

## MEETING MINUTES

January 28, 2015

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

The meeting was called to order at 10:00 a.m. January 28, 2015 at the West Virginia Rehabilitation Services office located at 10 McJunkin Road, Nitro, West Virginia.

**ATTENDANCE:** Kim Nuckles (Chairperson); Aaron Jones, Executive Director; Everette Sullivan, Brenda Bates; Mark Totten, Executive Secretary; Carol Jarrett, Recording Secretary.

Attended by Conference Call: Jan Smith, OP Shop

WVARF Staff: Aaron Jones  
Mark Jackson  
Gary Wolfe  
Roy Woodard

Guests: Debbie Birthisel, Green Acres Regional Center  
Devin Slone, Green Acres Regional Center  
Joyce Birley, Goodwill Industries of Kanawha Valley  
Michael Hagg, Hancock County Sheltered Workshop  
John Hyre, Preston County Workshop  
Carla Cleek, Division of Rehabilitation Services  
Jim Womeldorft, Job Squad, Inc.  
Brenda Hellwig, Job Squad, Inc.  
Terah Klein, SW Resources  
Stephen Dickerson, Mercer County Opportunity Industries  
Jack Holcomb, Precision Services

ABSENT: Phillip Mason

#### **COMMITTEE CHAIR REPORT:**

Ms. Nuckles, this is a very large group and I want everyone to introduce yourself as some of you I do not know. Please state your name and where you are from. I am Kim Nuckles, Chair of the Governor's Committee and Coordinator for Americans with Disabilities Act (ADA) for West Virginia.

Do we have a motion for approval of the December minutes?

#### **MOTION #1**

**Mr. Sullivan, Madam Chairman, if there are no objections or corrections to the minutes I move they be approved. Brenda Bates seconded. Motion passed.**

Ms. Nuckles, we are going to jump right in on the consideration of Fair Market Price Determinations listed on the agenda. This is actually my mistake, we are going to add one to the agenda and I would like to try to do these agendas at least five days before the meeting but I have had lots of emails and calls of requests to be on the agenda so I have waited until the last minute just trying to really focus and get on here what we needed to get on here for now.

I will talk in a little bit about what I plan to do in the future in terms of addressing concerns of those folks who are here – not on the Committee and what we can do outside of this meeting, we will talk about that in a little bit. What we are going to add as (d) on the agenda is the Lottery building. I put Gary Wolfe and Mark Jackson on here just to go through these and it can be either/or but I wanted them to have an opportunity to talk about it. What we would like to do first is go ahead and make a motion for the Division of Highways, District 6 Headquarters and I do believe that I emailed this contract and then maybe in December when I received the LeSage Water and the letter and the contracts about the laundry service item, water, etc., to the rest of the Committee members and if anyone hasn't received those let me know but I think I have emailed everything. Jan, did you receive those?

Ms. Smith, yes I did.

Ms. Nuckles, I would like to make a motion for us to address the Division of Highways, District 6 Headquarters.

Mr. Wolfe, I am going to let Mark do the Division of Highways and I will do the report.

Mr. Jackson, the DOH, District 6 Headquarters which is in Moundsville called to ask if we could give them a price of cleaning their building. They were in the process of actually hiring a janitor or have WVARF do it. They called us back and they wanted us to take care of the whole thing. The billing rate for that would be \$3,543.36 per month and that would equate to \$1.84 per sq. ft. per year. That was based upon their request, scope-of-work and their assessment.

Ms. Nuckles, this is brand new?

Mr. Jackson, yes this is a brand new business.

Ms. Nuckles, does anyone have any discussion

Ms. Bates, is that the only new one?

Ms. Nuckles, yes

**MOTION #2**

**Ms. Bates, I move that we accept the contract as presented. Mr. Sullivan seconded. Motion passed.**

Ms. Nuckles, bear with me, these are new to me and they are not easy, I have to be honest, they are actually quite complicated.

Ms. Nuckles, this is somewhat out of order, but in terms of change in contract, and Gary is going to talk to us about the Lottery building. This is the one I think where there is a change order in place because they actually have three (3) less floors to clean and they requested a change.

