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## Upcoming NASPO Conferences

NASPO Annual Conference  
September 24-27 2007  
Savannah, GA

**Registration Now Open!**

WSCA Cooperative Development  
Conference December 4-7 2007  
San Diego, CA

## NASPO Publications

2007 Survey of State  
Government Purchasing  
Practices CD  
**Now Available!**

2007 NASPO Supplier Guide  
*The 2007 Supplier Guide is THE  
source for the latest information on  
how to do business with state  
governments.*

State & Local Government  
Purchasing Practices and  
Principles

*A companion piece to the Survey of  
State Government Purchasing  
Practices, this publication offers  
many insights to policies and  
procedures followed by government  
purchasers as well as new  
techniques and methods being  
implemented*

## Member News

- New NASPO Honorary

## Top Stories

- In the news: What's going on in federal/state/local procurement

## NASPO Survey of State Government Purchasing Practices

The NASPO Survey of State Government Purchasing Practices is now available on CD-ROM! The Survey was released June 26<sup>th</sup> and is now available for purchase on the NASPO website (see link to the left under Publications). Each NASPO State and Associate member receives one complimentary copy of the survey so be sure to look for it in your mailbox!

## Federal/State/Local Procurement News

**SBA targets small-biz mergers** - A new recertification rule will remove large corporations listed as small businesses from the government's database within a year. The new rule, which took effect last week, requires a small business that merges with or is acquired by another company to immediately recertify its size. When a small business loses its status, federal contracts with the company will continue, but agencies can no longer count them as small-business contracts, according to SBA. ([Federal Computer Weekly](#))

**Once-Banned Firm Raking in City Contracts** - A company once barred from receiving city contracts over allegations involving the city's minority set-aside program has won about 70 city contracts valued at more than \$50 million, supplying the city with a diverse array of supplies, since a federal judge lifted the ban in September 2005. Meanwhile, Chicago United Industries continues to pursue a lawsuit against the city over the suspension. ([Chicago Tribune](#))

**Report: Congress needs to take charge of DOD procurement policy** - Congress needs to take a stand before the Defense Department sets a new procurement precedent and moves away from a decades-old policy of paying for a project with one fiscal year's appropriations. However, the question for Congress is how to do that, according to a new Congressional Research Service report. ([Federal Computer Weekly](#))

**A court decision on alleged kickbacks could cost firms millions -**

Although three of the biggest names in government contracting face possible steep fines for alleged improper billing, rebates and kickbacks, industry experts do not expect the case against Sun Microsystems Inc., Accenture Ltd. and Hewlett-Packard Co. to go to trial or be settled out of court anytime soon. The core of

Members: Jan Cox and Tony Reed  
- Mike Mangum (NC) is retiring from state government effective 7/31

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the allegations is that HP, Accenture and Sun solicited and/or made payments of money and items of value, known as alliance benefits, to companies with which they had relationships or agreements to work together. ([Washington Technology](#))

**ValueOptions protests loss of \$1.5b county mental health contract** - ValueOptions, the company in charge of Maricopa County's (AZ) public mental-health system for nearly a decade, is protesting the state's decision last month to award the lucrative \$1.5 billion contract to another company. ValueOptions has asked the state to put the new

contract on hold, raising questions about the fairness and integrity of the decision-making process. The three-year state contract to manage behavioral-health services for 70,000 low-income or seriously mentally ill county residents is the largest of its kind in the nation and was closely watched by both Wall Street and mental-health advocates. ([Arizona Central](#))

**Delay in 3 percent holding tax** - Representative Kendrick Meek (D-FL) has introduced language to delay implementation of a 3 percent withholding tax on the value of most government contracts via the Ways and Means Committee and Chairman Charles B. Rangel's Tax Collection Responsibility Act of 2007, H.R. 3056. Congressman Meek's language in the Chairman's bill delays implementation of Section 511 of the Tax Increase and Reconciliation Act of 2005 from 2011 to 2012, and requires the Treasury Department to submit a report to the relevant Congressional committees evaluating the costs incurred to state and local governments, and businesses of Section 511. Section 511 requires all levels of government with more than \$100 million in annual procurement to withhold 3 percent of the payment for most goods and services procured by that governmental entity. This sweeping and unfunded mandate imposes massive administrative and financial burdens on local governments as they will have to retool their accounts payable systems to implement the new law. This requirement will also sap cash flows needed for day-to-day, private sector business operations and force some companies to alter their business models and pricing schemes when dealing with government customers. ([NIGP Buy Weekly](#))

**Official: Vets getting more contracts but not enough** - Fiscal 2006 contracting data shows that federal agencies have sent more contracting dollars to service-disabled veteran-owned small businesses than in past years, but they are still falling short of the mark, according to an SBA official. ([Federal Computer Weekly](#))

**Beware of Greenwashing: Not All Environmental Claims are Meaningful** - The growing demand for more environmentally preferable goods and services has led many manufacturers to find cost-effective ways of improving their environmental performance and the environmental performance of their offerings. As a result, safer cleaning products are available. Computers, copiers, and other [office equipment](#) are available without hazardous components. Cars are more efficient. Fewer trees are being cut to make paper. Less polluting energy sources are increasingly available. Unfortunately, not all manufacturers have made the investments necessary to provide more environmentally preferable products. In order to compete in a market that demands "green" products, some manufacturers have resorted to creative advertising instead. ([Government Procurement](#))

**P-Card Program Transforms County Procurement** - Strides in technology have enhanced many aspects of procurement functions, and purchasing cards (P-cards) offer one prime example. Whereas the manual purchase order system previously used in Polk County, FL, was expensive, time-consuming, and difficult to monitor, purchasing cards are exactly the opposite. In 2000, Polk County introduced a purchasing card system that has proven to be fast, efficient, and secure. The system also allows county officials to monitor and adapt spending on a real-time basis. ([Government Procurement](#))

**GAO: State/Local Tax Hikes, Spending Cuts Ahead** - State and local governments will either have to raise taxes by 17 percent or cut spending by 14 percent if they want their operating budgets to remain in balance over the next decade, according to a new report from the congressional General Accountability Office. ([The full GAO report](#))