

WISCONSIN STATE USE BOARD MEETING
September 13, 2018, 1:00 p.m. – 3:00 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 1 p.m.

Introductions

Board Members Present:

- Jean Zweifel, Greenco Industries
- Amy Grotzke, Department of Workforce Development
- Jim Langdon, Department of Administration
- Nick George, MFPA, Teleconference

Board Staff Present:

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

Audience:

- Lincoln Burr, Disability Service Provider Network (DSPN)
- Sara Bass, Pathways of WI

Teleconference Participants:

- Wanda Kleinschmidt, Lincoln Industries
- Tracy Nelson, Algoma Mop Manufacturers/ East Shore Industries
- Alan Wartella, Algoma Mop Manufacturers/ East Shore Industries
- Mike Snodgrass, Lakeside Curative
- Joe Greene, Careers Industries
- Jolene Wheeler, Northwoods Inc. of Wisconsin
- Tenaya Grant, MARC West Madison
- Robin DeVries, MARC West Madison
- Dale Cayemberg, Ascend Services
- Dave Morstad, Governors Committee People of Disability
- Dan Idzikowski, Governors Committee People of Disability

Discussion and approval of Wisconsin State Use Board meeting minutes from Thursday, April 12, 2018

- Jim made a motion, Amy 2nd – Motion approved.

Can Liner Contract - Cheryl Edgington – At the April 12, 2018 meeting, the State Bureau of Procurement (SBOP) had indicated that they would be issuing a request for bid to obtain pricing for can liners that

would be used to establish a fair market for the items that are currently on contract. In that meeting it was explained that the results of the process would be shared with Careers Industries, who is the current holder of the contract. Careers would be given 30 days to determine if they could meet the fair market prices that were established in the bid process. If Careers could meet the fair market prices, then they would retain the contract. If they could not lower prices to meet fair market prices, then the bureau would be moving to cancel the contract with Careers according to the cancellation provision in the contract and move to award a contract to the low bidder.

The bid was originally posted on May 1, 2018. There were some errors in some of the specifications that were posted. These discrepancies prevented SBOP from comparing the bids and making an award on the bids that had been submitted. SBOP decided to cancel that solicitation and revisit the specifications. The bid was reposted July 26, 2018 with the results due on August 14, 2018. The bid results were reviewed with the pricing to conduct a fair market analysis. The results were shared with Careers on September 11, 2018 asking if they could provide us their indication on whether they could meet the fair marketing pricing by October 10, 2018. Board members received copies of the fair market analysis but because this is still an active bid process, names of the bidders can't yet be made public.

There are 2 options for the board:

1. Grant SBOP advanced approval to move forward with canceling the contract with Careers if they respond by October 10th they cannot lower their prices to meet fair market.
2. Schedule a special meeting in October and during that meeting we can discuss the results of Careers' response. This meeting could be set up as a teleconference meeting at Department of Administration. The room could accommodate anyone who would like to attend in person.

The board discussed and decided to go with option 2. The meeting will be set up after October 10, 2018.

2017 Fair Market Pricing – Cheryl Edgington – During the April 12, 2018 meeting it was explained that upon completion of the annual Fair Market review process some of the work center contracts were pulled back from the initial analysis so that we could get additional review; specifically the process that is being used to obtain other market pricing and the general sense of bringing more consistency and transparency to the process. The contracts that were pulled back were for floor pads, uniforms, socks, mops, writing instruments, brushes and brooms and non-sterile gloves. The impacted work centers were notified.

After the meeting, the management team met and talked about the process that is used. The team looked at the State Procurement manual for guidance, as this is where the policy of conducting 'fair market analysis' is found. The policy talks about some of the indicators that SBOP should use when doing the fair market analysis. The "the cost of commodities/services if purchased in similar quantities from a non-Work Center vendor" was at the top of the list. A draft was created and will be provided electronically to those interested, after the meeting. The draft outlines the process that is used and the order in which we will go to sources to get pricing.

Process for Obtaining Pricing from Market Sources:

1. Current state contracts-through vendor website or WISBuy. If the items are currently blocked, SBOP will request quantity of one pricing from the contracted vendors;
2. Competitive bid contracts from legally allowable consortia groups or other states such as NASPO or MMCAP;
3. Open market prices where the state can verify that the specifications, scope and terms of sale are the same; and
4. Benchmark prices (competitive bid contracts from other states that are not available to WI) and Request for Information (RFI) process.

