

MEETING MINUTES

March 21, 2012

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. March 21, 2012 at the WVARF temporary office located in the Goodwill Building, 209 Virginia Street, West, Charleston, West Virginia.

ATTENDANCE:

Committee: Cedric Greene, (Chairperson); Marsha Allman, Interim Executive Director; Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: Marsha Allman, Sherrie Briggs, Leona Hoffmann

Absent: Phillip Mason, Sherrie Briggs, Leona Hoffmann
Brenda Bates attended by conference call

Guests: Joyce Birley, Goodwill Industries
Greg Morris, Pace Enterprises, Inc.
Cheri Bever, Goodwill President/CEO

COMMITTEE CHAIR REPORT:

Mr. Greene, you received the minutes from the February 15th meeting, do I have a motion to approve?

MOTION #1

Mr. Sullivan made a motion to approve the minutes. Jan Smith seconded. Motion passed.

Mr. Greene, from now on I would like for people who are doing these contracts, I would like for them to be here to present them. I won't sign anything if I don't sign it here in front of the Committee. I don't want any more emails, scans; I want to sign everything here. Everybody needs to have all their stuff here for the meeting. This is where we do all of our work with the Committee. We are not going to do any more voting on email.

Mr. Greene, Marsha the document you sent out, I don't see on the agenda. What exactly are they saying? Are you presenting that to us?

Ms. Allman, the audit is something that is required. This is another financial report for year 2011. There is a narrative for the Board of Directors.

Ms. Bates, are we talking about the accounting report?

Ms. Allman, I think Ms. Sampson was saying that to show we had good fiduciary reporting which is just good business.

Ms. Bates, I think they were doing a forensic for accounting. I think that information when brought to the Committee, I believe Ms. Sampson thought that information needed to be shared with the Committee.

Ms. Allman, she was the Board President at that time.

Ms. Allman, the OP Shop has requested they do a ten (10) year contract from July 1, 2012 – June 30, 2022. This will be \$95,558.75 monthly and \$1,146,705.00 annually.

Ms. Smith, I think it is a very good contract for us.

Mr. Sullivan, are you happy with this?

Ms. Smith, there is very little to this contract. It is janitorial services, performance based.

Ms. Smith, I see concerns from the law and this doesn't fall under the law. They are not required to follow or fall under the State Use law.

Ms. Bates, Higher Education doesn't fall under WVARF.

Ms. Smith, they can opt into it. Fairmont State wanted to opt out at one point. I explained to them then they would have to go to bid, etc.

Ms. Bates, Mike can anybody opt into it – WVARF contract?

Ms. Sheets, basically if the parties agree to the terms and conditions.

Ms. Bates, that contract as it is written they can opt out of it at any time. I think it is a good thing we have Fairmont State.

Mr. Greene, if they opt in, do they come before us?

Ms. Smith, they have to come through this process. This will be a service agreement and it states they provide all cleaning products and it is a labor contract only.

Mr. Greene, is there a problem with other CRPs to lock in for ten (10) years?

Ms. Smith, if the customer requests a certain CRP then they are the vendor.

Ms. Allman, this is actually a renewal.

Ms. Smith, this has gone from \$40,000 a year to over 1M a year in just 12 years.

Ms. Bates for over one million dollars how many individuals with disabilities are employed?

Ms. Smith, 48 with disabilities full time and 6 part time + they have added me. All of our workers make more than minimum wage.

MOTION #2

Mr. Sullivan, I move we approve the Fairmont State contract. Ms. Bates seconded. Motion passed.

EXECUTIVE SECRETARY'S REPORT:

(Committee Account Report)

\$5,055.00 – Annual Allocation
6.58 – A/P Amount
1,032.00 – Disbursement
126.05 – Transfer Out
\$3,890.37 – Balance Remaining

MOTION #3

Mr. Sullivan made a motion to accept the report. Ms. Smith seconded. Motion passed.

CONTRACT PRESENTATIONS:

Ms. Allman, the following contracts were provided by Leona which is for the Southern part of the state.

- 1) ABCA/Lawn Care, Nitro, WV. This is a renewal contract with no increase in the price, \$6,523.35 annually. Goodwill of Kanawha Valley will get the contract.

