

## MEETING MINUTES

April 16, 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. April 16, 2014 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

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

WVARF Staff: Aaron Jones  
Mark Jackson  
Gary Wolfe

Attended by Conference Call Jan Smith  
Brenda Bates

Guests: Joyce Birley, Goodwill Industries of Kanawha Valley  
Cheri Bever, Goodwill Industries of Kanawha Valley

ABSENT: Phillip Mason

#### COMMITTEE CHAIR REPORT:

Mr. Greene, we have a quorum and Brenda Bates and Jan Smith is with us on-line and Everette Sullivan is here. There are no guests today. Do we have a motion to accept the minutes from our March meeting?

#### **MOTION #1**

**Mr. Sullivan made a motion to approve the minutes. Brenda Bates seconded. Motion passed.**

Mr. Greene, two things I wanted to bring up:

- 1) In our last meeting we talked about the status of the RFP. It was sent out to nineteen (19) people and the only response was WVARF. We haven't started to peel away the onion yet but we will start that if not Thursday or Friday then certainly next week and I will keep all of you updated on that.
- 2) Aaron and I both received emails from Cheri Bever as it relates to her concerns with payments. Obviously, Cheri with Goodwill is the biggest CRP and she is by far going to be the most vocal and she was vocal about her concerns. Hopefully Aaron can speak to that when he gives his presentation.

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

Mr. Jones, WVARF the membership has totally separated from the Board of Directors. We met on March 21, 2014 and they approved the Articles which would remove them as Directors' and the new Directors' being the CNA Committee going forward.

Also, on that day I filed the Articles with the Secretary of State's office and I gave Mr. Greene an email on that and sent him a copy of those so he is aware of what has been done.

As far as our audit this year, I have sent out three proposals to get the audit finished this year. The current auditor is Ellis and Ellis and they have been our auditor for years. I also sent to Arnett and Foster who does a lot of nonprofit work and Suttle and Stalnaker who is familiar with our business. I will be meeting with the Board tomorrow to give them the update on that and they have all resubmitted their bids.

We worked through the RFP and delivered it on Monday, April 7, 2014 and on April 10, 2014 we went to bid opening and as Cedric has informed you we were the only one to submit a bid on that renewal.

I met with the new CRP Association on Friday, April 11, 2014 as they are trying to move forward and set up their Articles and Bylaws and everything going forward. I don't know if you want me to discuss this or put under new business. I had that list of items that had questions on; do you want me to go ahead with that?

Our contract expires on April 30, 2014. We have been doing detail research with the CRPs who supply those commodities doing cost studies and I want to present you with this detailed list of items. I am needing your direction on how to handle this going forward since the contract is still hanging out there + this expires and I don't know if you want to take these and review them. It has the cost changes and if there were any as a lot of them had no changes from our current. I just needed the Committee's guidance as this has not been done for at least five (5) years. You can see who is providing what services. A few are listed as commodities but really cleaning rest areas and doing grounds work, they are really services and I am not sure if we want to move those over to the service side or leave them. The rest areas are actually janitorial work but the grounds would be the maintenance, the mowing and that type thing. Most of these we have included the pcard payment on their fee because that is usually what is paid on these, such as water, soap and they will call in and put it on their pcard. Also our Temp Service expires on April 30, 2014 and we are getting calls as people want temp service but they want 1000 hours but we don't have 1000 hours between now and the end of this contract. We are holding to see what direction you can give us.

Mr. Greene, why are these prices going up? Old price \$66.09 and new price \$80.63.

Mr. Jones, there should be an attachment behind it that gives that information.

Mr. Greene, prices are definitely going up. Jackson County Development Center per hour \$13.44 and now it is \$21.00, that is huge.

Mr. Jones, the backup is provided there.

Mr. Greene, who provided these numbers?

Mr. Jones, each of the CRPs.

Mr. Greene, what really is this, what are we to do with this? Are you asking for us to look at this and approve the prices?

Mr. Jones, approve the prices or make a questionable list. There is justification of why they are going up which is attached.

Mr. Greene, Jan and Brenda you can't see this but it is a difference.

Mr. Jones, I think the last one was done five (5) years ago.

Mr. Greene, Brenda and Jan, Aaron will send this to you and I think the numbers are shocking.

Mr. Greene, as an example, hand washer dispenser, it was \$11.00 and now it is \$29.77 and I could go on and on.

Ms. Bates, my question is how have all these been compared to the fair market price? I don't know what the documentation is but if we are charging \$30.00 for the soap and someone else is charging \$15.00 then that could be a problem.

Mr. Jones, there are justification sheets with those that show where they did their price comparison and what they are currently.

Mr. Greene, you don't need anything today on this right?

Mr. Jones, what I am saying, it expires April 30, 2014 and I am just trying to get direction going forward. Of course the commodities contract and the temp contract is also a part of that master RFP so I don't know if we can do anything on it but I don't know how and at what point we will be able to review this and update our current pricing on the commodities.

