

MEETING MINUTES

August 20, 2010

GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED

The meeting was called to order by Chairperson Penney Hall at 9:00 a.m. August 20, 2010 at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

ATTENDANCE:

Committee: Penney Hall (Chairperson); Everette Sullivan; Brenda Bates; Jan Smith; Phillip Mason; ; Jan Lilly-Stewart; Mike Sheets, Executive Secretary; Carol Jarrett, Recording Secretary.

WVARF Staff: Greg Raber, Chris Miller, Sherry Briggs, Leona Huffmann

Absent: Jan Smith, Mike Sheets

Guests: Bob Johnson, Nicholas County Workshop
Debbie Birthesil, Green Acres
Craig Greening, Jackson County Development Center
Mark Crockett, Jackson County Development Center

COMMITTEE CHAIR REPORT:

Penney, are there any corrections to the previous minutes?

MOTION #1

Everette moved to approve the minutes of the previous meeting. Phillip Mason seconded. Motion passed.

EXCUTIVE SECRETARY REPORT:

Greg Raber gave the report for Mike Sheets since Mike was unable to attend today.

\$5,055.00 – Annual Allocation
151.04 – Disbursement
41.30 - Transfer Out
\$4,862.66 – Balance Remaining FY '11

EXECUTIVE DIRECTOR'S REPORT:

Greg, I have been doing some upgrades in the office regarding software and a copy of the report I will be giving to you during this meeting.

This Tuesday, Preston County Sheltered Workshop had an open house. Within a year Preston County has built three new buildings. This contract they have with Superior Fiber and they have hired 16 people. They have two shifts and will be going to their third shift soon. I was very impressed with what they have done. Preston County has increased \$800,000 and they have employed 22 clients and now they have 64 clients.

In Preston County, Reedsville they make pallets, they also have Mylan Pharmaceutical and Superior Hydraulics. I just wanted to share that with you.

Phillip, I will try to check that out Greg.

Greg, it is really looking good. They have the ball rolling in the right direction. They are very successful considering where they are located. Most of their Board was also there and it was really nice.

CONTRACT PRESENTATIONS:

Sherry, we have no new ones to present. Insurance Commission asked for an audit for Martinsburg and Big Chimney. We have change orders for these. It is a decrease in their space.

Beckley stayed the same.

Penney, we had already approved the Martinsburg; however, Big Chimney was not. Anything at 2,000 and over we have to look at it and Big Chimney was over that. Big Chimney changed, they had 6,000 square feet and they originally maintained two floors and now they maintain the bottom floor only.

Penney, annual was \$6,788.00.

Greg, it was around \$8,000.

Everette, who was the contract with?

Penney, Goodwill here in the Kanawha Valley.

MOTION #2

Everette made a motion to approve the changes. Phillip Mason seconded. Motion passed.

The next one they changed was DOH in Summersville. They were requested by DOH and they had been stripping and mopping the floors for free and now they are charging. It is 12,977.04 up from \$9,000.00 which now includes the stripping and waxing.

Sherry, this increased workload by an hour.

MOTION #3

Everette made a motion to accept the price and Phillip Mason seconded. Motion passed.

Sherry, ABCA Warehouse in Nitro, 500 square feet has been added to their contract.

Commodities – Survey Stakes, as soon as the contracts were approved, there was a demand for them, see items 121 – 137.

Penney, they all fall at 33% and 40%. They all fall below what Purchasing would accept.

Greg, the other item, Low Impact Monitoring. After approval of the WVARF10 commodities pricing I was contacted by several CRP's concerning the decline in price of the Low Impact Monitoring. I had thought that the person I had contacted to develop new prices had spoken to CRP's concerning the decrease; however, this was not the case. I was asked to look at this line item again and in reviewing the spreadsheet that was used. I found that two cells were not being captured in the total price. The minimum wage increase that occurred was not taken into account and several supplies that are needed on this contract were not included either. Therefore, I ask that the Committee approve the pricing that is being presented to the Committee at this time. The old price that is listed is the WVARF04 price. Also listed are all the CRP's that are listed as service providers.

