

MEETING MINUTES

May 15, 2013

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. May 15, 2013 at the WVARF office located at 400 Allen Drive, Charleston, West Virginia.

ATTENDANCE:

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

WVARF Staff: William "Bill" Monterosso
Cyndi Auth
Mark Jackson
Gary Wolfe
Aaron Jones

Absent: Jan Smith attended by Conference Call
Brenda Bates attended by Conference Call

Guests: Carla Cleek, Division of Rehabilitation Services
Cheri Bever, Goodwill Industries of Kanawha Valley
Greg Morris, Pace

Mr. Green:

- 1) Status of 4.1% for 2011, 2012 and 2013.
- 2) Annual Report for 2012.
- 3) Status of the two CRPs that is delinquent on the report. Now they are 15 days late and it will be 30 days late at our next meeting. Hancock and Clay Counties, what is the status of those?

COMMITTEE CHAIR REPORT:

Mr. Greene, do I have an approval of the minutes from our last meeting?

MOTION #1

Ms. Smith moved to approve the minutes. Ms. Bates seconded. Motion passed.

Ms. Cleek, at the last meeting you were going to ask Purchasing if they had approved the extension of those contracts. Was that approved?

Mr. Monterosso, yes it was approved.

Mr. Monterosso, we had a lot of discussion last meeting regarding the renewals and when the contracts are set up so I think a better use of our time because we have spent a lot of time looking at the renewals and looking at the contracts is to have Cyndi go through those contracts because they were rather lengthy. I would like to give up some of my time to Greg Morris as we have a potential issue with the state use program and he wants to shed a little light on a particular situation that he is facing, so I would like to give him five minutes of my time if that appeases the Committee.

Ms. Auth, it was asked earlier about the extensions with the contracts. Bill met with Mike Sheets with Purchasing and they went through those and there were no problems with the extensions. We put together what we understood would be the documentation that would be needed by the state agencies to do that and have sent out the majority of the packets. We did have some questions come back regarding that and there seems to be maybe some discrepancies between the different agencies as to how they process and do those extensions. It wasn't a renewal but really a contract extension for six months and we did consult with Mike regarding that. One of the things I have today that you all voted to extend the contracts and you supported that and what I wanted to give you today was really a listing of all the contracts and it is the same pricing and it shows the same pricing from last year. It will just be a six month rather than on 12 months but has each one listed individually. My question to Cedric is to have a couple of the documents that we would normally send through on a contract, we have been receiving some release orders back from the agencies that they have been processing them based on the documentation that we sent out which was a service agreement, purchasing affidavit and the letter requesting the extension. We have had a couple of discussions like Fair Market Price (FMP) and some regular contract things. The reason I am putting this out is for those that requested that whether we could arrange a time that we could accumulate those documents and send that to them or we just need to.....again I don't know if there is discrepancies between the different agencies on how they would process extensions – that they would want that rather than the documents we sent. I am kind of clarifying that at the moment and then giving you this listing of our proposed pricing which is the same as last year so that you could have that before you to say that if they are requesting the FMP letter or those types of things, would that be appropriate, then we would accumulate those documents for Cedric's signature? Again the majority and Mark and Gary can speak to this they have been in contact with the agencies and the majority has been sending back the service agreements and the release orders fine, but we have had a few that are asking for more comprehensive documentation.

Mr. Arrick, what are they asking for, you say some are processing them differently and I don't understand what they mean by that?

Ms. Auth, my understanding is they were looking at FMP letter. We have the service agreement and summary sheet and those were the two we didn't really send as part of the original contract so we are sending the service agreement to extend it along with the letter requesting the extension and the Purchasing affidavit and addendum. If you feel that is all they should need we will continue to work on that avenue. My thing is because we are getting up to the time where that needs to be processed I wanted to put this before you to say these are the exact prices and they match last year's prices to say if for some reason something is needed it just covers our base.

Mr. Arrick, I think that is all you need.

Mark, from what I understood from the state agencies they want to make sure that the Governor's Committee is good with what we are doing.

Ms. Auth, we have the signed letter from Cedric to Mr. Tincher that we have been able to send out as well. So I have basically given to you to see if you have any concerns. (A copy listing those contracts were handed out to all present).

