 - 1 night / meals

**Double Occupancy - per person**

- Package A - \$333.75 - 4 nights / meals per person
- Package B - \$248.75 - 3 nights / meals per person
- Package C - \$163.75 - 2 nights / meals per person
- Package D - \$95.00 - 1 night / meals per person

Comfort Inn & Suites accepts vouchers or credit cards. Vouchers & tax exempt forms must be received 3 weeks prior to the conference. Please register by May 25, 2012.

**NOTE: The above Packages DO NOT include the NYSWMA Registration Fee. Therefore, you must also register with the NYSWMA Treasurer using the NYSWMA Registration Fee form.**



# New York State Weights & Measures Association

48<sup>th</sup> New York State Annual Training School /105<sup>th</sup> Annual Meeting

June 11 - 15, 2012

www.nyswma.com

Comfort Inn & Suites - 6701 Buckley Road - Syracuse, New York 13212 315-457-4000

## NYSWMA REGISTRATION FEE FORM / RECEIPT / INVOICE

To pre-register, please fill out TOP section and send/fax form to the Association Treasurer or bring form to register at school.

Jurisdiction: _____	Ph#: _____
Address: _____	

Attendee Names _____	/	_____
_____	/	_____

2012 Paid NYSWMA member: \_\_\_\_\_, OR other state (non-NY) Paid W&M Association member: \_\_\_\_\_

To join - add new member name(s): \_\_\_\_\_  
(New member - please fill out NYSWMA Membership Application - see Association Treasurer or Membership Committee Chairman)

**Amount Due  
to Association:**

Jurisdiction/Business: \_\_\_\_\_ 2012 Dues: # \_\_\_\_\_ x \$25 = \_\_\_\_\_

**2012 School Registration: (All Attendees)** (One time charge) Members: # \_\_\_\_\_ x \$35 = \_\_\_\_\_

**(Make payable to NYSWMA Association Treasurer)** (One time charge) **Non-Members:** # \_\_\_\_\_ x \$70 = \_\_\_\_\_

All attendees staying at the hotel and all commuters must also register with the Hotel for packages and meals.

**Hotel Package:** (Circle) **A B C D** (Circle) **Single Double** **Days Attending:** (Circle) **M T W Th F**

Commuters: Full Week Attendance: (Total = 4 full days - includes Lunch T-Th and Breaks M-1, T-2, W-2, Th-2)

Partial Week Attendance: Days Attending: (Circle) **M T W Th**

*Below this line - for NYSWMA Treasurer use only!*

Association Dues and Association Registration: **Total Due:** \$ \_\_\_\_\_

**Payment Method:** Cash: \_\_\_\_\_ Check #: \_\_\_\_\_ Voucher or Purchase Order: \_\_\_\_\_ **Total Paid:** \$ \_\_\_\_\_

**Registered by:** \_\_\_\_\_ **NYSWMA Balance Due Association:** \$ \_\_\_\_\_

Federal ID # 51-0584555

Phone: 716-938-9111 x2424

Make payments to: **NYS Weights & Measures Association**  
**Allen Halladay, Treasurer**  
**4525 Pumpkin Hollow Rd**

AUTHORIZATION TO ATTEND MEETING OR CONVENTION

Check one:

- In-State (needs Supervisory Committee authorization)
- Out-Of State (needs Board resolution)

The Support Services Committee hereby authorizes Julie Pacyna + Jason Supur  
 (Supervisory Committee) (Employee Name)

to attend the NY SAMPO Annual Professional Development Conference  
 (Name of meeting or organization)

at the Fort William Henry, Lake George, NY 12845  
 (Address)

on 5/9 - 5/11 Mode of transportation to be used personal vehicles  
 (Dates) (County Vehicle or Mass Transportation)

If the mode of transportation is **not** a county vehicle or mass transportation, please explain:

Conference is local - no need for county vehicle.

Proper documentation must be attached when submitting for approval.

(Please check documents attached)

- Notice of meeting or convention including cost. (\$250 per person)  
#500 total

For Overnight Travel

- Room rate \$ \_\_\_\_\_ GSA\* Rate \$ \_\_\_\_\_
- Meal costs - GSA\*per diem rate \$ \_\_\_\_\_

\*www.gsa.gov

Date: 4/2/12

Julie P. Pacyna  
 Department Head Signature

Date: 4/11/2012

[Signature]  
 Committee Chairman Signature

Please refer to the Warren County Travel Policy and County Vehicle Use Regulations for general policy guidelines.

\*\*\*\*\*

Please check to request a fleet vehicle.

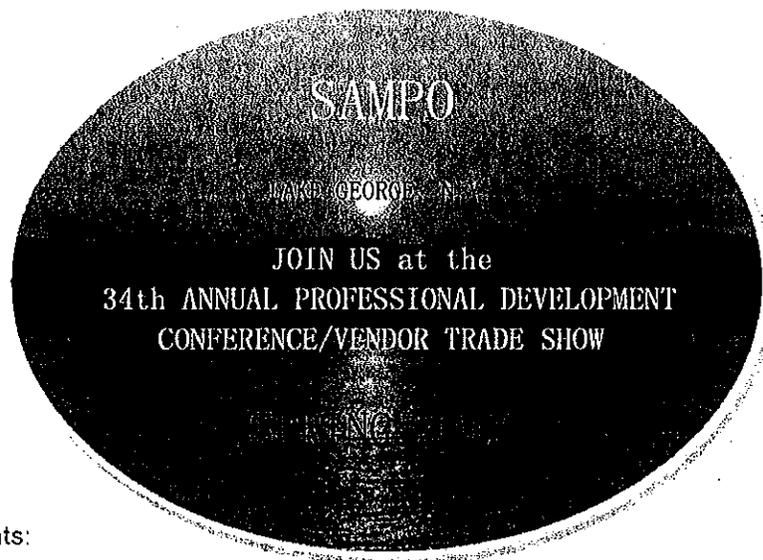
REQUEST FOR USE OF FLEET VEHICLE

\*\*\*\*\*

Filing Instructions:

1. Original with voucher to Auditor.
2. Copy to Frank Morehouse if fleet vehicle is needed.
3. Copy to Clerk of the Board with Resolution Request form if out-of-state travel.
4. Copy to Purchasing with Purchase Order, if required.
5. Copy to Commissioner of Administrative and Fiscal Services if credit card will be used.

