

Arizona Set-Aside Procurement Program

Meeting Minutes

 November 27, 2017

**Attendance:**

**Members Present:**

Jason Rutka

Richard Monaco

Carol Carr

Shana Ellis

**State Procurement Office Staff Present**

Brittany Ochs

Ashoke Seth

**Others Present:**

Mark Botterbusch (Gompers)

Valarie Pullara (Beacon)

Ryan Shinn (Center for Habilitation)

Curtis Bruns (DES)

Bill Strait

Armando Bernasconi (QC)

Doug Arnett (QC)

**Minutes:**

1. **CALL TO ORDER:** Jason Rutka called the meeting to order at 10:03AM
2. **ROLL CALL:** Group Introductions
3. **MEETING MINUTE APPROVAL:**
	* 1. Motion to approve 9/06/17 Meeting Minutes- Motion Carries/Approved with the Amendment of adding Shana Ellis as an Attendee.
		2. Motion to approve 10/19/17 Meeting Minutes- Motion Carries/Approved with the Amendment of adding Shana Ellis, Carol Carr, Jason Laurie, Mark Botterbusch, Jason Brothers, Ryan Shinn, Bill Strait, Ian Wist as Attendees and fix a Richard Monaco spelling error.
4. **CONTRACT EXTENSION REVIEWS:**
	* 1. Arizona Correctional Industries (ADSPO17-155057)
			+ 1. No Representatives Present
				2. Operating under the assumption that there are No Changes to the Contract
				3. Motion to Extend the Contract until the next Set-Aside Meeting- Motion Carries/Approved
		2. Gompers (ADSPO14-059582)
			+ 1. No Activity in the past 12 Months
				2. No Proposed Changes
				3. No Proposed Pricing changes
				4. No Contract Issues
				5. Motion to Extend the Contract to renew for one more year- Motion Carries/Approved
		3. Quality Connections Office Supplies/Punchout (ADSPO15-090120 & ADSPO15-084186)
			+ 1. $147,000 State/CoOp Annual Sales (38 Special Needs Employees, 12 of which are through delivery partners of Quality Connections)
				2. These Employees cover all State Contracts & Private Sector
				3. Decrease $100,000 Annual Sales year-over-year
				4. DES biggest buyer
				5. Some off-contract spend
				6. Recommendation: State and SPO to treat all Contractors the same
				7. Any Performance Concerns from any State Customers?: Yes. Each issue handled on a case-by-case basis. No specific details provided.
				8. 2018 Anticipated Changes-Purposing new renewal pricing. 5% price increase over prior year’s pricing.
				9. Is the pricing still competitive? Yes, if you factor in the tax savings where the state does not have to pay sales tax when purchasing from a non-profit.
				10. Two CNADs assist QC to execute delivery service in the State
				11. Motion to extend the Office Supplies and Office Supplies Punchout Contract to renew for one more year with a 5% price increase upon renewal-Motion Carries/Approved
		4. Quality Connections OEM Printer/Punchout (ADSPO15-090497 & ADSPO15-060351)
			+ 1. $178,000 State/CoOp Annual Sales for re-man and OEM (22K from Remanufactured)
				2. QC raised concern that data suggests that $382,000 remanufactured toners sold by other vendors and should not have been.
				3. Any Performance Concerns from any State Customers?: Yes. Each incident handled on a case-by-case basis. No further information was provided.
				4. Is the pricing still competitive? Yes
				5. Discounts to the State have improved in 9 Categories and Pricing has increased in 5 Categories
				6. HP OEM 38% off of list with no change at all
				7. Purposed Contract Changes?: Yes after next year
				8. Motion to Extend the Contract to renew for one more year- Motion Carries/Approved
		5. Beacon (ADSPO15-080125)
5. $122,000 Annual (63k Off-Contract Spend)
6. DES is biggest user
7. November 30 Purchase Orders cut because renewal isn’t concurrent with Fiscal year
8. No Vendor Issues
9. No Price Changes
10. Possible Price Increases next year with Minimum Wage Increase
11. Motion to Extend the Contract to renew for one more year- Motion Carries/Approved
	* 1. Center for Habilitation (ADSPO15-080125)
			+ 1. $403,000 State Annual Spend (No Off-Contract Spend)
				2. DES is biggest user
				3. November 30 Purchase Orders cut because renewal isn’t concurrent with Fiscal year
				4. No Vendor Issues
				5. No Price Changes
				6. Possible Price Increases next year with Minimum Wage Increase
				7. Motion to Extend the Contract to renew for one more year- Motion Carries/Approved
12. **COMMITTEE COMMENTS AND SUGGESTIONS**:
	* 1. Develop a Policy, Procedure and Plan for Leakage on Mandatory Contracts
		2. Mention the Set-Aside Document Scanning Contracts at the December meeting of Chief Procurement Officers
		3. Special Needs Employees Direct Labor Hours needs to be requested moving forward; this will assist in cost analysis.
		4. Clarify the Fiscal year for the estimated spending report that indicates the total spends for remanufactured toner.
		5. Action Item: Remove remanufactured toner part numbers from price list and punch-out catalogue on the NASPO Contract
		6. Some Set-Aside contracts should link up with the State Fiscal Year and not end/begin in November to avoid duplicate PO’s from some state agencies. This is vendor specific and can be addressed with early renewals.

1. **FUTURE AGENDA ITEMS:**
	* 1. Committee Member attendance discussion. Also need to confirm that all seats are filled.
		2. Arizona Correctional Institute (ACI) needs to attend the next meeting to review Contract Extension
		3. Review running list of Action Items
		4. Review prior Sub Committee previous body of work
2. **CALL TO THE PUBLIC:**
3. **ADJOURNMENT:** Meeting was adjourned at 11:38PM
4. **NEXT MEETING:** TBD (Attempting December Meeting)

For inclusion on the next regular agenda, contact Jason Rutka at (602) 542-8087. With prior notice Jason Rutka, committee members can appoint a proxy if they are unable to attend the meeting. If you require special accommodations, please contact Jason Rutka at (602) 542-8087 at least three working days prior to the meeting.

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|  | Submitted by:Jason RutkaChief Compliance Officer State Procurement Office |  |  |
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|  | APPROVED BY THE COMMITTEE: |  |  |
|  | DRAFT VERSION |  |  |
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Posted: Draft Posted on 11/28/17