Ms. Smith, I don't seem to have that.

Ms. Auth, I will send that to you. Fairmont State is not on this list, I have talked to Jan and they are going to be adding a new building and so the decision will be made to actually present that contract next month.

Ms. Auth, it was brought to our attention that the quarterly report had not been presented for the last quarter. We do have a copy of that to distribute. There are two CRP's whose information is not yet in and we are working to do that and when that is completed we will forward that. Questions regarding the report, the direct labor ratio is at 84% comprehensively, no CRP is below 75%. I have a question regarding this report, is to look at the meaningfulness to this Committee, are there any suggestions or needs to tweak this report or any additional information you would want going into the next fiscal year. If there are things you want looking at next month's meeting to be able to let us know we can present that and begin implementing that for next year. I just wanted to begin that discussion this month to say if there is any particular need of this Committee that is not represented on this form that we would like to have that dialogue to make sure it is as meaningful as possible.

Ms. Smith, are you going to forward that to me also?

Ms. Auth, yes

Ms. Bates, and to me too, I think that kind of brings up an issue, we got two out of three on the phone. Anything we look at as a Committee really needs to be emailed out ahead of time. I was on my way there and had to come here because of an issue so it really is important for us to be able to look at things ahead of time.

Ms. Auth, certainly

Mr. Greene, looks fine to me.

Ms. Bates, we are at 85% overall, is that correct?

Ms. Auth, yes

Ms. Bates, and which two CRPs have not reported?

Ms. Auth, Clay County Services and Hancock County.

Mr. Greene, when were they supposed to have reported?

Ms. Auth, I think the understanding is the end of the month, so it would have been the end of April.

Mr. Greene, I guess it was brought out by Brenda last month about the annual report, is one done or not?

Mr. Monterosso, I believe 2012 was not done so we are combining 2012 and 2013 and I can give you an answer in 30 seconds if both of them are done.

Mr. Greene, would you check and see as there may be a requirement in the RFP, in the contract that this needs to be done. It may be a requirement.

Ms. Bates, I think it is a requirement in the statute; it is not a requirement in the RFP. The requirement, I think is in the Statute of the CNA and the Committee to present an annual report that would go to the Legislature and the Governor's Office. I believe that is correct.

Mr. Greene, Bill if you would check the status of that, the annual report of 2012 and the only other question that came up was how is it that you spent the 4.1% and do you have a document or something to produce to the Committee.

Mr. Monterosso, how we are spending the 4.1%? It is part of our budget, I can lay that out. One of the things regarding the holdup of the annual report is the cross over with the financial, so that will all tie into the 4.1%, how we are utilizing and how it is being spent and plans to utilize it from this point forward.

Mr. Sullivan, I think Mr. Chairman the question that Brenda had was for two years they had a surplus and it wasn't accounted for.

Mr. Greene, is that correct Brenda?

Ms. Bates, yes, we had two years of a surplus, Everette remembered it was \$42,000 one year and \$37,000 another year. But there is quite a bit of money out there that was never accounted for in terms of the surplus. We need to know what was done with that.

Mr. Monterosso, when Aaron and I met with Suttle and Stalnaker I had brought that up and looking back the surplus and being able to identify and track exactly how much it was and then trying to find where it was allocated in that budget for last year let alone moving forward. Moving forward is easier. But looking back and trying to interrupt how it was spent or utilized I am not going to say it is impossible, I will look at that and have been looking at it and we will make sure that we give you a satisfactory explanation. At first blush it's not unlike any other business, you are going to have an anticipated budget, you are going to receive more than you anticipated, some years you might spend more than you anticipated and you should be able to carry that over. The Governor's Committee wants to know, doesn't necessarily have an issue that there was a surplus as much as how it was utilized.

Mr. Sullivan, I think it might be helpful that Greg said he was going to use it for training, that might give you an idea of where it might have gone but I don't know Bill if that happened.

Mr. Monterosso, Greg Raber was here 2010.

Ms. Bates, one of the issues that came up in my mind is, Bill presented a budget that says they had a negative balance and every budget that is projected is based upon the 4.1% not upon any 4.1% + the surplus. I have a concern that the budget has been presented that has a negative balance when the projected budget was only on the 4.1% and then it doesn't show how the surplus was spent. I think that is the issue as we go forward.

