

**Committee for the
Purchase of Commodities and Services
from the Handicapped**

Room E-102
State Capitol Building
Charleston, West Virginia 25305-0139

**MINUTES
SEPTEMBER 22, 1994
SMALL P & P CONFERENCE ROOM
WEST VIRGINIA REHABILITATION CENTER COMPLEX
INSTITUTE, WEST VIRGINIA**

The meeting of the Committee for the Purchase of Commodities and Services from the Handicapped was called to order by Craig Greening, Chairman. Other members in attendance were: Q. J. Humphreys, John Parker, and Everette Sullivan. Ex officio members in attendance were John Faris, Executive Director of the CNA; Debra Bensey, Director of Operations of the CNA; and Dick Estill, Executive Secretary of the Committee.

The minutes of the meeting of August 17, 1994, were approved as submitted.

John Parker gave the financial report which showed a beginning balance of \$4,656; expenditures of \$160.30; and an ending balance of \$4,495.70.

The Chairman's report consisted of an inquiry of other Committee members relating to any recent communications regarding changes recently submitted to the Legislative Rules Interim Committee. No one in attendance had anything new to report.

The Executive Secretary reported on a new job opportunity available to some facilities. He indicated there is a need to detail vehicles for the Department of Administration shortly before they are auctioned by the Department of Surplus Property. There is some interest within the Purchasing Division in locating a few facilities around the state which would wash and clean state vehicles. The Committee strongly endorsed this proposal and asked the CNA to develop a proposal back to the Purchasing Division.

The Committee was updated on the status of negotiations for janitorial services at the Weston district office of the Department of Highways.

Chairman: **Craig A. Greening**
Members: **David L. Dickirson, Q.J. Humphreys, John L. Parker, Diana Stout, Everette Sullivan**
Ex Officio Members: **Dick Estill, Executive Secretary**
John P. Faris, Ph. D., Executive Director, West Virginia Association of Rehabilitation Facilities

Committee members were given an overview of an upcoming joint meeting between WVARF membership and liaison counselors to these organizations from the Division of Rehabilitation Services. One segment of this training program will deal with State Use issues. A motion was made by John Parker, seconded by Q. J. Humphreys, to authorize expenses to be paid from Committee resources of two members who wish to attend this joint meeting and training session. Expenses would be limited to those Committee members who are non-state employees. MSP.

The Committee was briefed by the CNA of a possible need to require background investigations be performed prior to assigning some janitorial crew members in some sensitive state office locations. This issue was brought to light by a recent article in a local newspaper which indicated a janitorial crew member who has been paroled, but convicted of three violent crimes. It was felt unanimously that persons such as the individual described in the newspaper article should be screened out of participation in this program.

John Parker questioned Committee members in attendance as to their desire to be re-nominated by William Dearien, Director of the Division of Rehabilitation Services, for appointment by the Governor. Mr. Greening, Mr. Humphreys, Mr. Parker, and Mr. Sullivan all agreed to serve another two-year term if nominated and appointed.

Dr. Faris presented the Committee with a letter indicating a review of the accounting procedures in place at the Jackson County Developmental Center. This review is part of a complete review of all commodity producers statewide. The overall flavor of both the written report and Dr. Faris' remarks were very favorable. Similar reviews will be conducted by the CNA of all remaining work centers producing commodities for the state to enable the Committee to better understand how overhead expenses are gathered and allocated.

The next order of business was contract presentations--the first being for janitorial services with the Insurance Commission at 2019 Washington Street East, with the work to be performed by Shawnee Hills from November 1, 1994, through October 31, 1995. The contract employs one supervisor and one worker four hours each daily, cleaning 12,324 square feet at an approximate cost per square foot of \$1.10. The monthly total for this contract is \$1,130.48 or an annual total of \$13,565.76. MSP.

The next contract presentation was for renewal of the amenities kit between the Department of Parks and Recreation and Adena Industries. The Committee voted to approve this contract as per the attached price list and accompanying correspondence to Ms. Emily Parsons, District Administrator, Department of Parks and Recreation, dated September 17, 1994. MSP.

The next contract approval was for the Mountaineer Challenge Academy. This submission is to record an additional negotiation of final price between the CNA, the Preston County Sheltered Workshop,

and members of the Adjutant General's staff. The original contract approval was for \$314,334. The workshop and CNA chose to make adjustments to their overhead, reducing it from 50 percent to 39.1 percent. The new final price submitted for approval is \$302,623. MSP.

