



September 4, 2014

**Attendance:**

**Members Present:**

Barbara Corella, ADOA, Committee Chair  
James Apperson, DES  
Manuel Salazar, TCH

Richard Monaco, AIB  
Gary Hahn, DES  
Brian Radecki, ACI

Rick Crago, AZ Lottery  
Steven King, Beacon  
Carol Carr, Achieve Human  
Services

Elena Beeman, DHS

**State Procurement Office Staff Present:**

Matthew Miles  
David Gonzales

Leslie Welch  
Delia Walters

Betty Austin

**Others Present:**

Armando Bernasconi, QC  
Jennifer Baier, ValleyLife  
Leslie Stem, Valleylife

Doug Arnett, QC  
Lenora Falbo, Vision BP  
Brandy Petrone, GSPA

Betsy Durkin., QC  
Donnie Falbo, Vision BP

**Minutes:**

**I. CALL TO ORDER:** Barbara Corella called the meeting to order at 1:30 PM.

**II. ROLL CALL:** Barbara Corella asked all attendees to give their name in roll call.

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

1. Attorney General's Response.

- a. "Program" is not defined by statute. Given this, we revert to the dictionary definition. The definition is a plan or system under which action may be taken toward a goal. This does not need to be applied to an organization as a whole; you could specify it to one division. The recommendation is to have the subcommittee or a working group come up with a definition based upon relevant factors.

**IV. Contract Items:** Proposal from Quality Connections regarding office products.

1. Conflicts related to other Set Aside Contracts.

- a. QC has submitted a new list with any items that could potentially conflict with ACI products removed. About 3000 items have been removed reducing the catalog to 29,000 items. These items include boxes, chairs and other items. AIB has no conflict items.

2. How did you validate that prices under this contract will be competitive against what is currently available to the state?

- a. QC maintains that MSRP is a good benchmark of what is competitive in the private sector. We performed an analysis of the current contract and its pricing structure. We took their 20,078 items that are on the contract lists and basically applied our pricing



- worker's with disabilities at least minimum wage. We do not pay wages lower than minimum wage as the law would allow us to do in this situation.
8. Under the current contract does Staples guarantee next day Delivery?
    - a. The provide next day delivery to the location not to the desktop.
      - i. Within 4 days we provide 100% of the items but most will come in within 48 hours. We've met our toner timelines 100% of the time.
  9. The committee's focus should not be on the number of employees but rather to meet the percentage that is required by state statute.
    - a. The state cannot make an award contingent on QC doing something. We can choose not to renew the contract after a year if they are not satisfying the employment requirements.
  10. Should the committee have a problem with a large supplier using Set Aside as a means to an end to reach a contract that was previously unavailable without competitive bidding? For example, there is already a contract to buy cubicles. What if another vendor, say Herman Miller, wanted to sell cubicles to the State so they then hired disabled crews to provide the installation? Are we setting a precedent with this contract?
    - a. As it stands now your Herman Miller cubicle contract could be presented to this committee. There is nothing statute to suggest otherwise.

**MOTION:** A motion was made by Steven King to vote on the Quality Connections Proposal for Office Products.

**SECOND:** The motion was seconded by Brian Radecki.

**DISCUSSION:** Could we have a quarterly report on how this is going?  
 They are already required to report quarterly but, this does not include the hiring of people with disabilities?  
 Could we require that?  
 Will QC just voluntarily report the employment numbers?  
 QC- we would be happy to.

**VOTE:** Passed 9-1.

## V. COMMITTEE COMMENTS AND SUGGESTIONS

1. Dick- If we have to review proposals, I would like to see them earlier than the day before the meeting.
2. Jim - I think the suggestion that we define program is a very good one. How would you like to tackle that?
  - a. We will have a working group meet, likely sometime in November, to discuss the definition of program. Committee members send an email to Barbara Prior to this outlining your thoughts on the definition.

## VI. CALL TO THE PUBLIC

1. Armando Bernasconi, QC - "I would like to ask the committee to do some research as to what the rule is for open meeting laws. Is the committee subject to the open meeting laws? Is the public allowed to meet with anyone or discuss with any one committee member about a proposal or concerns that they might have with these new rules going forward?"
  - a. These meetings are subject to open meeting laws. You can meet one-on-one with a member of the committee.
2. Dennis Stover - "Does anyone on the committee ever go visit the facility that they are making the award to, to make sure that everything is in line?"
  - a. There is no requirement to do so. The requirements are that you must submit some information and we will review it. However, in the course of doing business often these sites get visited.

**VII. ADJOURNMENT:** The meeting was adjourned at 2:39 p.m.

**NEXT MEETING:** Wednesday, October 15, 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) 364-0134 at least three working days prior to the meeting.



Barbara M. Corella  
State Procurement Administrator

8/6/14  
Date

Submitted by:  
Matthew Miles  
Procurement Associate  
State Procurement Office

APPROVED BY THE COMMITTEE:



Barbara M. Corella  
State Procurement Administrator

10/17/14  
Date

**POSTED:**