Mr. Greene, Miss Carol from now on based on what Bill tells us, I will tell you things that I want in the minutes at the very beginning – old business, new business that is entertaining, but that doesn't help me at all. The questions that I am about to propose back to Bill are the ones I want to see at the beginning of the next meeting. At the next meeting when we all sit down we will all know the first three things I am going to talk about.

- 1) Status of the 4.1% on the 2012 and 2013;
- 2) Annual report for 2012; and
- 3) Status of the two CRPs that is delinquent on their report. Right now they are 15 days late so when we come back to our meeting next week they will be over 30 days late if it hasn't happened. That will be Hancock and Clay. We will be asking what the status is of those two.

Mr. Greene, Greg Morris with Pace has something he wants to share with this Committee.

Mr. Morris, thank you for a couple of minutes and let me apologize for what I want to bring up. I just learned as of yesterday afternoon and I think it is something this Committee and/or Purchasing may want to know about. We need your intervention to help sort out.

It has to do with Workforce West Virginia. We had known when this service was put on the State Use contract that they had an existing contract with Knighthorst Shredding. We believe it is mostly a statewide contract and I don't know how many offices specifically but that contract was in place at the time this service was put on the contract and we knew that it expired June 30th so we have been waiting patiently for that contract to expire. We had actually initiated contact with the Workforce office in October of last year just trying to plan for the transition so that it was seamless and painless for all offices. I should also say we are actually already servicing two of the Workforce WV offices in Huntington and sporadically a couple of others. After some back and forth from my marketing people I learned yesterday afternoon that I believe it is their central procurement manager, Debbie Morgan and I believe her office is here in Charleston, indicated that they have established a new policy that is requiring on-site shredding. This was the first we learned of it and I should say that it is not a valid, it is not a more secure, and there are no advantages inherently in that process. It is arbitrary and valid and it goes against both the letter but the spirit of the state use program in this service on the state use contract. It is a potentially significant issue for us because again it is a statewide contract and we can service all the offices statewide. We don't actually have the data because a lot of these are individually, they are done on the p-card by individual offices but the best information we had, we know there was at least \$20,000 and it could be many multiples of that in service that went to Knighthorst. I am speculating only but I suspect the incumbent probably provided information or fed information to the procurement office putting their services in the best light and making it easier for them to continue service with Knighthorst. Again, I will say that Knighthorst and they are an out-of-state organization; they service Tennessee, Kentucky, and some parts of West Virginia. Their services are not more secure in any way. They are not certified to my knowledge. Their process is not as environmentally friendly as what our process is and I strongly suspect that their services are more expensive than what we offer on the state use contract. Time is somewhat of the essence knowing that the contract is going to be up for renewal and that there will be a transition period again for trying to take care of the individual offices concerns.

I just wanted to supply that information and I do think it is probably going to require some sort of communication for intervention with Purchasing or from the Governor's Committee that might assure this procurement officer. I don't think and I am not suggesting that she has any reason other than what she perceives as the best interest of her agency, but again I think it is a policy that was made arbitrarily and probably not well informed and we are asking the assistance of this Committee and Purchasing to resolve as quickly as possible.

Mr. Arrick, did you say she was in central Purchasing?

Mr. Morris, yes, her name is Debbie Morgan and her office is on California Avenue, Building 4. That is the home office of Workforce WV.

Mr. Sullivan, what kind of contract do we have that you would be entitled to be the primary contractor after June 1st?

Mr. Morris, as I understand, this service is on the state use contract so any state office that needs secure documents destruction services we are supposed to be the provider of that service.

Mr. Sullivan, that is in your contract?

Mr. Morris, that is in our contract.

Mr. Sullivan, is there a problem Mr. Chairman?

Mr. Greene, we have to be careful on our approach because even though I agree with Greg that there is a contract in place I think the problem could be, we have to be careful about telling an agency what their needs are. Who are we to tell an agency that they have to.....they may have a reason why they wanted shredded as I am fairly certain what they are going to say, not that I agree with it, but this is the very first I have heard of it, it would not surprise me when we contact Ms. Morgan and if she does not say that due to the sensitivity of the documents and bla bla we feel more comfortable with the documents remaining in the basement of Building 4 rather than them going away on a truck. That is probably going to be her answer. Is that a valid answer, I don't know, then you get into the part, who are we either as the Department of Administration or this Committee or as Purchasing to tell Workforce WV, hey that is not a valid issue and that doesn't supersede their contract. I don't know.