## Join us for the 34th Annual Professional Development Conference/Vendor Trade Show Spring 2012



To All Conference Participants:

Here we are in 2012 and for many, the reality of public service is much different than just a few years ago. As our colleagues have left or retired, their positions have either been left vacant or eliminated altogether. Training funds have been reduced and we have all been asked to "do more with less". As the public sector continues to retract and services are evaluated the scrutiny of public employees will continue to increase. Now, more than ever, the importance of being able to justify a position (or entire department), or document the value of our positions to the governing boards has never been greater. So....how do we do this....???

Other than personnel costs no department has the greatest potential to impact the bottom line than the Purchasing Department. Through the use of new and innovative approaches to contract development and identifying new ways to save taxpayer dollars we can have a significant impact on expenses.

The SAMPO Board is pleased to present the 2012 Professional Development Conference and Vendor Trade Show. Once again we have returned to beautiful Lake George and the Fort William Henry Conference Center and Resort.

This year's Conference includes a variety of educational programs designed for those who may be new in Purchasing as well as for those of us who are never too old (like me..) to learn new things. In addition to seasoned presenters, we have partnered with the New York State Department of Labor, the State Comptroller's Office, the US department of Justice, State Education Department, and Office of General Services to present topics that I'm sure will provide everyone with additional skills that will help us do our jobs more efficiently. Many of the education programs being offered this year are due to requests from our members to provide education in the specific areas.

On Thursday, Mr. Andy SanFillippo from the NYS Comptroller's Office will be joining us for lunch and a short presentation.

In addition to the wide variety of educational programs there will be over sixty (60) vendors present to showcase their products and services.

As with any Conference, the greatest benefit can be the exchange of information and networking with your fellow attendees. The opening reception on Tuesday evening and banquet on Thursday will provide opportunities for informal discussions, or to just 'catch up' with those you haven't seen since last year! And finally, back by popular demand, please join us for the 'dinner cruise' with live entertainment on beautiful Lake George on Wednesday evening.

And finally, what better way to conclude our program than to be treated to a Friday morning summary of recent legislation and questions from the ever popular Mitch Morris from the New York State Office of the Comptroller.

On behalf of the entire SAMPO Board, I encourage you to attend this event in Lake George in May, and we hope you can join us!

*Mark Sachetti*  
SAMPO President



**CONFERENCE REGISTRATION FORM**

REGISTER ONLINE AT [www.nysampo.org](http://www.nysampo.org) or RETURN THIS FORM with Purchase Order or Check for Registration Fee to: SAMPO, c/o Mehl & Associates, 2668 South Road, Suite 203, Poughkeepsie, NY 12601 SAMPO Federal ID#22-3046609

**34<sup>th</sup> Annual Professional Development Conference/Vendor Trade Show**

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

AGENCY/ MUNICIPALITY/ DISTRICT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_ COUNTY: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_  
(Please include for confirmation purposes)

SAMPO Member? YES \_\_\_ NO \_\_\_ NIGP Member? YES \_\_\_ NO \_\_\_

ARE YOU BRINGING A SPOUSE/GUEST? Yes \_\_\_ No \_\_\_ SPOUSE/GUEST NAME \_\_\_\_\_

ARE YOU INTERESTED IN BEING A MODERATOR? YES \_\_\_ NO

**REGISTRATION RATES**

SAMPO MEMBER FULL: \$250 NON-MEMBER: \$350 OTHER NIGP CHAPTER MEMBER: \$300

FOR ONE DAY REGISTRATIONS PLEASE CIRCLE (WEDNESDAY/THURSDAY)

SAMPO MEMBER ONE DAY FEE: \$150 NON-MEMBER ONE DAY FEE: \$250  
OTHER NIGP CHAPTER MEMBER ONE DAY FEE: \$200

RETURNING SAMPO ATTENDEE \$ \_\_\_\_\_ ATTENDEE SPOUSE/GUEST \$150

**FOR SCHOLARSHIP HOLDERS ONLY:** If you have been awarded a 2012 SAMPO Scholarship and would like to apply the scholarship towards the expenses associated with this Conference *please check here.* \_\_\_\_\_  
By checking this line you are requesting that SAMPO apply \$250 of your scholarship award to the conference registration fee and the balance (\$150) toward the cost of your room at the Fort William Henry, and you understand that you will be personally responsible for all room charges that exceed the \$150 scholarship payment.

**Please reserve the following room type:**  
Standard (\$73/night) \_\_\_\_\_  
Premium (\$94/night) \_\_\_\_\_  
Main Hotel (\$115/night) \_\_\_\_\_

Registration includes all scheduled meals and class expenses

**All Hotel reservations, if applicable, are to be made directly with the Hotel**  
Fort William Henry Resort and Conference Center, 48 Canada Street, Lake George, NY 12845  
Toll-free: (800)234-0267 or (518)668-3081

**MAIL YOUR COMPLETED REGISTRATION FORM AND PURCHASE ORDER OR CHECK  
MADE PAYABLE TO: NY State Association of Municipal Purchasing Officials, Inc.  
c/o Mehl & Associates, 2668 South Road, Suite 203, Poughkeepsie, NY 12601**

Phone: 845-790-8198 Fax: 888-265-5478 Email: [INFO@NYSAMPO.ORG](mailto:INFO@NYSAMPO.ORG)

NO REFUNDS WILL BE GRANTED FOR ATTENDEES WHO REGISTER BUT DO NOT ATTEND.  
Any Cancellations must be emailed to: [INFO@NYSAMPO.ORG](mailto:INFO@NYSAMPO.ORG)  
ONE WEEK PRIOR TO CONFERENCE

**IF YOU DO NOT CANCEL AND DO NOT ATTEND, YOUR ORGANIZATION WILL BE BILLED**

Disclaimer: "By submitting this registration form you acknowledge and accept the language included in the "Terms of Usage", "Privacy Policy" and "Payment Policy" links found at the bottom of the SAMPO website homepage as well as the terms and conditions."

