

News You Can Use September 2011

Budgets and the Economy

Oregon state economists estimate state revenues have dropped by \$200 million – Oregon's stuttering economic recovery could take a \$199 million bite out of a precariously balanced state budget, lawmakers learned just moments ago. The reduced estimate was mainly because of international and national events, such as European economic issues, the stock market drop and prolonged debate in Washington over the debt. [Read more....](#)

White House hopes to cut costs by buying in bulk – The White House, eager to demonstrate it's serious about curtailing federal spending, is adopting a tactic frequently used by penny-pinching shoppers: It's planning to buy in bulk. The move, known as "strategic sourcing" in government contracting circles, is also forcing agencies to take a serious inventory of some popular office supplies. [Read more....](#)

States Brace as Supercommittee Targets \$500 Billion in Aid – With the debt-cutting supercommittee debating ways to shave \$1.5 trillion from U.S. spending over the next decade and some in Washington calling for cuts of even more, states are dealing with an added source of concern: Just how much of the approximately \$500 billion they receive from the federal government each year may disappear? [Read more....](#)

State can't quantify its contract spending – Legislators want more scrutiny of the estimated \$100 million spent on diverse mix of services. Oregon pumps out a river of public money for state contracts awarded to an array of private contractors. It's a murky flood of expenditures, lacking rigorous oversight by state lawmakers and spending accountability to taxpayers, who foot the bills. State financial officials admit they can't quantify how much money gets paid out for contracts. By conservative estimates, it's a huge sum — easily exceeding \$100 million — buried in the state's budget. [Read more....](#)

Report: Illinois could be \$8.3 billion in red – Illinois remains in deep budget trouble and could be \$8.3 billion in the red by next June, according to a report released Monday by a Chicago watchdog group. The budget problems persist despite a significant boost in the state's income tax rates for individuals and businesses passed by the Democrat-controlled legislature and signed earlier this year by Gov. Pat Quinn. [Read more....](#)

Procurement Trends

Public purchasing group issues planning roadmap for the procurement process – The National Institute of Governmental Purchasing (NIGP) has developed a planning roadmap for the procurement process designed to address issues government agencies are facing in the current economic downturn. NIGP's 2011 Vision Map for Public Procurement, released last week, identifies current and future issues and recommends actions to prepare procurement organizations for lower revenue sources, complicated political conditions, workforce reductions and the increasing focus on local and sustainable purchasing. [Read more....](#)

Houston businesses get edge in bids for city contracts – Local businesses will get as much as a 5 percent advantage in competing for a piece of the \$4 billion that city government spends annually. The 5



percent edge to local businesses applies to city purchases under \$100,000. For spending greater than \$100,000, the local company has to be within 3 percent of the low bid. [Read more....](#)

Augusta's (GA) Procurement Department could be privatized – Augusta's embattled Procurement Department might be next for possible outsourcing. It's a move being pushed by freshman Commissioner Wayne Guilfoyle, who said the city's occasional selection of a qualified bidder that isn't the lowest one raised questions with him. Procurement Director Geri Sams and City Administrator Fred Russell both testified in a court hearing on the case that the best quality doesn't always come at the lowest price. [Read more....](#)

Preckwinkle seeks to loosen Cook County purchasing rules – Cook County Board President Toni Preckwinkle is seeking greater control over how the county buys goods and services. Preckwinkle wants to take away a portion of the County Board's influence over the awarding of contracts. Currently, board approval is needed throughout the process, such as permission to advertise and open bids. Under Preckwinkle's proposal, board approval would only take place at the end of the process -- the actual selection of the vendor and execution of the contract, Preckwinkle said. [Read more....](#)

Reverse auctions are gaining popularity as a procurement tool in the challenging economic climate – Multiple pre-qualified suppliers openly bid against one another electronically in an allotted time frame, prices decrease as the auction progresses, and suppliers are allowed to see each other's bids. Reverse auction solicitation is gaining popularity as a creative solution to help government agencies in tight economic times. [Read more....](#)

The Future of Green Information – EPDs and LCAs provide additional details that could make green purchasing easier. As government purchasers continue asking more sophisticated questions about the environmental impacts of products and services, some suppliers are encouraging purchasers to look beyond environmental certifications such as EcoLogo, Energy Star, Greenguard, Green Seal and UL Environment. Suppliers also are sharing information about their products and services in Environmental Product Declarations (EPDs), which look like an environmental nutrition label. [Read more....](#)