

MEETING MINUTES

May 18, 2011

GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED

The meeting was called to order by Chairperson Cedric Greene at 10:00 a.m. May 18, 2011 at the WVARF temporary office located in the Goodwill Building, 209 Virginia Street West, Charleston, West Virginia.

ATTENDANCE:

Committee: Cedric Greene (Chairperson); Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; Jan Lilly-Stewart; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: Greg Raber, Sherry Briggs, Leona Huffmann

Absent: Jan Smith, Jan Lilly-Stewart and Phillip Mason attended by conference call.

Guests: Greg Morris, PacTec
Jack Holcomb, Precision Services
Elizabeth Sampson, Board President of WVARF & Clay County Unlimited
Debbie Birthisel, Green Acres
LuAnn Summers attended for Brenda Bates

COMMITTEE CHAIR REPORT:

Mr. Greene, we have a forum so we will get started. Introduction of members and guests.

MOTION #1

Mr. Sullivan, if no corrections, I move the minutes be approved. Jan Smith seconded.

Motion passed.

Mr. Raber handed out copies of the CNA budget for fiscal year 2012 to all present.

Mr. Raber, the CNA committee met again on May 12, 2011 and approved the CNA budget for fiscal year 2012 with the stipulation that any money left over from fiscal year 2011 be rolled over into the 2012 budget. The committee will continue to meet on a regular basis with the next meeting being scheduled for June 16th at 10:00 a.m. via conference call. I thought the meeting went well last week.

Mr. Raber, I have signed a contract extension with the Division of Purchasing for the WVARF10 contract which is the contract for commodities. We were also awarded contract for a 6-month extension between WVARF and DRS.

Mr. Raber, WVARF has also been awarded the TEMP11 contract through the Division of Purchasing. This contract is a key element in helping WVARF provide job opportunities to persons with disabilities and accounts for close to a quarter million dollars a year in salaries for those individuals.

DRS has signed a 6-month contract extension with WVARF to remain the CNA for the State Use Program. As long as the CNA Committee continues to meet regularly, I am confident that WVARF will continue to be the CNA for the State Use Program.

I have contacted some real estate agents throughout the Kanawha Valley and I am actively looking for permanent office space for WVARF.

Mr. Greene, I received a letter that was sent to Ms. Sampson on May 10, 2011 from Deborah Lovely, Director of Rehabilitation Services. She outlines concerns they have with the current WVARF and they go over issues they have with the contract.

Ms. Sampson, I got the letter yesterday and I wrote a letter to Debbie yesterday to bring her up-to-date and we will address all those issues as soon as possible. I want the board members to be aware of the letter and some of those things have already been taken care of.

Mr. Sullivan, was there any problems that needed to be worked out?

Mr. Greene, there were six things in the letter that need to be addressed. Do you see something that was way off the mark and not factual?

Ms. Sampson, not factual but perhaps a little cloudy and they are things that should be between WVARF and CNA Committee, and Greg if you can pull together records so we can address those concerns. I don't see any problems with those things.

Mr. Greene, I think it outlines everything that may be of concern for Ms. Bates and Ms. Lovely.

MOTION #2

Mr. Sullivan, I make a motion to accept the Executive Director's report. LuAnn seconded. Motion passed.

Mr. Mason joined the meeting by conference call.

CONTRACT PRESENTATIONS:

Mr. Raber, a list of changes was handed out to all present and we are approving these items.

DEP in Kanawha City, increase of \$2,469.48 or 0.66% which was a combination of hours and supplies?

General Services, Building 74 in South Charleston, increase of \$11,051.88 or 23.73% increase in labor hours.

General Services, Building 84, increase of \$13,784.28 or 76.78%. Increase in labor.

General Services, Building 86 Greenbrooke, increase of \$8,621.52 or 12.46%.

DOH, District 9 in Summersville, increase of \$3,029.16 or 23.34%.

Air National Guard in Charleston, this is a 4-month contract costing \$22,295.64.

Ms. Briggs, please see the other sheet handed out to all present which is the Northern State Use Contracts.

See page 2, Camp Dawson, it is for one person, seven days a week and they are happy with that. Increase of \$13,695.96 or 0.16%.

DHHR, Petersburg, increase of \$1,383.60 or 0.10% as it was the wrong square footage.

DMV, Martinsburg. New vacuum cleaner, \$95.00 for equipment. The CRP will purchase and will bill back through equipment the CRP owns.

Mr. Greene, is it typical to clean building then back bill through back billing?

Mr. Raber, when we sign the contract there is no way to bill the agencies and they have life expectancies as well.