# Conference Agenda

## Tuesday May 8<sup>th</sup>, 2012

1:00-6:00pm Vendor Setup  
3:00-6:00pm Registration (Hotel Lobby)  
6:00-8:00pm Opening Reception with Vendor and Attendees – Tower Hall

## Wednesday May 9<sup>th</sup>, 2012

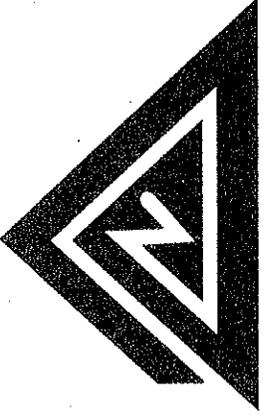
7:30-10:30am Continental Breakfast/Vendor Exhibits – Tower Hall  
10:45-12:00pm Best Value Legislation – Paul Brennan - Lake George North & South  
Vendor Class – Karen Storm - Fort Edward  
12:15-1:30pm Business Lunch – White Lion (Hotel)  
1:30-2:45pm Vendor Exhibits – Tower Hall  
Intro. To Purchasing 1 – Karen Storm - Lake George North  
Current Trends on Wicks Laws & Risk Management – Paul Riester - Lake George South  
GSA Contracts – John Marrone -Fort Edward  
3:00-3:30pm Vendor Awards / Break  
3:45-5:00pm Writing Bid Specifications - Paul Brennan - Lake George North  
Life Cycle Contract Design & Mgmt. – Paul Riester - Lake George South  
Purchasing Card Basics & Best Practices – Tim Sheridan, Citibank - Fort Edward  
6:30pm Networking Function/Dinner Cruise (Boarding by Dock)

## Thursday May 10<sup>th</sup>, 2012

7:30-9:00am Breakfast – White Lion  
9:00-10:15am Smart Purchasing – Paul Brennan – Lake George North  
Purchasing Consolidation –Sean Carroll- Lake George South  
Insurance & Bid Bonds – speaker tbd-Fort Edward  
10:15-10:30am Break  
10:30-12:00pm School Purchasing 1 – Lake George North  
Prevailing Wage – NYS Dept of Labor - Lake George South  
OGS Contracts – Lauren Hartley - Fort Edward  
12:00-1:30pm Lunch – White Lion  
1:30-2:45pm School Purchasing 2 – Lake George North  
Intro. To Purchasing 2 – Karen Storm -Lake George South  
2:45-4:00pm Developing an RFP – Sean Carroll -Lake George North  
OSC Class – What to expect from and OSC Audit – Stanley Kay, Examiner, OSC - Lake George South  
Red Flags of Collusion – Carrie Syme, US Dept. of Justice - Fort Edward Room  
4:00-5:15pm Performance Measurements for Public Procurement Paul Brennan - Lake George North  
Round Tables – School/Town, City & County  
6:15pm Cocktail Hr. and Banquet

## Friday May 11<sup>th</sup>, 2012

7:30-11:00am Breakfast with Mitch Morris



**AEON NEXUS**

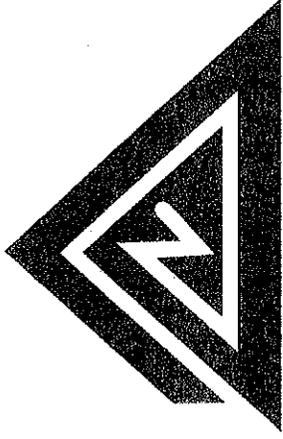
Requirements to results.

**Warren County  
Spend Assessment**

February 21, 2012

## Table of Contents

- Project Overview
- Process-level Recommendations
- Commodity-level Recommendations
- Implementation
- Appendix A – Spend Data Summaries
- Appendix B – Purchasing Card Presentation



**AEON NEXUS**

Requirements to results.

Project Overview

# The Current Warren County Purchasing Environment



- Great work is already underway within the Purchasing department.
- A good balance already exists between the use of OGS Contracts and RFPs/Bids for goods and services.
- Appropriate use of standard procurement practices and policies, despite little ability for enforcement at the departmental level due to decentralization of some processes.
- Actionable data exists to make macro-level decisions, but better transaction-level data (specifically around units of measure and quantities) will enable Purchasing to achieve greater future savings.
- Two typical areas we review are Copiers/Printers and Waste Management, though existing projects in these areas were started before our assessment.
  - Efforts to rationalize and negotiate a per copy price for copiers and printers should result in substantial savings – especially with current toner expenses of \$40k per year.
  - The initiative to collaborate on waste management services across the county resulted in the cost per ton to be reduced from \$69/ton to \$56.86/ton.

Working with the County Administrator and the Purchasing Department, our goal was to amplify and accelerate the good work already being done in order to identify new savings and efficiency opportunities.

# Our Approach



**AEON NEXUS**

## Step 1

- Aeon Nexus conducted an AP data transfer from the Warren County ledger to the Aeon Nexus data enrichment system.
- Received eight years of spend data and utilized the most recent three years of data for data enrichment.



## Step 2

- Aeon Nexus classified over 94% of spend data to UNSPSC.
- Organized spend by commodity and suppliers by commodity.
- Exported data from the data enrichment tool for analysis.



## Step 3

- Primary focus for the cost savings review was on the most recent complete year of spend data (2010).
- Performed Qualitative & Quantitative Analysis.
- Prepared and Delivered Findings.

# Warren County Spend Analysis Process

Our analysis focused on two critical elements of procurement:

Warren County  
Spend Analysis

How Purchases  
are Made

- P-Cards
- Best and Final Offer (BAFO)
- Payment Terms

What Purchases  
are Made

- Road Salt
- Office Supplies
- Asphalt
- Outsourced Services
- Health Insurance

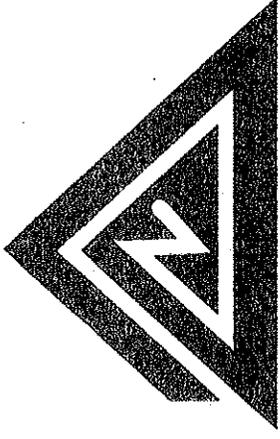


## Key Findings

- Good work is already being done.
- Much of the “low-hanging fruit” has been harvested, so our focus was on the remaining, big dollar impacts achievable through process, policy, and procurement strategy changes.
- Simple process changes around how Warren County buys what it uses every day can help drive potential savings of well over \$1M.
  - Biggest opportunities exist through using Purchasing Cards instead of checks for small dollar-amount transactions and changing payment terms from 30 days to 45.
- Simple changes to procuring the items and services Warren County uses every day can help bring savings.
  - We believe that savings can be found in Road Salt, Office Supplies, and Outsourced Services.
  - There may be additional savings opportunities in Health Insurance, however, specialists would be required to determine the actual potential savings.