Mr. Arrick, I know what you are saying, I would like to review this with Dave Tincher.

Mr. Greene, because the chain-of-command works that Workforce WV falls under the Department of Commerce which is Secretary Burdette and so they have their chain- of-command and I just don't know what our role is.

Mr. Morris, if I might offer, your point is well taken and we kind of anticipated this and this isn't the first time that we have or will encounter this so I think the ultimate solution from whatever that source might be is a declaration and determination that this meets any state agency's needs with regard to security. That is not really what I am asking today and it probably can't be done as quickly as what this situation might require but there is a little bit difference in this than a couple of other situations we have dealt with. If, in fact, it is an in-house the other way the state dispenses of a lot of their paper is doing it in-house where the material is kept on site by state personnel. That is a little bit different, that is sort of Department of Revenue issue, that discussion that we are continuing to have with them. This actually is an instance where they have already decided to outsource to another provider for this service and I can demonstrate beyond

industry standards practices that our process is demonstrably better, more secure if we are provided that opportunity.

Ms. Smith, I am looking on their website and what it says is that onsite shredding is done at their place of business inside their truck. They transport the bagged materials from wherever to their truck where they have a built in shredder. Could you offer that because to me that is not right within their line of vision? They are taking it out of the building and doing it in a truck according to their website.

Mr. Morris, there are different methods of disposing of sensitive documents. Any system works as long as nothing goes wrong. Our system and the reason we are certified we have many protocols because it addresses all the what if's. What if this happens – what if that happens? Our process which is plan based versus onsite shredding because it is more secure and again we can demonstrate that, I'm not sure what the analogy is whether it is a bottle of water or is it the state agency deciding which brand of water. If it is cleaning it's deciding that it needs to be this brand of soap versus that as opposed to getting the job done. The point is well taken, I understand the sensitivity of directing other agency requirement to do something but again there is no valid argument. This instance against an out-of-state contractor I suspect they have broader information by the incumbent. We would like at least the opportunity to have a discussion and engage them to put them at ease. To my knowledge they have not toured our facility or allowed us to come in and talk to them.

Mr. Greene, have you done any work for Workforce West Virginia at all?

Mr. Morris, I have meant to make this point, we are servicing and have serviced a couple of their offices for some time but this office also asked us to service our competitors containers in Fairmont and another place. It's a nonsense argument to say we can't meet their needs at the same time asking us to service a competitor's containers which we can't do. We cannot do, we would not do. It would be a violation of their security protocols as well as ours. We wouldn't recommend that to any customer. Again, if given time I could go through a boring 16 point reason why our process is better and more secure than plant based but I wasn't trying to do that here. Given that opportunity we could and we could put any concerns at ease. I think it is an uninformed invalid determination on their part.

Mr. Arrick, how long have they been doing it?

Mr. Morris, I can't speak as to how long Nighthorst has been doing Workforce West Virginia. I have their website; I know who their founders are and all that. Their contract has been in place I believe for at least a couple of years, but again it is easier to do business with whoever is doing it right now.

Mr. Sullivan, Cedric what could we do to assist Greg, could you and Greg go to Mr. Tinchler and meet with him, we would be supportive of Greg and talk to Mr. Tinchler one-on-one, would that be a fair suggestion?

Mr. Greene, Brenda what's your take?

Ms. Bates, I'm sure it is an internal policy based upon the privacy protocol and it would be best probably if 1) we talked with Mr. Tincher and then 2) we talk with Workforce and see exactly what their reasoning is, because they have reasons why they are doing it this way. If you could meet their concerns then there wouldn't be a reason why you shouldn't take over the shredding. One of the things I might do, I am on the privacy team and I may talk to Sally Milam who is the Chief Privacy Officer and see if there is reasoning's behind onsite shredding that we may not know. I know in the past being on the Privacy team there has been nightmares with agencies like DHHS where people have found papers on the highway and that sort of thing so that is probably where they are coming from. They don't understand how it works, how your system works. This is relatively new to state government. We are really hit hard on privacy and we are trying to set up and develop policies that are in line to be sure that our information is kept confidential. I think it is a matter of education and approaching it in that way, not hitting them over the head, that is how I would handle it.