The final item of business before the Committee was vendor complaints. On a positive note, Shawnee Hills passed along a letter of commendation from the Interim Executive Director of the West Virginia Commission on Aging who praised their efforts at maintaining the Holley Grove Mansion which is the oldest building within the City of Charleston. The letter went on to note that their efforts were most noticed and appreciated.

Ms. Bensey briefed the Committee regarding her most recent contact with the State Tax Department offices located at 1001 Lee Street East. This building and its Shawnee Hills janitorial crew have been put on six-months improvement notice from July 1 through December 31, 1994. If improvement has not been made and crew performance brought up to an acceptable level, it will be necessary to award the contract to another work center. With this possibility in mind, preliminary contacts have been made with Goodwill of KYOWVA in Huntington with the permission and endorsement of the local Goodwill of Kanawha Valley. A number of vendor complaints at this location are still in evidence, such as possible theft by crew members and eating in unauthorized areas. In addition, it was reported that three people fell on wet or slick floors--one person reporting a broken wrist. Ms. Bensey and Dr. Faris indicated a survey would take place early in December of Tax Department staff's satisfaction with overall janitorial performance, and if an acceptable performance rating is not attained, it will be necessary to involve another work center late in December or early January 1995.

There being no further business to be brought before the Committee, it was in adjournment with the time and place for the next meeting being Thursday, October 27, 1994, at 9 a.m. at the Small P&P Conference Room at the West Virginia Rehabilitation Center Complex, Institute, West Virginia.

Craig A. Greening, Chairman



John L. Parker, Recorder

Recorder's Note: On September 23, 1994, I contacted the one remaining Committee member who is usually nominated by Rehabilitation Services' Director to the Governor's Office for appointment to the Committee. Mr. Dickirson was contacted and was agreeable to serving another two-year appointment if nominated by Rehabilitation Services' Director Mr. Dearien and if appointed by Governor Caperton.

COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES
FROM THE HANDICAPPED

Small P & P Conference Room
W.V. Division of Rehabilitation Services Complex
Institute, West Virginia

SEPTEMBER 22, 1994

AGENDA

- I. 9:30 Roll Call
- II. Approval of Minutes of Previous Meeting
- III. Treasurer's Report
- IV. Report of Chairman
- V. Report of Executive Secretary
- VI. Old Business
 - 1) Review of CDC pricing
- VII. New Business
 1. Re-Appointment of Committee January 1995
 2. Background Investigations
- VIII. Contract Presentation from CNA
 - A. Renewals -
 - No Changes -
 - Insurance Commission
 - Ammenities - Adena
 - Mountaineer Challenge
 - B. New Contracts
- X. Vendor Complaints
 1. Tax Dept. - Charleston

WEST VIRGINIA ASSOCIATION OF REHABILITATION FACILITIES, INC.

REVIEW OF ACCOUNTING PROCEDURES AT JACKSON COUNTY DEVELOPMENT CENTER

OVERVIEW

At the direction of the Governor's Committee, I visited the Jackson County Development Center (JCDC) and reviewed their accounting and costing procedures. The results of this visit are reported herewithin.

FINDINGS

JCDC has a well organized and effective method of cost accounting which is reflected in the pricing performed for State Use Contracts.

REMARKS

JCDC has established eight profit centers, representing their major lines of business, and one cost center for collecting general and administrative (G&A) costs.

G&A is allocated to five departments, which comprise the eight profit centers, by the number of square feet of plant space they consume. Departments and profit centers are stable and representative of the relative volume of work, direct labor, and other expenses incurred. Therefore, this method of cost allocations appears to be appropriate.

Direct costs are divided into direct labor (client and nonclient), direct material, and repair and maintenance. Payroll taxes, benefits (where applicable), supervision, administrative, and management are all classified as G&A and allocated to departments by square footage as previous explained.

JCDC utilizes a general ledger software package titled *Harmony*. The CRP has a full-time bookkeeper/secretary/receptionist with vocational training. Statements are produced in-house and distributed to the Board of Directors monthly. Bi-annually an audit is performed by an outside accountant. The same accountant performs a review during the off years. The accountant presents financial comparative data to the director and the Board following the audit or review. The accountant is on-call to answer accounting and financial questions for the director and help to supervise the bookkeeping function.

