

2021 PROPOSAL INFORMATION

Relocation of Cabinet Operation to Mike Durfee State Prison



THE NEED

With a majority of Pheasantland's traditional industry shops located in Sioux Falls, expanding vocational and employment opportunities in Springfield and Pierre was established as a goal of PI as it relates to future growth.



BENEFITS

- Reduced Transportation Costs
- Decreased Lead Times for Customers
- Onsite Delivery and Redesign
- Ability to Expedite Emergency Orders
- Improved Staffing in the Shops
- Improve Customer Service
- Increased Vocational and Employment Opportunities
- Minimize Damage-related Rework

“I think the move to Springfield for the cabinet shop could be very beneficial for the Governor's House Program. Primarily, the lowering of costs on cabinets with all other building materials experiencing record costs would make a huge difference.”

Mike Harsma, Director of Single Family Development
South Dakota Housing Development Authority



Inmate Workforce. PI's goal is that the transfer of cabinet operations to MDSP would not adversely affect the workers in Sioux Falls. Any reduction in cabinet projects would be offset by the acceptance of additional custom project work.

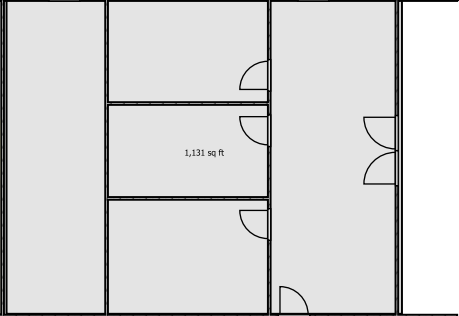
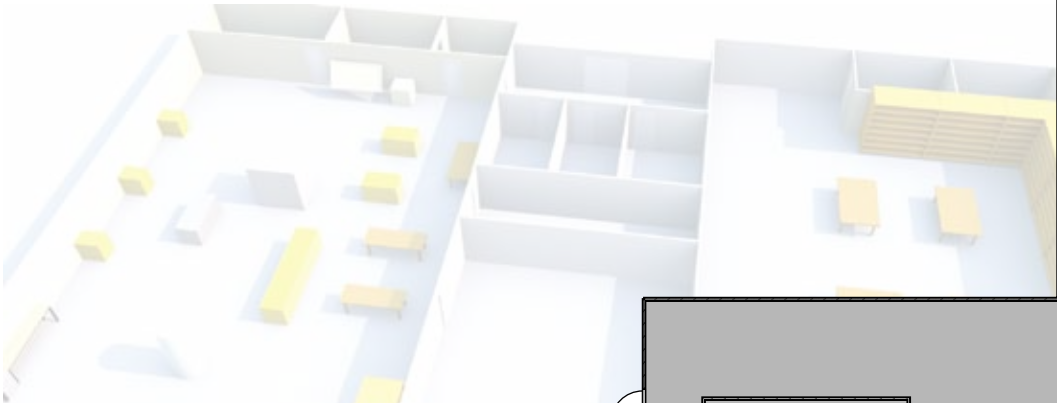
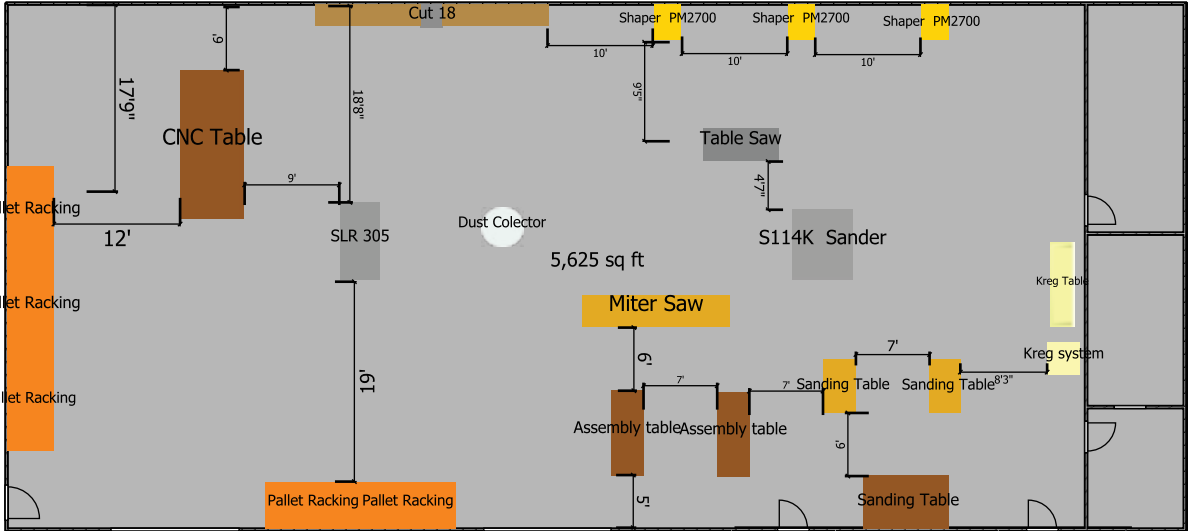
Staff Retention. Often overwhelming the Carpentry Shop Foremen, supervising an inmate workforce of almost 50, the custom carpentry side of the operation continues to be a growing business for Pheasantland Industries. They experienced rapid growth in recent years, recording a 43.75% increase in sales from FY2018 to FY2020.

During that same period, we have undertaken several high profile projects and spinning off the cabinet operation would enable the Shop Foremen assigned to carpentry to streamline operations, fully concentrating their efforts on custom projects. This new, streamlined approach to hiring, training, and inventory management would decrease waste, improve quality, and customer service. From a workforce viewpoint, it would reduce stress and improve morale.

RESOURCES

Logistics. There are existing facilities and resources to support a Pheasantland Industries Cabinet operation in Springfield. In addition to designating physical space to house the PI expansion, Warden Fluke has proposed to transfer an existing FTE from MDSP to PI to serve as Cabinet Shop Foreman.

It is anticipated 25-30 inmate workers will be employed. A pool of skilled workers, many of whom possess previous carpentry experience from SDSP prior to transferring, is currently available in Springfield.



Financials. An outlay of funds estimated at \$156,567 to purchase new equipment would be required to facilitate the move.* The Cabinet Shop maintains shared space with the Custom Carpentry Shop in Sioux Falls and due to the nature of their work, the inventory of tools and equipment shared by both operations would negate the possibility of repurposing tools for specific use by the MDSP operation.

*The cost estimate does not include installation. We propose to utilize talent resources on site with technical skills to defray some of the expense.