Ms. Smith, hasn't it been about five (5) years since there has been any change to this? Cost of labor is going up and I am assuming they are factoring in the new minimum wage the first of January. Those things will keep the prices up. Looks like they have done their due diligence and from what I can see they have Jackson County, WV Occupational employment and wages for 2013 listed here and they are within that realm. The ones I am looking at do look like they have done due diligence in proving they are using fair market price. I know we need to look them over a little more but I am not surprised the prices are going up.

Mr. Greene, I'm not surprised they are going up I just don't know that...

Ms. Bates, doesn't seem like it has been five (5) years but I guess it has. Purchasing really goes over the information and in the past we tried to raise some of the prices, Purchasing wouldn't accept it. I don't have anything in front of me.

Mr. Greene, Aaron is going to send you a copy right now Brenda. I can tell you right now nothing is going to happen with this today because these numbers are shocking. With State agencies cutting 7.5% I can tell you right now this is going to be a problem. What we can do, Brenda look at this when you get it and then what we will do, if we need to have another meeting prior to the 30<sup>th</sup> even if we have to do it telephonically. Does that sound ok?

Ms. Bates, yes I think a representative from Purchasing really needs to be involved with past dealings on this particular contract, Purchasing is really key in helping us determine what is reasonable.

Mr. Greene, I'll take another copy with me and I'll take to Purchasing and let them look it over as well and the 30<sup>th</sup> is on a Wednesday. We could meet on the 29<sup>th</sup> if everybody's schedule looks good either the 29<sup>th</sup> or 30<sup>th</sup>.

Ms. Smith, I will look over these and from what I see they have done the work even though it is a major increase, we need to support the CRPs as much as we can.

Mr. Greene, everybody look at your calendar for April 29, 2014.

Ms. Bates, I can't do the 29<sup>th</sup> so it would have to be the 30<sup>th</sup> or I could do Monday, the 28<sup>th</sup>.

Mr. Greene, Monday the 28<sup>th</sup> sounds good?

Ms. Smith, I have a meeting in the a.m.

Mr. Greene, what about 1:00 p.m. on April 28, 2014?

Ms. Bates, that is fine with me.

Mr. Sullivan, fine with me.

Mr. Greene, let's take some time to look at it then we will meet prior to the end of the month so we can give you some guidance. I will also get with Purchasing so they can look at it so I will need one other copy please.

Ms. Bates, I would like to have paper form.

Mr. Jones, I will send to you. Also, some items on this looks like they should be under services rather than commodities and I guess maybe that should be a Purchasing question too. Also, like cleaning the rest areas that is more of a janitorial contract. Low Impact scheduler is a contract. The grounds maintenance, is that a commodity?

Ms. Bever, I have always found that strange that the grounds was listed as a commodity.

Mr. Jones, grounds and the rest areas.

Mr. Jackson, the other question is the way the dates run. It seems like the DOH rest area contracts run the same time as the custodial. The Low Impact Monitoring runs with the commodity contract.

Ms. Birley, initially the rest areas started out in custodial but at one point it was said it had so much grounds in it we will put it on commodities contract.

Mr. Jones, it probably really needs to be separate contracts. Should the grounds be separate as far as you are concerned?

Ms. Bates, I don't think it should be part of the commodities at all.

Ms. Birley, I don't see where it would make any difference because you cross over staff.

Mr. Greene, we will look at it and I will have Purchasing look at it. Our intent is for us to meet here at 1:00 p.m. on April 28, 2014.

Mr. Jones, the temp service contract was actually submitted on January 7<sup>th</sup> and it has been on hold because of the RFP and it expires April 30, 2014 also. The temp contract and commodities expire on April 30, 2014.

Mr. Greene, I just think it will be extended.

Ms. Smith, have you talked to Purchasing about extending?

Mr. Jones, I have been told they have already extended it 12 months which by law they are able to do.

Mr. Greene, they can extend it. Let me check with Dave Tincher but I see no reason why we would not extend that out.

Mr. Jones, do you feel being part of that Committee that the RFP will be resolved in a quick fashion this time or is there a reason since we were the only bidder that it would not be taken care of very quickly?

Mr. Greene, I see us being good to go come July 1, 2014.

Mr. Jones, we have 200 janitorial contracts to renew, are we leaning in that direction that we will be moving forward.

Mr. Greene, let me be frank with you because I am not allowed to talk about it. Let me just be frank with you, if you guys don't get your voucher payments squared away it is going to be a problem. I can't be any more frank than that. That should answer your question. That is the concern.

Mr. Jones, normally next month we would be presenting a budget. Is there any reason to do that since we are still hanging in limbo on the RFP?

Mr. Greene, I don't think so but Brenda, Jan or Everette can chime in if they think there is a need. I don't think so but it needs to be at the forefront of your mind that if the contract works its way out then you guys need to do one right after.

Mr. Jones, I have already got it worked up, I am in a kind of a catch 22 with everything that has happened.

Mr. Greene, what is your take Brenda and Jan?

Ms. Smith, I think like a good Boy Scout you should be prepared. I think you are heading in the right direction to have them ready to go as soon as you are asked for them.

