

WISCONSIN STATE USE BOARD MEETING
October 22, 2021, 10:00 a.m.
Via SKYPE

Call to Order – The meeting was called to order by Jana Steinmetz at 10:05 a.m.

Board Members on Teleconference:

- Jana Steinmetz, Department of Administration, Acting Chairman
- Nick George, MFPA
- Bill Smith, NFIB
- Amy Grotzke, Department of Workforce Development
- Tracy Nelson, East Shore/Algoma Mops

Board Staff on Teleconference:

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

Teleconference Participants:

- Deanna Hertlein, Counseling Developing Center, aka Red Apple Center
- Cheryl Stapleton, Department of Corrections
- Becky Krause, Opportunity Development Centers
- Jessica Potter, Department of Administration
- Isabel O'Rourke, BSPN
- Amy Neumann, Lakeland Industries
- Robyn DeVries, MARC West
- Linda Klean, Beyond Vision
- Tammy Weber, Black River Industries
- Jason Frey, Opportunities Inc.
- Ashby Rawstern, Embark (formerly Superior Vocation)
- Mike Snodgrass, Lakeside Curative

Discussion and approval of Wisconsin State Use Board Meeting Minutes of Thursday, April 8, 2021 -

No discussion. Motion to approve by Nick George, 2nd by Amy Grotzke. Motion approved.

Nominations for Board Chair – Ms. Nadine Malm – Nick George nominated Tracy Nelson for Board Chairman, Bill Smith 2nd the motion. Welcome Tracy.

Tentative DWD/DVR Update – Ms. Amy Grotzke, Board Member – Amy gave some background information about the Workforce 'Innovation and Opportunities Act' requires State Vocational Rehabilitation (VR) agencies to provide annual outreach and review to all sub minimum wage employees.

Amy provided updates of this program. Annual reviews are scheduled according to the State fiscal year (July 1st – June 30th) in accordance with the DVR contract. Of the people interviewed:

- 44% of those had never had experience with DVR
- 33% of those were interested in DVR assistance
- 49% were not interested in DVR assistance

DVR received a 5-year, \$14 million Federal Disability Innovation grant to assist people with disabilities in gaining new skills and industry recognized credentials for high growth occupations in healthcare, manufacturing, digital, technology and construction. DVR anticipates enrollment up to 500 new, current and past DVR consumers into this grant program. This grant will help DVR further strengthen the skills and focus to help people with disabilities gain high wage jobs and stem careers while meeting Wisconsin employer needs.

2021 Annual Review of Fair Market Pricing – Ms. Nadine Malm – The information was requested in July and gets reported at the October meeting.

- There are 47 work centers in the state
- 18 work centers have no state contracts
- 5 work centers have 5 contracts under \$5,000 with a total value of almost \$17,000
- 10 work centers submitted Executive Summaries for 22 contracts with an estimated value of over \$800,000. Included are service contracts, janitorial, lawn mowing, ships DNA kits
- 19 work centers that have 28 rest area maintenance (RAM) and standard weights and enforcement facilities contracts with an estimated value of \$7.3 million
- 6 work centers that submit contract comparability documents for fair market that provide product items to the state.
 - Beyond Vision has agreed to meet the fair market price on 1 of the items of the floor pads that was not within fair market effective Monday, October 25, 2021.
 - Opportunities Inc. has agreed to meet the fair market price on one of the battery items that was not meeting fair market effective Monday, October 25, 2021.
 - Diverse Options had 2 items that did not meet fair market pricing. They have agreed to meeting fair market on the kit that is AK07 but not on kit that is AK05. Nadine discussed this with Department of Corrections (DOC) as this is their contract. DOC has asked that the work center be allowed to continue to sell at the \$2.39 price instead of fair market's price of \$2.26. DOC has said they do not have the staff time to source the items, assemble the kits or the warehouse space to store the items till they are needed. DOC has asked that item not be removed from contract and are allowed to pay the higher price.

A motion to approve the DOC request that Diverse Options be able to continue selling kit AK05 at the current price was made by Nick George, 2nd by Tracy Nelson. Motion approved.

A motion to approve the 2021 Fair Market pricing was made by Tracy Nelson, 2nd by Nick George. Motion carried.