MOTION #4

Ms. Smith made a motion to approve. Mr. Sullivan seconded. Motion passed.

- 2) WV State Surplus/Lawn Care, Dunbar, WV. This is a renewal contract with no increase in the price, \$1,930.32 annually. Goodwill of Kanawha Valley gets the contract.

MOTION #5

Ms. Smith made a motion to approve. Mr. Sullivan seconded. Motion passed.

- 3) Division of Natural Resources/Lawn Care, Beckley, WV. Intergrated Resources is the CRP. This is \$2,737.92 annually.

MOTION #6

Mr. Sullivan made a motion to approve. Ms. Smith seconded. Motion passed.

- 4) Miners, Health & Safety, Oak Hill, WV. This is a change order to increase direct labor hours from three days a week to five days a week. Cost from \$5,048.40 to \$8,026.32. This will change March 26th. CRP is Lillian James Learning Center in Crab Orchard, WV.

MOTION #7

Mr. Sullivan made a motion to approve the change. Ms. Smith seconded. Motion passed.

- 5) WV Enterprise Resource Planning Board, Charleston, WV. This is a new state entity. They have taken over the offices that were formerly held by the Lottery Division. They presently have about 50 employees. This is a change order. Cost of the contract has doubled from \$18,587.16 to \$36,429.84 annually. This increased from 2 days to 5 days a week/added square footage. CRP is Prestera Center.

MOTION #8

Mr. Sullivan made a motion to approve the change. Ms. Smith seconded.

Mr. Greene, is there a problem here? We sent out and did a spreadsheet and bid on it, and now in 30 days - should everybody get a bite of the apple?

Ms. Allman, no

Ms. Smith, if someone is serving a customer and they are satisfied then they are happy with it.

Ms. Bates, I guess it doesn't look good that after 30 days later, now the information is changing. This is in less than 30 days.

Ms. Smith, no the CRP is doing a good job and they are asking them to do more.

Ms. Allman, the individual we worked with in the development of this contract did the scope of work (SOW). They did what the customer requested. This is turning into a pretty big deal with the ERP. The individual we worked with approved everything. Their supervisor came in and said this is not enough and said we have to have more and this is their wishes now. We have seen contracts reduced.

Mr. Greene, from the outside looking in, one could make an argument that in 30 days, the increase has doubled. Should we open this up and give everyone an opportunity? In less than 30 days the scope-of-work has changed.

Ms. Allman, if it were a bid scenario, we would ask that it be rebid.

Ms. Bates, when something changes that dramatically then it probably should be reconsidered.

Ms. Allman, only two CRPs were interested. This contract went to Prestera because they had fewer contracts than the other CRP.

Ms. Birley, maybe now there may be other CRPs interested, I don't know.

Mr. Sullivan, what do you do when you let a contract and they come back, it is the same scenario? If they don't cancel and they want to reduce price of the contract?

Ms. Allman, we actually had that come up and we looked at the scope-of-work, what tasks you want to remove.

Mr. Sullivan, isn't this the same scenario?

Ms. Smith, I thought it would be a change order.

Mr. Greene, I think your point is valid. We just started that last month and it is surprising to me they wanted it changed within 30 days.

Ms. Bever, the WVARF staff may need to look at this.

Ms. Allman, this is a very unusual circumstance.

Ms. Smith, even if we approve this, Purchasing Division has the final approval.

Ms. Bever, if it had come out for five days, I think it would have attracted more CRPs.

Mr. Greene, I think this need to be redone. We need another RFI.

Mr. Sullivan, evidently they are very happy with Prestera and if you rebid then they may not be happy with that. I don't care if we bid or not rebid but we may open up a bucket of worms.

Mr. Greene, customer may just want more service.

Mr. Sheets, if it were a bid contract, we would not approve a change order, release orders we typically we don't give that much scrutiny to it, but this just doesn't look good from my experience.

Ms. Bates, I think we need to go hat-in-hand with CRP and put an RFI out. It may end up the same person gets it, in order not to get into it later on.

Mr. Sullivan how are you going to bid when the price is already established?

Ms. Allman, here is a contract that has been approved by the customer then CRPs will apply.

Mr. Sullivan, price doesn't make any difference.

Ms. Bates, other CRPs may want this now that it is for more days and more money.