Mr. Jones, are you not going to require at the next meeting?

Mr. Greene, no not for next month.

Mr. Jones, I think the June meeting we would be looking at that?

Mr. Greene, yes Sir.

Mr. Jones, we have our janitorials which will be renewed on July 1, 2014. We are currently working on those as if we are going forward. We have scopes of work from all the state agencies to see if there are any changes and we are looking at assessment wise we have done several assessments but there are still some to be done down the road. Right now we are in a position to move forward on those contracts also.

Mr. Jones, one item that is coming up is the minimum wage increase and again I am talking beyond where we are right now, I am talking next year's contracts. There are a couple of ways we can handle that but again that is your decision. We know it is going into effect on January 1, 2015, and it is going from \$7.25 to \$8.00. What we are trying to avoid going into this is having to do a change order for 200 contracts December 31, 2014. What we could do is calculate half of the year at the current rate and half at the \$8.00 rate. Then give you one dollar amount for that whole contract for that whole period. The CRPs would receive a little more up front but they would have to cover the \$8.00 later or part of it. That is one suggestion. I don't know labor wise if we went ahead to the \$8.00 whether that is driving these contracts too far out of proportion for that period of time or whether it would be beneficial to those who are working to go ahead and get that – or we can go in at the rate we are currently and then on December 31, 2014 we can do contract adjustments at that point which seems like since we have been here all we have been doing is contracts. We need to be working on other issues rather than contracts. Maybe Jan or Cheri can chime in to see how that would affect them but that is your decision. I just need to know if we go forward with the contracts what would work best for everybody.

Mr. Greene, Brenda what are your thoughts?

Ms. Bates, I have a question, help me to understand why the CRPs would receive more money up front.

Mr. Greene, because the contracts are due right now.

Mr. Jones, for six months they would be receiving a little more than they are receiving now but they would be receiving the same thing for the whole period of the contract. Like a blended rate, six months at \$8.00 and six months at whatever.

Ms. Bates, that seems complicated.

Mr. Jones, everything we do here seems complicated when it gets to changes, etc.

Mr. Bates, if you are going to figure each one differently, if you are going to look at the first six months with one rate and the second six months with another, I'm wondering if you could submit the contracts as you already have the information, a change order to be effective January 1, 2015 because that is going to happen with a lot of contracts I'm sure with the state. I think you might be better doing that because if not you are going to show a huge increase and then the next year you have to pick up another increase, right? It goes from \$8.00 to \$8.25 or something like that. We are looking at a lot of increases here for state agencies when you are looking at commodities and services and everything is coming on July 1, 2014. That is just a suggestion.

Ms. Smith, don't we have to consider the Health Care issue in there also?

Ms. Bates, we need to deal with the Health Care issue when it actually becomes effective.

Until we know for sure and until we know exactly I don't think there is any way WVARF can get this all ready by July 1, 2014.

Ms. Smith, I personally think the minimum wage increase shouldn't be put into our contracts until January, 2015 unless people are going to start paying the higher wages in July. With our Fairmont State contract they are going to pay the higher wage for our workers starting July 1.

Mr. Jones, that is not what we were saying. We were saying that the CRPs would be paid at a blended rate and then you would change your pay schedule when you are required to pay it. Brenda's idea of going ahead and including it as part of the contract may be the simplest way for everybody.

Mr. Greene, put it in on the front end effective on January 1, 2015.

Mr. Jones, the other thing is the Health Care issue doesn't affect all of our CRPs and all of our contracts, it depends on the number of employees you have.

Ms. Bates, I think we should deal with that as a whole separate issue.

Mr. Greene, I agree.

Mr. Jones, so do I.

Mr. Greene, I think you should put it in there and that pay increase will take effect on January 1, 2015 and you won't have to change the contract. Just do it up front and that keeps it nice and smooth.

Mr. Jones, so include in the contract and just note that the CRPs will begin paying that wage rate on January 1, 2015 due to the blended like we talked about as far as the contract price goes?

Mr. Jones, the billing is what I am asking about.

Ms. Bates, you can't bill ahead of time. The first half has to be for exactly what is being paid it can't be blended. What I was saying, if Purchasing will allow you to go ahead and submit up front the cost increase on January 1, 2015 because you can't do the blended thing.

Mr. Greene, I think that is the way to do it. That way you do the contracts one time. If we can implement it today, so to speak, then we should implement it today.

Mr. Jackson, should I go ahead and have a form like it shows the service agreement in the summary page – show where it separates it out? I will bring to the next meeting.

Mr. Jones, same thing with the letter that goes with it.

Ms. Birley, we have covered this before, we have had rate increases before and on the PO you just put the dates such as a monthly rate at this rate and the next six months will be whatever rate it comes out to be.

Mr. Jones, if they are already over \$8.00 there would not be an adjustment.

Mr. Greene, just be an adjustment when the minimum wage affects it.

Mr. Jones, I just wanted to get that out of the way.

