



CRO Set Aside Committee Meeting
Tuesday, September 11, 2018 10:00 am MARO
417 Seymour Suite 5
Lansing MI 48933
Meeting Minutes

Committee Chairman Todd Culver called the meeting to order at 10:00 a.m.

Committee Members Present: Todd Culver, Butch Ellis, Genevieve Hayes, Karsten Bekemeier

Guests Present: Noah Belanger - Peckham Inc., Jo Sinha - Peckham Inc., Ken Bauer - Navigations, Bill Mullens - Navigations, Brian Taylor - SVRC, Joy Nafkooor - DTMB, Brandon Grace - Michigan Army Guard, Greg Pawlak - DMVA

Recording Secretary: Laurie Morse-Dell, MARO

Introductions and Welcome

Todd Culver called the meeting to order, with a welcome to the September CRO Set Aside Committee Meeting.

Review of May 15, 2018 minutes

Open Meeting minutes were distributed with the agenda. Closed meeting minutes were distributed to Committee members separately, with contents kept confidential, under the terms of the Open Meetings Act.

MOTION: To approve the May 15, 2018 Open Session minutes as presented.

Carried

MOTION: To approve the May 15, 2018 Closed Session minutes as presented.

Carried

Procurement Update: Genevieve Hayes

DTMB has consolidated Commodities and Services departments, shouldn't impact Set Aside Contract holders.

• Fair Market Price Review

Discussion on the solicitation for Fort Custer.

- Greg Pawlak provided history of Fort Custer and overview of bids for Custodial and Housekeeping. Navigations was recommended to be awarded the Housekeeping contract. Navigations bid on the Custodial contract was 42% higher than current contractor and was not recommended to be awarded the contract as deemed not a fair market price.
- Noted that location set aside has to be formally requested 6-12 months before contract bid, set aside from 2015 was only for Custodial and Housekeeping.



- Discussion regarding cost versus value of providing jobs to individuals with disabilities and if there was data on typical expenses for CROs vs for profit contracts so the committee can determine what reasonable expectation of cost difference might be, recognizing a multitude of variables. Members welcomed a bigger picture review of what should be factored into decisions.
- Noted that there is no hard line of what number defines Fair Market Price and each case is reviewed individually.
- Noted the terms for Fair Market Price are set in Statute, that is reviewed annually and suggestions from impacted CROs are welcomed.
- Concern expressed from Ken Bauer that new federal tax changes give for profits an advantage over CROs in the bidding process.

MOTION: To take janitorial off of set aside due to fair market price not being met.

Amended during discussion: The contract for janitorial services should not be awarded to Navigations due to bid being outside the parameters for fair market pricing.

Amended motion Carried

- Todd Culver opposed, stating it would come at the expense of employment opportunities for people with disabilities in Michigan.
- Butch Ellis stated that the committee has awarded bids in the past that were more than 10% variance but in this case there was too much of a spread on the bids.

Set Aside Requests

No New Requests

Question regarding when CROs know a contract is eligible for set aside was answered that all contracts from DTMB are posted and due diligence is required by CROs to watch when a contract will be up for renewal.

Public Comment

Jo Sinha indicated that she had contacted other CROs that currently hold contracts on set aside, and as long as the proposed change to the duration of set aside status was not a threat to losing CRO set aside contracts and would be an administrative change only then it would not be protested. The following comments were offered:

- That the process would be to make acceptance, not approval, of intent to remain on set aside
- That contract expiration date would be added to the annual report and published
- That a simpler version of the form would be developed for acceptance
- That change would not be implemented in next quarter in order to provide time to implement a plan where jobs would not be loss inadvertently



Brandon Grace requested, and was provided with, information on the process for determining set aside status.

Old Business

• Duration of Set Aside Status

Decision that prior to implementation, this change in procedure would be clarified, revisions would be made to operations manual, a simplified form would be developed, and the annual report would be revised to include an additional column that recognizes contract terms (expiration dates).

New Business

Committee thanked for schedule change.

Next meeting scheduled for November 20, 2018 at 1:00 pm at the MARO office.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Laurie Morse-Dell', is written in a cursive style.

Laurie Morse-Dell
Recording Secretary