Mr. Greene, when you talk about FMV....

Mr. Sheets, it is the way it has been done, the pro rating cost over three years over its life then billed into the monthly cost.

Ms. Briggs, that particular one will be \$7.00 a month.

Mr. Greene, would you do it that way if it were on a big scale?

Mr. Sheets, if it were on a big scale, the agency could not do that. It is not about the vacuum it is the process of it.

Mr. Raber, that is all of the janitorials. We have about 16 contracts left, and we are still in negotiations with some of those.

MOTION #3

Mr. Sullivan, I make a motion to accept contracts to be signed. Mr. Mason seconded. Motion passed.

Mr. Greene, I will take those with me to sign.

Mr. Raber, we have a couple of commodity issues for the Committee for JCDC, Jackson County because of the economy. They contacted me about wiping cloths. With the economy as it is these wiping cloths, these items have increased. Also attached from their distributor is what their prices are going to be. The cost has increased so much and they have asked the Committee to look at this line item 143 wiping cloths. They are asking for a three (.03) cent increase for the Econo Wiper, cotton blended knits, washed, sanitized, low lint. Current Price \$0.82 – proposed price \$0.85. The Bar Towel, Lightweight terry toweling with finished edges they are asking for a fifty (.50) cent increase for that item. Current Price \$2.23 – proposed price \$2.73.

Mr. Sheets, JCDC would need to provide correlation to show that it is a pass through and not a price increase. They need to show the pass through cost.

Mr. Greene, can this wait until the next meeting or is it something we need to address?

Mr. Raber, we were hoping to get it approved today before going to Purchasing. I can provide that information to Mike Sheets.

Mr. Greene, have you researched that price, are you confident there is no profit margin in there.

Mr. Raber, I am sure of it.

Ms. Summers, I was wondering if in the future, if they want a price change they actually be here and we can ask questions as to what is going on.

Mr. Greene, I think .50 cents is a lot, but I don't know what I am talking about.

MOTION #4

Mr. Sullivan, if in order I approve the increase. Jan Smith seconded. Motion passed.

Mr. Raber, the other commodity line item, this is a new project that we want to get on statewide contract.

Greg Morris with Pac Tec Enterprises provided handouts to all present. The situation is that there is a massive amount of documents in storage and it continues to get larger each and every year. 1) purge of documents; and 2) scheduled container services. We are offering a scheduled container services.

Mr. Morris, below is pricing listed that WVARF would like to have added to the existing contract of Document Imaging under the WVARF10 contract. These prices are unique, in that they require minimum quantities and are related to specific Records Management for the State of West Virginia and are more than 2/3rds less than what is on the existing contract for document destruction.

Purge Service

Standard File Box	\$2.00
Legal File Box	\$2.25
Content Verification	\$1.50
Pallet Preparation	\$1.00

Minimum 30,000 boxes in first year – 10,000 boxes in following years

Scheduled Container Service

Per Service	Less than 20*	20-100*	Over 100*
36 inch Console	\$6.00	\$4.00	\$2.00
64 Gallon Cart	\$8.00	\$6.00	\$4.00
175 Gallon Cart	\$23.00	\$16.00	\$12.00

Minimum Service Charge: \$30.00 per facility

- per facility

Mr. Morris, we can have experts do a detailed report of what policies and procedures to do, what's necessary to start saving at least 1/2M dollars annually.

Mr. Raber, if you are going to have one box destroyed it will cost \$6.00 per box.

Mr. Sullivan, how do they destroy those boxes?

Mr. Morris, we are the only business in the State of West Virginia to do this with employees with disabilities located in Morgantown. We are state of the art. We have drivers with background checks. They take containers and put in our secure truck. We shred in bulk and bail and we sell recycled product to Georgia Pacific.

Mr. Sheets, what happens if minimums are not met?

Mr. Morris, we can't identify those now. The bill would be for the minimum quantity. We have a scope-of-work.

Mr. Sheets, we can't pay for something we haven't received. We can't pay an amount whether we met the target or not. There is no centralized authority. I don't believe that would fly.

Mr. Morris, we want to do it properly. We could make the same proposals without the guarantee. We have a separate contract and we can look at the right direction to do that. We want to do it in the right way. We want to pursue it.

Mr. Sheets, it is hard to talk about something without a proposal. We can't pay for something we haven't received.

Mr. Morris, could we incorporate into that report for one year?

Mr. Sheets, there you have a payment issue. The agencies you enter into that contract if no work was received, you can't cut the check.

Mr. Greene, what would you recommend?

Mr. Sheets, you have to have prices on work done, so much amount that it has to connect to the work done.