Mr. Jones, on the current RFP it states not required to take pcards. I think Mr. Greene was going to check with auditing to see what their policies are going forward. Basically what we are doing now and tell me if you think we are going the wrong way. We are giving each agency the option of whether they are going to pay with or without pcard. They tell us up front and we also have that additional cost added on the front of the service contract. If you will look at the contracts I gave you for today I can show you an example of that. The first one if you will notice it has a billing rate and then below it says with pcard. Going forward that is the only way we know to try to track it and more and more agencies are using the pcard and when they use the pcard it is costing us that fee and to date we have paid out probably \$24,000 - \$25,000 in services charges that we are not able to recoup because nothing like this was ever in place previously.

On the contract which is attached it has with and without the pcard so they should know. I know this has been an issue for years but we are just trying to get it cleared up.

Mr. Greene, and this represents exactly what your cost is? There is no profit in it – it is just what it is.

Mr. Jones, it is an expense to even process it as we have to take phone calls and record all the information then we turn around and post it in accounting. So it is a cost to us even with this. Do you feel this is acceptable the way we are presenting this?

Mr. Greene, I do, I like it. It gives them a choice.

Mr. Sullivan, I think it is good.

Mr. Jones, at the bottom it asks the question if you plan on using the pcard you just say yes or no and your contract is going to be issued based upon that.

Mr. Greene, people understand if you go to a mom or pop shop and you elect to use your card they may say to make a purchase over \$30.00 or pay in cash. If you don't pay in cash they charge \$2.00 more. Brenda and Jan are you ok with that?

Ms. Smith, I think it is great.

Ms. Bates, yes

Mr. Greene, we are good with that Aaron. Looks good.

Mr. Jones, one other question, I received a request from DEP as they found a price that is less than what is currently on our Commodities list and they are wanting a onetime waiver to purchase 8" x 10' absorbent socks that they put out. I am leaving that up to you all if you want to grant waivers.

Mr. Greene, what is the dollar amount?

Mr. Jones, their cost was \$70.00 per unit and the dollar amount is \$3,500. They are looking at 50 pieces of them.



Mr. Sullivan, what is the difference between the costs?

Ms. Bates, what is the difference between the two?

Mr. Jones, about \$56.00 apiece.

Ms. Bates, I am opposed to making any waivers based on price differences. I think if there is a price issue with the contracts we need to look at that just like we did with the Auditor's office. All of these services as we discussed before, what we do is hire individuals with disabilities and providing quality service and it is not always the bottom line lowest price they are going to find anywhere.

Mr. Jones, a lot of times these companies will come in and low ball the price to get the business next time around they have added some kind of additional.....

Mr. Greene, I think you are going to start something that you are not going to be able to stop. Once you approve this one they are going to come to you again and when you say no they are going to say to you, what's the difference as you approved that one before and now you are disapproving this one, then you lose credibility. So you have to look long term. I am fine with you giving them a waiver if you think that is a good business decision to make.

Mr. Jones, I don't but I wanted you all to be aware of it.

Mr. Greene, I do think \$56.00 is pretty significant but I am with Brenda I think you have to go back and pull away at the onion and see what you get for that \$56.00 because all you are doing is shifting as if you give this piece of business away they are going to come in and low ball the first one but the next one they are going to get us back and those people that may lose their job as a result of this or other contracts that you waive then you will be shifting it to DHHR or to someone else to pay the cost of something else.

Mr. Sullivan, I think it is a bad decision for waivers.

Mr. Greene, I think if we are not good at providing service that is one thing, but base it solely off the price is a problem. I think everybody could do that, I guarantee you everybody could beat every one of your prices. You go out on eBay and I guarantee they can beat every one of your prices and you would be out of business. Don't base off price base it on doing a good job or is the CRP doing a good job or are they providing good service. If they can't do the job then that is totally different.

Mr. Sullivan, the thing to consider is the handicap individuals needing help.

Mr. Greene, I think we as a Committee would say we are not really in favor of the price gouging type thing where people are moving around.

Ms. Bates, I do think when a request like that does come through that it would behoove WVARF to look at that particular commodity on the contract to be sure we are still in line with fair market price and if it is determined to still be in line that is fine or if it is determined to be a little high or a little low then it needs to come back to the Committee.

Mr. Greene, we just need to be consistent with whatever our answer is.

Mr. Jones, this price expires on April 19, 2014 so they are requesting for this one purchase.

Mr. Greene, I would just say no. What is #11 on your Director's Report?

Mr. Jones, that is the amount that the Association guaranteed, based on our last RFP the \$350,000 is the amount currently on the books. We currently have an investment fund of \$1,485,000.00 that is listed in the membership. They have agreed to accept the \$350,000 to start their new association and leave the balance with WVARF, the CNA.

Mr. Jones, the contracts we are looking at today, I want to apologize to Brenda and Jan.

We have the same contracts but I guess I will have to say Mark got a little aggressive so we backed out of that. What we were trying to do was get the contracts where we wouldn't have to redo these again in two months so what we have done since we are good through June 30, 2014, we have changed the dates. There are some minor changes in the price but I will let Mark explain those to you. I just wanted you to be aware that the packet numbers that you have changed on the majority of these because when I saw that 15<sup>th</sup> day I realized we can't take the contract out because we don't have the RFP in place. We went back and redid them and did them just through June 30<sup>th</sup> of this year. One place we had a per month but should have been per occurrence so I will let Mark go ahead and go over those.

