

## MEETING MINUTES

January 15, 2014

### 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. January 15, 2014 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

**ATTENDANCE:** Cedric Greene, (Chairperson); Aaron Jones, Acting Executive Director; Everette Sullivan; Carol Jarrett, Recording Secretary.

**ABSENT:** Jan Smith  
Phillip Mason

**WVARF Staff:** Aaron Jones  
Mark Jackson  
Gary Wolfe

**Attended by Conference Call** Brenda Bates

**Guests:** John Empson, Chairman, CNA Committee  
Cheri Bever, Goodwill Industries of Kanawha Valley  
Joyce Birley, Goodwill Industries of Kanawha Valley  
Elizabeth Sampson, Clay County Services Unlimited

### COMMITTEE CHAIR REPORT:

Mr. Greene, roll call has been taken and we do have a quorum. Brenda Bates is on conference call with us. Is there a motion to approve the minutes from our December meeting?

Ms. Bates, I don't think I have those. All I had from Mary is the Executive Director's Report and the Financial Statement.

Mr. Jones, you should have gotten a packet in the mail.

Ms. Bates, I didn't get that but we have been out since Friday and I haven't gotten my mail since Friday. I have been working, I'm here but the other people are not due to the water situation.

Mr. Greene, December's meeting minutes are important for everyone to read and make sure that they are on board with it, so what we will do is, Miss Carol would you make a note that we will hold off voting on the minutes for December and bring that to our attention at our February meeting.

## **ACTING EXECUTIVE DIRECTOR'S REPORT:**

Mr. Jones, I went back to where we received a notice on the RFP and I gave you a scenario of what we have gone through to get to where we are today. I didn't expect to be sitting here until I found out that Bill was leaving. To those of you who may not be familiar with the RFP, we received notice on November 21, 2013 and we were required to submit it by December 11, 2013 which we did. It was a task to get that done but we accomplished that and then on the 18<sup>th</sup> the RFP was opened at the bidder's opening meeting and we were the only CNA that had or the only person that submitted a bid for this position. Also at our last meeting we made an attempt to do contracts for six months and at that point we were requested by the Purchasing Division to extend for two (2) months and Cedric has signed the letter for the Committee requesting that extension and it has been sent out to all the agencies that we deal with and it has also been sent out to all the CRPs. That was not the only item that we had to include in it, we also had an addendum.

Mr. Jones, I just wanted all of you to know what we went through to get the extension. It included the letter from the Committee requesting that extension, it included a service agreement which has to be signed by us and the agencies for that extension. It also included a purchasing affidavit which has to be submitted so we can be paid for it and the addendum had to be sent out to the Auditor's office. There were 198 janitorial contracts that we had to go through this above process. We got all these documents ready and we hand carried them to the bigger agencies in the Charleston area and we have gotten several of them back. That is the process we go through on the extensions. I think at our last meeting you approved that extension so I wanted you to know what we have done as far as getting that accomplished.

Mr. Greene, is there anything you need from us?

Mr. Jones, right now I think we are ok on the extensions, but I do need your help going forward. I sent you a memo on that as I wanted you all to direct us on going forward because at our last meeting if you will note in the minutes there was discussion about if we come back with a 4-month contract to finish this year then we have agencies in the middle of a budget, we have CRPs who are in the middle of a budget as they are set to work off what they are doing. In talking with different agencies and CRPs we feel that it would be better at this time since we are in kind of a hanging state here until we get our RFP approved that going forward we extend them to the end of the fiscal year for another four months. I have spoken with Purchasing and they have assured me that – of course our last contract was in August 1, 2012 on janitorials, we have been on extensions. They assured me that we could extend up to 12 months so we should be ok. That is something Cedric you may want to help us with to be sure we are ok on that. We feel like if we can extend this for four months that will give us time and the contracts we presented last time to fine tune sending these guys to North Eastern part of the state to visit the agencies and the CRPs.