Mr. Sullivan, after the discussion I concede to withdraw my motion for a change order.

EXECUTIVE DIRECTOR'S REPORT:

- 1) I have been working on a training session for all State Use eligible CRPs and that will be Thursday, April 26th in the Charleston area. Topics will include employment law issues, such as Americans with Disabilities Act of 1990, as amended; ten steps to understanding the Family Medical Leave Act; WV Employment law oddities; and what to expect from your CRP's Insurance Agent. These informative topics will help strengthen a CRP's business operation, thus insuring continued existence to provide work opportunities for people with disabilities. Future training topics will include OSHA regulations; safety; and training programs sponsored through NISH, the agency which is the "CNA" for the federal government. CRPs will be surveyed to determine areas of interest.
- 2) The CNA has written a letter which will be sent via certified mail to all State Use eligible CRPs regarding payment of their invoices for services. It explains that WVARF is essentially a pass-through agency and that WVARF cannot pay a CRP more than what is received from the State agency, less the 4.1% administration fee. It further explains that if an invoice or the services/products are contested by a State agency, the payment to the CRP will be withheld until the problem is corrected. The letter also notes that if an over-payment has been made, a refund to WVARF will be required, or future payments to the CRP can be reduced by the amount of the over-payment.
- 3) Recent legislation, which is awaiting the Governor's signature, requires criminal background checks for certain employees working in State agencies. All new employees working on the Capitol grounds will also have to be processed through E-Verify. I have informed WVARF's contract managers to ask each agency if this will be required, and if so, the cost will have to be incorporated into the janitorial costing spreadsheet.
- 4) I have requested estimates for janitorial supplies from four companies. I have received two responses so far. Although this information will arrive too late for this year's contracts, we hope to have the new prices approved by the Governor's Committee after July 1st for all contracts written after that date.
- 5) CRPs are concerned about the federal government's enforcement of mandatory medical insurance coverage for all employees. Although no one can tell us what the rules will be, it is a concern because it will be a financial drain on most of the CRPs; and, the costs will have to be included in the State Use contracts.

Ms. Allman, Waiver report –

We have some agencies that are given a code number to order on-line from Office Max; however, it takes them to the entire catalog. Is that the open market as I can't go to that? Some are going to Office Max and we are just going to explain to them that we are not going to issue a waiver.

Mr. Sheets, I am glad to see waivers. Office Max in agencies do have the authority to buy. WVARF can choose to grant waivers or not to grant.

Ms. Allman, they had already purchased from them and then they said "OOPS".

Mr. Sheets, they have all gone against what they should have done.

FINANCIAL REPORT:

Ms. Allman, everything is pretty much all right, no unusual expenses this month. That completes my report.

Mr. Greene, what is this \$300,000 transfer.

Ms. Allman, it is actually \$350,000 and it is WVARF funds that were placed in CNA checking account.

Mr. Morris, Pace Enterprises. I did draft and submit the necessary forms for comment.

Ms. Allman, the form was approved.

Mr. Morris, this is based upon actual expenses. Under #3, that is related to the actual cost. These are actual direct labor hours and operating expenses. A copy of the Draft Secure Document Destruction Proposal Questions & Answers was given to all members of the Committee.

Attachment A – Expense Detail & Allocation
Attachment B – Assumptions & Methodology
Attachment C – Fair Market Price

Price is different with every service location.

Ms. Bates, is this what you had to do for Purchasing Division requirement and does this meet with your requirement of the Rule Mike?

Mr. Sheets, if the form has been approved by the Committee and the Committee approves these numbers, I would say it flows with the Rule.

MOTION #9

Ms. Bates, I make a motion we approve the form and the numbers that has been served. Jan seconded. Motion passed.

Mr. Sheets, the one you are signing would have to be sent to us.

Mr. Greene, Marsha, if you would do that for me. Just let me know when it is ready and I will sign it. Mr. Morris, you get the persistence award.

Mr. Birley, the WVARF staff has been out doing inspection on the contracts. There has been a back lash to that. WVARF staff has been talking to the hourly workers and discussed how much they are being paid. I have evidence/witness that the contract with Goodwill was shown to the hourly employees. It causes problems that if we are not paying \$7.35 an hour and they are shown a document that we pay \$7.35 an hour it makes for problems on the job. They don't have the benefits, sick leave, etc.

