

MEETING MINUTES

October 17, 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. October 17, 2012 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

ATTENDANCE:

Committee: Cedric Greene, (Chairperson); William "Bill" Monterosso, Executive Director; Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: William "Bill" Monterosso, Sherrie Briggs, Leona Hoffmann

Absent: Phillip Mason, Mike Sheets
Jan Smith attended by conference call

Guests: Kim Nuckles, ADA Coordinator for State of WV
Carla Cleek, WV Division of Rehabilitation Services
Cyndi Auth, Director-Customer Relations, WVARF

COMMITTEE CHAIR REPORT:

Mr. Greene, let's have a roll call and everyone introduce yourself.

Mr. Greene, has everyone had an opportunity to look at the minutes from our August meeting?

MOTION #1

Ms. Smith, I move we approve the minutes. Mr. Sullivan seconded. Motion passed.

Mr. Greene, we missed each other in September and we voted on the contracts via email which obviously we don't want to make a habit of that, but that was due to not having a quorum. There is no value in meeting unless we have a quorum.

Mr. Monterosso, that certain contract was held up already and we wanted to get it through the system.

Mr. Greene, that is perfectly fine. I appreciate Bill, you and your staff and all your hard work and rolling with the punches so to speak. Obviously we have to have a quorum, but when people can't be here it is certainly not the thing we want to be doing because what will happen, at some point somebody is going to pull the card and say how many times did you all meet this year, how many times did you have a quorum and I just want to make sure that we are not on the Governor's radar screen as far as us not doing our due diligence. I appreciate everybody's hard work and I appreciate everyone making sure we are here.

EXECUTIVE SECRETARY'S REPORT:

Mike Sheets is absent today and I will have him send that report to me and I will forward to everybody. Normally it is just a financial report.

CONTRACT PRESENTATIONS:

Northern Contracts

Sherri Briggs

Ms. Briggs, Division of Motor Vehicles (DMV) in Parkersburg moved from a temporary site to a new location, a new huge building and their square footage increased by 4,000 sq. ft. with lots of cubicles. They wanted to be in place by October 1st and they didn't want their service interrupted. They had minimal service at the temporary site with their trash collected and floors swept. Changes are for an additional 4,000 sq. ft. of space plus expendables and services, and the current FY 2012/2013 contract annual amount will be \$8,410.80. Change order contract will be a 9-month contract. That is why the increase of \$13,971.60. A contract difference of \$5,560.80 is for the additional sq. ft., services and expendables to clean the additional space. What you will vote on today is the change order for nine (9) months at this higher rate. DMV is comfortable with that and I ask that you grant this.

Mr. Greene, I was physically there for this opening and it is a beautiful building, very nice. There were about 300 people at the grand opening. The building was immaculate. SW Resources cleans this building.

MOTION #2

Mr. Sullivan, I move we approve the change order. Ms. Smith seconded. Motion passed.

Southern Contracts

Leona Hoffmann

Ms. Hoffmann, I need a vote on the qualifying matrix. CRP1 was 100 points and CRP2 was 70 points. This is West Virginia Department of Education located at 3712 Venable Avenue in Kanawha City. It is a warehouse consisting of 6,483 sq. ft. They are requesting for the office space to be done once a week, garbage emptied, sweeping, bathrooms cleaned, but the warehouse they want done once a month. The office areas are a little over 1,000 sq. ft.

MOTION #3

Mr. Sullivan, I move we approve for CRP1. Ms. Cleek seconded. Motion passed.

Ms. Hoffman, did you vote that CRP1 got the contract?

Mr. Greene, yes, CRP1.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Monterosso, the last actual physical meeting we had we talked about the contract process. Typically what has happened, the Governor's Committee votes on the Matrix. Then, we wait until the next meeting and then you guys vote on the fair market, etc. Nothing really changes in that scope other than Workers Compensation issues, so we talked about expediting that process as opposed to waiting until next month to sign fair market value as all that has been done primarily. So included in that packet is the cost for CRP1. We know the cost for CRP1 and CRP2 and if 10 CRPs would bid on this we know the cost for each of them. There is no reason to wait another month to have that approved. In order to expedite and to be proactive and responsive to state agencies, I wanted to shrink that process. So, when you approve CRP1, 99 percent of the time unless there is an issue and then the contract specialist will bring that issue before you and say CRP1 really got it but this happened in the course, other than that, 99.999 percent of the time whoever is handling that matrix has been approved. Is that a fair statement Cedric?

