

STATE OF OKLAHOMA

STATE USE COMMITTEE MEETING MINUTES

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

October 14, 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 Friday October 9, 2015.

Roll call for Quorum

Daron Hoggatt conducted a roll call.

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

ABSENT: Robin Arter

Quorum declared with 6 members present.

Introductions: All attendees

I. Approval of Minutes

Motion to approve the minutes of the August 8, 2015 State Use Committee meeting made by
Ms. Chace and seconded by Mr. Tate.

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

NAYS: None

ABSTAIN: Mr. Oliver

ABSENT: Ms. Arter

Motion passed

II. Financial Information

a. Ending Balance as of September 21, 2015: \$868,934.55

b. Exception Report: No Questions

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.

SW001 – (6) Mop Heads – People First

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 Mr. Oliver and seconded by
Mr. Tate.

Question: What is the minimum quantity that a person can order and have shipped? 1 case

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

NAYS: None

ABSTAIN: None

ABSENT: Ms. Arter

Motion passed

SW203 – (13) Incontinence Products and (1) Skin Care Cream – People First

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. Tate and seconded by Mr. Kettler.

Question: What is the minimum quantity that a person can order and have shipped? 1 Case free shipping.

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

NAYS: None

ABSTAIN: None

ABSENT: Ms. Arter

Motion passed

SW078 – (1) Body Wash – South Central Industries

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 Ms. Chace and seconded by Mr. Oliver.

Question: Who is this item being sold to? Veterans Affairs, they asked for this specific brand product.

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

NAYS: None

ABSTAIN: None

ABSENT: Ms. Arter

Motion passed

SW001 – Trash Bags – South Central Industries

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.

Question: What is the minimum quantity that a person can order and have shipped? 1 Case free shipping, however because of a substantial increase in customer base, it is becoming much more difficult to have free shipping on such small quantities. Unfortunately in these outlying areas where these agencies are located, agencies are not placing one order for multiple items and instead are having multiple orders which causes multiple deliveries which is costly for shipping.

YEAS: Mr. Smith, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate, Mr. Oliver
NAYS: None
ABSTAIN: None
ABSENT: Ms. Arter
Motion passed

SW001 - Disposable Plates and Napkins – South Central Industries

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

Motion to approve the prices for these products by Mr. Oliver and seconded by Mr. Kettler.

Question: Is one case the minimum order that can be shipped? If a company is small and wants less than 1 case can less than a case be ordered? South Central will always try and work with an agency if they want something less than the minimum order amount. For instance, with these plates and napkins, South Central actually uses these themselves, so they would be able to split the minimum order with the agency.

YEAS: Mr. Smith, Mr. Oliver, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate
NAYS: None
ABSTAIN: None
ABSENT: Ms. Arter
Motion passed

SW320- Odor Control Product – South Central Industries

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

Motion to approve the price for this product by Ms. Chace and seconded by Mr. Tate.

YEAS: Mr. Smith, Mr. Oliver, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate
NAYS: None
ABSTAIN: None
ABSENT: Ms. Arter
Motion passed

IV. 2016 Committee Meeting Schedule

Motion to approve the 2016 Committee Meeting dates by Mr. Oliver and seconded by Mr. Tate.

YEAS: Mr. Smith, Mr. Oliver, Ms. Chace, Mr. Kettler, Mr. Monroe, Mr. Tate
NAYS: None
ABSTAIN: None
ABSENT: Ms. Arter
Motion passed

V. Update on letter from Goodwill to DRS

Jim Kettler met with Jerry Weddington from Goodwill to discuss this issue. Jerry provided Jim with reference information and Jim then met with DRS regarding this issue. DRS had reworked the contract for employment support services and the wording excluded all but vendors who meet the

guidelines for the Federal Dept. Of Labor rates (WD05-2432 rev. 20), and these guidelines excluded the State Use Vendors. Jim asked DRS if they would reconsider rewording the contract to open it up to anyone of. The purpose for rewording the contract was to make it available to any vendor who could meet the Federal Dept. Of Labor guidelines. Within DRS there is not a willingness to go back and change the contracts wording. The State Use Vendors cannot conform to the Federal Dept. of Labor Guidelines for minimum pay. In addition to the Federal pay rate, the mandated benefit rate cannot be provided by State Use Vendors either. Jim Kettler feels that it might be helpful to send a letter from the State Use Committee addressing this issue. Jerry Weddington is hoping that the committee is willing to send a letter on behalf of the State Use Vendors who cannot bid for these jobs because of the Federal Dept. of Labor standards.

Some committee members feel that a letter from the committee will not change the outcome because this isn't just an issue with Oklahoma.

Committee Chair Will Smith asked if there would be a motion on this item 3 times and no motion was made. No action will be taken on this item by the committee.

VI. CPO Training and Vendor Tradeshow

We have between 300 & 400 CPO's signed up to attend the CPO Training and Vendor Tradeshow. This is a huge event and a chance for the State Use Vendors to meet with and discuss their products with purchasers from State Agencies. Unfortunately, at this time we only have 18 out of 47 vendors signed up to attend the tradeshow which doesn't look good for the program. The tradeshow is free, so please consider coming to the tradeshow. You will be missing out on a great opportunity by not attending.

VII. SUPRA Conference

The 18th Annual SUPRA (State Use Programs Association) January 27-29, 2016 in New Orleans Everyone who can is encouraged to attend this conference. Travis and Robin have been invited to attend as the committee representatives.