A teleconference member asked if work centers would be competing against imports when putting out a product for a bid? The answer was “no”. The specifications of the mops that align with the mops we are currently buying is what we would be asking pricing on. Additionally, he wondered if there was more talk about opening markets to our work center contracts and selling products to our neighboring states. This question would have to be taken back to Legal.

A summary of the 7 contracts that were impacted by the revision are the following:

- Floor pads-All 10 items were out of fair market pricing during the initial fair market but with the revision there were 9 items were out of fair market.
- Uniforms-Originally 2 items were outside of fair market and these 2 items were outside of fair market after the revision, when the price did go down.
- Socks-All of the items were outside of fair market with both the original and the revised pricing.
- Mops-Originally 2 items were outside of fair market and 1 item was outside of fair market after the revision.
- Writing instruments-Originally 8 of the 10 items were outside fair market and after the revision 2 items are outside of fair market.
- Brushes & brooms-Originally 4 of the 10 items were outside of fair market and after the revision 5 of the 10 items were outside of fair market.
- Gloves-Originally 2 of the 10 items were outside of fair market and the same 2 items remain outside of the market with the revision.

The work centers who hold these contracts were provided with the results of the revision on September 11, 2018 and have until September 28, 2018 to get back to Nadine as to whether they can or cannot lower their prices to be in fair market. This process is still outstanding.

2018 Annual Certification – Nadine Malm – There were 55 work centers that sent in recertification paperwork this year, which is down 3 from last year. They include Bethesda Lutheran Charities, Diversified Services and Waupaca Industries. Board member, Jean will be signing the certificates and they will be mailed out next week. A member of the teleconference audience asked if the 3 work centers who did not recertify, leave a void for products where the state would need to get another

vendor? Nadine spoke and said that Bethesda had a janitorial contract and was working with DOT (Department of Transportation). They would need to do a new procurement as there were no longer any work centers in that area. Diversified Services didn't have products and Waupaca Industries wasn't given any money in their budget and closed.

2018 Fair Market Pricing – Nadine Malm – Fair market pricing has not been sent out until we get the 2017 Fair Market Pricing approved.

2018 Annual Report Information – Nadine Malm – Documentation will be sent out next week to get completed and it will be due the middle of October 2018.

Spice Contract – Additions to contract – Nadine Malm – Several agencies were requesting different sizing for some of the spices. The work center has been very accommodating with meeting the different sizes being requested. Dane County will be starting to use this contract.

New Product Ideas/Opportunities (Standing Agenda Item) Coastal Management Program Book Mailing awarded to Sunshine House– Nadine Malm – The 'Coastal Management Program Book' mailing has already been done but wanted it to be recognized. They had a hard cover book and Board member, Jim Langdon came to us thinking it would be a great opportunity for work centers to look at. The specs were taken and the list of work centers who could provide fulfillment, mailing services and kitting, were sent notification letters. The Sunshine House was awarded the contract, which was their first contract. This book is being made available to every state high school, public library and University of Wisconsin library.

SUPRA Conference – Las Vegas, NV – January 30-February 1, 2019 – Nadine Malm – Nadine summarized the prices for the conference and the different sessions that will be held. A motion for Nadine to attend the conference was made by Nick and 2nd by Jim. Motion carried.

Public Comment – Sara Bass, New Executive Director at Pathways introduced herself.

Nadine will send out an email to the Board of Directors next week to get available dates for the October 2018 meeting. The meeting will be held after October 10, 2018.

Adjournment – Jim motioned, Amy 2nd - Motion carried

Future Meetings Review:

- a. October 18, 2018, at 3:30 p.m.-Department of Administration-Special Teleconference meeting
- b. February 21, 2019, at 10:00 a.m.-Department of Agriculture, Trade and Consumer Protection
- c. April 11, 2019, at 10:00 a.m.-Department of Agriculture, Trade and Consumer Protection
- d. July 17, 2019, at 10:00 a.m.-Department of Agriculture, Trade and Consumer Protection
- e. October 10, 2019, at 10:00 a.m.-Department of Agriculture, Trade and Consumer Protection