Mr. Wolfe, it is the West Virginia Lottery and it is a 13 story building and we were called by Becky Jones for a reduction in floors 7, 8 and 9. They are going to take it out for remodeling, so it will come back eventually but right now they are not using it at all so we have taken it out of the contract. We were able to go over the assessment that we had recently reassessed and we just took the numbers off 7, 8 and 9 and reduced it and gave those numbers to Mark. We didn't have to change the scope in any way. This information was given to Joyce from Goodwill and Mark worked up the new numbers. The numbers are for the monthly rate of \$13,482.06 per month and that is a deduction of about \$3,000.00 a month. I passed that on to Goodwill and Joyce was able to take a look at it as well as West Virginia Lottery and they both agreed on it.

Mr. Sullivan, I would like to ask a question for information only. Gary, how do you reduce the rate down to \$3,000.00 a month?

Mr. Wolfe, it is based on the assessment as well as the scope-of-work. In this case the scope-of-work didn't really come in to play and this is probably the most complex assessment we have on this 13 story building. It shows the type of flooring and how it breaks down per floor so in this case I have one for 13 floors and I just go to the 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> and I take those numbers which will tell exactly what is on it clear down to how many trash cans are on the floor, how many fixtures, what the square footage is in carpet, ceramic tile and then Mark goes back and plugs that in to the spreadsheet and it automatically reduces it. That's how we come up with it.

Mr. Sullivan, you have everything scientific, good job.

Ms. Nuckles, Everette for future reference I have been a part of this process as I have reviewed these spreadsheets and anytime you want to see how they get to what they get to I want you to see it. So, if you need something let me know and I will get that for you. From what I have seen it is very technical.

**MOTION #3**

**Ms. Bates, I move we accept the change in the Lottery contract. Mr. Sullivan seconded. Motion passed.**

Ms. Nuckles, do the Committee members have the letter that I sent about the list of items that we are requesting to be added to the State Use Program? It is basically new products.

Mr. Jones, we have discussed this in prior meetings several times with Green Acres and Devin and Debbie with Green Acres are here with us. It had been requested that we come up with a size bottle that was more like a standard, the 16.9 oz. instead of the 20 oz. In so doing Devin has gone in and developed the bottle and he actually brought it to our meeting a couple of months ago so we could all look at it. We currently sell the 20 oz. bottles, 20 in a case for \$10.13. That size has been used for several years. We want to present this bottle, and Green Acres has put this together. DOH has requested this on several occasions because that is what they go out and buy but what Devin has been able to do is actually take that bottle and decrease the thickness so that it is not a costly item so the bottles that he has presented will actually decrease the price to \$9.74 a case and being that size bottle we are able to do 24 in a case, so overall if we do away with the 20 oz. which is the direction that we were instructed to head in and we will be saving the state .39 a case and we will also be providing them 6 oz. more water per case. They are ready to go with it and the 20 oz. bottle basically is being phased out and the only question that we had on it was the state parks has requested that bottle with the fancy label or do we want to redesign that label and update it and that is the only issue we need to do and we will probably have to go to DNR to get that approved. The 16.9 oz. bottles are ready to go and with the Committee's approval we would like to present that for consideration. The Committee has been aware of this for several months as they have discussed it in the past.

Ms. Bates, are we moving down to the 16.9 oz. bottle and not selling the 20 oz. bottle anymore?

Mr. Sloan, the primary reason that we moved to the 16.9 oz. was this very group. We are going to phase out the 20 oz. bottle. It has been a problem to come up with a new label. I have some ideas and whoever I need to get in contact with because I really need to get that going because I have received no funding for that at all. We are promoting the State of West Virginia but we get nothing in return. We can't say where that came from or what the original price was and it has been like this for about 15 years.

Ms. Bates, I remember the discussion and part of the reasoning when it was discussed before was that they basically advertised West Virginia for DNR like a West Virginia label rather than just a LeSage label and the discussion came up that there is no reimbursement for that – no incentive for that. Then we went from 20 oz. to 16.9 oz. and one of the reasons I was asking regarding the 20 oz. the Randolph-Sheppard vendors use the 20 oz. bottles. I am the Randolph-Sheppard person too so it is better actually if they go down to 16.9 oz. as there is no competition involved there.

Mr. Sloan, the reason we went to 20 oz. to begin with was because of vending machines at the roadside rest areas, as the 20 oz. bottles had to be thicker to go through their machines.

Ms. Bates, the 20 oz. bottles are through our sub-contractor for Randolph-Sheppard or through the Randolph-Sheppard blind vendors and they can choose where they want to buy their water. Usually it is where they buy their drinks from.