Low priced (under \$1,000) is bid into the job with a one year pay back period. The price for the next contract year is not reduced, but results in additional revenue for the CRP. Equipment with a life longer than one year and a cost greater than \$500 is capitalized and depreciated. It is noted that pricing the full cost of capital equipment into the contract price and then depreciating the equipment as a G&A cost is double dipping. However, JCDC owns little capital equipment or equipment costing in excess of \$1,000 outside of the data entry department. The equipment for which the double dipping occurs is really that which is expected to have a relatively short life span such as electric screw drivers

til they ...

Parole

■ Four victims, 10 years in prison, then parole, then a murder charge

MICHAEL Dean Hicks of Charleston was first up on a shooting charge in 1977, when he was 20.

Prosecutors dropped those charges as part of a plea bargain with Hicks in 1978, when they convicted him of the malicious wounding of another man, Robert Burns of Charleston.

Hicks got a one- to five-year prison term for shooting Burns.

By the early 1980s, Hicks was out and at it again. He was sentenced to life with mercy for the first-degree murder of Michael "Ouija" Johnson.

At the same time, Hicks served a sentence for robbing Bruce Yeager of Charleston at gunpoint, taking his wedding ring and two briefcases, among other things.

That's four victims — one unnamed victim, plus Robert Burns, plus Bruce Yeager, plus Ouija Johnson.

Yet the state Corrections Department paroled Hicks, who is now 35, in March 1993, after he had served 10 years in prison for Johnson's murder.

And guess what? Hicks is apparently at it again.

Authorities say Hicks faces a first-degree murder charge in connection with the death of Terrence H. Spencer, 20, of Detroit. Spencer's body was found Sunday along Coal River outside St. Albans.

The state paroled a guy who had been convicted of three violent crimes involving guns, and who came within an ace of being charged with a fourth shooting. And now he is charged with killing a fifth man.

This is irresponsible as hell.

If West Virginia doesn't have enough prison cells to keep people like Michael Dean Hicks locked up, it needs to build another prison.

Sentencing a guy with Hicks' record to "life" and unleashing him on the public in 10 years is lying to the public big-time.

 PRICING WORKSHEET
 Insurance Commission 2019 Washington St. East

Work to be done by Shawnee Hills
 November 1, 1994-October 31, 1995
 Aproximate Sq. Foot. 12,324
 Contact Betty Warren 348-3707 Fax 343-0412

| Labor | Per Hour | Per Hour 20% Fringe | Month |
|------------|----------|------------------------|------------------------|
| Supervisor | \$5.00 | \$1.00 | \$520.00 4 hours a day |
| Worker #1 | 4.25 | \$0.85 | \$442.00 4 hours a day |

| | | | |
|-----------------------------|-------------|--------|-------------|
| | sub total | | \$962.00 |
| Chemicals | sub total | | 75.00 |
| Facility Equipment/Overhead | | | 50.00 |
| Administrative Overhead | | | 43.43 |
| | | | ----- |
| | Month Total | | \$1,130.48 |
| | Grand Total | Annual | \$13,565.76 |

Aproximate Cost per square foot
 \$1.10

Materials supplied by State of WV. This quote is based on 8 man hours per day X 5 days. Vendor may use a crew to provide labor.

In order to comply with State law please contact our office for information prior to soliciting other bids.

WVAREF agrees to provide services for the above amount pending final determination of the "fair market price" by the Governor's Committee for the Purchase of Commodities and Services from the Handicapped.

 Debra M. Bensey
 Director of Operations

WEST VIRGINIA ASSOCIATION OF

WWARF

REHABILITATION FACILITIES, INC.

P.O. Box 745
Institute, WV 25112
304-766-4894 (Phone)
304 766-4607 (Fax)

September 17, 1994

Ms. Emily Parsons, District Administrator
Department of Parks and Recreation
Capital Complex, Building 6
Charleston, WV 26305

*Dabbie
Gov Comm. 10
9/22
JK*

Dear Ms. Parsons:

Thank you for your very informative telephone conversation on September 9th. I feel that I have a much better understanding of the problems you are currently facing and would like to offer several suggestions as to how we might assist you in overcoming some of them in the near term.