2021 Annual Report for the State Use Program – Ms. Nadine Malm – Nadine gave some hi-lights of the annual report:

- **Executive Summary-** Since FY16, sales of State Use contracts via WISBuy have increased from \$907,898.00 to \$2,432,371 in FY20. Sales continued to increase in FY21 as WisBuy spend was \$2,919,726. This is an increase of 20% for purchases from FY20 to FY21 through WISBuy. WISBuy has been a tremendous help to the State Use contracts by just having that visibility out there to the agencies. Of the 47 nonprofit work centers certified to do business under the State Use Program in FY21, 29 work centers (61.7%) did some business with the State.
- **State Use Program Trends-** Contract spend for services (excluding Rest Area Maintenances/Standard Weights Enforcement Facilities [RAM/SWEF]) declined due to most state agencies working from home during the COVID-19 pandemic. However, product spend increased by almost 50% as agencies purchased needed items, such as non-sterile disposable gloves, for use during the pandemic.
- **Set Aside Requests** were completed for the hand sanitizer contract
- **Contracts-Price Increases** - Raw material prices increased dramatically this past year due to increased needs for mops and non-sterile disposable gloves. The non-sterile disposable glove contract required numerous price increase approvals throughout the fiscal year. There were seven price increases were approved by the Board for the non-sterile disposable glove contract. In June 2021, raw material pricing began to decrease, which allowed price decreases for several contracted glove types.
- **Program Results-** Within the last fiscal year, there were 482 Wisconsin citizens with disabilities, who worked 147,407.35 hours and earned \$1,413,615.86 in wages. The average hourly wage earned by people with disabilities employed through the State Use Program increased in FY20 to \$8.10 an increase of 1.6% from last year. The pandemic affected employees with disabilities' ability to work onsite. Numerous contracts did not meet the 75% direct labor hours because of employees' unavailability. In March of 2020, there was an emergency procurement waiver approved by the State Bureau of Procurement that allowed able-bodied individuals to provide contractual obligations and fulfill orders for products/services until clients with disabilities were able to return to work. The emergency procurement waiver is still in place in FY21. Most state agencies' staff worked offsite during FY21 many work centers were still able to work with state agencies to maintain contract opportunities. The work centers reported annual sales to state agencies totaling \$12,265,940.21. This is an increase of \$2,009,006.21 or 19.6% from FY20. For the distribution of the state contracts there was a huge increase for the products from just over \$3 million and for FY21 they are \$4.5 million. A lot of that was because of the gloves. Board member, Bill Smith asked if the trends are for fewer work centers participate or are we trending the other direction. Nadine responded by saying they are decreasing. In FY20 we had 48 and in FY21 we have 47 work centers. When Nadine first started ten years ago, there were 65 certified work centers in the program. There are some work centers that have gone more to community placement and changed their business model and have dropped out of the program. A motion to accept the 2021 Annual report for posting on the State Use website was made by Nick George, 2nd by Amy Grotzky. Motion carried.

Extension Request for Hand Sanitizer and Sanitizing Wipes set-aside – Ms. Nadine Malm -

Opportunities Inc. has requested the set-aside be extended until the January 2022 meeting. A new fair market pricing will be done because prices for material, labor and shipping have increased since the 2020 fair marketing pricing was completed. A motion to approve the extension request to January 2022 was made by Bill Smith, 2nd by Nick George. Motion carried.

Non-Sterile Disposable Gloves Contract – Removal of Items – Ms. Nadine Malm – Lakeside Curative had five glove types with price decreases which were put in place effective September 1, 2021. They included the HAL100, HRP50, VNPF100, ALS100 and the BMN100. They are requesting that four glove types be removed from contract due to very low purchase volumes and a history of nonavailability from the supplier, which does not appear to be improving. The four glove types include AP100, APS100, HRL50 and NA100. A motion to remove the identifiable items from the disposable gloves contract effective October 25, 2021, was made by Nick George, 2nd by Tracy Nelson. Motion carried.

Spices and Seasonings Price Increase Request for Parsley and Black Pepper – Ms. Nadine Malm – Black River Industries received notice from their supplier that due to raw material and logistics price increases, they have requested price increases for parsley (3 oz.-\$4.15 and 1 lb.-\$12.60) and the 5 lb. container of black pepper (\$36.25). Fair market pricing was performed, and they are within fair market for the three items. A motion to increase the for parsley and pepper effective October 25, 2021, was made by Tracy Nelson, 2nd by Amy Grotzke. Motion carried.

Set Aside Request for Computer Monitor Privacy Screens- Beyond Vision – Ms. Nadine Malm – Nadine met with Beyond Vision back in August 2021. They are requesting a set aside for computer monitor privacy screens/filters for research and development of a possible State Use contract. Beyond Vision has been selling this product for many years and would like the opportunity to provide the product to State Agencies through a State Use contract. While looking back at past meeting minutes, they were approved for a set-aside prior to February 2012 where a fair market calculation was completed in 2009/2010. She did not find if a contract had been approved. Nadine has asked our office supplies contract manager to provide her with the spend on these items. A motion to approve the set-aside request for computer monitor privacy screens was made by Bill Smith, 2nd by Nick George. Motion carried.

Product Ideas/Opportunities (Standing Agenda Item) – Ms. Nadine Malm – Nadine looks at the eSupplier website which provides the solicitations that are posted by State agencies. Within the past 4 months she saw several janitorial supplies. The work centers for that area and the agencies were contacted. There have been a few out there lately but there are no work centers in the area to provide their services.

Public Comment – There are three vacant board positions to include a private business, the Department of Health Services names a person, and the last position is not named in statute. If interested, a person would need to apply on the Governor's website.

Future Meetings Review

- a. January 13, 2022, at 10:00 a.m.
- b. April 7, 2022, at 10:00 a.m.
- c. July 14, 2022, at 10:00 a.m.
- d. October 13, 20220 at 10:00 a.m.

Adjourn – Motion was made to adjourn by Nick George, 2nd by Bill Smith. Motion carried.