



STATE OF TENNESSEE
PROCUREMENT COMMISSION
3RD Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

Procurement Commission
Agenda for Meeting #1
April 11, 2012

The Procurement Commission will meet Wednesday, April 11, 2012 at 2:30 p.m. in the Executive Conference Room on the 1st floor of the State Capitol.

Agenda Items:

I. New Business

1. **Item No. 1.00**
Minutes from the March 9, 2012 Meeting
Supporting Documentation Supplied
2. **Item No. 2.00**
Communication and Negotiation Policy
Supporting Documentation To Be Supplied
3. **Item No. 3.00**
Central Procurement Office Transition Plan
Supporting Documentation To Be Supplied
4. **Item No. 4.00**
Current Procurement Related Rules
Supporting Documentation To Be Supplied

Pg. 1



STATE OF TENNESSEE
BOARD OF STANDARDS

24TH Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-9263 Fax (615) 532-8594

The Board of Standards met on March 9, 2012 at 1:30 p.m. in Conference Room "A" of the Central Procurement Office located on the 3rd Floor of the William R. Snodgrass Tennessee Tower. Commissioner Mark Emkes, Comptroller Justin Wilson and Commissioner Steve Cates were present. The additional attendees were as follows:

Martha Nichols, Department of Finance and Administration
Melinda Parton, Comptroller of Treasury's Office
Thomas Chester, Department of General Services
Jessica Robertson, Department of General Services
Mike Perry, Department of General Services
John Bissell, Department of General Services, Central Procurement Office
Thad Watkins, Department of General Services, Legal Service
Abby Lipshie, Department of General Services, Legal Service
Shelia Simpson, Office of Diversity Business
Bryan Chriske, Comptroller of Treasury's Office
Mary Anne Queen, Comptroller of Treasury's Office
John Bissell, Department of General Services, Central Procurement Office
Stephen Reksten, Department of General Services, Central Procurement Office
Tom Johnson, Department of General Services, Central Procurement Office
Shay Oliphant, Department of General Services
Toni Stuart, Department of General Services
Sherry Whitby, Department of General Services, Central Procurement Office
Jose McNeill, Department of General Services, STREAM
Lynelle Jensen, Department of General Services, STREAM
Bob Oglesby, State Architect

Commissioner Emkes called the meeting to order.

Agenda Items:

I. New Business

1. **Item No. 1097.00** Pg. 1
Minutes from the November 16, 2011 Meeting
Supporting Documentation Supplied

Action: Approved as presented to the Board of Standards

2. **Item No. 1126.00** Pg. 4
Cooperative Contract for Express Mail and Small Package
Delivery
Supporting Documentation Supplied

Action: John Bissell gave a brief overview of the procedures used to justify joining this cooperative contract. By being a part of the contract, the State has the potential to save approximately \$300,000 annually. Jessica Robertson supported Mr. Bissell's statements and added that there would be no further implementation needed in order to start immediately.

Item No. 1126.00 approved by the Board of Standards

II. Items to Report

3. **Item No. 1091.00** Pg. 6
Contract Extensions Report
Supporting Documentation Supplied

Action: John Bissell overviewed the report explaining that it is a work in progress and changes frequently. Comptroller Wilson commented that the Central Procurement Office has done a good job at reducing the number of contract extensions and added that the list has decreased significantly from two years ago. Commissioner Cates asked Jessica Robertson to expound on the reason why the majority of the contracts extended required an extension. Ms. Robertson replied

that the majority of the contract extensions were operational extensions for strategic purposes.

4. **Item No. 1125.00** Pg. 7
Request for 180 Days Contract Extension
RSWC 304
Wireless Local Area Network (WLAN) – Aruba
Supporting Documentation Supplied
- Action:** Ratified by the Board of Standards.

- III. **The attached certification related items are being reported to the Board as approved by the Board of Standards' Staff.** Pg. 13

Action: Received by the Board of Standards.