Mr. Jones, Gary is now SIMS certified and that is with ISSA. That is a certification where he can go in and evaluate buildings. I am going to send them out next week to take care of that region. We submitted a six month contract, that is what we tried to do last time but we didn't have all our t's crossed and l's dotted. We have close to 200 contracts and as far as state agencies that we actually deal with and there are 36 state agencies we have to deal with, then there are 22 CRPs that have contracts with these agencies. Some of these agencies have multiples; DOH has a total of 59 contracts with us. Jim Hash with DOH at the Capitol reviews those but he has 10 regions that he sends them out to for their approval so, it is a timely process. We feel like

going forward in order to have these contracts like they should be. We were in a meeting yesterday with Lottery and Goodwill trying to be sure to work out all their details. In the reassessments that Gary has made, we are checking their paperwork against the new assessments and we are trying to reconcile all those differences. It would be our request that the Governor's Committee make that proposal to the Purchasing Division that we extend out to the end of this fiscal year to give us the opportunity to get all these people on the same page. It is going to be a task but we can do that. We are trying to break it down in regions where we can take care of that whole area at one time and go to the Northern region and I think Gary is scheduled to go to the Eastern region tomorrow as he is going to Summersville. We have the RFP still hanging there and we don't know how to go forward. Can we do a contract going forward if we aren't awarded the contract?

Mr. Greene, I do agree and Brenda and Mr. Sullivan you can chime in, I do agree it should be to June 30, 2014.

Mr. Jones, plus the fact that we have the RFP still hanging there; we don't know how to go forward. Can we do a contract going forward if we aren't awarded the contract?

Mr. Greene, as long as you are under the extension, you are fine. I do agree that it should be to June 30, 2014. That is a motion that somebody will have to make and we can approve or disapprove it. I do agree to June 30, 2014 then take it from there.

Mr. Greene, Brenda do you see any concerns with that?

Ms. Bates, no I think that is the best way to move forward.

### **MOTION #1**

**Mr. Sullivan, per your request, I make a motion to extend the contracts until June 30, 2014. Ms. Bates seconded. Motion passed.**

Mr. Greene, Brenda seconded a motion made by Everette for me to link up with Mr. Tincher and Mr. Sheets at the Purchasing Division and let them know that the Committee has approved the extension to June 30, 2014. Mr. Jones will follow-up with a telephone call to Mr. Sheets and meet the requirements of all paperwork as it relates to that.

Mr. Jones, I have a sample copy for you of our Annual Report. This is the report that we will be sending to the Legislature and the Governor. There are a few things I want to change and I can do that within 30 minutes. I would like to inform you that we put out a search to get someone to print this for us and we checked with some local vendors then I thought we need one of our CRPs to print this for us. This was actually printed for us by S W Resources in Parkersburg. Their people actually put the booklet together for us. On the back page we are going to give them some credit to show that one of our CRPs actually did this for us. This is a draft and I have a draft here that has a few spelling errors and I think I am going to change yours Cedric and put Chairman and then put representing Department of Administration. Is that ok?

Mr. Greene, yes Sir that is fine.

Mr. Jones, at the top of the booklet we have Mike Turner and he is actually with Randolph County Sheltered Workshop and he also does Seneca. Brenda, I'm sorry I haven't sent you one and I will get that out to you so you can review it and hopefully in a few days I will have the corrections all done.

Ms. Bates, that is fine.

Mr. Greene, the only thing I would suggest to you is that instead of giving acknowledgement to S W Resources on the back I would put it on the front. This is such a good job and I think you should highlight your people as much as you can. A CRP did this and this is a nice product and I would highlight it on the front so it doesn't get lost. When the legislature looks at this they will have no idea it is a CRP and I'm just suggesting something to let people know so they will have proof of the product and services that are being provided.

Mr. Jones, we will try to work that in on the front page.

Mr. Greene, even if it is just a sentence that says what S W Resources is, I didn't know and I'm assuming most people don't know.

Mr. Jones, at our awards banquet those presentations are made by S W Resources. It has been my goal that everything we have a need for we go to our CRPs first, whatever it might be. If you will notice we have PACE disposal waste out here and we have Lesage water so that is what my goal is to promote the CRPs at every opportunity we have.

Mr. Greene, this is very nice.