On the Survey Stakes, items 121 through 153 needs approved. These items were on the WVARF04 contract and were for some reason left off the new pricing. Specifications also need to be added to the contract.

See #152 Low Impact Monitoring - old price of \$35,180 – New price \$45,030. Just about 28% increase. Also \$153 Associated dispatching Service – old price of \$53,292,600 – New price \$63,875,978.

Penney, is there a reason there is a list in there? I would like to take that out of the contract. The same thing with the Survey Stakes. I think it just muddies the water. Why are we listing all the CRP's?

Greg, Survey Stakes specifications, I would like those included as well.

MOTION #4

Jan Lilly-Steward made a motion to approve Survey Stakes. Everett Sullivan seconded. Motion passed.

Sherry, I went to Gateway Industries this week to develop pricing. What I have to present is vinyl aprons and drop clothes to sell these items to Fed's through NISH. A soldier is in Afghanistan and was amazed the Fed's are bringing that from Ronceverte (his hometown) drop cloths with ANG through Gateway Industries. Also vinyl aprons through Gateway.

Greg, there is also a different apron on the contract. Cost of the aprons is \$4.83 came down from \$6.00. Cost of the drop cloths is \$3.93 came down from just over \$5.00.

Greg, there is nothing we can find on these that the state is purchasing. We are going to talk with agencies to see if there is a need for them but Gateway wants to have these.

Brenda, do we have anything from purchasing that this is a new commodity?

Penney, we want to add to the contract, we want specifications, sizes, etc. for that.

MOTION #5

Everette made a motion to put these two items to purchasing. Jan Lilly-Steward seconded. Motion passed.

Penney, as you know in June we approved pricing for the Data Management contract and submitted to Purchasing knowing some line items were over 40% that Purchasing said they would approve. Dave Tinchler sent a letter saying they could not approve the contract because it didn't fall within the parameters.

Guest – Craig Greening, today we have nine people making well above JCDC's wages without disabilities working on this contract. DHHR and DOH – pricing was developed in 2003. Minimum wage went up since that time. Our wages went up 40% as well. Purchasing went up to 46%. We have lowered the wage of our workers to be below 46%. We are not going to see an increase in three years. This is the maximum they will get.

This entire process is long and drawn out and lack of communication is a challenge with what Purchasing wants. It is less than 46%, 40.7% actually. In seven (7) years I have been allowed less than 6% in doing business. We have new pricing and we are asking the Committee to do that.

Everette, do we have any input on this type of information. Where are they going to reduce wages? Does this Committee have any authority to do anything about it?

Penney, when we sent pricing to Purchasing I included the fact that when the original contract was done in 2003, six or seven years ago was less than minimum wage. They are all making minimum wage. I tried to make a case for the pricing.

Greg, we are set for this price for the next three years. When the minimum wage went up, we just thought the CRP's should eat that amount. We have our labor, commodities so I think in the future if it is a minimum wage increase that we not only do the janitorial contract but go into the commodities contract as well.

Penney, Data Management is not commodities, it is a service.

Craig, because it was not janitorial they are services priced as commodities to get to the price it is a service technically, services put through as commodity.

Brenda, if we understand that when we have a minimum wage increase not just the janitorial but getting this through is possibly the best we are going to do.

Craig, Purchasing has taken on these contracts and they have told us we have to hold our prices for three years.

Brenda, I think when the minimum wage changes, we will have to deal with that.

Phillip Mason, seems to me there is a reason to call it minimum wage. I think we should do whatever to get the minimum wage.

Brenda, we are doing that if we accept this as Craig is giving to us, it would be minimum.

Phillip Mason, won't any contract be superseded by Federal law?

Everette, it is the law, we have to pay minimum wage.

Guest - Mark Crockett, we have to pay minimum wage.

Everette, it hurts me to think we would reduce minimum wage.

Craig, most people right now are around \$8.00 and \$8.50. Come January 1, the wage is around \$9.60. Within the next three years that is the most they can earn.