ADDENDUM

5. **Item No. 1127.00** Pg. 38
Multiple Award Request for Building Supplies
STREAM Restricted State-Wide Contract
Supporting Documentation Supplied

Action: The request being presented is for a three year contract for building materials with the intent to award to Vendor A and do contract releases to Vendor B and Vendor C if Vendor A cannot meet the commitment. Commissioner Emkes asked if this was something that had been done often. Jose McNeill replied that this is something new for the State and that if the contract did not benefit the State it would not be used. Comptroller Wilson thought it was a good idea although he added that controls will be needed to ensure that purchases are only made from the second and third vendors when the criteria that has been established in the memorandum from STREAM has been met. Additionally, he stated that the criteria will need to be clearly set forth in the solicitation that is provided to all vendors. Commissioner Cates was concerned that there were no caps in place. Lynelle Jensen with STREAM said that the Grainger contract pricing is being used as a baseline and Comptroller Wilson asked for quarterly reports in order to track expenditures. In addition to expenditures, he would also like to see the percentage increase from each of the established vendors and how much more was paid for goods from a second or third vendor because the low bidder could not

meet the criteria. Commissioner Cates asked if it was being processed as an ITB or as Best Value and if any preference was being given to companies' qualifications. John Bissell responded that it was being processed as an ITB for timeliness and that Central Procurement was pre-qualifying brands and vendors. Ms. Jensen indicated that the specifications were production driven. Commissioner Cates cautioned that Central Procurement needed to contact these vendors to ensure that there are enough bids to make this competitive. Commissioner Emkes questioned what the price difference is between the vendors and Mr. McNeill reiterated that we don't know yet but the State should experience significant savings by using the multi-award concept and that the private sector uses this type of system successfully. It was determined that the Board of Standards could not look at the bids so Commissioner Cates suggested that the request letter be revised to state that Vendor C cannot be greater percentage than Vendor A and Vendor B. Mr. McNeill reminded him that the baseline percentage has not been determined so Commissioner Cates revised his statement so that Vendor A, Vendor B and Vendor C shall be equal to or less than the Grainger or the current contract pricing. Mr. Bissell stated that terms were already in place for price increases and that vendors would be contacted. Commissioner Emkes asked how the motion should be worded – permission to go to Vendor B as long as it is equal or less than existing contract and Vendor A cannot supply. Also, Comptroller Wilson requested as part of the motion that the final solicitation be reviewed by staff prior to approval.

The Board of Standards agreed on the motion and reports will be made to the upcoming Procurement Commission.

ADDITIONAL

Comptroller Wilson asked if the procedures for the new Procurement Commission have been developed as the new Commission starts April 1. Jessica Robertson stated there will be a transition plan for the Procurement Commission to review and that the Procurement Advisory Council has had two meetings and are ready to vote on a policy. Some of the vendors involved are Cisco, IBM and Océ as well as local government and state officials. Comptroller Wilson recommended that draft procedures establishing the Commission's governing role be presented so that the Commission is prepared to adopt the procedures at the April 11th meeting. Comptroller Wilson further recommended that the procedures and the transition plan should be distributed to staff as soon as possible to allow plenty of time for consideration.

Comptroller Wilson inquired about the location of Procurement Commission' meetings and recommended that all meetings of the Commission be recorded to enhance the transparency of the Commission.

Comptroller Wilson stated that he understands that there are changes taking place with regard to how surplus property is handled by state agencies and requested that a report be provided at the next meeting as to the status of those changes.

Comptroller Wilson wanted verification that all RFPs and Bids would be on the same site that the procurement process was very transparent. Commissioner Cates stated the need for technical expertise in RFP's and Thad Watkins acknowledged there were model specifications on the internet for use.

Comptroller Wilson expressed concern about the number of service contracts that are being processed in which there has not been adequate lead time to allow for proper approval processing before the services are being authorized. He requested that more time for approvals be built into the service contracts and RFP processes.

Board of Standards adjourned.