Questions: Is there a limit on how many committee members can go this year? Daron explained that he has invited Travis Monroe and Robin Arter to attend the conference. A committee member asked why more committee members cannot attend since there is money in the State Use Fund to cover the cost.

Daron explained that the State is scrutinizing travel and he is not sure that the State would approve spending for additional committee members to attend this conference. Will Smith recommended that all of the members of the committee be invited to attend this program. Daron stated that he would bring Will's suggestion to the State and see if they will approve it.

VIII. Legislative and Rule Changes

Daron is proposing changing (and/or) adding wording to clarify sections of Title 304. Chapter 10:

There are vendors throughout the state of Oklahoma and vendors in other states that employ severely disabled people in Oklahoma that would like to be part of the State Use Program. These vendors cannot be part of the program but because the qualified nonprofit agency definition currently has the requirement of "certification as a sheltered workshop" and this is prohibiting them from becoming part of the program. Daron proposes adding the following wording to the existing definition:

"Qualified nonprofit agency for the severely handicapped" means a nonprofit agency which is certified as a sheltered workshop by the wage and hour division of the U.S. Department of Labor **or proof of paying at or above minimum wages to all persons with severe disabilities** and employing severely disabled persons who constitute at least seventy-five percent (75%) of the

personnel engaged in direct production of products or services offered by the agency for procurement by this state.

Daron is also suggesting adding the following sections to Title 304. Chapter 10:

Section 304: 10 -1-13 Exceptions – Competitive bid requirements not applicable

Section 304: 10-1-14 Reporting of violations of intent of laws

This information is in Title 74 and Daron feels that it should also be shown in Title 304. Chapter 10: These changes have been vetted through Tim Tuck as well as another in-house attorney, Tracy Heard.

Committee Comments:

Was a State Use sub-committee put together to talk about making changes to these rules? No. Since these rules are the responsibility of the State Use Committee, shouldn't a sub-committee be created that would be involved in the process of reviewing these rules and proposing changes? If we are going to make changes than we should also write in for example some clarification that the work would be done in the State of Oklahoma, etc. The committee needs more time to review these rules and discuss the language and intent of the rules.

Mr. Smith requested volunteers for the sub-committee. The sub-committee will be Mr. Oliver, Ms. Chace, and Mr. Smith.

Per Ms. Chace, Nationally there is a major change of inclusion and issues with what workshops look like. In Oklahoma we have until 2019 for people who receive waiver services that all individuals have integrated opportunities and this is very much going to effect the State Use Program, so with this in mind, now might be a good time to initiate a sub-committee that would meet talk about opportunities for how the rules look in relation to how the program morphs in the State, because it won't just be sheltered workshop services. In order to get changes done by November 15th of this year a special committee/sub-committee will need to meet in person or thru teleconference.

Motion to create a sub-committee of Mr. Oliver, Ms. Chace and Mr. Smith to look over the rules and make administrative changes made by Mr. Kettler and seconded by Mr. Tate.

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

NAYS: None

ABSTAIN: None

ABSENT: Ms. Arter

Motion passed

Tim Tuck suggests that instead of having a sub-committee meeting, have the committee members submit changes to Daron and then "continue" this meeting to discuss the submissions and put together the changes. This would be more appropriate than having a special sub-committee meeting.

IX. New Business

None

X. Public Comments

Tina Hanna (South Central Industries) has an overall concern that she wants to share. This year has been a highly charged year with all of the changes being discussed regarding sheltered workshops as Ms. Chace had alluded to, and budget cuts that have had an effect on everyone. However, if something were to happen to State Use that would truly be devastating to all of the vendors that are participating in the State Use Program.

At the OCP meeting today there was talk about a few things that Tina feels could jeopardize the program. First there was discussion about the \$400,000 that is being taken out of the State Use Fund account, and discussion over whether there should be a lawsuit brought against the state over the removal of these funds or should there be steps taken to get that money back. Tina is aware that the State Use agency was not the only agency that money was taken away from obviously it was a hard year for everyone including the State and they had to take money from this agency and other agencies. Having said that, Tina believes that this will happen again next year and State Use should be prepared for this to happen. When we think about the excess that is in the State Use account at this time, it stands to reason that the excess money will be targeted again by the state next year. How can we proactively look into using this money for the program? For example, South Central has two group homes and those group homes have to be managed by a HUD managing agent for a portion of the fund. So for the past year South Central Ind. has been trying to make as much money as possible and then Tina found out from the HUD agent, that at the end of the year if there is money remaining, HUD takes it. Tina will be taking steps to ensure that there will not be excess money at the end of the year. So South Central Industries is doing what they need to in order to keep from having excess money at the end of the year.

The next discussion at the OCP meeting pertained to moving away from the state managing State Use and instead having a non-profit organization take over the program. Tina has spoken to other states (Kansas, Texas, and Louisiana) that wish their programs were run by their states. It seems that some people look at it as an entitlement, but Tina looks at this as a privilege. It is a privilege that the vendors have to participate in the program which allows our clients have the opportunity to work, to earn money, etc. Tina is afraid that the legislators at any moment could say "if you have problems with the state taking the \$400,000 and/or if you want to take this program away from the state and give it to a non-profit, don't worry about it we will just take the program away and do away with it". These are just some thoughts that Tina wants to share and she hopes that with all of the time and passion that the vendors put into this program that they will help to protect the program.

XI. Adjournment

Motion to adjourn made by Ms. Chace and seconded by Mr. Tate.

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

NAYS: None

ABSTAIN: None

ABSENT: Ms. Arter

Motion passed

Meeting adjourned at 2:03p.m.