Brenda, you have built in \$1.10 increase. They will not get an increase. They are making \$8.50 now and they will be making \$9.60 in three years.

Guest – Mark Crockett, we like to pay \$9.00 and go up to \$9.00 + and experience. We don't want to fight a battle; we just want to move on. The wages for three years, we started \$12.20 that came from State for Data Entry. That is something we are not going to be able to do. At \$9.60 we are going to be in the 90th percentile. We don't want to fight over it, but we do not want to be greedy. To lower the prices we took out of wages. The state has taken that position and Purchasing is taking a real hard line.

Everette, do we have to make it a three year contract?

Greg, yes

Everette, they won't make anything less than a three year contract?

Phillip Mason, I have a concern, even if we don't win we need to make a statement. In 1972, I was making about \$10.00 an hour and we are being forced into paying so little. Even if we don't win, we need to make a statement.

Everette, we should be looking somewhere else and not at the wages.

Phillip Mason, if we fight back and allow wages for qualified people to be so low then we will be disappointed people. Is there an expression of unhappiness?

Greg, yes and I think Penney is going to put in her letter, statistics, etc. to express our unhappiness.

Phillip Mason, maybe a request to revisit perhaps a one year contract or revisit after the one year.

MOTION #6

Phillip made a motion for new prices for Data Management. Everette seconded. Motion passed.

Craig, the health care plan that has passed for over 50 employees, we have to provide insurance. Because you are not for profit they are exempt and you do not have to provide that. I think this would be such a shock to the system. We do provide health care. Between now and then there is going to have to be a lot of ground work done.

Jan Lilly-Stewart, are they currently receiving insurance from you or do they have Medicaid insurance?

Craig, it is a mixed bag, some are getting SSI. One of the nine people on this contract is on SSI. We have 75-80 that we issue checks. If the state has a 'no insurance mode' I am not sure what will happen.

Chris, I think non-profits will get a rebate.

Craig, I am getting with Rockefeller's office to get additional information.

Jan Lilly-Stewart, website is Healthcare.gov. I am also going to talk to some people about this. I think it is a good idea to lay the ground work.

Bob Johnson, we have 80 employees and there is no way they could afford this cost.

Penney, after our last meeting we talked about bottled water and the solution and I was going to ask our Attorney to look at this solution. Immediately after our last meeting I was in the hospital for a week. When I got back to the office our Attorney was gone for two weeks. I asked him on Monday about it. The Department of Administration has been served a subpoena and our Attorney has been quite busy with that.

CONTRACT COMPLAINTS:

Leonna, Melissa Jordan is happy with Upshur County. DOH is also happy.

Penney, we need to follow-up on that for the next few months. Sherry did have an appointment to go back up but had to cancel.

Leonna, everything is good. There were several issues there. Ms. Adkins was unhappy with workers not showing up. It was a part-time worker. Goodwill wants a time clock. So far they are happy with the part-time people.

FINANCIAL REPORT:

Chris, we are in the process of our audit right now. Total sales FY2010 is \$12,713,066.

As of July 31st. over 60 days accounts receivables were \$371,638 or 20.58% of total receivables. A big part of this is General Services. Nothing to report on the Balance Sheet. On the Income statement new security is a new server (Peachtree). When I printed off the Income Statement I was having some computer problems. We have had a lot of changes in the new version. Under 930 ADM – Prior Year Funds Carryover for the year (\$84,203.00).

Jan Lilly-Stewart, at the June meeting did you get a financial annual report?

Penney, they have an independent audit done and we get copies and information on that.

Chris, we get information to the Auditors in July and they have it back to us in October and we will then get a financial report. They are working on that right now.

Phillip Mason, are we on track or how do we compare?

Chris, look at 2nd page of the report, receivables and over 60 is 20.58% and I look at the '08 and '09. If we eliminate the General Services which is two invoices and take that out of the picture then it is a lot more favorable.

Penney, I will be taking those numbers downstairs to General Services to get some information.