Mr. Greene, it is a fair statement.

Mr. Monterosso, so there is no need to wait until the following month to do all the calculations, it is simply a formula. The only thing that changes in that formula is my Workers Compensation as a CRP might be higher or lower than yours due to injuries, etc. What we want to do is expedite that process and again be responsive to state agencies because that is a month that goes by and that is revenue that we are losing.

Mr. Greene, I agree but, I will go one step further to say that we can do it that way and I don't have a problem with that. I think it makes sense to do it that way but I believe we have to keep them separate though. We will vote on the CRP based on the matrix and then we will do a subsequent. Jan, do you agree with that?

Ms. Smith, yes that is the way it should be.

Mr. Greene, now we just need to vote on the fair market, right. We have that in front of us?

Ms. Hoffmann, yes CRP1. The contract is for 8 months and 14 days, \$161.70 monthly and the annual total is \$1,368.08. Services are for one day a week for the offices and a day a month for the warehouse. This is from October 18, 2012 – June 30, 2013.

MOTION #4

Mr. Sullivan, I move to accept CRP's fair market price. Ms. Smith seconded. Motion passed.

Mr. Monterosso, in the future what I have learned - if Roberts rule says if you vote on something it needs to be part of the agenda.

Mr. Greene, the only thing I recall, in August one thing we asked is that this Qualifying Matrix is crystal clear and that this is the right way to do it. And, we left that on your plate to do it.

Mr. Monterosso, that really needs to be performance based and have some clear matrix in there as opposed to who is the incumbent and it seems like the incumbent gets it nine out of ten times, which it should be on performance, outcome, satisfaction and quality of work.

Mr. Greene, I would venture to say that in corporate America to have a form like this and have the word existing relationship, it looks improper. It doesn't look like it would be the standard for today. This is probably the standard of ten years ago, but in today's world I don't think you would give credit for an existing relationship. You may have it in your head, but you definitely wouldn't put it on paper and give people points for it.

Mr. Monterosso, we are reviewing that.

Mr. Greene, you guys look at that and come back to us and let us know.

Mr. Monterosso, part of the contract is a service agreement. One service agreement with two copies with the contract, correct? I don't think I need approval, but I need to make you aware of it and if you tell me I need approval then that is fine then we will take care of it. On the service agreement the one that we have been using wasn't very clear. For instance, if the cost was going to be \$1,000 and the state agency tells us, they are going to be paying by check, when in fact, they used their pcard. It costs this agency 3%, so for that \$1,000 we have to pay \$300.00. We are losing way too much money from that. So what we are doing is tweaking that service agreement and making it a lot more clear by: are you going to use a check, check here; if you are going to use a pcard, check here. We also put there is an additional cost which is standard; it is just the way it is done. I don't know exactly when it was approved but this was brought up in the past to the Governor's Committee, in the minutes of 2009. There is a matrix that says if you spend this amount this is how much it is going to be and that has been approved. So, when they say, paid by pcard, the annual rate will be given.

Ms. Smith, Bill have you checked this out with the State because I thought there was an issue before with the state saying no, you can't charge us extra for using our pcard.

Mr. Monterosso, well we haven't been charging them extra.

Ms. Smith, I know but I think we told them we were going to in the past and they said oh, no you are not. It may have changed since then but at one point we had discussed this and 2009 sounds about right. We were told no, you can't add that. You might ask Brenda Bates about it because I believe she may have been the one to bring it up.

Mr. Greene, it would have to be absolutely approved by the Committee. I think that this is a cost of doing business and someone has to pay for it, that is the reality, whether it is you, us, mixture as someone has to pay for it. I agree with you Jan, I believe the State fired back on this.

Ms. Smith, I'm pretty certain we were told, no you don't.