Mr. Jones, we have gotten directions on the contracts going forward and if you will prepare that letter and do what we need to do from the Committee I would appreciate it. As I said on the contracts, we are moving forward and now that we have directions we can go forward with a 12-month contract which will take effect on July 1, 2014. One thing, we have all been through the water situation over the past week, but I received this and I sent you a copy of it Cedric on this water situation at the Insurance Commissioner's office. We received a request to take out our water coolers in their offices and I think there are about seven different coolers we have in place. When we called to see why we were told that they were putting in a filtration system on the drinking fountains, I thought at this particular time that is the last thing you would want in your building is to be drinking out of a drinking fountain and having to go through and change all the filters, etc. I wanted to bring this to your attention because we have run into this before where state agencies are out purchasing filtration systems and knocking out some of our water supplies to them. I just wanted you to be aware of it and going forward I don't know how we can handle it but I wanted you to be aware of what is being conducted right now.

Mr. Greene, what agency was that?

Mr. Jones, the Insurance Commission. I talked to Jim Gamble yesterday from Nicholas County who supplies the water and he states that he has other Insurance Commissioner's offices in other places and they are completely pleased. What they have done here, they tried to use the reasoning for doing that was that we have never cleaned their unit and the water was dirty. We have it in our contract where we will clean that for them twice a year but they have to let us know and make arrangements so we can take it out and bring one in to replace it.

Mr. Greene, does the Insurance Agency own that water cooler or do the people who bring the water own it?

Mr. Jones, the people who bring the water and we rent it to them.

Mr. Greene, I know that in our situation we own our water cooler and it is our responsibility to clean it.

Mr. Jones, in this situation I'm pretty sure WVARF owns or our CRP owns them. It is just that we want to try to get some direction going forward that these people understand that we are willing to clean them or whatever we need to do but they need to notify us.

Mr. Greene, what is his name?

Mr. Jones, this came from Mark Musick who is the Purchasing Assistant. Michael Riley is the Insurance Commissioner.

Mr. Greene, when is that taking effect?

Mr. Jones, they didn't want any delivery after today but their letter says January 15, 2013 and I'm sure that was a typo and should be 2014. They said their current contract expired on January 31, 2013 but that should be January 31, 2014.

Mr. Sullivan, what are we going to do with that Cedric?

Mr. Greene, they are not getting another water system, they are not getting another person like Wal-Mart or Sam's to bring in different water, it is just coming through the system, they are just putting a filtration system on it. I don't know if there is much we can do other than explain to them what their action really does. I don't know much about these filtration systems.

Mr. Sullivan, how often do they have to change it?

Mr. Greene, I really don't know.

Mark, I would like to make a comment about what you are saying. I have operated public water systems but that doesn't mean because they have a filtering system that it can take out a chemical that is released. I think it would give a false security and I think that is something that Homeland Security would need to look at.

Mr. Sullivan, I don't know what the filters would cost but I do know to replace a filter in the refrigerator costs \$40.00.

Mr. Greene, I will respond to the email that you sent me.

Mr. Jones, I would like to give you the state of the WVARF address. I know the last time we met we were just finding out a lot of things about changes, the RFP and all that and to those of you who do not know John Empson, John is the Chairman of our CNA Committee. What the Board has proposed and what they have agreed on is to try to eliminate any conflict of interest between the Board and the CNA. I believe about five years ago when they came out with the first RFP we set up this Committee to review our finances as an independent. It is made up of Dave Molgaard who is the City Manager, John Empson who is a CPA in Charleston, John Ellem who is a delegate from Parkersburg, J. B. McCusky who is a delegate from Charleston, Jerry Carper, a former Counselor/DRS Director. They are the ones who come in here and looked at our financials to monitor from the outside. But going forward what they are looking to do is

completely set up a separate association which will be renamed and will be completely separate from this office. What has been proposed which is not finalized is that this CNA Committee will be our new Board of Directors starting out and going forward. There will be separate by-laws and the reason for this being, I'll read you what the first mandatory requirement on our RFP was.

No officer, member or employee of the non-profit shall have any financial or other interest direct or indirect which would conflict or compromise in any manner or degree with the performance of the services provided by the Central Non-profit agency.

What we have is a Board made up of CRP Directors. That is a direct conflict of interest because they are actually doing our contracts here from WVARF and they are also our boss, so there is a conflict. That is what the Board has tried to eliminate. They are looking to move forward with this and have it in place by the end of May. Again I am speaking from the meetings and conversations that I have been involved in and I just wanted to make the Committee aware of what WVARF is trying to do going forward.

