WISCONSIN STATE USE BOARD MEETING

April 12, 2018, 10:00 a.m. – 12:00 p.m.

Department of Agriculture, Trade and Consumer Protection

2811 Agriculture Drive

Madison, WI

**Opening Business**

Call to Order – The meeting was called to order by Jean Zweifel at 10:07 a.m.

Introductions

Board Members Present:

* Jean Zweifel, Greenco Industries
* Nick George, MFPA
* Bill Smith, NFIB
* Jim Langdon, Department of Administration
* Amy Grotzke, Department of Workforce Development, Teleconference

Board Staff Present:

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

Audience:

* Brad Bauman, UW Madison
* Stacy Quicksand, Careers Industries
* Candace Sikraji, Careers Industries
* Ken Maciejewski, Opportunities Inc.

Teleconference Participants:

* Wanda Kleinschmidt, Lincoln Industries
* Alan Wartella, Algoma Mop Manufacturers/ East Shore Industries
* Jim Taray, Superior Vocations Center
* Amy Newman, Shawano County Lakewood Industries
* Mike Snodgrass, Lakeside Curative
* Matt Fiest, UW Madison
* Isobel O’Rourke, KAC Inc.
* Charlene Orsted, Department of Corrections

**Discussion and approval of Wisconsin State Use Board meeting minutes from Thursday, February 8, 2017** – Bill made a motion, Jim 2nd – Motion approved.

**Can Liner Contract** – Cheryl Edgington and Nadine Malm – The State Bureau of Procurement intends to issue a Request for Bid for can liners. Previously, a Request for Information was completed. The results for the bid will be issued to establish fair market pricing for the items that are currently on the contract. The results of the bid will be shared with Careers Industries, who will be given 30 days to determine if they can provide can liners at the fair market pricing that is established through that process. If they can, then Careers Industries will retain the contract and continue selling can liners to the State. If Careers Industries determines that they can not meet those fair market prices, the Bureau will move to award the contract to the lowest responsible bidder, which is the standard process used to award bids. With Board approval, the contract would be cancelled with Careers Industries following any cancellation provisions that are in the contract. Board member, Jim Langdon spoke saying the intention of the program is to create employment opportunities for the disabled, to provide services and products to needed State agencies, and to provide value to tax payers with fair market pricing.

**Set Aside Request Update for Disposal and Recycling of Mixed Electronic Surplus** – Nadine Malm – Tenaya Grant (MARC) was unable to speak on the phone as she had a prior commitment. Nadine had an earlier conversation with her regarding where they are at in the process for their set aside. They are still receiving certifications and audits and are not close to requesting a contract. They indicated to Nadine they would be agreeable to putting aside the set aside, so the Board would not need to continue taking motions on this item in future meetings. A motion to put aside the set aside until the February 2019 Board Meeting was made by Nick and 2nd by Jim. Motion carried.

**2017 Fair Market Pricing** – Cheryl Edgington and Nadine Malm – Cheryl mentioned the results of the Fair Market analysis was released a couple weeks ago but there continues to be conversations in the State Bureau of Procurement related to the process used to obtain pricing for fair market. They want to take a step back to make sure that the terms and conditions of any other state contracts align with those of the State and that the pricing that the work centers are being held to is fair and equitable. Any of the fair marketing pricing analysis that was done for contracts that were currently showing items outside fair market will be pulled back and an additional analysis will be conducted. The Bureau will work through the process quickly and results will be sent to the work centers as soon as they are available. We would like to move forward with approval for the work centers that are completely within fair market on all items and consider those results final. The items that are being considered for additional analysis are: floor pads, uniforms, socks, mops, writing instruments, brushes and brooms, and non-sterile gloves. The impacted work centers were notified of the Bureau’s intention to conduct an additional review on their fair market pricing.

Nadine explained what was included in the packet that each Board member was given. The packet consisted of the following:

* An overview of the entire fair market
* Nineteen work centers with no State of Wisconsin contracts
* Twenty-one work centers which have RAM & SWEF contracts totaling an estimated $6,565,214.88
* Nine work centers with 14 contracts under $5,000 with an estimated total of $36,615.80
* Three work centers had four contracts awarded within the last year with an estimated value of $16,415.00
* Thirteen work centers submitted executive summaries for twenty-six contracts with an estimated value of $1,960,034.83
* Eleven work centers submitted comparability documentation for fourteen contracts

(These totaled an estimated value of $8,578,280.51 of supplied contracts)

A motion to approve the items that are within fair market value was motioned by Nick and 2nd by Jim. Motion carried.

**2017 Annual Report** – Nadine Malm – Nadine emailed a copy of the annual report to the Board members but noticed a numerical error. The correction has been reflected in the hand-out given to the Board. Board member, Amy Grotzke who was on the teleconference, will be emailed a copy when Nadine returns to the office. Highlights from the report:

* Sixty non-profit work centers were certified to do work with the State Use program in 2017. Of that, thirty-eight work centers have some contract with the State.
* Accomplishments of the State Board included policy changes, approval of fair market pricing, approval of some set aside requests, review of contract possibilities and product additions.
* Hourly wages decreased due to some contract cancellations. Annual sales to State agencies totaled $13,192,116.53 in products and services. This is a decrease from FY16 which Nadine explained resulted from UW-Madison’s one-year waiver to purchase can liners from a non-work center vendor. With the UW-Madison back on the can liner contract, there is hope that the products and services will increase this year.

Board member, Nick George mentioned that Midwest Food Processors Association has changed its name to Midwest Food Products Association.

A motion to accept the 2017 Annual Report was made by Nick and 2nd by Bill. Motion carried.

**2018 Annual Certification** – Nadine Malm – Letters for New Certification and Recertification went out at the end of March and are due April 20, 2018.

**New Product Ideas/Opportunities (Standing Agenda Items)** – Nadine Malm – This item was added to the agenda at the request of Board member, Bill Smith. With the recertification paperwork, the Products and Services listing is sent out to the work centers to see if they have any updates to their listings. Once the listings have been updated and returned, we should have an updated listing that we will be able to use to determine if there are additional opportunities for work centers.

**Public Comment –** No comments.

**Adjournment –** Nick motioned and Amy 2nd. Motion carried.

**Future Meetings Review**:

1. July 12, 2018, at 10:00 a.m. - Department of Agriculture, Trade and Consumer Protection with a possible change to the Pyle Center at the UW-Madison campus. **If location changes** **an announcement will be posted in advanced**.
2. October 11, 2018, at 10:00 a.m.-Department of Agriculture, Trade and Consumer Protection