Mr. Morris, perhaps an operating process and we can re-evaluate and come up with a unit price.

Mr. Greene, could you give him the name of your legal man, Jimmy Meadows. He can give you guidance.

Mr. Raber, then you can come back to the Committee when you get that information.

CONTRACT COMPLAINTS:

Ms. Briggs, we presented to Mr. Hash, we got National and statewide survey. We sent a price of \$3.50 to the state agencies and they were very direct that they do not want an increase in direct labor, \$7.25 for a janitor, but it is not the going rate for a janitor.

Mr. Greene, the gas you are paying and you are charging the state is \$2.50 a gallon.

Ms. Briggs, gas is included into the janitorials. They don't get mileage. Someone trying to make a living at \$7.25.....we are going to have to address that.

Guest - Jack Holcomb with Precision Services. We have janitorial contracts and with gas prices going up they are already hitting me up for an increase in pay. They are paying \$1.00 more a gallon than they were a year ago. Some commute 45-50 miles a day round trip.

Mr. Mason, do we have any comparisons?

Mr. Greene, no, I don't believe we have a comparison. The problem with state agencies is they will say our wages haven't been increased either. If CRP's are charging \$2.50 for gas and now \$4.10 you are taking a hit. As a course of business you take \$1.60 hit on a gallon of gas, I don't see how they can do it.

Ms. Briggs, they can't, they are not breaking even, with blowing snow, leaves, grasses some add up to \$300.00 a year. In Martinsburg gas has not come down to \$4.00. I based that on \$95.00 an acre but to be fair I did an average.

Mr. Greene, I am going to get this to the Cabinet Secretary when I get back as it just doesn't seem right. They are charging \$2.50 a gallon but the cost is \$4.10 to cut the State's gas?

Ms. Smith, at one point we could buy at the DOH garage which was cheaper but that has been stopped. We bought gas at DOH and it made a big difference to us.

Ms. Briggs, that is why it was passed on \$2.50 which was the State's wholesale cost.

Mr. Sheets, can't speak for DOH, but I think they could open the resources then pay for increases.

Mr. Greene, I will go back and look into that. I just don't see how you can run a business when you are going in a hole.

Ms. Smith, perhaps you could see if we can purchase at DOH again.

Mr. Greene, I will bring that up.

Mr. Sullivan, is PacTec people driving 40 miles a day to the rest areas? That takes their salary for the first two hours of their work day.

Mr. Raber, the Committee determines FMP and we don't hide anything.

Mr. Mason, will we be permitted to have our employees use DOH?

Mr. Greene, if it is not going in a state vehicle, I would say no. If going to cut grass I would say yes.

Ms. Smith, we issued a credit card and we were allowed to fill our vehicle for the OP Shop itself. Gas tanks for company vehicles also.

Mr. Greene, next time we come back, Greg if you would have CRP's look into what CRP's are making and what they are paying, and I will get some idea of buying at DOH. I will brief you all at our next meeting.

Ms. Briggs, State Use Activity Report for the third quarter was handed out to all present. This is only for the third quarter.

Mr. Raber, I think we have four or five CRP's that did not report.

EXECUTIVE SECRETARY'S REPORT:

None

FINANCIAL REPORT:

Mr. Raber, the budget was voted on and approved by the CNA Committee.

Mr. Greene, I thought you were going to provide a presentation. We didn't take any action on it at our last meeting.

Mr. Raber, the budget should have never come to the Committee until now.

Mr. Greene, the actual budget – CNA did approve the budget. Any money earned at the end of the fiscal year is rolled over. Last year the rollover was \$54,000. This year roll over is close to \$50,000 - \$60,000.

Mr. Raber, it is designated for special projects. It could be new vehicles for WVARF, conferences, etc.

Mr. Greene, what is the difference between this year's budget and last year's budget?

Mr. Raber, we decided this year to do rest areas. Some are being torn down and replaced.

Mr. Smith, nothing has been spent and \$4,000 allocated, what is this for?

Mr. Raber, I plan on doing some radio spots like 580, do some advertising.

Mr. Greene, office rent, I think that is going to go up.

Mr. Raber, Suttle & Stalnaker firm has not looked at this.

Ms. Summers, I think the CRP's really do need to turn in their report. They need to submit a plan. If they don't that should be looked into.

Mr. Sullivan, just for the record, my fax number is (304) 766-2876.

MOTION #5

Mr. Sullivan made a motion to approve the budget. Ms. Summers seconded. Motion passed.

OLD BUSINESS

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

MOTION #6

Mr. Sullivan made a motion to adjourn. Ms. Summers seconded. Motion passed.