Mr. Greene, Brenda are you still there?

Ms. Bates, yes

Mr. Greene, that has always been a concern.

Ms. Sampson, Mr. Greene may I make a comment or ask a question about that?

Mr. Greene, yes

Ms. Sampson, previously we signed and presented a resolution that was the last time we got the contract that covered exactly all of that, to separate that and like Aaron was saying with reference to the CNA Committee and what I am not sure or that I understand is why there is any need to dissolve this Board and I for one did not vote for it because we didn't have any information in advance about what was happening with this. I don't really understand the purpose or need for it.

Ms. Bates, I think I can speak to that from my point-of-view. That is between WVARF and their Board and we have nothing .....

Mr. Greene, we didn't have a dog in the fight in that.

Mr. Jones, I wanted you to be aware of the information that has been taken.

Mr. Greene, is that what you were going to say Ms. Bates?

Ms. Bates, that was a decision WVARF made based on the information they had at the time and the decisions they are making now is based on what they know now evidently, but whether WVARF has the Board they have now or another Board – they are an organization that has to make those decisions on their own.

Ms. Sampson, but this Committee does approve the contract.

Mr. Greene, we will approve the contract whoever gets awarded the contract, we will approve the contract but we don't have anything to do with sub-committees, associations, things that WVARF sets up.

Ms. Sampson, who the contract comes from.....

Mr. Greene, explain that to me.....

Ms. Sampson, it won't be coming from WVARF as you know from the past, it will be coming as the CNA Committee as a Corporation if I understand everything correctly.

Ms. Bates, I think the Committee will review, Cedric can speak to this from Department of Administration but my understanding is the Committee will review information they have from all of the individuals who respond to the RFP to determine what to do with it, right Cedric?

Mr. Greene, correct and like Mr. Jones said, we will meet tomorrow at 1:00 p.m. We will go through regardless if it is one or fifty we will go through all material that was received and determine whether or not they meet the requirements of the RFP – the mandatories. From that if they meet all the requirements then what our sub-committee will do, we will do a letter back to the Chairman of this Board and with the recommendations saying that we recommend X, we recommend Y, etc. then we will vote on it and if we award the contract, we will award the contract. If we don't award the contract, then we don't award the contract. Whatever the Committee does about the recommendation, obviously it is up to the Committee; however, they vote as individuals. For instance, if it is awarded that WVARF gets the contract then WVARF will get the contract. How you all meet the terms and conditions of the contract is up to you as long as it is in accordance with the RFP, what you said you would do. It is on my desk but I haven't looked at it really, but if it says in there that you are going to have this particular Committee to oversee XY&Z to meet the requirements of the RFP, ok we will be expecting that is what you are doing, if not then obviously there is a 30-day out clause in there and we will just cancel the contract. There are parameters in there to keep everybody doing what they are supposed to be doing. I haven't really looked at it but at some point I will look at it and be prepared for my meeting tomorrow. The point is whatever you all put in that in your response that you all say you are going to do, we as a Committee don't have anything to do with that. Let's say if you named the association Johnson association and it was over here and it was overseeing what you all did, we don't have anything to do with that. That is what you did to meet the requirements of the RFP. Is that what you are saying Ms. Bates?

Ms. Bates, yes the RFP goes out and people respond based upon the information in the RFP and that includes WVARF, if they meet the requirements, they meet the requirements and however they choose to do that is up to them.

Mr. Greene, we don't really have a dog in the fight as far as how you all do that. Any other comment Ms. Sampson?

Ms. Sampson, no

Mr. Greene, that is the status of that and I think we meet tomorrow at 1:00 p.m. with the people who are on that committee.

Mr. Jones, do you feel that decision will be made tomorrow?

Mr. Greene, no absolutely not, whatever comes from that committee will be in a letter form, they will make their recommendation and the recommendation will come back to the Committee and we will vote on it. We may do an emergency meeting, I'll get with Mr. Sullivan and Ms. Bates and Jan Smith and see if they want to do that or wait until the February meeting.

