WISCONSIN STATE USE BOARD MEETING

March 9, 2017, 10:00 a.m. – 12:00 p.m.

Opportunities, Inc.

930 Stewart Street

Madison, WI 53713

**Opening Business**

Call to Order – The meeting was called to order by Jean Zweifel at 10:03 a.m.

Introductions

Board Members Present:

* Jean Zweifel, Greenco Industries
* Bill Smith, NFIB
* Jim Langdon, Department of Administration
* Nick George, MFPA
* Enid Glenn, Bureau Director of DVR

Board Staff Present:

* Nadine Malm, Department of Administration
* Cheryl Edgington, Department of Administration
* Terri Hagstrom, Department of Administration

Audience:

* Candace Sikraji, Careers Industries
* Stacy Quickstad, Careers Industries
* Ken Maciejewski, Jr., Opportunities, Inc.

Teleconference Participants:

* John Burnett of DOC
* Kimmery Weber of Lakeland Industries
* Randy Klein, Madison Area Rehab Center
* Jim Taray, Superior Vocations Center
* Wanda Kleinschmidt, Lincoln Industries
* Donna Reinerio, Highline Corporation

Approval of October 28, 2016 Minutes – **Bill** **motioned, Nick 2nd – Motion approved**

**Spices and Seasonings –** **Nadine Malm** – In 2016, a work center that was providing Spices and Seasonings to the state ended its contract. There has been process of creating a new bid for the individual work centers that were interested in responding. Nadine is working with DOC and DHS and they are going over all the spices that are listed on the contract to ensure those are the items that they still want on the contract. The intention is to have the contract in place by July 1, 2017. There are other caveats that go with it, including DOC would need to buy out the inventory that is at the local contractor they are using now prior to going back with this contract. They want to have something in place and give them a 2 month notice to get that inventory purchased. This is an update and no action is needed.

**Set Aside Request: Disposal and Recycling of Mixed Electronic Surplus – Nadine Malm** – This is an update that Nadine and co-worker Jim Witecha met with Randy Klein from the MARC center and went over the state contract. Randy is doing some research on it and was given another 90 day extension to continue with the R & D.

**Fair Market pricing – Nadine Malm** – A packet was given to all board members with the following information:

* Overview of all the fair marketing that was completed.
* 23 work centers that have no State of Wisconsin contracts.
* 20 work centers that have 27 contract with RAM (Rest Area Maintenance) and SWEF (State Patrol Safety & Weight Enforcement Facilities), with an estimated total value of $6,244,866.36.
* 6 work centers have 14 contracts under $5,000.00 with an estimated total value of $37,837.80.
* 1 work center has 2 contracts awarded within the last year with an estimated total value of $15,540.00.
* 12 work centers submitted executive summaries for 23 contracts with an estimated value of $1,921,713.91.
* 11 work centers submitted comparability documentation for 14 contracts.

Fair market was discussed. Nadine explained several contracts that did not meet fair market pricing. All work centers, except “Industries for the Blind”, agreed to meet or beat pricing.

Board member Billmentioned that the board has always tried not to make

exceptions for the work centers as that is part of the 1983-84 law. Jean stated that is

where she is at too and explained that we have to be fair to everybody and if we make an

exception for 1 person then we would have to look at the others who agreed to lower

their prices. Board member, Nick asked if the recommendation is to pull this one and look at

it again after “Industries for the Blind” raises their prices or to make adjustments? Cheryl

said the first step is to ask to have the items removed and keep the remaining 6 items

on the contract if they choose to. Nadine said out of Fair Market there are other items

and these are their top 10 ten spend items. Pencils are a separate contract. They had

a pens contract and a pencils contract. When we redid their contract, it was

changed to a “Writing Instrument” contract because their pencil contract had only 1 item

and it wasn’t feasible to have 1 item on the contract, which was truly a writing instrument.

On the “Writing Instrument” contract there are 57 items total and in the last 6 months, this

contract had a $1600.00 spend. Taking them out they have a $800.00 spend. Board member

Enid said that if we do not want to make exceptions then it wouldn’t make a difference on

other information that we were going to request to wait and pull those 6 items or how

many there is and move on.

The motion was made by the board to have “Industries for the Blind” remove items that are above the fair market. **Nick** **motioned, Enid 2nd – Motion approved.**

**The Brushes and Brooms Contract** was discussed due to a couple of items that did not meet fair market pricing. A question was asked regarding how the fair market price was calculated. The calculation was explained to the board.

The~~se~~ items are available on the current Facilities-MRO contract. Motion made to remove these 2 items. N**ick** **motioned, Enid 2nd – Motion approved.**

Lakeside Curative **disposable gloves** pricing is very competitive. Four state contracts were used to obtain the pricing. Two items that fell outside of fair market agreed to beat fair market pricing.

Fair market is done annually. If Work Centers request price increases, they can do it throughout the year but not monthly. They would have to show justification for the increase. When Work Centers submit pricing, they submit 3 quotes along with their pricing.

**Annual Report 2016 – Nadine Malm** – Nadine is finishing it up and hopes to have it out to the board by the end of the month.

**Work Center Recertification 2017 – Nadine Malm** – DWD (Department of Workforce Development) has the list out. The licensing of the certification for sub minimum wage license forms need to be updated and will probably go out early April when that recertification process will start. It is currently based on 14C for what statutes says we can pull in from DWD.