## **CONTRACT PRESENTATIONS:**

### **Mr. Jackson:**

- 1) DOH, Kearneysville, West Virginia – Jefferson County, (New Contract) RFI issued. Only one CRP bid on the contract. No matrix necessary.  
Contract Term – May 1, 2014 – June 30, 2014  
Contract Price - \$544.69 per month
- 2) DHHR – Petersburg, Grant County (Janitorial Contract, Change Order). Moving to a new building.  
Contract Term – May 1, 2014 – June 30, 2014  
Contract Price - \$1,863.58 per month
- 3) DHHR – Doddridge County – (Janitorial Contract, Change Order). Change in subcontractor, previous subcontractor relinquished service, RFI issued, OP Shop was the only bidder. No Matrix necessary.  
Contract Term - May 1, 2014 – June 30, 2014  
Contract Price - \$2,747.21
- 4) DHHR – Kingwood, West Virginia – Preston County (Janitorial Contract Change Order). Change in subcontractor, previous subcontractor relinquished service, RFI issued. Matrix in process.  
Contract Term – May 1, 2014 – June 30, 2014  
Contract Price - \$1,977.20 per month
- 5) General Services Division, Building #34 in Weirton, West Virginia – Hancock County (Janitorial Contract Change Order). Change in subcontractor (per GSD request) RFI issued, OP Shop was the only bidder. General Services requested that we switch CRPs. Jan with the OP Shop was willing to go to Weirton to help mentor the current

workshop; however, we still had issues with that workshop and they wanted to get out of the contract. After talking with Jan and Eric they decided to take the contract on for that distance and I appreciate the help as we have had issues the entire time we have been cleaning that building. It is at the same price besides Workers Comp and unemployment rates.

Contract Term – April 21, 2014 – June 30, 2014

Contract Price - \$5,409.91 per month

Ms. Smith, I got a call from Jim Holly saying Jan please take this. I had said I didn't want to take it and he told me if the OP Shop didn't get it then it would probably not go to a CRP.

Mr. Sullivan, how far is it from where your office is located Jan?

Ms. Smith, it is probably about one and a half hours away. Eric and I went up yesterday and we interviewed three people and we are going to staff it a little differently than it has been staffed in the past. There are some problems especially with the carpet so we are sending our specialty custodial up there next week to try to get the carpet back in shape. I just didn't want to see it pulled from the state use contract so we did agree to do it.

Mr. Jones, we talked about the Matrix and how we select people to do these projects and what we discovered and what is probably a known fact to a lot of people, not all of our people are janitorial CRPs. We sent a guy up there who wanted to do it and he flat out told us he was not in the janitorial business. But if we took the old Matrix he was the closest, he seemed to be someone who was willing to do it but once he got started he didn't even want to buy the equipment. He bought some equipment then went on. We are looking at the Matrix that you asked us to do and what we feel we need to do is when it comes to a contract – we put an RFI out there and if a person bids on it – say a small CRP from Beckley would bid on one and we realize they don't have the experience, the knowledge, they couldn't clean carpet if they wanted to. Say Goodwill from here in Charleston would bid on it they are 50 miles away but they could staff it with somebody there and they are in the janitorial business. We feel the Matrix should move toward like an interview session more than a point schedule.

Ms. Bever, Matrix is a point system but it does make an allowance for capacity for the CRP to do the job. I want to raise a question about the RFI's because Mark has indicated that there have been RFI's sent out but so far three (3) contracts that I don't recall seeing at all. Are the RFI's in fact going out to all CRPs or are they going out to selected CRPs?

Mr. Jackson, as far as I know they are sent out to everybody because I don't handle the RFI's.

Mr. Greene, who does?

Mr. Jackson, Gary does that.

Mr. Greene, we need to ask that question because we have to be transparent and we have to be fair, equitably across the board so that is a big one. That is not just for Cheri that is for everybody. Aaron, if you would take that for action and find out.

Ms. Smith, Cheri I just looked at the last RFI's and your name is on every one of them.

Mr. Greene, how are they distributed?

Mr. Jones, email

Ms. Smith, yes it was emailed and you are the third name on the email.

Ms. Bever, you are looking at number five General Services?

Ms. Smith, I am looking at Weirton Building, the Kingwood Building and the Doddridge County and it looks to me like they went to everyone.

Ms. Bever, Aaron you and I have had email problems before so I wonder if we again need to check the email address that it is going to.

Mr. Jones, it is my understanding also that they went to all CRPs not just those that were part of the association. We will check the email to see why you are not getting them.

Ms. Bates, I'm glad you said that Aaron because I want to make sure too that all vendors from DRS who are eligible gets the RFI because we might have a CRP who decides to invest money and become a janitorial service so it is important that the RFI's go out to everyone.