Mr. Morris, I appreciate that and I don't believe this policy was in place until just recently. I think it was a determination that was made and Brenda I think you and I had an earlier conversation. I know Sally and I met with her on this exact issue well over six months ago and again we didn't reach a conclusion but we would whole heartedly endorse that privacy committee reaching that determination and understanding our process because that is actually what our certification and protocols are all about. It meets HIPPA and it meets all the federal requirements. We meet those requirements and the frustrating thing is this current incumbent does not.

Ms. Bates, I think again this is an educational issue even though the policy may not have been in effect until recently, and we as a privacy committee are developing constantly protocols that meet the privacy concerns. It is a work in progress. I think if we take that approach that may be the approach to take to Mr. Tincher and then talk with the Workforce agency to determine what their concerns are, then try to address those concerns. Because it sounds like we don't really know why Workforce elected to go in that direction.

Mr. Greene, in accordance with what you, Jan and Everette are saying this is what we will do. We don't need any motions or anything. What we will do is, Everette you make good valid points that we could very easily set back, but first thing I am going to do is have a conversation with Mr. Tincher, and in accordance with that I am going to call Ms. Morgan and caution her on doing a contract with Nighthorst. This one ends on June 30th, and I am not going to tell her what she can do and what she can't do but I am just going to caution her on the path that she may be going down. She is trying to circumvent the State Use program and we can't tolerate that because what will happen is if you don't fight for everything so to speak, slowly but surely people will start chipping away at you and then there is nothing left to chip at. If they have good valid points and I'll talk to Ms. Morgan about that personally myself because her office is just across from mine and I'll call her and go over to see her today or tomorrow and I'll ask her what her

concerns are. Whatever those concerns are I will send out to everybody and the expectation would be for Mr. Tincher to give us his thoughts and beliefs but from the technical standpoint the responsibility will be on you to answer her concerns. We would give her concerns to Mr. Tincher to make sure that they meet what she says she needs and wants. I will caution her on doing a contract with Nighthorst that quite possibly she may be circumventing the state use program but she may not have realized it.

Ms. Bates, I think it is an education issue to educate Workforce and I think it will probably resolve itself.

Mr. Greene, when you get into relationships with people and they have done it for one or two years and you know their kids and they are going to WVU and everybody is best friends – you are going to continue with that relationship whether it is the right thing to do with business or not it is – if I want to pay someone it may as well be someone I know. It is that kind of concept.

Mr. Greene, what we will do is talk to Mr. Tincher and get his general thought on it and I will speak to Ms. Morgan and have her to let me know what her concerns are and I will send the answers to everybody. The expectation is that she will answer back technically to those concerns and I will send your answers to everybody that was sent the initial one or you can send to them. It is really going to depend on Dave Tincher saying yes he can meet that requirement. To do anything other than that this agency is trying to circumvent the state use program and we just won't allow that.

Ms. Smith, I think that is really important Cedric because I have been cruising their website and there is nothing about certification, the type that I know Pace holds and even the professionalism is somewhat suspect looking at their website compared to what I know Pace does. Also, Pace being in state organization so I just hope as these discussions are going on that those things will be brought up, the level of certification, the professionalism that Pace has in the shredding industry because they have gone above and beyond to be professional.

Ms. Bates, I agree with that and I really support Greg and Pace and I think it is good that we have the conversation and educate them and once they are educated about your profits Greg and understand that you are certified all of the information is there I think then we can go back and say we meet what you need and you can't circumvent the state use program.

Mr. Sullivan, I think Cedric I don't know if this will come into play or not but from economic standpoint Greg says his is better and he is an in-state contractor and I think those two things would be something I would be concerned about.

Mr. Greene, these out-of-state companies, they are not hiring our employees.

Mr. Morris, let me just be clear that we want to build friendly relationships we are not trying to put a hammer on anybody. This is a situation that I think we need a little bit of help on.

