

STATE OF OKLAHOMA
STATE USE COMMITTEE MEETING MINUTES

Oklahoma History Center
800 Nazih Zuhdi Drive, OERB Classroom
Oklahoma City, OK 73105

August 5, 2015

Call to Order

William Smith called to order the regular meeting of the State Use Committee at 1:00 p.m.
The meeting agenda was posted Monday July 22, 2015.

Roll call for Quorum

Daron Hoggatt conducted a roll call.

Members Present: William Smith, Committee Chair; Robin Arter; Regina Chace; Jim Kettler;
Jerry Tate; Travis Monroe
ABSENT: David Oliver

Quorum declared with 6 members present.

Introductions

I. Approval of Minutes

Motion to approve the minutes of the June 3, 2015 State Use Committee meeting made by Ms. Chace and seconded by Mr. Tate.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

II. Financial Information

a. Ending Balance as of June 30, 2015: \$766,122.51

Committee Question: If the allotment of budget monies for fiscal year 2015 was \$250,000.00 what is done with the remaining balance?

Daron responded that unfortunately the legislature is taking \$400,000.00 of the remaining balance to offset the state budget shortfall. Daron is unsure what the legislature will be using this money for. The legislature will take some excess monies from many agencies on July 1, 2015.

According to Statutes, the State Treasurer has the authority to take excess monies from State Agencies. The committee is concerned about this money being taken by the legislators because they were under the impression that this money was to be used for the State Use Program only. Daron and Tim Tuck will be looking into this more and sharing their findings with the State Use Vendors.

III. Discussion and possible action to approve Fair Market pricing/changes

The Fair Market Sub-Committee (Mr. Smith, Mr. Monroe, and Mr. Oliver) and Daron Hoggatt had a conference call to discuss the Fair Market pricing for a number of items.

- a. **SW001** – (5) DHS Janitorial Fair Markets based on cost analysis provided by the agencies that were awarded the contracts for this year. Daron suggested that these 5 Fair Markets be approved in one vote.

Fair Market Sub-Committee recommends that the State Use Committee approve the Sub-Committee proposed Fair Market prices.

Motion to approve the proposed Fair Market prices made by Ms. Chace and seconded by Mr. Tate.

Discussion: What is the process for cost analysis as opposed to averaging? To verify a cost analysis, a Request For Information is sent to other agencies or services and the information received from the RFI is used to verify that their overall dollar amount falls within the range of the RFI amounts. Daron feels that these cost analysis fair market prices are appropriate. Daron has all of the bids and the cost information that was submitted by all of the bidders. These janitorial solicitations should not have gone out for open bid to begin with because the statute states that State Use contracts are not subject to the competitive bid requirements of the OK Central Purchasing Act. How was the bid process done? Were the bids sent out by regions with other businesses in the area? These were sent out to full open market bid by DHS. The solicitations have all been cancelled because they should have never gone out to bid. All of the State Use janitorial vendors were sent the solicitations. A few of the bids received were very, very low and then there was a cluster of bids that were very similar.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

- b. **SW001** – (5) DHS Janitorial solicitations where fair market was used based on results of bids received, and the fair markets were comparable with the vendors prices .

Fair Market Sub-Committee recommends that the State Use Committee approve the Sub-Committee proposed Fair Market price.

Motion to approve the proposed Fair Market prices made by Mr. Monroe and seconded by Mr. Smith.

Discussion: Some prices are per sq. ft. and some of them are submitted by the monthly cost, doesn't lead to inconsistencies in the prices? In the past there has always been a blanket charge of 25 cents per sq. ft. for the entire state. However we know that the more rural areas will not have as much competition as the city areas and that has an effect on the prices, so the fair markets were established by each location. These solicitations were sent out to open market bid by DHS and bids were received either by the sq. ft. cost or by monthly cost. The fair market prices received were in line with the State Use Vendor prices so these are true fair market prices. When you say that these should not have gone out on bid does this mean that you are appealing the process that led up to these bids? So should we be voting on these at this time? If we do not vote on and establish these fair markets these contracts will no longer be mandatory. We need to have a fair market established at this meeting, even though we are questioning the process.