Ms. Smith, our workers are getting more. This is performance based.

Ms. Birley, in this instance I have had two (2) people to quit their job.

Ms. Bever, they asked Leona if there was a certain job they were supposed to do.

Ms. Birley, I didn't want rumors out there. I can show you on paper.

Ms. Allman, the benefits are not supposed to be part of the contract. If it says \$10.00 an hour or \$7.35 an hour that is what they should be paid.

Ms. Bever, I think what should have happened at that point was a redirection.

Mr. Greene, have you directed your staff to say that is not the role they should be in?

Ms. Bates, Goodwill has brought up a concern and I don't think that is a role WVARF should be involved in. The main thing is that everyone is paid a minimum wage. I think the CRPs have the obligation that employees are paid the minimum wage.

Mr. Greene, they do meet the requirement but some employees will be paid more than other employees.

Ms. Allman, the question came up because Leona said they were coming to her for her to take to the Committee, but it is direct wage only.

Ms. Bates, we don't need to be talking to employees because then you get into employment issues. If there needs to be something in the agreement between the Committee and CRP and be clear it is based upon the wages and some provide benefits on top of that and that is great. We do need for CRP's to understand that.

Ms. Allman, that needs to be looked at. We have people celebrating their 20th year this year. Most of their contracts are minimum wage, but I am not going to continue to pay someone who has been here 20 years minimum wage. The contract prices need to pass that cost through.

Ms. Bates, the Committee approved based upon the rate that is being paid. It is between the Committee and the CRP. We approve a contract and it says that they are being paid a certain amount, then that is what they need to get paid.

Ms. Smith, spreadsheets do not include benefits for lead worker. Stop sending those spreadsheets to the customer. I am going to ask that WVARF no longer send those spreadsheets on. The spreadsheets need to be changed before June.

Ms. Bever, it should be the small ones not just the larger ones.

Ms. Smith, I will be glad to bring my numbers to you.

Ms. Allman, a new WVARF employee actually sent everything out and then it became a practice. That was my first question when I came here. When I put this to the Committee who made the motion I was told not to discontinue doing that. I couldn't quit doing something that is just me to do it. I just need to know what we need to do. I don't think now is the time for us to do it.

Mr. Greene, on April 18th bring us a sample as to what is being sent to the agency we can go through each one of them then we can vote.

Mr. Sheets, we will have questions in Purchasing Division regarding a particular set of charges. We don't have a policy right now.

Ms. Bates, if I have a question what is being provided to me before I pay it I have a right to ask you for what amount just to know. For that million dollar contract we approved today the things you have to provide to get on that, I would have to get notebooks to use for such things. State government has to have a lot of things and we have to be careful that we don't water things down that we can't show accountability.

Ms. Smith, I have no problem with Spreadsheet or with accountability.

Ms. Bates, I have the right to ask for whatever documentation I want. We have to be careful.

Mr. Greene, Marsha if you would bring us a sample of what you historically submit to the agency and we will take a look at it.

Ms. Bever, I would be glad to give that information rather than send something out.

Ms. Birley, second issue, vacation and sick leave. Supervisors are not paid vacation and sick leave - that was removed. I think there was an error made on the spreadsheets regarding lead workers. Hours are not in there on any state contract. I don't understand why other CRPs have not brought that up before now.

Ms. Allman, you are revamping the spreadsheet now? The format was approved by this Committee. It will have to be approved again.

Ms. Birley, in 2009 it was there and in 2010 it wasn't. Supervisor's hours were discussed and were then deleted.

Ms. Smith, can we have a meeting to look at the spreadsheet?

Ms. Allman, we will do that.

Ms. Allman, the only other thing I want to bring up, when I am asking them for a quotation for janitorial supplies they are basing that on the fact that they may get the contract. Can I get prices from CRP's and then present?

Ms. Bates, on April 18th we can bring that up. CRP is not a vendor for supplies. We will look at the master agreement and all of that on the 18th.

CONTRACT COMPLAINTS:

None

OLD BUSINESS:

None

NEW BUSINESS:

None

MOTION #10

Ms. Bates made a motion to adjourn. Ms. Smith seconded. Motion passed.