Mr. Sullivan, is time of the essence?

Mr. Greene, not necessarily

Mr. Jones, what we are trying to do, we are proceeding as normal with these other contracts trying to get everything worked out and the main thing we were looking at, is the monthly rate and whatever period the contract we had to go with whether four months or 12 months all we had to do was plug in that rate. We are proceeding as normal, we are sending them out next week to try to take care of that part of the state and hopefully we will be able to resolve any issues before we send these out probably in May for final approval.

Mr. Greene, that sounds good. Any other questions or concerns?

## **FINANCIAL REPORT:**

Mr. Jones, I have given you the financials and these are for November. The only thing on the Statement of Financial Position in the month of November we had to get.....

Ms. Bates, I'm sorry to interrupt but do you guys have anything else that you need a vote on?

Mr. Greene, just acceptance of the financials.

Mr. Jones, I was just going to address the issue on the line-of-credit. We borrowed \$400,000.00 on the line of credit to pay the CRPs. That was paid in December, so there is nothing on the line-of-credit.

Mr. Jones, the numbers are close to where we should be annually. Our revenues are a little higher in the product sales and a little lower in the temp sales. I also might mention that we filed a bid for the temp service as we had to have that in on January 7, 2014. Of course at that time there were other bidders there but I think if we get the other contract we will have first refusal on those. We are going to try to get the temp service up to where it should be. If you look at salaries for the month of November looks like they have jumped off a little but there were three paydays in the month of November so that always kicks it up twice a year where there are three paydays. We also have some expenditures, our corporate insurance has been fully paid for the whole year.

Mr. Sullivan, what does that include Aaron?

Mr. Jones, our liability insurance, general liability insurance, insurance on our vehicles, also a Director's insurance clause in there that if a Director would need assistance on any case.

Mr. Sullivan, what is the Board Members insurance coverage?



Mr. Jones, Governor's Committee is that what you are looking at? I'm not sure if it addresses that.

Mr. Jones, on the receivable side, on the over 90 and over 60 we have collected \$367,396.47 of those funds, total of these two numbers that we have collected. We are working on the others.

Mr. Sullivan, are you solely responsible for contacting these people to make sure they pay or who does that here?

Mr. Jones, I have a young lady, Paula Knootz assisting with making those calls.

Mr. Jones, Cedric has given us his support for the Committee if we run into any problem. We are putting together a contact list so when we call a department we will know who to contact in that department and it will be helpful to Mark and Gary to have that information as well.

Mr. Sullivan, as Cedric has alluded to several times, if you let a past due exceed 90 days then you are in trouble.

Mr. Jones, we have been able to collect the ones that were over a year old. Most of these items are in their current budget.

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

**MOTION #2**

**Mr. Sullivan moved to accept the financial report. Ms. Bates seconded. Motion passed.**

**EXECUTIVE SECRETARY'S REPORT:**

**December 12, 2013**

\$ 5,055.00 – Annual Allocation  
204.96 – Total A/P Current Expenses  
567.86 – Total Disbursements  
57.00 – Total Transfers Out  
\$ 4,225.18 – Balance Remaining

**January 15, 2014**

\$ 5,055.00 – Annual Allocation  
5.47 – Total A/P Current Expenses  
736.05 – Total Disbursements  
57.00 – Total Transfers Out  
\$ 4,256.48 – Balance Remaining

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

Ms. Bever, I know we have addressed this in meetings before, I think I just need a refresher on this. What parts of the packet are distributed to the Committee that we should not be seeing?

Mr. Greene, it is an open meeting so there is no reason why you shouldn't receive everything.

Ms. Bever, so I should be able to get a copy of the financial report and Executive Director's report?

Mr. Greene, absolutely, it is an open meeting. If it is not in Executive Session, everything is open.

Ms. Bever, those two things I don't have.

Mr. Greene, can you make sure she gets that information Mr. Jones?

Mr. Jones, sure and you should get the financial report because you are on the financial committee for the board and I just gave you a copy of the Executive Director's report.

Mr. Greene, let's just make sure if it is a request, let's make sure we get that to people so that they have it. We want people to know that we clearly are in compliance with the open meetings requirement of the Code. Everything we do is very transparent.