**Aeon Nexus committed to a 10x payback on our fees...**

**This report illustrates how we exceeded that goal in savings opportunities identified.**



**AEON NEXUS**

Requirements to results.

Process-level Recommendations

# Using P-Cards to Pay Suppliers Instead of Checks



**AEON NEXUS**

The use of a P-Card for high-frequency, low-dollar-value transactions can save money, generate revenue, and provide increased visibility into transactional data.

	Transactions \$2,500 and less	Transactions \$1,500 and less	Transactions \$200 and less	Transactions \$100 and less
Number of Transactions	13,802	12,957	7,046	4,851
Total Spend	\$5,309,638	\$3,653,587	\$513,903	\$199,121
Potential Savings*	\$703,868	\$660,756	\$359,312	\$247,384
Potential Rebate (Based on 1%)	\$39,822	\$27,401	\$3,854	\$1,493
Total Potential Impact From P-Card Usage **	\$743,690	\$688,157	\$363,166	\$248,877

\* In order to accommodate approved exceptions, "Savings" assumes only 75% of the transactions are P-Card eligible. Additionally, savings per transaction is estimated at \$68, based upon previously documented benchmark data.

\*\* Excludes additional savings provided by the 30-day cash-flow "float" a P-Card offers versus a check-based process.

**Even if Warren County's check-based processes were "highly efficient" and the savings was only \$20, not \$68, per eligible transaction, the resulting benefit would still be \$207,020.**

Note: Aeon Nexus has developed and provided a separate presentation on P-Cards for Warren County to fully explain the challenges and opportunities.



## Using Best and Final Offer (BAFO) to Drive Best Price

- During an RFP or bidding process, the procurement team can offer the respondents a chance to submit a Best and Final Offer (BAFO).
- BAFO should be executed after the number of prospective vendors have been reduced to a select few who all meet technical requirements for the bid.
- BAFO is commonly used when the procurement team believes that best price has not been achieved or as a strategy to incent bidders to reduce attractive bids even further.
- BAFO is an approved negotiation strategy by the NYS Office of General Services (OGS).
- Recent bid protests in NYS and elsewhere have arisen when the government has not leveraged BAFO during an RFP process to drive the “best value” for taxpayers.
- Even with very modest goals (1% price reduction), impacting a limited amount of addressable spend (excluding OGS contract purchases, spot pricing, or other pre-negotiated purchases), the use of BAFO can have a measurable impact on savings.
  - For example, if Warren County pursued a conservative goal of using BAFO to save 1% of spend on purchases in the “Building, Construction, and Maintenance Services” purchasing category (representing nearly \$15M in 2010), resulting savings would be \$150,000.
  - Warren County DPW has used BAFO in some negotiations, but an expanded use throughout all departments would help drive further savings.

**We recommend adding BAFO language to all RFPs and Bids to enable the County to apply this strategy opportunistically in order to drive additional savings.**

# Payment Terms to Drive Savings and Improve Cash flow

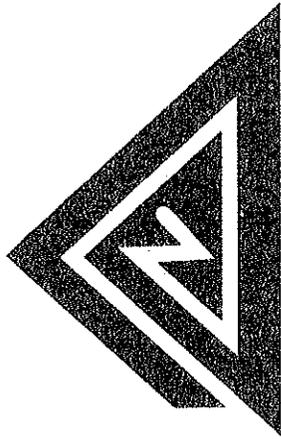


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- Warren County currently uses payment terms of Net 30 to pay suppliers.
  - “Net 30” means that suppliers are paid within 30 days of invoice receipt.
- Many organizations are extending their payment terms as a strategy to help improve cash flow and to create additional savings opportunities (Note: some commercial firms moving to Net 60 or Net 75).
- We recommend that Warren County considers moving payment terms out to Net 45, providing special accommodations to small business or others who would be unduly harmed by this policy change and can make a compelling argument for the exemption. (Note: we can share draft language around who should be accommodated).
  - Public Works projects may be excluded depending on the County’s specific interpretation of GML 106-B.
- Other suppliers who prefer, but do not require, faster payment terms would be asked to offer a discount based upon Net 30 and Net 15 day payment terms (typically of 1 and 2 percent price adjustments, respectively).
  - Expanding payment terms also helps improve suppliers’ P-Card acceptance, since payment is immediate with P-Cards.

Payment Terms	Net 45*	Net 30	Net 15
<b>Discount</b>	-	1%	2%
<b>Potential Savings**</b>	-	\$642,394	\$1,284,789

\* Excludes additional savings from improved cash flow  
 \*\* Assumes only 50% of spend is impacted



