

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

STATE PROCUREMENT OFFICE
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April 29, 2021

The Honorable Douglas Ducey
Governor of Arizona
1700 W Washington Street- Executive Tower
Phoenix, AZ 85007

The Honorable Karen Fann
Senate President
1700 W Washington Street - Senate
Phoenix, AZ 85007

The Honorable Russell Bowers
Speaker of the House
1700 W Washington Street- House
Phoenix, AZ 85007

Mr. Andy Tobin
Director, Arizona Department of Administration
100 N 15th Ave
Phoenix, AZ 85007

RE: State Set-Aside Procurement Program Quarterly Report

Dear Governor Ducey, President Fann, Speaker Bowers, and Director Tobin:

Pursuant to Arizona Revised Statutes 41-2636(E) the State Set-Aside Committee is providing you with the State Set-Aside Procurement Program Quarterly Report for Fiscal Year 2021 Quarter 3.

The State Procurement Office has undertaken considerable efforts to restore the State Set-Aside Committee and the State Set-Aside Procurement Program over the past two years. After engaging internal state department customers as well as external program stakeholders the committee is able for the first time to report on the statutory metric.

Purchases of goods and services from State Set-Aside Program suppliers totalled \$2,560,862.87 in FY21 Q3, representing 1.37% of qualified expenditures for the quarter. Fiscal year to date expenditures total \$7,386,271.60, representing 1.26% of qualified expenditures.

In addition to the statutory metric the State Procurement Office now also tracks other program criteria of potential interest. The State Set-Aside Program supports 200 total jobs, with 165 of those positions held by individuals with significant disabilities. Direct wages to individuals with disabilities totalled \$1.1M in the last year, equating to nearly \$9M in avoided costs to various benefits programs as estimated using a ratio used by the National Governors Association. Program suppliers report that the jobs supported by the program have positively impacted the lives of over 1,200 individuals in Arizona.

I hope the information provided in this report will assist you in any decision making regarding the State Set-Aside Program.

Sincerely,



Nick Perrera

Chairman, State Set-Aside Committee

cc: State Set-Aside Committee Members (Gail Fenkell - Arizona Correctional Industries, David Steinmetz - Arizona Industries for the Blind, Kristen Mackey - Department of Economic Security, Valarie Erwin - Department of Transportation, Chris Gustafson - Arizona State Retirement System, Monica Attridge - Hozhoni Foundation, Greg Natvig - Beacon Group)

Ed Jimenez, State Procurement Administrator, Arizona Department of Administration

Grace Appelbe, Policy Advisor, Administration and Financial Services, Office of the Arizona Governor