Mr. Greene, it is the chip away concept, if you lose this one and no one looks into it, then you can lose the one across the street.

Ms. Smith, according to Barney Fife, we need to nip it in the bud. Greg has handled this appropriately, he has brought it to us and really that is what the Governor's Committee is here for to protect the state use program and its integrity and I think that is what will happen.

Ms. Bates, I think that is right, I agree.

Mr. Arrick, to follow up with what Brenda said about the education thing, I oversee the inspections group in Purchasing and I send the inspectors out to various agencies to basically do their audit. It is based on Purchasing procedures and we do see this occasionally where an item has been purchased that is available on a WVARF contract and of course we write up a finding on it but it goes back to what Brenda says, it is an educational thing, they didn't know it was on there, because they didn't read the whole contract. I think Brenda might be right when we get into this further that it is more of an educational thing.

Mr. Greene, I certainly hope so, because if it is an educational thing people will be more in tune to doing the right thing. When it is not and it is something else then you have to do the right thing because we don't want it to escalate. We have it for action. Everybody knows what they are supposed to do.

Mr. Morris, I thank the Committee.

Mr. Greene, we appreciate you bringing this to our attention Greg. It may not work in your favor but at least you have gone through the process so that we can try to do the right thing and that is what we want to do.

EXECUTIVE SECRETARY'S REPORT:

\$5,055.00 -	Annual Allocation
0.00 -	A/P Personal Expenses (Act. 001)
0.00 -	A/P Employee Benefits (Act. 010)
0.00 -	A/P Current Expenses (Act. 130)
1,244.93 -	Disbursement
<u>276.86 -</u>	Transfer Out
\$3,533.21 -	Balance Remaining

CONTRACT PRESENTATIONS:

Mark, I have four contracts to present.

- 1) Camp Dawson, Building 401B in Kingwood, WV – Preston County Sheltered Workshop. The janitorial contract was “work loaded” based on the statement of work provided by Camp Dawson at 2.09 hours @ one day per week. The contracted amount has been approved by both John Hyre and Camp Dawson. Contract total \$1,822.56 annually or \$151.88 per month.

These contracts were done on a 12-month basis instead of six because that is the way the government wanted it.

- 2) Camp Dawson Building 406, Kingwood, WV – Preston County Sheltered Workshop. The janitorial contract was “work loaded” based on the statement of work provided by Camp Dawson at 1.61 hours @ one day per week. The contracted amount has been approved by both John Hyre and Camp Dawson. The contract total \$1,232.64 annually or \$102.72 per month.
- 3) Camp Dawson Hotel (Commons areas), Kingwood, WV – Preston County Sheltered Workshop. They have a variety of different flooring and unique stuff that we need to do there. The janitorial contract was “work loaded” based on the statement of work provided by Camp Dawson at 8 hours @ 7 days a week. The contracted amount has been approved by both John Hyre and Camp Dawson. The contract total is \$34,785.48 or \$2,898.79 per month.
- 4) Camp Dawson Lawn Care, Kingwood, WV – Preston County Sheltered Workshop. This is to take care of 27 ½ acres and based on 30 weeks. John Hyre is good with a monthly fee even though the work is not every month. It is seasonal. The contract total is \$46,137.25 annually or \$3,844.77 per month.

I wasn't sure if they pay by pcard and I needed to ask direction.

They do not pay by pcard so these numbers are correct. The issue that we have and what I would like to do on the future contracts is to go ahead and put the pcard fee in and I think based on what I understood the pcard fee was approved to be put on the contracts and what I would like to do is maybe give a discount if they don't use a pcard because it charges WVARF 3%.

Mr. Monterosso, we want to give a discount if they don't use the pcard whatever the regular rate is.

Mark, we could show it that way, that way we are not losing the 3%, we would only be getting 1.1%.

Ms. Auth, is it your recommendation to put that on the fair market sheet? Both fees? Is that what you are indicating?

Mark, either do it that way so we know exactly how they are going to be paying because if we put it on the sheet but it is not with the pcard and they pay by pcard then we get charged that and really we are making only 1.1% which if we keep doing that we are going to be in serious financial.....

Mr. Greene, you are basically saying just disclose their options?