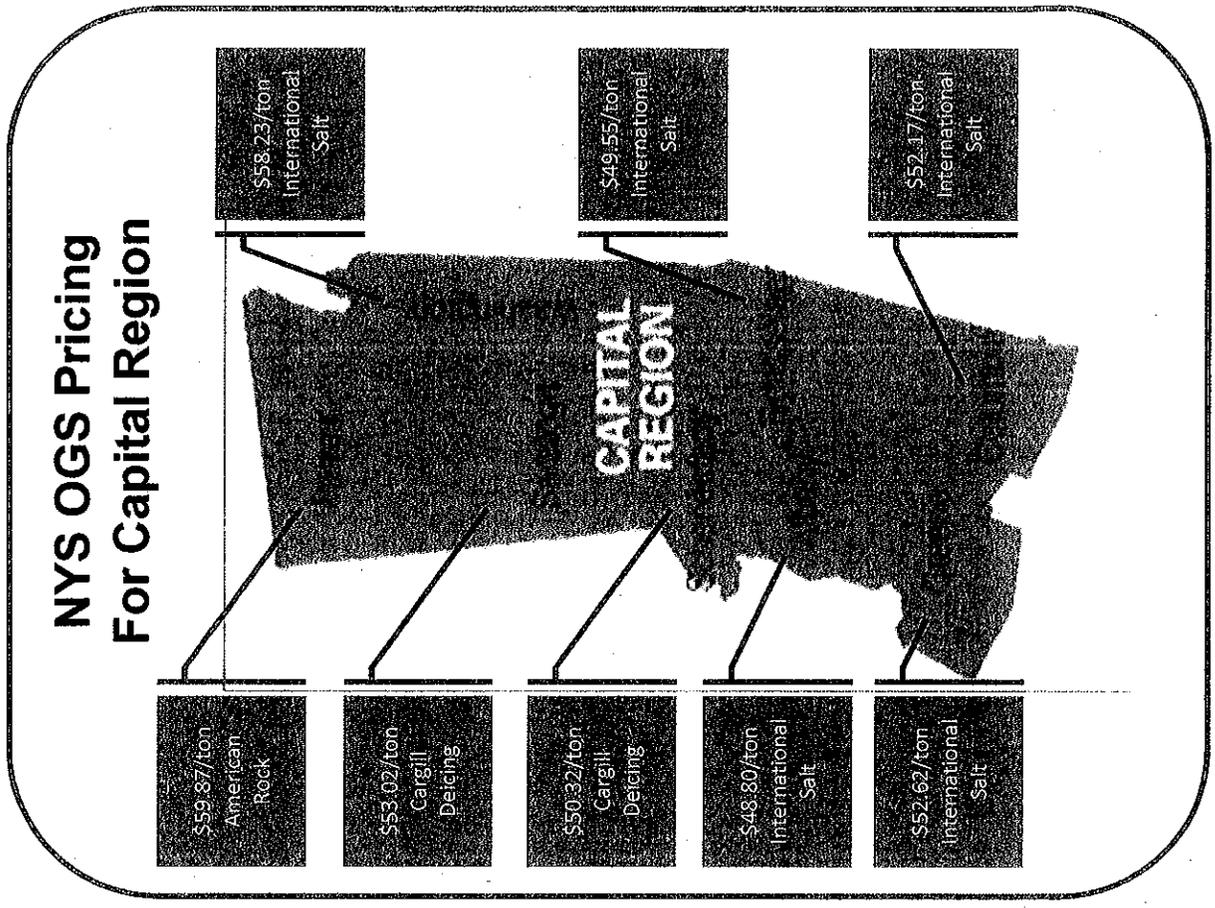
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Requirements to results.

Commodity-level Recommendations

## Road Salt

- OGS Prices for Road Salt in the Capital Region range between \$48.80/ton (Albany) and \$59.87/ton (Warren).
  - Across NYS the OGS prices range from \$36.37 (Ontario) and \$69.50 (Essex).
  - There are wide pricing disparities across the Capital Region, as well as the State.
  - Cargill Deicing and International Salt, overall, appear to have more competitive pricing than American Rock, even within just the Capital Region.
- Pending legislation proposed by Sen. Little will improve local municipalities' abilities to "piggy-back" on the best contracts available.
- Conservatively speaking, if Warren County were able to secure pricing even equal to the current average price for the Capital Region (\$53.07/ton), savings of \$29,079 would be achieved.



## Office Supplies

- In 2010 Warren County spent \$175,685 on office supplies.

- We understand that this is regularly competitively bid, but recent pricing structure changes among the key players has enabled additional savings opportunities.

- Leveraging on-line catalogues and tools to strengthen spend control while also enabling end users to purchase what they require themselves (with the appropriate controls and approvals) can save time and money.

- Given our familiarity with the various vendors in this space and their pricing, we believe that changing from the existing sole-sourced provider of office supplies to a different one would result in approximately 10% savings (\$17,685).

- Through our understanding of the best available pricing and what Warren County is actually purchasing, savings can be achieved by purchasing the identical items or acceptable alternatives using another vendor.
- Our analysis of the incumbent (WB Mason), as well as Staples and Office Depot shows that the best pricing would likely be achieved through Office Depot.
- Additionally, a relationship with Office Depot also enables the County to purchase technology through their Tech Depot portal, delivering additional savings, since our research shows that Tech Depot pricing on computer hardware closely reflects the pricing we have achieved using reverse auctions for commercial clients.



## Asphalt

- Asphalt, in this region, is a relatively competitively priced commodity, with few opportunities to drive savings, through typical sourcing strategies.
- A common practice in reducing overall asphalt costs is the bundling of the material costs (the asphalt itself) with the “lay-down” services. In effect, outsourcing this activity.
  - We understand that this practice is not common with Warren County, nor is it likely to be adopted, but our experience with asphalt suppliers has been that they are able to offer a much better price for per ton because more of the work is within their span of control.
  - On the County side, additional savings could be derived through this approach as a result of staffing, equipment, and maintenance savings.
- When purchasing asphalt by itself, consider using a P-Card to secure rebates (typically 1%) for transactions below \$15k.
  - Of the three current suppliers, Jointa Galusha accepts P-Cards, which would have contributed \$1,500 in rebates for 2010 if P-Cards were used for asphalt purchases under \$15k.
  - If larger purchases were broken into smaller transactions or the supplier accepted P-Card transactions for larger amounts, the rebates could be much greater.



## Outsourced Services

- Many municipalities are considering outsourcing “non-core” services to commercial entities in order to leverage greater efficiency and effectiveness in the delivery of these services.
  - Warren County already does this through its relationship with Stanski Transportation.
  - Additionally, Warren County has in effect “outsourced” services such as snow removal, environmental services, and road repair to local municipalities where it makes sense for the local government to provide the service rather than the County.
- Some Municipalities have looked at items such as snow removal, environmental services, and road repair, as well as other areas, as potential commercial outsourcing opportunities.
  - This idea is often dispelled using the “prevailing wage” argument, however, this argument is limited in the fact that it only looks at wages, rather than wages plus equipment, maintenance, benefits (long and short term), and financing.
  - We are aware of the political and financial challenges of outsourcing from towns to commercial entities, and the resulting local impact to town revenue and jobs.
  - Nevertheless, we have had clients in the private sector benefit considerably by outsourcing non-core services by not only reducing their overall costs for the services, but also making money by selling the no-longer-needed equipment to those suppliers.
- A study, potentially funded through NYS Local Government Efficiency Grants, should be conducted to determine the financial justification for both approaches in order to select the best option.