Mr. Jones, in the situation with the Weirton Building what happened we chose a CRP who was in the area who has other buildings that he cleans, the two other contracts for the state he assured us up front that he would put the people in there and buy the equipment and all that then when he got started he didn't do anything he said he was going to do. That is a situation where we have tried to get somebody in the janitorial business but they just couldn't do the job.

Mr. Greene, I think when we ask for the proposal from you and your staff on the matrix, I think it is yours to create how you see fit. I think there should be a piece in there about experience and what is your work product, maybe who are the references.

Mr. Jones, other states actually have the CRPs put a proposal together.

Mr. Greene, obviously I wouldn't want to go the Purchasing RFP proposal route, but something along that line I think is probably appropriate so that you make sure you do it one time and you hit the target rather than having to keep revisiting the same issue over and over again when you are dealing with someone who is not qualified.

Mr. Jones, this particular contract has cost us three weeks of work with calls back and forth from General Services.

Mr. Greene, with the matrix you can fix a lot of those things. When you get that ready and bring back to the Committee we will vote on it and see if everybody agrees to go in that new direction.

Ms. Bates, I would just like to say that I want to be careful that we do give everybody an opportunity and if you want to do a proposal process where a person already has everything

in line to do what they need to do, if they don't they can show you how they are going to make the changes because I just don't want us to get into certain CRPs taking all of this and moving all over the state and taking all of the service when other CRPs may be able to get into that business.

Ms. Smith, that is why I wanted Mark to make a point that we didn't jump into it as I wanted to go up and take our specialty custodial crew and have them get the carpets in good shape and do whatever we needed to do because I don't want to be seen as doing something like that.

Ms. Bates, I understand and I don't think you were. I am just saying I am a member of the Committee and I'm trying to protect all CRPs so I completely understand as I just wanted to make a note for the record.

Ms. Smith, I was trying to protect other CRPs by protecting the state use contract. That was why we finally agreed to do it.

Ms. Bever, when Mr. Monterosso was here we went through a fairly extensive process with the Governor's Committee on how the RFI process would work. I don't know if there have been any changes to that since then and now.

6) DNR (Stream Access Grounds Maintenance Renewal Contracts). This is a 12-month contract. Cotton Hill, Gauley Mountain Contract – Total \$66.86 per occurrence. It only affects Clay County and I missed it when we did the main contract that was \$140,000. This contract is not to exceed \$25,000. It is the same terms and conditions as it was last year, so everything is the same. With that being said, I have worked with DNR as I know there is some work that needs to be done as we have some issues with Liz Sampson, the Executive Director in Clay County. She has had some serious issues and we have had some billing issues as far as getting timely information. I'm asking to make sure everything I do on this is going to be retroactive as long as DNR is good with what has been done.

Contract Term - January 1, 2014 – December 31, 2014

Kanawha Falls Contract – Total: \$105.20 per occurrence

7) WV Department of Education Warehouse (Janitorial Contract Change Order). The State agency changed frequency from once a month to once a week.

Contract Term – July 1, 2014 – June 30, 2014

Contract Price - \$171.83 per month.

8) WV Public Broadcasting – (No Matrix needed). They had an employee that went on leave because of an illness. The Lillian James Learning Center placed a temporary worker in that position. WV Public Broadcasting wanted to put that person in there as a janitorial contract. They are actually buying their own supplies. It is pretty much the same deal, same person and same number of hours per week. They are wanting to go to a janitorial contract.

Contract Term – July 1, 2014 – June 30, 2014

Contract Price - \$548.93 per month.

Ms. Bates, I have a question on that. Are you just paying for an employee for them?

Mr. Jackson, I would say pretty much as they have their own equipment.

Mr. Greene, what she is asking is the employee coming from a CRP?

Mr. Jackson, yes from Lillian James.

Ms. Bates, is it a full-time employee or part time?

Mr. Jackson, part time.

Ms. Bates, we ran into this before where you can't allow state agencies to circumvent the personnel process in order to have a person working for them. Normally a part time person takes one FTE so I think you really have to be careful it is either a janitorial contract or it isn't or it needs to be treated as such, not just payment for an employee.

Mr. Greene, so this employee came from a CRP?

Mr. Jackson, correct and this employee was actually working under a temp contract.

Mr. Greene, then they came to you and said we want to keep this person here.

Mr. Jackson, yes

Ms. Bates, because they probably had gone beyond their 1000 hours. I'm just saying...

Mr. Jackson, I'm just saying they probably are not too far off. The employee they were replacing had passed away so they were just doing the four (4) hours for three (3) days.

Ms. Bates, I think they are either going to have to go all in or not. It either has to be a janitorial contract like every other janitorial contract or not in my opinion. We have certain rules when it comes to temps with state agencies and we have to follow those rules. If it is beyond 1000 hours they can't circumvent that system and go to you and ask you to do a contract as they are paying for a contract that doesn't follow the state rules.

Mr. Jackson, I did set it up as a janitorial contract.

Ms. Bates, but it is not really. You are only paying hours. It is not like every other janitorial contract correct?

