

Douglas A. Ducey  
Governor



Andy Tobin  
Director

## ARIZONA DEPARTMENT OF ADMINISTRATION

### STATE PROCUREMENT OFFICE

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# MINUTES

## PUBLIC MEETING NOTICE Agenda

ARIZONA SET-ASIDE COMMITTEE WILL HOLD A MEETING ON

**Special Set-Aside Committee Meeting**  
**Wednesday, December 7, 2022 · 1:30 pm – 2:30pm**  
**Google Meet joining info**  
**Video call link: <https://meet.google.com/ruh-vphz-rmw>**  
**Or dial: (US) +1 413-728-2657 PIN: 409 940#**

Pursuant to Arizona Revised Statutes (A.R.S.) § 38-431.03(A)(3), the Arizona Set-Aside Committee (Committee) may vote to go into Executive Session for the purpose of obtaining legal advice from its attorney on any matter listed on the agenda. Any such Executive Session will not be open to the public.

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## AGENDA

### I. CALL TO ORDER - 1:33 PM

### II. ROLL CALL

Yanneth Montes – Co-Chair, State Procurement Office I  
Ken Sanchez – Co-Chair, State Procurement Office I  
Greg Natvig – Beacon Group, Inc. I  
David Steinmetz – Arizona Industries for the Blind I  
Chris Gustafson – Arizona State Retirement System X  
Kristen Mackey – Department of Economic Security I  
Valarie Erwin – Department of Transportation X  
Gail Fenkell – Arizona Correctional Industries I  
Monica Attridge - Hozhoni Foundation, Inc. I  
Doug Arnett - Quality Connections I  
David Smith - Quality Connections I  
Andy Tobin - Director of Arizona Department of Administration I  
Armondo Bernasconi - Quality Connections I

Kelly Wagner - Assistant Attorney General I

### III. CONTRACT EXTENSION, PROPOSAL, AND AMENDMENT REVIEWS:

*If you are a member of the public or an interested party and would like to speak on any of the below items, please send the Chair an email ([yanneth.montes@azdoa.gov](mailto:yanneth.montes@azdoa.gov)) prior to the start of the meeting.*

1. *Contracts expiring in December 14, 2022 due for one year term extension with proposed changes:*

*a) CTR047046*

*Services: Office Supplies including Printing Supplies: Quality Connections*

*Expiration Date: 12/14/2022*

*Proposed changes to contract Pursuant to A.A.C. R2-7-607: Current Contract Language “This contract shall be mandatory for State agencies purchasing all printer supplies (OEM or remanufactured) except for HP OEM. All office supplies are non-mandatory.” **Proposed New Contract Language**, “This contract shall be mandatory for State agencies purchasing all printer supplies (OEM or remanufactured) ~~except for HP OEM~~. All office supplies are non-mandatory”. SPO review based on price comparison against another contract providing similar products – pricing increase overall of 11% in price difference with an average of 8.6%. Individual line items difference between 4% to 23%.*

*Director Tobin: What is the total employees and are all your employees disabled individuals? QC. Prior to Covid we had 39 workers. We went from 39 to 19 workers, currently our workforce is 21 employees. 78 % of total workforce are disabled. We have seen a reduction on sales volume.*

*Director Tobin: Why the difference of the 23% in pricing.*

*QC. The pricing varies from item to item, our competitors have the ability to reduce pricing affecting our pricing.*

*Director Tobin: The discussion on pricing does not affect our support for the program, we have to be diligent on pricing.*

*Yanneth: If it helps, in our review of pricing we took the 24 most used items varying from items purchased 23 times as is the case for items with a 4% increase and items purchased 3 times as it is the case with items with a 23% increase.*

*1) Committee Review and Discussion*

*Ken - What is your annual spend and did you not raise your prices?*

*David - Our spend is \$381K and we did not raise our prices. \$270K of this went to the workers*

*Ken - Hopefully this will help increase the revenue by the 35% like we predicted*

*Kristen - If prices were not raised, how is there a 23% increase?*

*Yanneth - It is driven by the other contracts we have by NASPO. They gave us a huge savings discount in the past years, with incremental every quarter under their pricing.*

*Doug - When this contract first went into effect, the difference between the pricing of ours and NASPO was just about 4%, but did not hear about the sudden price drop in the other contract.*

*2) Entertain motion for approval, disapproval or tabling extension for 10/30/2023*

*SPO members (Ken and Yanneth) will exclude from voting on this issue.*

*M Attridge - Approve motion*

*David S - Approve motion*

Vote

*Greg - Yes*

*David S - Yes*

*Kristen - Yes*

*Gail - Yes*

*Monica – Yes*

*Motion to extend contract to 10/30/2023 with modified language passed.*

**IV. CALL TO THE PUBLIC**

- a. At this time, the committee will hear comments from the public. Members of the committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for future consideration and decision at a later date.

**V. ADJOURNMENT - 2:01 PM**

**VI. MATERIALS**

- a. A copy of the agenda and Committee packets (excluding materials exempt from public inspection) will be available at least 24 hours in advance of the meeting, at the State Procurement Office, located at 100 N 15th Ave #305, Phoenix, AZ 85007.

**NEXT MEETING:**

Set-Aside Committee Meeting

Wednesday, January 25, 2023 · 1:30 – 3:30pm

Google Meet joining info

Video call link: <https://meet.google.com/ruh-vphz-rmw>

Or dial: (US) +1 413-728-2657 PIN: 409 940#

Approved of Draft Minutes on 12/8/2022

By Yanneth Montes