## Health Insurance

Due to the complexity and licensing requirements to provide detailed guidance in this area, we suggest that a third-party healthcare analysis is performed on the \$9.2M spent.

Based upon our initial review, the key questions and savings opportunity areas are:

- **Seek out network discounts** - Make sure that current carriers have the deepest discounts for most utilized facilities and programs.
- **Consider Stop Loss Vendors** – Determine the most efficient and effective way for the County to carve-out individual and aggregate stop loss rather than keeping it with the medical carrier.
- **The “prescription” for Rx** – Conduct an evaluation of Prescription Benefit Management (PBM).
  - Potential vendor change to reduce cost.
  - Evaluation of discounts by medication.
- **Understand Plan Design** - Review of claims and how plan design has a direct impact.
- **Buy-into Wellness Initiatives** – Look at low-cost/no-cost opportunities to reduce claim costs in the long term.

Ensuring that these areas are being challenged in order to drive further savings is key to achieving best value

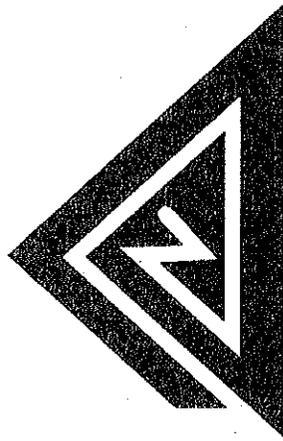


## Other Findings

- **e-Procurement**
  - In our discussions, we determined that a typical RFP/bid takes Purchasing 1 day for development and approval for release to suppliers.
  - Leveraging an e-Procurement tool, Warren County can establish a repeatable and highly efficient process that would likely reduce the RFP creation time to an hour or less.
  - Assuming Warren County Purchasing performs 100 RFP/Bids per year, moving to e-Procurement could save \$21,000/year on that activity alone.
  
- **Contracting**
  - Continue to consider contracting for longer durations (more than one year) in order to lock-in pricing (and make sure every contract has “cancellation for convenience” terms to protect the County).
  - Ensure that these contracts are continuously monitored, along with the related markets, in order to measure savings or to trigger a re-bid.
  
- **Inter-County Collaboration**
  - Consider opportunities to work together with neighboring counties in order to combine spend for greater buying power, “piggy-back” on more favorable contracts, and share best practices to deliver savings, efficiencies, and greater value for the tax payer.
  - Grant opportunities exist to study the potential opportunity for collaboration, but the applications must be filed by March 21.



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Requirements to results.

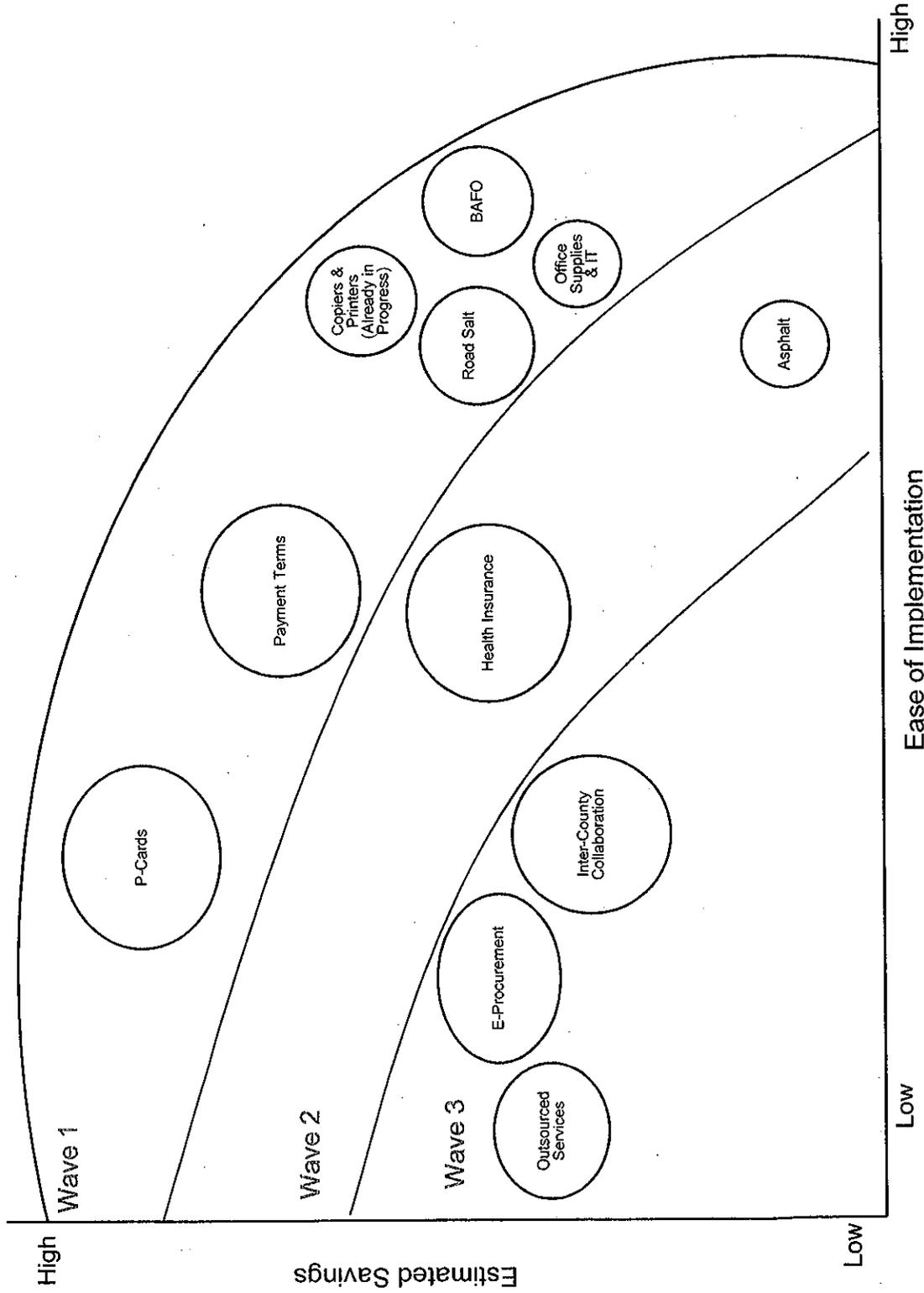
Implementation





# Sourcing Implementation

The savings can be captured in a staged rollout of three sourcing waves, starting Wave 1 in March





## Next Steps

Aeon recommends that Warren County perform the following tasks to accelerate the execution of sourcing waves 1-3.

