

April 9, 2008

Attendance:

Members Present:

Jean A. Clark, Chair
Armando Bernasconi

Bill Branson
Jordann Carrillo

Steven King
Richard Monaco

Members Absent:

Ingram, Karen

Rebecca O'Brien

Kevin Webster

State Procurement Office Present:

John Red Horse

Jan Hart

Others Present:

Jackie Turner, Yuma WORC
Celia Krebs, HP
D. Williams, STARS

C. Gonzalez, VSSHC
M. Duncan, VSSHC
Dennis Stover, Vision BP

Fred Siegel, Gompers

Minutes:

I. CALL TO ORDER: Jean Clark

II. ROLL CALL

III. APPROVAL OF MINUTES: January 29, 2008 meeting

The minutes were approved as presented.

IV. ANNOUNCEMENTS / DISCUSSIONS:

1. Legislative Update

- a. HB 2391. Industries for the blind; procurement: The bill would allow AIB to have an exemption for procurement of materials and services. The bill has had a strike-all so it will not go through as originally drafted.
- b. HB2439. Procurement; government set aside program: The bill would eliminate a July 1, 2009 sunset date for 1% endeavor for purchases and contracts for Set Aside vendors. The bill is through the house but hasn't been heard by Senate committees yet. The fact sheet on this bill states that the program is going to sunset, not just the 1% spend reporting requirement. Stephen King added that Bev Hermon told him the bill was looking good. Jean added that she has not been contacted with questions from the legislature about the bill.

2. Set Aside Spend Review

John Red Horse distributed a report for the first three quarters of FY 07 and FY 08 and one that showed how much each agency spent with Set Aside vendors.

| | Q1 | Q2 | Q3 |
|----------|-----------------|-----------------|-----------------|
| FY07 | \$14,880,206.26 | \$23,732,593.92 | \$25,496,001.37 |
| FY08 | \$18,417,255.26 | \$26,504,630.41 | \$26,227,675.11 |
| Increase | 23.77% | 11.68% | 2.87% |

The spend is increasing, but the percentage is decreasing probably because there are not as many discretionary dollars to spend.

Bill Branson asked if the dollars represented just spend state set aside contract items or does it go beyond that? Jean answered that it would go beyond that because the language in the bill does not limit the spend to set aside items and the numbers come from the state accounting system for the list of SPO-certified vendors and includes the spend for all agencies.

Richard Monaco mentioned that the report to the legislature could be misleading. Jean stated the report is not just dollars, but also the number of disabled individuals benefiting from the program.

Steven King suggested that Bev Hermon could get a clarification into the bill about the spend. Jean stated that would affect how the vendors were reporting. The report SPO gets is based on the payments made by the state to the vendors, so vendors would have to provide any information that any changes in the bill would require.

3. Discussion - Goals, Carve Outs & Marketing

- a. The State Procurement Office is setting up a SCIP (Supplier Customer Interface Program) for just Set Aside vendors to provide information and display samples of their products. John Red Horse said the date is Monday, May 12, from 11:30 a.m. – 3:30 p.m. at the ADOT facility that is located under the stack. Vendors should get the information next week about how to register. Invitations would be sent to the VIP list, which includes all state agencies and political subdivisions.
- b. SPO is beginning a new practitioners' forum for the larger state agencies' procurement officers. SPO plans to educate them on the SPO's new website and focus on the Set Aside program.
- c. SPO's Arizona Procurement Institute teaches procurement staff to go to Set Aside vendors first when looking for goods and services.
- d. Suggestions from Steven King:
 - Companies need training on how to search opportunities in SPIRIT.
 - Inform Set Aside vendors about the state cooperative.
 - SPO provide a list of hard-to-find products and services to the Set Aside vendors.
 - Look at changing the Scope of Work to make it prescriptive vs. performance, i.e. janitorial.
 - Increase the frequency of Set Aside meetings for immediate concerns.
- e. SPO Website: John Red Horse is trying to get an email contact for Set Aside vendors on the SPO website to send a query when looking for a product or service.
- f. Jordann Carrillo suggested that SPO provide a report to see what other state agencies are doing. Jean said they would have to figure out if that is doable. John can ask the Agencies and compile a list of current Agency-specific contracts with Set

Aside vendors.

- g. Bill Branson suggested Set Aside get on an internet list-serve board like the one used by Tempe School District. Jean explained that it was the GPPCS (pronounced Guppies) school district cooperative and suggested that Set Aside do a presentation at one of their meetings to educate them on the Set Aside program.
- h. Jordann Carrillo asked if VIP notices go out when there is a contract award for Set Aside. John Red Horse answered yes. Bill Branson noted that the "Arizona Capitol Times" also publishes the information.

V. CONTRACT ITEMS (Possible Action)

1. New Contract – Arizona Correctional Industries (ACI), Single / Double Wall File Boxes

The information about the product was presented at the last Set Aside meeting on January 29, 2008. A scope of work and pricing was provided.

MOTION: Steven King made a motion to award the contract.