Mark, exactly.

Mr. Greene, that is fine with me. Do you see any problems with that Cyndi?

Ms. Auth, no I think he is adding it to the sheet so that it is clear so that they are not just going on that sheet as opposed to the summary sheet that may be buried several pages down.

Mr. Green, I think that is fine.

Ms. Bates, the payment with the pcard is a lot faster. And I think we allowed the percentage to be added on to the contract so it would encourage WVARF and the state agencies to use the pcard because of the payment turn around.

MOTION #2

Mr. Sullivan moved to approve the contracts. Ms. Smith seconded. Motion passed.

Ms. Auth, I had one contract just for clarification. Stream Access contract that was approved in February. We provided the pricing structure that we looked at. They do it up to a certain amount so the release order is up to \$135,000 for the year. They have requested and want their site to have additional cuttings but it is within the \$135.00 at the rate we gave them. I don't know that we need a change order.

Mr. Arrick, I think it is just a change in description, sounds like you are saying it is a new area.

Ms. Auth. no, they just want to add a couple extra cuttings like four a month instead of two a month. So would you want a change order reflecting that if it is underneath the amount that they have on the release order. The other one that is a trickier is the site that the mileage to a particular site needed to be adjusted which that would be a rate change. But it is still under \$135,000 for the release order. My concern is to go ahead and submit that.

Mr. Greene, I would do a change order just on the fact you are going from four cuts to two cuts so that everybody knows what is going on, as long as it stays under that \$135.00. At least that change order would give you some validity.

Ms. Auth, that is what took us a while to adjust to figure out how to make it work. We didn't include it in what we presented to you today but we do have that information. If you want to bring that back next month or if you want to talk about it right now on process it is what you feel comfortable doing.

Ms. Greene, I feel comfortable in whatever is the most efficient.

Ms. Auth, the rate change doesn't change the rate for the one they want to add the additional cuttings; it is just the bottom line. Randolph County serves Elkins area and the Northern panhandle and we combined them together. They used to be two separate contracts to streamline the cost of equipment and some other things when we did that, there was some adjustment with the mileage that actually went down from last year. Ends up resulting in about 700 extra miles for the year annually. It does increase their rate. It goes from approximately \$60.00 to \$62.00 per cutting. The other one is Gateway, Meadow Creek. That was a new site they added this year so we didn't know how much maintenance we would need. Originally they proposed two but they moved that up to four. The total price ends up coming in at \$134,996. Bret Preston actually contacted us and he is the one that initiated it and he is in agreement with the change.

Ms. Greene, just do a change order. Do you have the paperwork?

Ms. Auth, yes I need to do the fair market value, I just have the rate change which is all I have currently. I would have to print that out.

Mr. Greene, is there a motion to accept the change order and the rate change for the contracts that Cyndi just discussed?

MOTION #3

Mr. Sullivan made a motion to approve. Ms. Smith seconded. Motion passed.

Ms. Auth, there are no complaints at this time.

Ms. Cleek, we were to have a contract for some grounds maintenance, some grass cutting at State Surplus and was to have started in April and we haven't received that contract yet although we have been servicing that contract. We were getting a lot of complaints that the grass was getting really high and we did find a couple of snakes. I didn't see the contract on your list today.

Ms. Auth, it is not on this list.

Mr. Greene, they are doing the work because I got a phone call on Monday morning saying the people are down there cutting grass and I don't have a contract that I have signed so I said go ahead and let them cut the grass and do their thing because they are already there. Is that General Services?

Ms. Cleek, I'm not sure Cedric.

Ms. Auth, that is on the extension list so that documentation should have gone out to them. It was the same price structure. It is on the sheet we have here.

FINANCIAL REPORT:

Mr. Jones, we have been trying to establish controls and ways that we can check because we have gone from Peachtree to QuickBooks and QuickBooks handles things a little different, therefore, we have run into some issues that we are trying to resolve.