Mr. Greene, what I would suggest we do is get smart about it. But I guarantee if you attempt to just do this without the Committee's backing, this will come right back at you first of all, and secondly, if we did approve it, I think it would still come back at you if we don't have buy in from the Purchasing Division. Purchasing would need to give the ok or say it is reasonable even though it is not in the contract, the WVARF contract doesn't speak to pcard or check. If the State paid you by check there is a number out there that they attribute to paying with a check. Every check that is produced in the Treasurer's office, it cost \$39.00. I know using the pcard is a high tech way of doing it, cheaper, quicker but we need to be really careful about this pcard thing. Jan, you recall this issue coming up before and it didn't go well.

Ms. Smith, I was trying to think exactly when it was but it has been two or three years ago but I am fairly certain that Brenda Bates could pretty much tell you why and how it is not going to happen, at least in the past.

Mr. Greene, do you think that was from a purchasing standpoint or an overall agency issue?

Ms. Smith, I think it was Purchasing, then Brenda spoke up for DRS but I don't remember exactly when it happened. I really think before we cause more issues we need to check this out.

Mr. Monterosso, those charges are costing us between \$1,500 and \$2,000 a month.

Mr. Greene, this is what I would suggest to you first of all, that is if you don't have an issue with it. I will talk to Brenda and find out her knowledge of this, and then I will talk to Dave Tincher and find out what his take is. Bill, what I would suggest you do is look to see if you can, how many people are paying with pcard verses paying with check. If it is 90% to 10% which it probably is, most people are paying with pcards, it just seems to me that would be built in, even if that 10% didn't use pcards it would be built in to your cost of doing business. Does that make sense, Jan?

Ms. Smith, yes, if it were hidden and not shown as a surcharge for using the credit card, if we build this into something else. If we say we are going to charge you this for using your credit card, it is not going to work.

Mr. Greene, I just think it is a cost of doing business. It is not going to go away. Even the 10% that are paying by check at some point they are going to pcard. The check thing is gone, it is not coming back. Everybody is going to paying by pcard. Say if it cost you \$30,000 a year that is a real number, or a position, that's an employee. I agree with you, someone has to pay it, how is it that you get there. Going back to your service agreement, I don't know that you would want to do this. It is a cost of doing business. There is a cost of business things that we just don't need to know about. If you think you are not paying for your debit card or credit card going through Wal-Mart, you are kidding yourself. You are paying for it through mayonnaise, butter, chicken or whatever; you just don't know you are paying for it. It's a dime on every item probably, I don't know.

Mr. Monterosso, we could just put a hold on this for right now. At the last physical meeting, we also talked about the process. The Governor's Committee is the gatekeeper, protector if you will, of state agencies as it relates to fair market value. The Governor's Committee needs full disclosure, needs to know to the penny what the cost is of doing business, how that business is going to be conducted, the full scope-of-work. We need to get back to being a business and WVARF put those safeguards in place to ensure that the interest of all state agencies are looked at as well as CRPs. I am asking that the only thing that goes to customers is the two copies and the cover sheet and not how many brooms, how many buffers, how many tooth picks, so I would like for the Committee to vote on this if they will. Service agreement and cover sheet be the only thing presented to the state agencies.

Ms. Smith, may I make that motion?

Mr. Greene, yes that is going to be called Jan's motion.

Ms. Smith, yes the Governor's Committee has full responsibility for setting the fair market price. Once it has been reviewed completely by the Governor's Committee then my motion would be that the state agencies themselves only receive the service agreements and the summary sheet. Does that have how many people and how many hours?

Mr. Monterosso, no

MOTION #5

Ms. Smith, I make a motion that in the future state agencies only receive the service agreement and the summary sheet. Mr. Sullivan seconded. Motion passed.

Mr. Greene, I only want to say, be ready for the push back. Changes are going to bring a little of that.

Mr. Monterosso, and the key is the structuring and that we put the same consistent auditing in place to make sure both sides are satisfied and what is said is going to be done was actually done. State agencies on the service side are paying for a clean building and if it takes someone six (6) hours to do it and the contract said eight (8) people, they are thinking they are getting ripped off. The focus should be: is your building clean, is the quality as or greater than expected and are we performing at the level that the state agency expected.

