

# Draft

To be approved at July 17, 2014 Committee Meeting



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Arizona Set Aside Procurement Program  
Meeting Minutes  
**April 16, 2014**

**Attendance:**

**Members Present:**

Barbara Corella, ADOA, Committee Chair	Richard Monaco, AIB	Rick Crago, AZ Lottery
Manuel, Salazar, TCH	Gary Hahn, DES	Steven King, Beacon
Elena Beeman on behalf of Rebecca O'Brien, DHS	Tom Brown on behalf of Brian Radecki, ACI	

**State Procurement Office Staff Present:**

Betty Austin	Connie Schneider	David Gonzales
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**Others Present:**

Armando Bernasconi, QC	Doug Arnett, QC	Mark Jacoby, Gompers
Mark Botterbusch, Gompers	Jennifer Baier, ValleyLife	Steve Ingram, Goodwill AZ
Paul Brown, Goodwill	Betsy D., QC	Leslie Stein-Kramer, ValleyLife
Brandy Petrone	Dave Steinmetz, AIB	John O'Leary, AIB
D. Williamson, Nobody's Perfect		

**Minutes:**

**I. CALL TO ORDER:** Barbara Corella called the meeting to order at 1:33 PM.

**II. ROLL CALL:** Barbara Corella asked all attendees to give their name in roll call. Jim Apperson and Carol Carr were absent.

**III. Discussions (Possible Action):**

1. Status Report from the March 4 Subcommittee meeting given by Dick Monaco.
  - a. There are a series of action items that have been assigned to different members of the subcommittee. Our goal is to review the processes of the Set Aside committee and to try to improve them as much as possible. Specifics of these items can be viewed in the minutes from this meeting.
2. Contract Extensions:

Arizona Correctional Industries	Linens	4/30/14 - 4/29/2015.
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**MOTION:** A motion to approve the Arizona Correctional Industries contract extension was made Richard Monaco.

**SECOND:** The motion was seconded by Steven King.

**DISCUSSION:** None.

**VOTE:** Passed unanimously.

Gompers Habilitation Center    Adult Incontinence    4/30/14 - 4/29/2015.  
and Hygiene Products

**MOTION:** A motion to approve the Arizona Correctional Industries contract extension was made Rick Crago.

**SECOND:** The motion was seconded by Manuel Salazar.

**DISCUSSION:** None.

**VOTE:** Passed unanimously.

**IV. APPROVAL OF MINUTES:** The minutes for the January 29, 2013 meeting and March 4, 2014 subcommittee meeting were presented for approval.

**MOTION:** A motion to accept the minutes as presented was made by Steven King.

**SECOND:** The motion was seconded by Rick Crago.

**DISCUSSION:** None.

**VOTE:** Passed unanimously.

#### **V. Contract Items**

1. Arizona Correctional Industries (Outdoor Furniture) new contract (Current Contract End Date of 4/20/2019).

**MOTION:** A motion to approve the Arizona Correctional Industries contract re-write was made Richard Monaco.

**SECOND:** The motion was seconded by Rick Crago.

**DISCUSSION:** Exact copy of the previous contract aside from prices being lower for three items. This is an optional contract.

**VOTE:** Passed unanimously.

2. Arizona Correctional Industries (Bedding Products) new contract (Current Contract End Date of 4/20/2019).

**MOTION:** A motion to approve the Arizona Correctional Industries contract re-write was made Manuel Salazar.

**SECOND:** The motion was seconded by Richard Monaco.

**DISCUSSION:** There are no changes from the previous contract and this is an optional contract.

**VOTE:** Passed unanimously.

3. Arizona Correctional Industries (Cardboard File Boxes) new contract (Current Contract End Date of 4/21/2019).

**MOTION:** A motion to approve the Arizona Correctional Industries contract re-write was

made Gary Hahn.