Ms. Sampson, I noticed in the minutes you had some questions about the Board and some changes that were being made, have you been satisfied with them?

Mr. Greene, I guess I was surprised a little. I don't know that I am any more comfortable now than I was then, I just know that the lanes of traffic of who is responsible, for who and for what. As long as the product that you produced meets the requirements of the RFP I don't care if you put 15 committees and boards in there, whatever makes you in compliance with that because the reality to it is moving forward and this is not me as a chair person talking just me as the Deputy Secretary of the Department of Administration. If you are not in compliance with what you say you will do you will be getting a letter from my boss doing away with the contract and it will be a 30-day notice. Whether it is you all or somebody from Arizona or somebody from Parkersburg, if you are not in direct compliance with that contract, with what you say you will do you will be getting a 30-day notice to cancel the contract. I just want to be clear about that. If in fact, WVARF is awarded the contract if you don't follow the letter of the law of the contract you will be packing your stuff.

Ms. Sampson, is there any room within the letter of the law for an amendment or correction?

Mr. Greene, to what they submitted, no the deadline has come and gone. The only thing you can do is if we as a Committee if we look in there and see something we don't understand. The good thing about it is that no one else submitted so we don't have to worry about anybody filing a complaint saying.....If there is something in there that we don't like or understand we can come back to you and ask how you see this working out because we don't see how it would work out. You could come back and tell us how it would work.

Ms. Sampson, there is the option that should for whatever reason the Committee or you all decide is not acceptable that you can actually ask for a rebid on it.

Mr. Greene, if we go through there and they don't meet the mandatories then we won't issue the contract. There are two or three different things you could do if they don't meet the mandatory: 1) if they don't meet the mandatory we won't issue the contract; 2) go out to rebid; 3) bring it in-house to state government.

Ms. Bever, you are not obligated to release this contract to anyone if you don't want to.

Mr. Greene, we will keep going the way we are going, we can cancel it all together, the lady that answers the phone in our front office she can start doing what these people do in this building. My receptionist will start doing it. If they don't meet a mandatory, we are under no obligation to do anything. If we do something and you all don't do your piece to the pie then you will get a 30-day letter.

Mr. Jones, this proposal is for one year with the option of two year renewal. The last one was five years so that is a change in this RFP from the one we just finished.

Ms. Sampson, are you 100% sure that it was for five years but it was per annual?

Mr. Jones, it was for a five year period and this one is for a three year period with one year renewal.

Mr. Greene, right

Mr. Jones, I have a couple of other questions. We ran into this Affordable Care Act affecting contracts. We will issue a letter that wasn't going to happen this time, is that something that will be considered in the future if this thing goes down?

Mr. Greene, I think you have to be able to prove that it is a cost of doing business. You have to be able to show the Committee that here is our invoice, here is what we pay and I think you are going to have to show that.

Mr. Jones, that is the thing with CRPs the ones handling the employees, they are going to have to prove it.

Mr. Greene, I just don't think Purchasing is going to allow you to increase the cost of the contract without showing them that you have incurred a real true cost.

Ms. Bever, that is that mechanism of fair market adjustment request.

Mr. Greene, there is a mechanism and I think the Affordable Health Care Act is entertaining, it is no different than the cost of a product that impacts your services, it is the same thing. I think it is entertaining that it happens to be the Affordable Health Care Act but there are other things just like it in line items that affect your services, it's a product that affects your services and you guys include all the time that you come and ask for a fair market increase. This should be absolutely no different. The only difference I would think is that the dollar amount may be more and there is going to be more scrutiny on it and you are going to have to prove it.

Mr. Jones, the other question I have is on the pcard. In the past it has been told to us that the State Auditor's office is pushing for everybody to use the pcard. At this point we are getting pcard purchases and most of them are for commodities and occasionally someone will pay it for a small contract. Most of them pay through the Vista system. Is there a way we could get some input and clarification from the Auditor's office or whoever is responsible for that? We feel comfortable in the fact knowing you say it is a cost of doing business.

Mr. Greene, it is hard for you to set a fair market price because you don't know who is going to pay and who is not going to pay.