As you know, neither you, I nor the workshop are really free to negotiate prices. The State Use Law is very clear on how fair market prices are to be determined and the prices that you have were approved for Fiscal Year 1995. However, situations have to be dealt with and problems have to be solved. Our subcontractor, Adena Industries of Wetzel County supplied a list of units in stock several months ago (see attachment). With the exception of the Dial Logo Shampoo and conditioner, which have been priced far too low for years, all can be supplied at the 1994 price until exhausted. The 1995 price on shampoo (and conditioner) was raised significantly from 30.72¢ per bottle to 49.33¢. We would be willing to split the difference and sell the remaining stock at 38.00¢ per bottle.

I understand that you desire to abandon the individual logo bottles of shampoo and conditioner (costing a total of 98.66¢ together) and replace it with a single logo bottle of a combined shampoo and conditioner. Although we do not have a price from our vendor as yet, we believe that we will be able to provide it to you for a price in the neighborhood of 40¢ to 45¢ each (a total savings of 58.55¢ over the old two bottle approach). Once we establish the price for the conditioner, we will make it and the rest of the products available to you at the 1994 prices, listed below, for the remainder of the contract year.

To recap, the following prices will be resubmitted to the Governor's Committee for their approval at their next meeting on September 22, 1994. I have also included the current inventory in both units and approximate months at your average usage rate. The starred items are those we understand that you wish to run stock out of and not reorder.

| <u>Item</u> | <u>Per Unit Price</u> | <u>Inventory</u> | |
|---------------------|-----------------------|------------------|---------------|
| | | <u>Units</u> | <u>Months</u> |
| Soap, Dial-Logo | 14.41¢ | 40,500 | 19 |
| Soap, Tone-Logo* | 14.41¢ | 7,500 | 8 |
| Shampoo, Dial-Logo* | 38.00¢ | 2,178 | 1 |

| | | | |
|-------------------------|----------|--------|----|
| Conditioner, Dial-Logo* | 38.00¢ | | |
| Conditioning Shampoo | 40.00¢** | | |
| Laundry Tote, Logo | 12.47¢ | 61,299 | 8 |
| Scope* | 38.00¢ | | |
| Shower Cap-Logo* | 18.21¢ | | |
| Shoe Mit (white)-Logo* | 24.85¢ | | |
| Doily, White | 11.01¢ | 1,618 | 2 |
| Candy* | \$1.99 | 351 | 12 |
| Basket-Oval | 33.80 | 1,445 | |

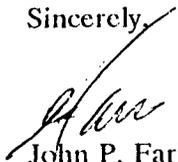
** Not yet a stock item. Price expected to be near that indicated but not guarantee.

We also hold a small supply of non-logo soap (8,000 bars) and shampoo (88 bottles) which we understand that you do not want us to reorder. We intend to continue to hold these items for emergency resupply should our vendor fail to resupply us in time. We will continue to make these available at the 1994 prices and do not plan to reorder them.

If approved, these prices will be in effect for the remainder of the current contract period. We would like for you to view us as part of your team and we will make all possible efforts to keep our costs as low as possible. We would like to get together with you again near the end of the contract year and review our performance and costs with you.

Thank you for your continued support in the important issue of employing West Virginia's severely and most severely disabled persons. Your efforts and interest in their behalf are sincerely appreciated.

Sincerely,



John P. Faris, PhD
Executive Director

West Virginia Commission on Aging



Gaston Caperton
Governor

William E. Lytton, Jr.
Interim Executive Director

September 1, 1994

Mr. Ralph Davis, Director
Janitorial Services
Shawnee Hills, Inc.
Post Office Box 3698
Charleston, West Virginia 25336-3698

Dear Mr. Davis:

I would like to take this opportunity to bring to your attention the outstanding work that is being accomplished by two recently assigned janitors to our offices located at the Holly Grove mansion within the Capitol Complex. The concern to accomplish their work in an excellent manner and the appearance of our facility has been very notable and has brought fourth many laudatory comments from the staff at the Commission on Aging. Because our building is the oldest building within the city of Charleston, we receive a number of visitors, and you can be assured the efforts of your staff are noticeable and appreciated.

Sincerely,

A handwritten signature in cursive script that reads "William E. Lytton, Jr.".

William E. Lytton, Jr.
Interim Executive Director

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