So in effect, in order for these open bids to be officially permitted, there would have to be a statute in place that allows DHS an exemption from the State Use Statute stating that the product or service will be secured from a qualified nonprofit agency providing employment to people with severe disabilities.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

c. **SW001 – (9) Trash Can Liners South Central Industries**

The fair market prices are all much higher than South Central is requesting.

Currently, South Central does not have a minimum quantity limit for delivery.

South Central sent surveys to many state agencies to get a list of the most used sizes of trash can liners. If an agency needs a specialty size trash can liner, South Central will try to provide the size needed, and add it to the contract. If an agency forgets to place an order and has run out of an item they can call South Central, and if possible South Central will accommodate their need.

Fair Market Sub-Committee recommends that the State Use Committee approve the Sub-Committee recommended Fair Market prices.

Motion to approve the proposed Fair Market prices made by Mr. Tate and seconded by Mr. Monroe.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

d. **SW001 – Unarmed Security Goodwill Central**

Fair Market Sub-Committee recommends that the State Use Committee approve the Sub-Committee proposed Fair Market prices.

Motion to approve the proposed Fair Market prices made by Ms. Chace and seconded by Mr. Monroe.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

e. **SW203-Incontinent Diapers People First**

The subcommittee did not get a chance to review this item prior to today's meeting, so there is no recommendation from the subcommittee.

Motion to approve the prices for these products by Ms. Chace and seconded by Mr. Monroe.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

IV. Exception Report FY15 - 4th Quarter

There were six exceptions for the 4th quarter. Vendors are sent a copy of the exception prior to Daron approving or denying the exception.

V. Levy Payment Address Change

This is a very vital situation. The address to send checks to has changed. The State wants to make sure that checks are deposited within 24 hours after receiving them. The deposit is processed and a copy of the deposits is sent to State Use.

VI. Vendor Training and Awards

It has been a struggle this year to get vendors signed up for training. At this time we have approximately 30 vendors registered, and we are hoping that the rest of the vendors will attend. There were not very many nominations for the awards, but there are enough to make a decision from. Anyone can attend this training.

VII. Goodwill Proposal to DRS For Treatment as Ability One

Goodwill is proposing to DRS that they treat State Use Program as they treat the Ability One Program, by allowing for the entity to be the employer as well as the job coach. DRS has come down with a rule that excludes the State Use Program. The service contract act states that the employee must be paid a certain wage and benefit. Because State Use has a different system for paying employees, they will not allow the State Use vendor to be the employer and coach.

Some reasons why the policy was written by the Department of Rehabilitation Services:

One of the reasons for this policy is that if these consumers are going through the milestone program and they are being hired by the company that is supposed to do the milestone program. There were some issues with the vendor of the milestones hiring the clients, receiving all of the milestone payments and then that employee being let go at the 95th day. If the same vendor is doing the milestone program and is the job coach, that vendor can also write the report that additional job coaching is needed and therefore needs to be bumped up to a higher level of support which is the different milestone payment system. This brings up the issue of not having checks and balances to ensure that the vendor is reporting correct information.

Goodwill is requesting that the committee send a letter of support for State Use to receive the same treatment as Ability One. The committee suggests that this proposal be tabled till the next committee meeting so this situation can be investigated further and committee members can become more familiar with the issue.

Mr. Kettler will be looking into this issue and reporting his findings back to the committee.

Motion to table this item until the next meet made by Mr. Kettler, and seconded by Mr. Tate.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None
ABSTAIN: None
ABSENT: Mr. Oliver
Motion passed

VIII. State Use Staffing

Teresa Sherwood has been hired onto the State Use Program Team as the Administrative Assistant.

A new position has also been created for the State Use Program titled the State Use Liaison. Amanda Wagaman has been hired on. Amanda previously worked for OCI as a customer service manager so she already worked with many CPO's throughout the state. Amanda will be traveling around the state meeting with CPO's, city and county purchasers and State Use Vendors to help promote and build-up the program.

IX. New Business

None

X. Public Comments

None

XI. Adjournment

Motion to adjourn made by Mr. Tate and seconded by Mr. Kettler.

YEAS: Mr. Smith, Ms. Arter, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate

NAYS: None

ABSTAIN: None

ABSENT: Mr. Oliver

Motion passed

Meeting adjourned at 1:48 p.m.