Mr. Jones, let me add this, in this RFP it was not a requirement that we accept the pcard, that changed. The one we had before we were required ...so I don't know which direction they are going.

Mr. Greene, I just don't know if we can tell people that they have to pay with a pcard. That is problematic.

Mr. Jones, but for us to know how to bill it....

Mr. Greene, how did we address that with your letter?

Mr. Jackson, we were going to put it where they had to initial next to it, yes or no in the service agreement.

Mr. Greene, would that box them into a corner?

Mr. Jones, it kind of would.

Mr. Greene, because that is what you would base their rate off of.

Mr. Jones, right which is why I would like to have clarification up front. We don't want to be over charging for something they are not using but we don't want to not charge because we have to eat that.

Mr. Jackson, the cost to us is probably right at 3% and I think the state agencies get a rebate back like 1 ½%.

Mr. Greene, Ms. Bever if you got a service agreement that had that on there, which one would you check?

Mr. Jones, she would not do that as that is done by the state agency.

Mr. Greene, I'm sorry I thought you were a state agency. I know for us if it saves money like General Services if I were the person, I would say pcard because I'm certain that is what they use.

Ms. Bever, obviously if there is a savings to the state, hopefully the state would check that box.

Mr. Greene, I would have to check. I certainly don't want to speak for the Auditor's office because I would say everybody wants to do the hi-tech thing. I like the mindset in the Service Agreement saying which way you are choosing today because that will determine what your fair market value would be. What would it go up?

Mr. Jones, 3% which would cover our cost.

Mr. Jackson, that is not really the true cost as they get a rebate back like 1 ½ %.

Mr. Greene, that rebate doesn't necessarily go back to the agency, it goes back to Purchasing.

Ms. Bever, to clarify your question about boxing in, by that do you mean that they are then obligated for that year to continue to pay whichever amount.

Mr. Greene, right because they are under a set cost, it would box them in for a year unless they gave you notice, you could do that. I don't mind the way he is approaching it but also gives a disclaimer that if they wanted to change modes of payment they had to give a 45 day notice.

Mr. Jones, would have to do a change order.

Mr. Greene, probably be best to box them in because it is either all or none. You will have a problem with paying people for services not rendered. That would be a problem and then if you don't do it the other way then you are going to lose 3% on every transaction. Let me check on it but I like the approach of the agreement just saying giving them their option and allow them to choose which option they want because most state agencies pay by pcard don't they?

Mr. Jones, most of them pay through the Auditor's office.

Mr. Jackson, what about if we have both prices on the Service Agreement? If they are paying by pcard they could see the difference.

Mr. Greene, it may be difficult to do but even if you did it like historical data like last year you as an agency you spent a million dollars if you would have paid with pcard you would have spent this much versus whatever. At least provide that to the Committee.

Mr. Jackson, Joyce will be the main one probably we need to find out on our end if putting both costs right there and however they are paying and she has the number.

Mr. Jones, I can tell who has been paying by pcard to see what the total is. The last thing I told you at the last meeting I want to do what is right. I want your clarification and direction because I want to do it right.

Mr. Greene, the guidance I will give you is that it has always been my thing, you can't pay for services not rendered, that is the big one, but I don't believe you should be going in the hole either. You all should not be incurring that cost.

Mr. Jones, a lot of people will call in here to pay for a commodity and we have already billed them for it. You would bill not including the pcard. Then they say put this on my pcard. We don't want to get into having to go back and recharge them for it and making adjustments, etc.

Mr. Greene, that is an administrative nightmare too. Let me check with the Auditor's office.

Mr. Jones, yes to see what their plans are going forward and maybe they can direct us a little more.

Mr. Sullivan, everybody use it or nobody use it.

Mr. Greene, imagine that.....

Mr. Sullivan, no pcard, no pcard.....

Mr. Jones, that is what it says in here, we don't have to accept it.

Mr. Sullivan, you don't get paid either, we don't want to not get paid either.

Mr. Greene, any other comment. We don't need to take a motion for adjournment.....

#### Committee Meeting Dates for 2014

March 19, 2014

April 16, 2014

May 21, 2014

June 18, 2014

July 16, 2014

August 20, 2014

September 17, 2014

October 15, 2014

November 19, 2014

December 17, 2014