SECOND: Richard Monaco

DISCUSSION: Jordann Carrillo asked if it would affect the DES contract. This contract would be non exclusive since it is offered on the Office Max contract and should not affect the DES contract.

MOTION CARRIED UNIMOUSLY.

2. Updated Products – EPS060133 Furniture, ACI

ACI has two product sets, James Edwards furniture and the ACI line. ACI was on separate contracts for modular panels. The new solicitation combined all furniture. ACI competed but was not successful because they are required by statute to build and assemble furniture, not just act as a pass-through. This is a request to amend the furniture contract to add on the chairs and modular panel furniture.

MOTION: Richard Monaco made a motion to award the contract.

SECOND: Jordann Carrillo

DISCUSSION: Jean asked how about the pricing. John Red Horse replied that the pricing on the modular was slightly higher, but the installation would be considerably less. The chairs are also slightly higher. Jordann Carrillo asked if ACI would provide catalogs and Bill Branson said they would.

MOTION CARRIED UNIMOUSLY.

3. Updated Pricing – AD050014 Engraved Products, ACI

The estimated increase on all the products was about 8.2% with an aggregate of 10.4% higher. The aggregate price was \$75.88 and suggested price increase is \$83.78.

MOTION: Armando Bernasconi made a motion to award the contract.

SECOND: Jordann Carrillo seconded.

MOTION CARRIED UNIMOUSLY.

4. Updated Pricing – AD050012 Acrylic Signs and Vinyl Lettering, ACI

Aggregate price increase is from \$63.69 to \$80.18, a 25.9% increase. Cost increase is due to petroleum cost increase.

MOTION: Richard Monaco made a motion to award the contract.

SECOND: Armando Bernasconi seconded

MOTION CARRIED UNIMOUSLY.

John Red Horse said that AD050013, Decal price adjustment was also under acrylic signs because of the intent to combine all sign contracts under 1 single contract in SPIRIT. Aggregate price adjustment is from \$63.56 to \$76.46 or 23.3%. Bill Branson stated ACI has never increased the price of decals before.

MOTION: Steven King made a motion to award the contract for decals.

SECOND: Armando Bernasconi seconded

MOTION CARRIED UNIMOUSLY.

Also under acrylic signs (see above) is Contract EPS060095 for Signs: Regulatory, School. The original discount rates were incorrect (below actual cost). The error was never caught because there have not been any large orders. The request is for a quantity price change as follows:

| | |
|-------------|---------------------------------|
| 2-4 Units | change discount from 45% to 30% |
| 5-24 Units | change discount from 62% to 40% |
| 25-99 Units | change discount from 75% to 45% |
| 100+ Units | change discount from 85% to 50% |

MOTION: Richard Monaco made a motion to award the contract for decals.

SECOND: Jordann Carrillo seconded

MOTION CARRIED UNIMOUSLY.

5. Updated Pricing – EPS060097 Furniture, Institutional, ACI

ACI is Requesting an increase of several line items due the rising cost of raw materials and design changes by DOC. DOC makes up 95% of total spend under the contract. Line item No. 11 will be deleted.

MOTION: Armando Bernasconi made a motion to award the contract.

SECOND: Richard Monaco seconded

MOTION CARRIED UNIMOUSLY.

VI. FUTURE AGENDA ITEMS

1. Updated Products – EPS070015 Cartridges, Remanufactured Laser Jet, Quality Connections (QC)

There have been several changes to the original proposal submitted by QC. As it stands QC has submitted a list of about 50 or so HP remanufactured items. When the solicitation went out for printer cartridges there was wording in it that some items may be excluded in the

future based upon a possible Set Aside award. QC has submitted a proposal for the Statewide RFP let by SPO.

Jordann Carrillo asked why the solicitation went out to the street. John Red Horse stated because the current contract is at the end of the term.

This item was tabled.

VII. COMMITTEE COMMENTS AND SUGGESTIONS

Richard Monaco from AIB announced that they will be moving their operation to a much larger facility at 51st Avenue & Interstate 10, 515 N. 51st Avenue. They plan to present a contract proposal for storage and distribution possibly in July, but most likely October. Jean stated perhaps the state would be able to use the storage and distribution for bulk purchases to save money on paper and computers for example. There is no rail site at the facility. They have 4 loading docks with access to others and 2 bay doors.

VIII. CALL TO THE PUBLIC

There were no items from the public.

IX. ADJOURNMENT

The meeting adjourned at 2:40 p.m.

NEXT MEETING:

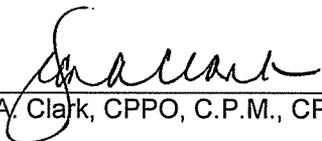
Wednesday, July 9 at 1:30 p.m. To have items included on the next regular agenda, contact John Red Horse at (602) 542-9127.



Jean A. Clark, CPPO, C.P.M., CPPB, CPM
State Procurement Administrator

Submitted by Jan Hart
Executive Assistant, State Procurement Office

APPROVED BY THE COMMITTEE: July 9, 2008



Jean A. Clark, CPPO, C.P.M., CPPB, CPM



Date

POSTED: July 10, 2008