- Review enriched sets of Warren County Spend Data provided by Aeon Nexus to understand the complete spend profile.
- Review recommendations and approve final activities in the implementation waves.
- Determine Priorities within waves.
- Develop execution/implementation plan.
- Draft communication plan to inform and engage key stakeholders about the initiatives.



**Appendix A:  
Warren County  
Spend Categorization**





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## Category Benchmarks

Aeon Nexus benchmarked Warren County categories against our internal databases and industry best-in-class to identify \$43,445.74 - \$107,703.80 in preliminary potential commodity-level savings.

Category	Spend	Savings %		Savings		High End Savings %	High End Savings
		End	Low	Low End \$	High End \$		
Asphalt	\$ 369,670.56	3%		\$ 11,090.12		5%	\$ 18,483.53
IT Equipment							
Equipment	\$ 8,834.00	9%		\$ 795.06		21%	\$ 1,855.14
Servers	\$ 16,873.52	3%		\$ 506.21		8%	\$ 1,349.88
Computers	\$ 13,745.00	9%		\$ 1,237.05		21%	\$ 2,886.45
Desktop Computers	\$ 3,929.00	9%		\$ 353.61		21%	\$ 825.09
Notebook Computers	\$ 8,648.50	9%		\$ 778.37		21%	\$ 1,816.19
Photocopiers							
Photocopiers	\$ 20,672.88	18%		\$ 3,721.12		30%	\$ 6,201.86
Office Machines, Supplies and Accessories	\$ 14,826.42	18%		\$ 2,668.76		30%	\$ 4,447.93
Inkjets and Toners							
Inkjets	\$ 422.14	5%		\$ 21.11		21%	\$ 88.65
Toners	\$ 41,855.91	5%		\$ 2,092.80		21%	\$ 8,789.74
Printers							
Printers	\$ 2,752.75	9%		\$ 247.75		21%	\$ 578.08
Food Beverage and Tobacco Products	\$ 286,206.75	3%		\$ 8,586.20		5%	\$ 14,310.34
Automobiles, Light Trucks, Sport Utility Vehicles							
Automobiles	\$ 157,690.00	1%		\$ 1,576.90		8%	\$ 12,615.20
Rock Salt	\$ 256,119.78	3%		\$ 7,683.59		6%	\$ 15,367.19
Diesel	\$ 802,818.01	0%		\$ -		1%	\$ 8,028.18
Automotive or Light Truck Tires	\$ 41,742.18	5%		\$ 2,087.11		10%	\$ 4,174.22
Gasoline	\$ 588,614.32	0%		\$ -		1%	\$ 5,886.14
Total				\$ 43,445.74			\$ 107,703.80



# Spend Categorization - 2010 Data

Spend by Category

UNSPSC Category	Total Spend	% of Total Spend	# of Vendors
Financial and Insurance Services	\$48,510,295.81	37.78%	101
Politics and Civic Affairs Services	\$38,890,362.51	30.28%	132
Building and Construction and Maintenance Services	\$15,029,132.29	11.70%	56
Healthcare Services	\$5,305,148.97	4.13%	107
Education and Training Services	\$4,626,304.54	3.60%	27
Structures and Building and Construction and Manufacturing Components and Supplies	\$2,477,950.87	1.93%	39
Public Utilities and Public Sector Related Services	\$2,438,410.19	1.90%	31
Management and Business Professionals and Administrative Services	\$2,159,837.97	1.68%	94
Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	\$1,587,255.02	1.24%	19
Transportation and Storage and Mail Services	\$1,311,538.88	1.02%	29
Engineering and Research and Technology Based Services	\$1,129,480.85	0.88%	18
Organizations and Clubs	\$447,718.29	0.35%	12
Public Order and Security and Safety Services	\$408,083.81	0.32%	30
Power Generation and Distribution Machinery and Accessories	\$404,518.15	0.32%	16
Editorial and Design and Graphic and Fine Art Services	\$392,379.74	0.31%	44
	\$125,118,417.89	97.44%	

# Spend Categorization

Top 15 suppliers represent \$35,660,026.78, or 27.77%, of annual \$128,415,880.50 spend.



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Supplier	Category: Subcategory	Total Spend	% of Total Spend
NYSDOH MEDICAID LOCAL	Financial and Insurance Services : Insurance and retirement services	\$9,642,919.00	7.51%
CDPHP	Financial and Insurance Services : Insurance and retirement services	\$7,676,376.51	5.98%
RIFENBURG CONSTRUCTION, INC.	Building and Construction and Maintenance Services : General building construction	\$7,138,928.82	5.56%
TIOGA CONSTRUCTION CO INC.	Building and Construction and Maintenance Services : General building construction	\$2,073,019.29	1.61%
BLUE CROSS & BLUE SHIELD	Financial and Insurance Services : Insurance and retirement services	\$1,253,546.20	0.98%
CLOUGH HARBOUR & ASSOC.,	Engineering and Research and Technology Based Services : Professional engineering services	\$1,128,154.50	0.88%
STEPHEN MILLER GENERAL CONTRACTORS INC.	Building and Construction and Maintenance Services : General building construction	\$850,046.45	0.66%
ARCH BRIDGE CONTRACTING CORP.	Building and Construction and Maintenance Services : General building construction	\$849,866.15	0.66%
WAREX TERMINALS CORP.	Fuels and Fuel Additives and Lubricants and Anti corrosive Materials : Fuels	\$847,252.41	0.66%
UNITED CEREBRAL PALSY ASSOCIATION	Education and Training Services : Specialized educational services	\$800,245.10	0.62%
STANSKI TRANSPORTATION CORPORATION	Transportation and Storage and Mail Services : Passenger transport	\$789,370.00	0.61%
WARR/WASH. CO. ASSOC. MENTAL HEALTH INC.	Management and Business Professionals and Administrative Services : Real estate services	\$724,474.28	0.56%
LAKE PLACID ADVERTISERS WORKSHOP INC	Public Utilities and Public Sector Related Services : Telecommunications media services	\$708,311.10	0.55%
EXXONMOBIL	Management and Business Professionals and Administrative Services: Legal services	\$673,497.34	0.52%
SIEMENS FINANCIAL SERVICES INC	Power Generation and Distribution Machinery and Accessories : Power Generation	\$504,019.63	0.39%
<b>Total</b>		<b>\$35,660,026.78</b>	<b>27.77%</b>

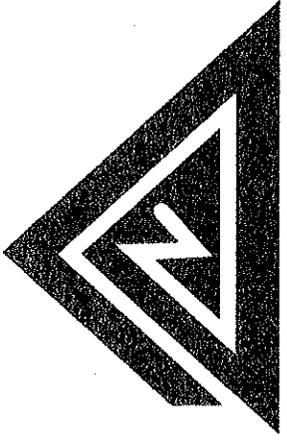


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**Appendix B:  
P-Card Presentation**



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Requirements to results.