The board had discussion regarding 14(c) and WIOA related to federal changes and how it may affect the work centers. ~~.~~

**WISBUY Update – Toothpaste and Can liners – Nadine Malm** – Nadine gave an update on the WISBUY program that we use. This is where all the listed contracts that accept the purchasing card. There is also an E-catalog for those that accept P-cards. We have all the State Use contracts except 2, which are toothpaste and can liners. The can liners are sold through DSL, however they are going to be on WISBUY. They are getting moved in 2 weeks to a month. There is some work that needs to be done to clean up the catalog and descriptions. The can liners will still be sold through Badger State Industries or Badger State Logistics. They will all be posted on WISBUY to make it easier for the agencies to purchase through there. Toothpaste is a new item which should take 2-3 weeks to be posted on WISBUY for DOC and DHS. That should help the work centers and make their contacts more visible. All the contracts with State Use that are held by Nadine will be available on WISBUY.

**Federal Surplus Property Program Information – Nadine Malm & Cheryl Edgington** – July 2016 Nadine and Cheryl were allocated a new program. This program has been around since the 80’s. The Department of Administration (DOA) has always had an ownership component of the program. They were responsible for eligibility and compliance. For many years, we subcontracted with the Wisconsin Technical College System Foundation who handled the day to day operation maintenance of the program. There was also a warehouse out in Waunakee which was used but no longer is. They got out of the business effective July 1, 2016. The entirety of the program came back to DOA where Nadine and Cheryl manage this program and are doing a fantastic job.

Non-profits from all over the country are eligible to participate in this program. This program has all kinds of equipment, computers, office supplies, furniture, trucks, vehicles, anything that the federal government no longer needs is considered surplus property. They allow state agencies such as DOA to allocate to eligible participants in the program. These include any state agencies, any local government, police departments but also non-profits. In some follow up information, Nadine will be providing a link to the website where you can see all the information. There is a copy of an application out there but if interested or want to know more about the program, contact either Cheryl or Nadine and they can walk you through the process. The application process is simple and the review happens by Nadine and Cheryl. When you are allowed, you can go online and look to see what would be of use to you. There are some restrictions which include anything that you obtain by this program will need to be put in use within 12 months and keep it in use for 12 months. But after that restrictive period ends, the equipment is yours. There are minimal costs to this program where the federal government determines what the original acquisition cost of the item is and DOA for its program operation accesses a 5% service fee against the original acquisition cost plus any transportation fees. Nadine gave an example of one that was approved where a gentleman found a vehicle where the acquisition cost was $1,000.00 and it ended up costing him $50.00. This program is an administrative function and referred to as a “direct transfer” program. Aside from helping you facilitate the transaction, Nadine or Cheryl don’t get involved in the obtaining of the equipment or getting it to you.

**ACCSES Summit and SUPRA Conference (Savannah, GA) Update – Nadine Malm** – Nadine gave an update/report of the ACCSES Summit and SUPRA Conference she attended in January 2017. Nadine reported there was discussion regarding what ACCSES has been involved with related to possible changes in law. ACCSES indicated there were lots of questions that are up in the air and are unsure what will happen because of the change in administration.

One session talked about the effects of federal and state policies on providers across the country.

Another session with multiple states providing information discussed long term support and services ~~were~~ and how the HCBS rule were affecting their programs.

The SUPRA Conference had a motivational speaker named Manley Fineburg. The presentation that he gave was called “Vertical Lessons”

Kate McSweeney spoke about the same things she had at the ACCSES Summit. It doesn’t matter who is in the White House, all parties need to work together to get this fixed.

There were different round tables which included:

* Inter-staffing;
* Branding;
* Re-branding;
* Technologies;
* Providing the financial support and training opportunities for your CRP;
* Maintaining quality in facility management, Sales and marketing.

Many of the roundtables were state specific and didn’t apply to our state. Nadine was asked to speak at the “Fair Market” roundtable. They thought that Wisconsin had a competitive calculation on fair market. She spoke/answered questions for about 30-45 minutes. She is going through and taking all those calculations for each state and putting them into our fair market pricing so she can see how it will affect our pricing if we were to recommend adopting a calculation or formula to use. She hopes to have it completed at the next meeting.

The “Product and Services” booklet were distributed to those in attendance. Nadine said that this booklet will be sent out to the people on the phone along with the Federal Surplus information. Nadine discussed several products in the booklet: Aquapads, GoGrip, Jamboxx Pro and Fire Extinguishers.

**Board Comment**

There was discussion with the board about the State of Wisconsin budget decreasing the State Use program. There is a $6,000.00 reduction in operating budget in FY2018 which was part of a 5% reduction exercise last year, but will be at fully funded for FY2019.

Board member Jim asked the question how the board meetings were set up. Nadine said it was set up by the board when it first started. They were set every other month and then it changed to 4 times per year. First it was on Tuesday and then changed to Thursday, then back to Tuesday and now it is on Thursday’s. Nadine said she could email the Annual report to the board. All the meetings, dates and times are posted to the State Use program website site so if you are not sure when the meeting is coming up, you can always look at the website which is <http://www.stateuseprogram.wi.gov/> to find out where and when the next meeting is.

**The motion to cancel the April 13, 2017 meeting was motioned by Jim and seconded by Nick.**

Adjournment – **Nick motioned and seconded by Enid**.

All attendees toured the Opportunities Inc. and Alkaline Battery Contract Operation building.

Future Meetings:

* July 13, 2017 at 10:00 a.m. – Dept. of Agriculture, Trade and Consumer Protection
* October 12, 2017 at 10:00 a.m. – Dept. of Agriculture, Trade and Consumer Protection