Mr. Jackson, it is not like all of them. There are some DOH contracts that does not have supplies and equipment.

Ms. Bates, I'll get Cedric's input on it. I just had a few concerns about that.

Mr. Greene, she is just concerned that they were hired on as a temp and they have reached their 1000 hours for the state then you guys are coming in and leaving them there. You are circumventing the hiring process and that employee where they have worked 1000 hours. If they work 1010 hours regardless if it is with you guys or if it is with that agency, if they get hurt one could say they were a state employee – that is the concern because Circuit Court don't care who you work for, all they care about is your number of hours. So, that could be a concern.

Ms. Bates, if they want to hire a custodian they need to do a full janitorial contract and they will just have to pay that.

Mr. Greene, this particular employee was working for Public Broadcasting as a temp?

Mr. Jackson, yes Lillian James who is a CRP in Beckley.

Mr. Greene, what is your issue with it Brenda?

Ms. Bates, what it looks like and it may not be true, it looks like an individual was a temp and there are 1000 hours and the agency did not go with an FTE, a temporary employee but they want to pay a contract for the wages only and they would supply everything else. It was a red flag to me and if you think it is ok Cedric based on what you know and DOP then I am fine with it if you are ok with it. I just think it is important to bring up that concern. I just think we have to be cautious about circumventing.

Mr. Greene, we just want to make sure that Public Broadcasting or DOH or whoever is not circumventing the Division of Personnel's FTE process of hiring an employee when in fact, you really should or could and you are hiding it by going through WVARF. We want to make sure that doesn't happen. I think the thing that makes this one probably ok is the fact that Lillian James is a CRP.

Ms. Bates, I think we had this problem before and we decided possibly it wasn't because in that case I think it was a full time employee. If you guys think it is ok then I am ok with it. We need to be careful that we are not paying for an employee for a state agency.

Mr. Greene, we will include it in our vote in a minute but I am going to check with DOP just to make sure that we are on solid ground and that we are not circumventing the 1000 hour rule because that is in code and we want to be careful not to violate that code.

Ms. Bates, that makes me feel better, thank you.

- 9) WV State Surplus Property, Dunbar, WV (Renewal Grounds Maintenance Contract).  
This is the same price as we had last year per occurrence. Right now we are going to wait until the July 1<sup>st</sup> renewal for the State Surplus Property. We pulled that off the list to get approved.  
Contract Term – April 1, 2014 – October 31, 2014.  
Contract Price - \$146.08 per occurrence

Mr. Greene, is there a motion on the State use janitorial contracts for DOH, Kearneysville, DHHR in Petersburg, DHHR in Doddridge, DHHR in Kingwood, General Services, DNR, West Virginia Department of Education, West Virginia State Surplus Property and West Virginia Public Broadcasting with that one just being the contingency as long as DOP doesn't see any concerns with how we arrived at that particular contract. Is there a motion?

Ms. Bates, so moved.

Ms. Smith, I don't think I am allowed to vote because two of them are mine.

Ms. Bates, that is right.

Mr. Greene, which two are yours Jan?

Ms. Smith, Doddridge and Weirton. I can vote yea on the other ones.

Mr. Greene, with the exception of General Services in Weirton and Doddridge County is there a motion?

**MOTION #2**

**Ms. Bates, so moved. Ms. Smith seconded. Motion passed.**

Mr. Greene, Everette had to leave so what we will do is, #3 and #5, Jan do you have any problems with General Services in Weirton and DHHR in Doddridge?

Ms. Smith, no we have already started the one and we will start the other one next week.

Mr. Greene, I will email Aaron after I talk to Everette as I don't think he will have any concerns with it. Aaron I will email you regarding #8, #5 and #3.

**FINANCIAL REPORT:**

Mr. Jones, we have our financials for the month of February. If no questions, I will touch base on the totals. Our revenues are a little ahead of schedule right now. We are looking at 105% based upon those eight months of billings. Our current budget for that was \$9,491,466.67 and we have billed \$9,987,281.09. Our expenses we are a little ahead of schedule. On our budget it was \$403,215.47. Our actual was \$439,899.68. Some of those costs are items that were paid for the whole year again like our corporate insurance. We had some professional fees we paid, the audit for 2012 and 2013 so that is about \$5,024 of that item. The bottom section that says other expenses, those are the ones that we currently pay the CRPs, that is the billing of 4.1%. We are a little ahead on that too. As of February 28<sup>th</sup> we have a change in net assets of \$122,818.76. Do you have any questions on Budget vs. Actual?

Mr. Jones, receivables if you will go to Page 11 of 11 Of the \$316,560.36 that was listed as over 90 we have collected \$88,966.21 of that and of the \$64,371.57 over 60 we have collected \$51,552.82 and that leaves a balance of \$12,818.75. The next page has our payables and as you can see everything has been paid at this point. Over 30 days what I am finding there are some items that for some reason have not been processed which is what you referred to earlier. I will get with each CRP and make sure we have billings that they show are missing, currently we are in the process of doing that now and by the next meeting I will have a report of everything that has been found and we will pay it as needed in that period of time.