Jan Lilly-Stewart, does General Services owe this?

Chris, the total amount they owe for this which is for several locations for the Capitol, Weirton, Clarksburg, etc., which is actually state owned buildings.

OLD BUSINESS

Penney, you were sent the Quality Assurance. Handout was given to all Committee members.

Penney, Level One – Informal Complaint

When a state spending unit experiences a problem with a janitorial or grounds maintenance contract the problem should first be addressed with the on-site supervisor and/or to the community rehabilitation program (CRP) executive director.

If housed within a state owned building the problem needs to be reported to the General Services Division (304) 558-2317. If the problem is such that it is endangering the health or safety of employees, workers and/or visitors level two procedures should be followed. Within two business days of receiving the complaint the CNA should speak with the CRP executive director about the complaint and to gather details from him/her. Within five business days of receiving the complaint a CNA representative will make an on-site visit. If you can resolve the problem then the CNA will continue to monitor the situation for another three months. If the problem can't be resolved then the CRP has to do a plan-of-correction which is to be submitted to the CNA within ten business days. If a satisfactory plan-of-correction is not received by the Committee within ten business days, the Committee may make the determination to remove the contract(s) from the CRP. If the spending unit is still experiencing problems after the plan-of-correction has been implemented and in process for three months, the Governor's Committee chairperson or a representative along with the CNA executive director or a representative will meet with the agency to determine the reason(s) for the continued problems and it will be determined if that complaint is substantiated. The agency has to have the exact nature of the complaint and how was it reported.

Phillip Mason, I think the word 'MAY' is permissive. Basically we can learn that by discussion. What's on paper does not tell the full story, it doesn't require us.

Everette, if you change from 'MAY' to 'SHALL' then you have.....

Phillip Mason, I like the idea of 'MAY' – gives you the judgment.

Brenda, I like it also. I like the time limits as well.

MOTION #7

Everette made a motion to approve this procedure. Brenda seconded. Motion passed.

Sherry, Activity Report has been adjusted. This is only for the 4th quarter. I think there needs to be a line on there that shows for the year.

Penney, we have no one over the 75% on the Ratio Report.

Public Comments:

None

NEW BUSINESS:

Penney, we will not be meeting next month which was scheduled for the 17th of September. The next meeting will be October 15, 2010.

Bob Johnson, our CRP is hosting District 4 in Nicholas County the 8th.

MOTION #8

Everette moved to adjourn.

Philip Mason, is there someone there from Green Acres that would like to make a comment?

Debbie Birthesil with Green Acres, I have been working on that about a month and I am hoping it is improving. I have not been involved in that in the past but from now on I will be.

Penney, things have improved drastically.

Phillip Mason, I was in Pittsburg yesterday and was on I-79 and stopped at the rest area and it was so clean. The individual who was manning the desk was very diligent in answering questions. I think he did a terrific job. It was nice and clean and smelled good also.

Penney that individual is a Tourism employee.

**WEST VIRGINIA ASSOCIATION OF
REHABILITATION FACILITIES**

LAST SIX MONTHS' GROSS REVENUES

Feb '10	Mar '10	Apr '10	May '10	Jun '10	Jul '10	FY 2010 Year-to-date*	FY 2009 Total *
\$1,024,591	\$1,057,704	\$1,197,277	\$1,110,531	\$1,123,435	\$1,089,296	\$12,713,066	\$12,012,757

AGED RECEIVABLES AS OF JULY 31, 2010

Current	31 -60	61-90	90+ Days	Total
\$1,087,641.57	\$482,124.10	\$213,098.43	\$158,539.74	\$1,941,404
		\$371,638		
56.02%	24.83%	10.98%	8.17%	100.00%
		20.58%		

Comparative Figures (Acc. Rec. Over 60):		
	61 +	% of Total
7/31/09	\$52,829	4.74%
7/31/08	\$156,059	10.80%

Advanced Guaranteed Payments made to CRPs:

Jul '09 – Jun '10 \$2,462,345

* - Fiscal Year runs from July 1 - June 30