Using Purchasing Cards to Drive Savings

Presented to: Warren County, NY





## The Situation

- Most organizations must deal with the reality that they are transacting a high volume of low-dollar-value transactions.
- In 2010, Warren County had 13,802 transactions with individual transaction values of \$2,500 or less (total spend involved was \$5,309,638).
  - with 4,851 of those transactions for items valued at \$100 or less.
- In 2007, the Aberdeen Group reported that the “average” organization that uses a check-based procurement process spends \$90 per transaction from order to payment of the supplier.
  - A 2010 study by RPMG Research found a similar result, placing this cost at \$93 per transaction.
- To the best of our knowledge, the actual cost per transaction of Warren County’s check-based procurement process has not formally been calculated, however, it is fair to assume that the process is comparable to that of an “average” organization.
  - Based on this assumption, for the nearly 5,000 transactions in 2010 valued at \$100 or less, the transaction costs were as much as or more than the cost for the item or service procured.



## The Solution

- The use of Purchasing Cards (P-cards) for high-frequency, low-dollar-value transactions has proven to provide savings through efficiencies in the process while also providing additional revenue enhancements in the form of rebates.

- Municipal, State, and Federal Public Sector Entities have been successfully using P-Cards for more than a decade (and even longer in the private sector).

### Establishing Savings

The average check-based Procure-to-Pay transaction costs  
\$90 per transaction vs. \$22 for P-Cards

### Revenue Enhancement

Rebates as high as **1.5%** of your purchases can be earned

### CASE STUDY:

In 2009, the NYS Division of State Government Accountability did an internal audit on how the State of New York processes small dollar transactions using a paper-based check/voucher process. That audit showed that 13.4 million in process costs and 2 million in rebates could have been saved by using a P-Card system for transaction under \$2,500.



# Implications for Warren County (based upon 2010 data)

The use of a P-Card for high-frequency, low-dollar-value transactions can save money, generate revenue, and provide increased visibility into transactional data.

	Transactions below \$2,500	Transactions below \$1,500	Transactions below \$200	Transactions below \$100
(2010 AP Data)				
Number of Transactions	13,802	12,957	7,046	4,851
Total Spend	\$5,309,638	\$3,653,587	\$513,903	\$199,121
Potential Savings*	\$703,868	\$660,756	\$359,312	\$247,384
Potential Rebate (Based on 1%)	\$39,822	\$27,401	\$3,854	\$1,493
Total Potential Impact From P-Card Usage **	\$743,690	\$688,157	\$363,166	\$248,877

\* In order to accommodate approved exceptions, "Savings" assumes only 75% of the transactions are P-Card eligible. Additionally, savings per transaction is estimated at \$68, based upon previously documented benchmark data.  
 \*\* Does not calculate additional savings provided by the 30-day cash-flow "float" a P-Card offers vs a check.

If Warren County's check-based processes were "best practice" and the savings was \$20, not \$68, per eligible transaction, the resulting benefit would still be \$207,020.

## Additional P-Card Benefits

- **Reduced Processing Time** — The processing time for purchase, payment and reconciliation may be reduced significantly as the overall AP process becomes more efficient.
- **More Timely Payments** — An important accompanying benefit of reduced processing time is more timely payments that can result in cost savings through early payment discounts from suppliers.
- **Streamlined Reporting** — Electronic payment data reporting improves information flow by reducing the need for manual inputs while increasing reporting accuracy and improving process efficiency.
- **Automated Reconciliation Process** — A much improved reconciliation process can occur as payment data passed with electronic transactions is automatically matched with purchase data, eliminating the need for manual inputs.
- **Improved Spend Analysis** — More comprehensive electronic data reporting on company payables improves enterprise-wide company spend analysis and fosters better vendor/supplier management.
- **Enhanced Compliance** — The automation generated by electronic payments increases the transparency of the AP process and fosters greater compliance with company policies or procedures as well as Sarbanes-Oxley (SOX) regulations.
- **Controls and Fraud Protection** — Just like a personal credit card, spending limits can be set by individual and by purchasing category, while the traditional fraud protections and assurances are also in place to protect the organization from unauthorized purchases and inappropriate uses.

*"Automating payment processes to deliver bottom line cost savings in a weak economy."*  
Visa Commercial Solutions — 2009

# “Win-Win” solution



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## Warren County Benefits

- Cost savings through payment efficiencies
- Revenue Enhancement through rebates
- Reduction in paperwork and manual processes
- Consolidated supply base and increased compliance
- Improved supplier relations due to faster payment (e.g., within 3 days)
- Consolidated data and flexible reporting
- Flexible authorization controls to manage spend per cardholder
- Improved cash flow

## P-Card User Benefits

- Convenience and ease of buying
- Improved accuracy of orders
- No manual approval or requisitions
- Faster delivery of goods
- Time savings through process efficiency
- Ability to track invoices online
- Even faster processes

## Supplier Benefits

- Average payment within 2-3 days (improved cash-flow)
- Reduced billing and payment processing costs
- Improved customer relationships and increased sales
- Automated payments generated upon approval of invoices
- Better management of Days Sales Outstanding
- Lower billing and collection costs
- Improved cash collections forecasting
- Exceptions can be made to accommodate local suppliers or small businesses who cannot accept P-card transactions.

*“How companies are using purchasing cards today to deliver savings and improve compliance”  
Executive Briefing Series: Corporate Expense Management Solutions, American Express*