Ms. Smith, there are policies in place that if a state agency does not believe they are receiving the quality or the quantity of work that they should that they come to WVARF and WVARF goes out to the agency and takes a look and WVARF has the responsibility at that point to check that the proper equipment is being used and all of that. It is not for the state agencies to do, they can make the complaint but the emphasis is on WVARF to say, you are correct and we are changing things or no, you are getting what you paid for. That policy is in place, bring it back to the Governor's Committee and I think because we have that we can stand behind this recommendation.

Mr. Greene, what I would suggest Bill, if you could get me a clean copy of what you want to begin giving to the customers so that I can speak to that at the Purchasing Conference which will be held sometime in November. If you let them know now it will make it a lot easier for you in the springtime when you start implementing it full force. That is what I would recommend.

FINANCIAL REPORT:

Mr. Monterosso, Assets \$2.285, Liability is \$2.285. We try to make our books balance. I am having Suttle & Stalnaker change the format for us because the current month budget really doesn't tell you anything. Because I don't want to sit here, nor does anyone else and have to calculate this out by twelve months to see what's the year. Melinda with Suttle & Stalnaker is working on this and we were having problems with it but she assured me that it would be done if not this week by next week which will be far in advance of our next meeting. I will make sure I get you the budget far in advance so you can see the difference because we really need to look at not only what we are spending on a month-to-month basis per line item, I think it is important that we look at what we budgeted in that particular line item for the year, not the month. It cues the data because it looks like we are \$24,000 over budget, what are we doing with \$3,500, \$2,200. Looks like we are way over budget and we are losing control based on that month. You might have \$6,000 you spend that month because that is the only month you are going to spend any dollars. Overall our books are balanced which we needed to have. I'm looking at making some line item modifications but that will be not this month, probably next month. It will be only in terms of training. Once staffing is fully in place and stable, existing staff will need training and new staff will need training so I will have to make some line item modifications. Right now we are only a quarter into the budget and we are doing fine. If we get this pcard, that is \$30,000 in staffing or in appropriate significant training for state use program or for staffing, but that can be used in a valued way outside of just paying Chase credit card a merchant fee. There is not a lot going on with the budget that raises any eyebrows. Month-to-month looks like we are over, but we are not because we have allocated plenty of money for the year.

The other issue that we are facing as it relates to the budget is the conversion from Peachtree to Quick Books. They are having a problem converting. Membership finances are converted. There is conversion software that can be used without manually plugging that stuff in because of the potential of mistakes. They are about 80% entering manually all of that data. I am going to bring another eye in here to look at that to make sure all the numbers jive and everything is correct.

The banquet will be October 25th and Booth Goodwin, U. S. District Attorney will be our keynote speaker. Disability is close to him and he is on a lot of subcommittees as it relates to the workplace. It will be at the Embassy Suites and I encourage each of you to be there. This is my first banquet and I don't know what to expect. Mary and Shelia have been getting together the brochures, tables, tents and agendas.

We are putting together some data as to where the focus needs to be. All the changes that are occurring will get us to that point of accurate timely valuable information. I have had a lot of different conversations with various directors and I don't think it is good enough personally to just talk about the value of giving an individual with a disability a job. That is the by product that will always be there as long as this legislation is in place. I think the true value of this is the service and the quality of WVARF that state agencies get, expanding those services and those products that we offer to state agencies which ultimately create more opportunities for those individuals with disabilities. Building those relationships with DRS and various entities that exclusively serve those individuals and more importantly, not only showing that it is fair market value but really talking to the heart of revenue base. For every individual that we put to work, how do they contribute to the tax base because I think that will speak volumes? We are looking at a method of generating accurate numbers to be able to show by giving one person an opportunity through the state use program, it may cost you this, but this is how much West Virginia is getting back as a state. Once we start painting that picture, I think the tax and revenue issues that we are facing might go away.

Mr. Greene, is there a motion to accept the financial report?

MOTION #6

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

Mr. Sullivan, what time is the banquet?

Mr. Monterosso, 6:00 p.m.

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENT:

None

Ms. Cleek, the other banquet, (DRS) is the day before on October 24th at 2:00 p.m. This is for a recipient for client of the year. This will be held at the Cultural Center at the State Capitol Complex.

MOTION #7

Mr. Sullivan made a motion to adjourn.