**SECOND:** The motion was seconded by Manuel Salazar.

**DISCUSSION:** There are no changes from the previous contract and this is an optional contract.

**VOTE:** Passed unanimously.

4. Arizona Industry for the Blind (Invoice Processing) new proposal submitted.

**MOTION:** A motion to approve the Arizona Industry for the Blind contract was made Manuel Salazar.

**SECOND:** The motion was seconded by Manuel Salazar.

**DISCUSSION:** This is a new item. It would not be mandatory because it could not provide a solution for everyone's situation. Invoice processing involves receiving mail, imaging it and creating an electronic copy, then processing the invoice back to the customer's database, making sure all the right information is there, doing quality control and lastly indexing. We are not processing the payment, just the invoice. We are currently processing about 10,000 invoices a month. For pricing, it typically costs anywhere from \$4-26 dollars to process an invoice but for us it costs about \$2.75-3.50.

**VOTE:** Passed unanimously.

## VI. FUTURE AGENDA ITEMS

1. Marketing & Training Initiative (Cooperative)

a. There is a draft collaboration between AAPPD & ADOA that would increase use of Set Aside Contracts by educating all parties about the use of Set Aside Contracts. This collaboration would go a long way towards establishing accountability for the program between ADOA and other involved parties. The goal of this proposal is to reach the 1% goal that was established in the statute for the creation of Set Aside. This would provide basic training to AAPPD members and others who may be interested in the Set Aside program. We have identified many different companies that may qualify for Set Aside and we would like to send out a survey to get their opinions on the program. We would also like to work with the subcommittee to make sure that quarterly reports accurately reflect Set Aside spend. We would like more defined processes in order to become a Set Aside provider. We would like to provide regular training to state procurement officers. There would also need to be ongoing training to educate officers about new Set Aside providers.

- There seems to be some redundancies between the goals of the subcommittee and this collaboration.
- AAPPD needs to gather a lot of information to identify who should truly be utilizing this program which will then help us create a training program.
- In AAPPD, we would have an established committee. If this is successful, we would like to change the legislation to include dedicated staff within ADOA as well.
- We would like to have a revised draft ready for action to be taken by the next committee meeting.

## VII. COMMITTEE COMMENTS AND SUGGESTIONS

1. Richard Monaco encouraged anyone that is at all interested in this process to attend the subcommittee meetings.

**VIII. CALL TO THE PUBLIC**

1. D. Williamson - How long can an item be on a Set Aside contract and not be purchased?
  - There is no enforcement policy on this. My understanding is that you need to promote the product yourself.
2. D. Williamson – If someone on Set Aside hasn't had their product purchased in years can another agency come along and get their product, which is the same, on Set Aside as well?
  - There is nothing against it, but the committee would need to see value when there is already a product there. This is a good question for the subcommittee to address.
3. D. Williamson - How would this agreement with AAPPD be all-inclusive if we are not members?
  - We would not have an exclusive agreement with AAPPD. We could do similar agreements with other organizations. In addition, the training would be available to any vendor that is interested.
  - Mark Jacoby- Our program would not be successful if it was exclusively AAPPD. We are trying to keep it inclusive.
  - Brandy Petrone – We are looking to include people who are not in AAPPD when we are gathering information.
4. Rebecca O'Brien - Question for AAPPD, when you are talking to providers are you also asking about the usage?
  - One of the things the subcommittee is looking into is that, the state must have a need that can be matched with an opportunity.

**IX. ADJOURNMENT:** The meeting was adjourned at 2:23 p.m.

**NEXT MEETING:** Thursday, July 17, 2014 at 1:30 p.m.

For inclusion on the next regular agenda, contact Betty Austin at (602) 364-0102. With prior notice Barbara Corella, committee members can appoint a proxy if they are unable to attend the meeting. If you require special accommodations, please contact Matthew Miles at (602) 542-9143 at least three working days prior to the meeting.

  
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Barbara M. Corella  
Deputy State Procurement Administrator

4-22-14  
Date

Submitted by:  
Matthew Miles  
Procurement Associate  
State Procurement Office

APPROVED BY THE COMMITTEE:

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Barbara M. Corella  
Deputy State Procurement Administrator

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Date

**POSTED:**