On our statement you can see as far as net assets we are down to \$66,738 but I would also like to let you know that there are some additional invoices that should be added to this that will bring it back closer to where we were last month. We had several mat invoices that she is processing right now. As you can see on the budget line we are running a little under. We should be at 75%; our revenues were at 72.77%. Our expenses were a little over at 79.91% and we should be at 75% and we are also under on our expenses on the contract side which is almost identical to the revenue. Our payables through March we have everything paid - up to 31-60 days and \$16,000 there that is due that was over 31 days. On our receivables which we talked a little about the last time - last time our over 90 was \$211,000 and we are currently at \$184,000. I sent out notices to all those individuals that were over 60 days. I sent about 66 or 67 notices out and we have gotten replies on probably 15-20. Some have already been paid; some people needed a document or whatever. So we are trying to get that down and we have reduced about 13% from last month. There is a slight difference in the detail in the GL amount of \$1,678 and I am researching that and I think it is just in QuickBooks and you pull a report and if something wasn't labeled it wasn't pulled correctly. As I have said I have been here six weeks and I am learning about your procedures, plus how things are being done and we are trying to get everything posted and get everything caught up where we have made the transition. Hopefully by next month we won't run into a situation where something hasn't been recorded. That is our goal, to try to move forward each month and try to reduce these receivables and try to present you with the most accurate reports that we can.

Mr. Greene, this is fine, this is certainly better than anything I have seen before. My question to you is what are we doing with DHHR at the Diamond Building - \$63,000 over 90 days old?

Mr. Jones, that actually went back to last year, it was like \$33,000 a month and there were a couple of months they didn't pay or something happened in the payment process.

Mr. Greene, I had a boss tell me before, when you get into the 90 day column, they are not going to pay you. What I am suggesting to you all is that at \$63,000 somebody needs to be going over to the Diamond Building.

Mr. Jones, I have the name of the contact so we.....

Mr. Greene, somebody needs to show up and say, hey you guys owe us \$63,000 here is the documentation.

Mr. Jones, there are a couple others for \$33,000 on there that is similar.

Mr. Greene, \$63,000 will put you out of business. I am just suggesting to you guys when you get over in the 90 day column, people are not going to pay you, I think you have to become more aggressive and you may have to show up unannounced. It is a public building and open to the public and you need to show up and say hey, I'm from WVARF and you guys owe us \$63,000, I just want to know what your plan is to pay us. Hold them accountable, if they don't pay you on Friday then you show up on Monday, but that is what you are going to have to do. That \$63,000 and another one for \$33,000.

Mr. Jones, we have three that make up a large percentage and we will see if we can hammer those.

Mr. Greene, under Bill's guidance, I would be showing up unannounced for those that owe \$10,000, I would start showing up.

Mr. Sullivan, do we have a way of turning that over to a collection agency?

Mr. Greene, I think you could, but I don't think the State can be sued like that.

Ms. Smith, what we did in the past, after letters were sent then a letter was sent to the head of the agency and that resolved it.

Mr. Greene, I am going to take this one back, this is IS&C and they are under my department and they owe you \$33,000 and we just need to figure out what is going on there. We don't want to be on this list because when people stop getting paid down the chain of command this is the kind of thing that hits the newspaper; we just don't want to be involved in that. We don't want to be the ones, at least our department.

Mr. Greene, any other questions? That was a very good report Mr. Jones. Actually, I am just glad you are here; we just want somebody that has the thing that hangs on the wall that says they went to school to mess around with money, that is what we want, right Brenda?

Ms. Bates, right

OLD BUSINESS:

Mr. Monterosso, two meetings ago there was an inquiry about wages and I sent that out and 19 out of 24 CRPs responded. Looks like about 369 individuals with disabilities are part of the state use program. Of the 19 to 24 the average wage comes to exactly \$8.00 per hour. It is above minimum wage and we will wait to see what the other five CRPs have to offer.

NEW BUSINESS:

Mr. Greene, we appreciate everything, we appreciate everyone's hard work. I really like this new balance sheet. Just continue to tweak it and get it to where you want it to be and I'm sure we will be perfectly fine with me. At least you are here to answer questions and we appreciate all your hard work and effort.

PUBLIC COMMENT:

None

MOTION #4

Mr. Sullivan made a motion to adjourn

COMMITTEE MEETING DATES FOR 2013

June 19, 2013
July 17, 2013
August 21, 2013
September 18, 2013
October 16, 2013
November 20, 2013
December 18, 2013