Mr. Jones, next month I will have the quarterly report from the CRPs to show their ratio balances with the state use and those that have handicaps and we will do our best to have you something on the matrix also by that time. Brenda I will send you a printed copy of the commodities list so you can review it. Did you check your computer to see if that may have come through?

Ms. Bates, I printed what you sent me.

Mr. Greene, Aaron as it relates to the payable receivables \$227,000 that is still outstanding, does any of that concern you?



Mr. Jones, I have some items on there that I am going to send you. We have some rest areas which are pretty sizeable that we need to investigate. We have been making calls but sometimes people make promises and you never hear back from them. The Dawson account, all of that has been paid. There is a DNR Access that we need to look at \$20,000. DM-DHHR, I have sent copies of all that to them, that is the data management. We have been told there is a gentleman there that handles this and he has had a lot of sickness, but that is no reason someone else can't handle that. DOH in Bridgeport, those are still outstanding for \$7,775.80. DOH in Huntington \$2,095.00 outstanding. We have an old bill for Huntington which is a rest area \$12,979.35.

Ms. Birley, what is Jim Hash saying? Looks like several rest areas such as Servia at \$22,000.

Mr. Jones, Lottery Building is \$20,000. The Tax Department has \$9,600. There are several odds and ends that I will probably have Mary check on. We have been working on it.

Ms. Birley, there were some agencies that we had talked to privately last month as they had some outstanding items from 2012.

Mr. Jones, they haven't paid it.

Ms. Birley, are they going to pay it or are they saying they are not going to pay it or what are they saying?

Mr. Jones, that is the one that we actually started early for them because they were afraid of snakes down there. The only one that I have a question on is Burlin and that is a rest area and I think that is part of when they transferred systems.

Ms. Bever, over 90 doesn't sound that bad until you realize how much over 90 they are. Are you writing some of that off as bad debt?

Mr. Jones, I haven't written anything off at this point.

Ms. Birley, Cedric what do state agencies do when they have debt from 2012? Those funds are gone aren't they?

Mr. Greene, it depends on how they get their money. Some monies can be used for fiscal year and some monies cannot. When some cannot be it is still not the end of the world. Services are still rendered and they still need to be paid, you just have to go to the Court of Claims and that is not a negative thing, that is just what it is. Then the money doesn't come out of their particular agency, it comes out of the Legislative fund. That is the process.

Mr. Jones, I would say the bulk of these are in the current fiscal year. We will work on that for June 30<sup>th</sup>.

Mr. Greene, if you have some that have expiring funds then we just need to go to the Court of Claims and people do it all the time. It may take a year to get it but the bottom line is you will get it if you can substantiate that the services was rendered.

Mr. Jones, we have called some people and they will bring the pcard out and pay it. The pcard gets us our money but we have that charge where 4.1% goes to 1.1% if it is paid on the pcard of anything in the past.

Mr. Greene, my general concern is making sure that accounts receivable, money that is due to you, this is money you guys are owed and that it is paid in a timely manner.

Mr. Jones, some of those CRPs are just discovering they have not been paid then I have to go back and figure out why they weren't paid, did they receive a bill or what happened. That is what we are going through right now to try to resolve that issue.

Mr. Greene, I don't understand how anybody can run a business and do services and not invoice for them. I don't see how you can stay in business. There is no way you could afford to front that much money and be a year late on invoicing.

Mr. Jones, we process 1500 – 2000 invoices per month. I don't feel that is our responsibility except for the fact that if we don't get a bill we can't bill the agency so it does affect us but are we responsible to make sure every CRP bills us every month?

Mr. Greene, no but I think you need to have a business agreement that states that specifically that you will only process an invoice - current year invoices. If someone comes to you today with a 2012 invoice, oh well. If you don't pay J. C. Penney on their invoices you get a \$35.00 fee and a letter saying you didn't pay us so we have accessed you \$35.00. Here you can go 14 – 16 months and then all of a sudden this bill will come from somewhere and people expect to get paid. I don't know if it says it with your agreement with CRPs, if you had something in there with some teeth that would say you will only process current year invoices, any exceptions have to go to the Committee for approval, that will make you step your game up.

Mr. Jones, we have to renew all the Master Agreements so we will take a look at that.

Mr. Greene, number one on my list would be, current year invoices only, any exceptions must go to the Committee. They will know that if they don't produce the invoice – they will eat it. I think this is what you have to do.

Mr. Greene, Cheri we do appreciate the delicious fruit and cookies that you provided today, I have had fruit and I will have more before leaving.

Next meeting will be at Green Acres for May 21, 2014.

Ms. Bates, that is the week of our state conference so neither Carla nor I will be there.

Mr. Greene, are you good for the 21<sup>st</sup>?

Ms. Smith, yes I think I can come down and I will put that on my calendar.

Mr. Greene, I will email Everette and let him know.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION #3**

**Ms. Bates, I move we adjourn. Ms. Smith seconded.**

WVARF Meeting Dates for 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