



Arizona Set Aside Procurement Program
Meeting Minutes

February 15, 2017

Attendance:

Members Present:

Steven King, Beacon
Shanna Ellis, TCH
Barbara Corella

Richard Monaco, AIB
Brian Radecki, ACI
Carol Carr, Achieve Human
Services

State Procurement Office Staff Present:

None

Others Present:

Buz Weisberg, Beyond
Technology
Timothy Webber, Vision BP

Dennis Stover, Vision BP
Karin Grandson, Quality
Connections
Mark Botterbusch, Gompers

Jeff Masters, Laser Options

Rose Maneer, Canyon Office
Supply
Bill Strait, Wist
Meghan McCabe,
Triadvocates

Manuel Salazar, Rise

Jennifer Baier, Valley Life

Doug Arnett, Quality Connections
John Kelly, Triadvocates

Minutes:

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

II. ROLL CALL: Barbara Corella took roll. All were present.

III. APPROVAL OF MINUTES: The minutes from the October 19, 2016 meeting were presented for approval. Brian Radecki moved to approve the minutes. Carol Carr seconded the motion. Vote was unanimous, motion carried.

IV. Discussions:

No Discussion items.

V. Contract Items

1. Contracts

ACI (ADSP014-065140)

Engraved Products

Expired

2. ACI (ADSP015-086672)

Signage: Decals, Plaques,
& Work Identification Products

Expired

These contracts expired at the request of ACI. Pricing needs to be adjusted as well as a review of the products offered. A new application will be submitted for the next meeting.

VI. APPLICATIONS AND FEASIBILITY REVIEWS (POSSIBLE ACTION)

ADSP014-060351 Remanufactured & OEM Printer Supplies Quality Connections

Barbara Corella outlined the status of this request and highlighted that any action taken today did not result in a contract. The potential actions would be to approve Quality Connections to move forward to the application process, deny the feasibility review to move forward to the application process or request more information. Barbara provided the additionally requested information regarding the impact of awarding a mandatory contract. The responses to a survey from each of the existing state contracted vendors for toner products were available as a handout. Those vendors are Wist, Vision Business Products, Canyon Office Supplies, Laser Options, Quality Connections and Beyond Technology.

Multiple individuals spoke regarding the impact of the contract on the vendor community. Concerns were raised regarding the qualification of the feasibility review as a pass through contract, best price guarantee and the process if the feasibility review was denied. Additional information was provided to the Committee as a handout from one of the providers.

Brian Radecki questioned the direct labor component of the requested contract. Richard Monaco expressed concerns on the pass through nature of the request. Carol Carr questioned the current vendors possibility to outreach to Quality Connections for a joint venture.

Brian Radecki moved to obtain additional information regarding the qualifications of direct labor for the feasibility study. Carol Carr seconded the motion. All in favor, AIB abstained, motion carried.

VII. COMMITTEE COMMENTS AND SUGGESTIONS

Carol Carr recognized Barbara Corella for making a presentation on the set aside program.

VIII. FUTURE AGENDA ITEMS

1. AIB is separating from the state as an agency as of July 1, 2017. They will be submitting an application for CNADI status, hopefully by the next meeting.
2. Brian Radecki stated the Committee needs to determine if pass through business would be acceptable for a state set aside contract.
3. Richard Monaco highlighted that we need a full committee as soon as possible.

IX. CALL TO THE PUBLIC

Additional comments were made by the public in relation to the pending feasibility review application, specifically as the application cites the statute.

X. ADJOURNMENT: The meeting was adjourned at 2:19 p.m.

NEXT MEETING: Pending.

For inclusion on the next regular agenda, contact Barbara Corella at (602) 542-9136. With prior notice committee members can appoint a proxy if they are unable to attend the meeting. If you require special accommodations, please contact Barbara Corella at (602) 542-9136 at least three working days prior to the meeting.

Barbara M. Corella, C.P.M., CPPB
State Compliance Officer

Date

APPROVED BY THE COMMITTEE:

Barbara M. Corella, C.P.M., CPPB
State Compliance Officer

Date

Survey Results:

How long have you had an OEM printer supply contract with the State

1 year
19 years
3 years
3 years
18 years
9 years

What is your yearly sales total?

\$1.08 million
\$5 million
\$2.5 million
\$100,000
\$3.13 million
\$215,644

What percentage of your overall business is this contract to your organization?

3.50%
over 40%
approximately 32%
approximately 2%
approximately 20%
approximately 20%

Is your organization a small business

yes
yes
yes
yes
yes
yes

how many employees do you have

83
8
10 full time 4 part time
63
3
90

Do you currently employee any individuals with disabilities as per A.R.S. 41-2635

No
No
No

Yes
No

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What would the impact be on your organization if a mandatory set aside contract was awarded and your organization lost this contract.

Overall, the State Agency spend is not as large, but the State Cooperative part is very large and that would have a ripple effect if not completely lost. We currently have a State Contract for OEM Ink & Toner, Office Supplies and Specialty Paper contracts (all a first for us) that we're able to offer to State Cooperatives', and because this group likes the one-stop shopping aspect of what we can bring, it would cause a greater loss of business beyond losing this contract. For the most part, State agencies are buying the Ink & Toner category from other vendors on this contract, but not being able to offer this to Cooperatives would definitive hurt our business, and employees. For over 60 years, Wist has prided itself on its relationship with employees, but the loss may require the elimination of positions within the company.

It would have a huge impact on our company as a small business and current vendor to the State of Arizona and results in layoffs to our company.

Our organization would be devastated. We have many long-term clients that have come to expect the kind of Customer Service they receive from Canyon office Solutions. Were we to ultimately lose this contract we would have no choice to reduce our workforce by three or four individuals. On the other hand, it is our intention to hire two to three additional individuals should the Contract be re-bid and Canyon is again one of the vendors

Having a State contract means more to Laser Options than just the pure financial impact of the sales we make from this contract. We count on having a complement of contracts to offer to our public sector clients. In a nutshell each contract we are awarded is very important in the overall scheme of our business. We also believe that this type of award sets a dangerous precedent which circumvents State Procurement requirements to have products awarded via a competitive process.

This would have sever consequences to our business and our employees. We have put much effort in being competitive on this bid and have been a valued vendor to the State for many years. The immediate effects would be felt both internally with out suppliers. We would have to reevaluate our organization internally and would have t adjust our relationships with our valued vendors as well. It would definitely have a damaging effect company wide.

As an Arizona state Set Aside provider, and requestor of the mandatory designation, this contract would positively impact Quality Connections. It will also impact the Arizona state Set-Aside program overall as it will assist the state in meeting its goal of one percent of applicable purchases be applied to ARS 2636 participants. Office currently maintains a permanent workforce of twenty three disabled workers, this exceeds the 60% Set-Aside requirements by 20%. The addition of the mandatory designation will employee an additional ten more individuals with disabilities.