



## Issue 11

### WATSON DIESEL INC

## HOW TO BUY YOUR NEW TRUCK

In previous newsletters, we discussed the purchasing of the upfit for your new municipal truck, and talked about the many options available when ordering your new truck. We compared how building your truck was like building a house, and the importance of hiring a quality carpenter to put together the materials and give you a quality house. We also talked about the difference between the price you pay for something versus the value in which you get for the money spent.

This month we will talk about the options that you have in picking the people that will be supplying you with the equipment for your new truck, and who you will use to build or upfit your truck.

In the past, the only option that a municipality had was to put the job out via the sealed bid process. Most are familiar with this process as it has been around for a long time. This involved coming up with a bid spec for your truck, placing advertisements for the bid, holding a bid opening with the low bidder typically being awarded the job. There are many downsides to this process. For starters, the bidders know going in that they must come up with a bid that would hopefully be lower than their competitor. To achieve this, they may use a component that would meet the bid spec advertised but may be of a lesser quality than some other options. The material that the bidder used may or may not be a well-supported product. Service, etc. on that product may be a problem down the road. To add to this, the upfitter awarded the job may be located hundreds of miles away from your municipality, making service even more difficult. Municipalities may have a supplier located in their own area, but if they were not the low bidder they could not use their product. Product delivery time may also be an issue. If awarded the low bid, the bidder may have a back log of jobs and the municipality could then be at the mercy of their backlog, while another shop could have offered a quicker turnaround time.

In 2004 the Commonwealth of PA, through the Department of General Services, implemented a state procurement program called COSTARS. By definition, COSTARS is a Commonwealth cooperative purchasing program. This program has awarded contracts to suppliers that provide product and services to statewide municipalities. This program allows the municipality to participate in statewide issued contracts, and reap the benefits of these contracts, which include but are not limited to attractive pricing of products and services.

After becoming a COSTARS member, the municipality can then choose from a list of state approved suppliers for a wide array of products and services without the need for putting the job out to bid. This gives the customer the ability to negotiate with the supplier on price and product options. The customer also has the luxury of choosing from a supplier that they know and trust, and one that may be able to supply them with a product that matches existing products that are already in their fleet and can complete the job in a timeframe that suits their needs.

With that said, Watson Diesel is excited to announce that a representative from the COSTARS program will be at our April 12<sup>th</sup> Open House held at our upfit facility located in Canton PA, Bradford County to put on a presentation of their program and answer any questions that you may have.

We sometimes spend time complaining about our government, but you have to give credit where credit is due. They got it right this time! Hope to see you all at the Open House.