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## ARIZONA DEPARTMENT OF ADMINISTRATION

STATE PROCUREMENT OFFICE

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### Arizona Set Aside Procurement Program Meeting Minutes January 23, 2019

#### Attendance:

#### Committee Members Present:

Edward Jimenez, State Procurement Administrator, Arizona Department of Administration  
Carol Carr, Achieve Human Services/YUMA WORC Center  
David Steinmetz, Arizona Industries for the Blind  
Armando Bernasconi, Quality Connections  
Russ Levine, Arizona State Retirement System  
Brian Radecki, Arizona Correctional Industry  
Kristen Mackey, Rehabilitation Services Administration,  
Acedo Aide, Department of Economic Security

#### State Procurement Office Staff Present

Addie Fairley, State Procurement Office  
Nick Perrera, State Procurement Office  
Rocky Advani, State Procurement Office

#### Others Present:

Bill Strait, Wist  
Santino Bernasconi, Quality Connections  
Doug Arnett, Quality Connections  
Mike Rinn, Arizona Correctional Industries  
John Utley, Arizona Correctional Industries

#### I. CALL TO ORDER

Addie Fairley called the meeting to order at 1:14 p.m.

#### II. ROLL CALL –

Introduction of Nick Perrera as the new State Procurement Office contact.

#### III. APPROVAL OF MINUTES

Motion to approve the minutes of the October 30, 2018 meeting:

**Motion:** A motion to approve the October 30, 2018 minutes was made by Armando Bernasconi

**Second:** A second to the motion was made by Ed Jimenez.

In Favor: 8 Opposed 0. Minutes approved.

#### IV. CONTRACT EXTENSION & CONTRACT PROPOSAL REVIEWS:

##### a. ADSP017-155057

###### i Arizona Correctional Industries – Office Furniture

*Exp. 3/31/19- 3rd<sup>d</sup> renewal \*\*Price Change\*\**

Brian Radecki presented increase request based on price of steel.

Committee member questioned if largest user aware of request. ACI is part of largest user, DOC. No comparison to fair market pricing. No documentation of price increase in steel. Motion to approve the extension of contract with a price increase contingent upon ACI providing proof of cost increase in raw material:

**Motion:** A motion was made to approve the contract extension with a price increase contingent upon ACI providing proof of cost increase in raw material by Russ Levine.

**Second:** A second to the motion was made by David Steinmetz

In Favor: 7 Opposed 0. 1 Abstain. Motion carried.

##### b. ADSP017-168122

###### i Arizona Correctional Industries. – Engraved Products

*Exp. 4/7/19 – 2nd renewal \*\*Price Change\*\**

Brian Radecki presented competitive analysis. Price Increase is due to price change in aluminum.

Motion to approve the contract extension with price increase

**Motion:** A motion was made to approve the contract extension with a price increase by Armando Bernasconi

**Second:** A second to the motion was made by Kristen Mackey;

In Favor: 7 Opposed 0. 1 Abstain. Motion carried

##### c. ADSP017-168208

###### i Arizona Correctional Industries - Signage: Decals, Plaques and Work Identification

*Exp. 4/17/19 – 2nd renewal \*Price Change\*\**

Brian Radecki presented competitive analysis. Price Increase is due to price change in aluminum.

Motion was made to approve contract extension with price increase

**Motion:** A motion was made to approve the contract extension with a price increase by Armando Bernasconi

**Second:** A second to the motion was made by David Steinmetz.  
In Favor: 7 Opposed 0. 1 Abstain. Motion carried.

d. ADSP018-174897

- i Arizona Industries for the Blind - Invoice Processing Services  
*Exp. Exp. 4/21/19 – 2nd renewal*

David Steinmetz presented the request. 1 major customer. AIB continues to try to find additional customers in the market.

Motion to extend contracts for an additional year.

**Motion:** A motion to extend the contract for an additional year was made by Russ Levine

**Second:** A second to the motion was made by Armando Bernasconi.  
In Favor: 7 Opposed 0. 1 Abstain; Motion carried.

V. **REAPPLICATIONS FOR SET-ASIDE CONTRACTS**

a. ADSP014-069797

- i Arizona Correctional Industries – Outdoor Furniture  
*Exp. 4/20/19*

No application was received prior to the meeting. ACI has requested that these items be withdrawn and the application will be submitted for the next meeting. Additional items will be added to the contract request.

b. ADSP014-069818 (punch-out)

- i Arizona Correctional Industries – Bedding Products  
*Exp. 4/20/19*

No application was received prior to the meeting. ACI has requested that these items be withdrawn and the application will be submitted for the next meeting.

c. ADSP014-069824

- i Arizona Correctional Industries- Cardboard Boxes  
*Exp. 4/20/19*

No application was received prior to the meeting. ACI has requested that these items be withdrawn. ACI is reviewing this contract and may not resubmit.

VI. **FEASIBILITY REVIEW FORM –Completed Application**

- a. Quality Connections.: Mandatory contract for HP Toner products

Quality Connection is submitting a completed feasibility review and application document for a mandatory contract for HP OEM toner and laser printer products.

- Quality Connections presented the case for the new contract request with a price comparison.

- Committee members had questions regarding the number of employees, full or part time, and the form of contract and pay rate.
- Wist presented concerns with comparison and business impact
- Committee expressed concern that they have no understanding on the impact to the State. While prices are compared, there is no way to understand the usage and prior purchase amounts.

A motion to table the application until the State Procurement Office can conduct an analysis on the actual prices and usage between the existing contract and the proposed new mandatory request by Quality Connections.

Motion: A motion was made table the application until the State Procurement Office can conduct an analysis on the actual prices and usage between the existing contract and the proposed new mandatory request by Quality Connections by Brian Radecki.

Second: A second to the motion was made by Russ Levine.

In Favor 7. Opposed 0. 1 Abstain. Motion carries.

## VII. GOAL FOR FY19

Barbara Corella presented the new goal for FY 19. The goal was derived for the overall expenditures of the state, minus those expenditures that are never under contract (e.g. personnel expenditures). The remaining expenditures were reviewed against the General Accounting Offices list of categories. The categories that are not supportive of a Set Aside contract at this time were removed from the calculation. These categories can be added back in anytime a CNADI expresses and interest.

The identified goal for FY 2019 is \$4,600,933.64

Reports on progress towards this goal will be made at every monthly meeting.

## VIII. SET ASIDE MANUAL

A draft of the set aside manual was provided to the committee for review. The manual is meant to be a process and procedure tool for vendors, committee members and staff. Committee members were asked to review and provide comments before the next meeting.

Staff will review all comments and incorporate for a revised draft.

## IX. COMMITTEE COMMENTS AND SUGGESTIONS

- ACI stated that the transition to the APP system has significantly impacted their business. The contracts do not show up when searching and many agencies are unable to find the contracts to process orders. ACI is requesting the help of SPO to correct this issue. SPO agreed to send out a SPO alert regarding where and how to access the contracts.
- Committee has request documents a week in advance of the meetings at a minimum.
- Committee asked if AAPD might be requested to make a presentation.

**X. FUTURE AGENDA ITEMS**

- ACI applications for outdoor furniture and bedding.
- ACI supporting documentation for price increase.
- Quality Connections price analysis for toner.
- Quality Connections contract extensions for Office Supplies.

**I. CALL TO THE PUBLIC**

- a. At this time, the subcommittee will hear comments from the public. Members of the subcommittee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for future consideration and decision at a later date.

**II. ADJOURNMENT**

- Armando Bernasconi made a motion for adjournment at 3:30
- Kristen Mackey seconded the motion:
- In Favor 8. Opposed: 0. Motion carried.

**III. NEXT MEETING**

Next regularly scheduled meeting April 24, 2019.

For inclusion on the next regular agenda, contact Addie Fairley at (602) 542-9253. With prior notice committee members can appoint a proxy if they are unable to attend the meeting. If you require special accommodations, please contact Addie Fairley at (602) 542-9253 at least three working days prior to the meeting:

  
Barbara Corella 3/4/19  
Date

APPROVED BY THE COMMITTEE

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Barbara Corella Date