Ms. Nuckles, so you are phasing out the 20 oz. bottles? I'm curious, who designed the 20 oz. labels?

Mr. Sloan, the department that designed the license plates, the office which is close to Yeager Airport here in Charleston. We came up with the idea of instead of giving a brochure when you stopped at a State Park; why not put the brochure on the bottle (1-800 Travel West Virginia) on the bottle. That is how that transpired. Ironically, even some of those don't even get water so we are promoting the ones that don't even have water and then there are others that do get the water and they are not on there. We need to try to come up with an idea that will help everybody. That is the idea behind the new labels. The old ones were obsolete obviously.

Ms. Birthisel, Aaron if you remember back in October you and I and Mike Sheets were in a meeting and we were running out of them and Cedric said just let them run out and go ahead and put Green Acres labels on there so I was kind of surprised when he told me that Joyce had called saying that they wanted the state labels when we had used up all the ones we had and didn't have any more printed.

Mr. Sloan, when Cedric was here he was in favor that we just stick with the LeSage label which is good for us.

Mr. Jones, unless someone was willing to design and pay for it.

Ms. Nuckles, what is the cost?

Ms. Birthisel, 4.3 cents per bottle up to 6 cents.

Ms. Nuckles, would you put the labels on – like the guy was doing that when I was down there – it was unbelievable, it was one bottle at a time and he was on it too he was very good, that was awesome.

Mr. Jones, is there a demand for that label?

Mr. Sloan, we got an order for 30 cases from Pipestem.

Mr. Jones, they were willing to go ahead and take the regular label because we explained we were in this change over process so we don't have the labels, but they wanted them.

Mr. Sloan, we need for somebody to say we are going with the state label which I have no problem with or my label like we discussed before.

Ms. Bates, bottled water is what's on the contract. The label should be between you and the state agency as far as I'm concerned. If you want to charge them a little more with a different label, if it is more to do a label for a park than your LeSage label then couldn't you add the cost on to that contract?

Mr. Sloan, that changes the specifications.

Ms. Nuckles, tell me what it is for the LeSage label again.

Mr. Sloan, I could put individual labels – Babcock, Pipestem, whatever on there but it is going to be quite an expense. I don't really have that break down but I can do that. It will be a difference of about 2 cents.

Ms. Nuckles, can you get me what it is going to be for LeSage and what it will be for the State Park?

Ms. Bates, the bottle is not the problem, it is the label that is the problem and that has to be included on the contract. If people want to choose to pay less for the LeSage label they can do that and they could pay more for the one for the state.

Mr. Sloan, it is going to be quite an expense.

Mr. Totten, out of curiosity are these bottles put in vending machines and sold to parks or are they given out to guests?

Mr. Jones, they give them to guests and they also have stores at the parks. On Monday I just heard that Keith Burdette, Cabinet Secretary, Department of Commerce had made a tour of every state park in West Virginia. Cedric had told us before he would try to get us in contact with the Secretary who could help us with the bottled water in the state parks. My suggestion was that maybe we could get in touch with him now that he has made that complete tour if we could add that label and whatever they might want to see on that water going forward.

Mr. Totten, are some sold at the stores at the parks and some may be like a bottle that is in your room?

Mr. Sloan, yes it could be. It is not just the state parks that this water goes to, it goes to the state hospitals such as Lakin State Hospital in Mason County, some of the state prisons, and it does make a difference as to the label just because of the expense.

Mr. Jones, even the Governor comes in at every meeting and he has a bottle of water with the state park on it, so the Governor's office gets this water also with the special label.

Ms. Nuckles, I will contact Keith as he was the one who toured the parks. I will take care of that. I will get with him and Debbie and Devin will get me prices for the labels. We definitely want to simplify the process, I am all about simplifying it when you get into this label and that label.

Ms. Birthisel, one thing Devin suggested and he didn't bring up, was that he had an idea. The signs when crossing the state lines as you come into West Virginia with the Wild and Wonderful West Virginia that maybe we could put that as like a generic type thing instead of going individually because if you put one park on there like we did before other people are going to say why didn't you put our park on there. Or, do like a Wild and Wonderful West Virginia sign and we could put under that produced by Citizens of West Virginia.

Ms. Nuckles, I personally would tend to favor that more just because I like to keep things simple. I'm with you I don't want to offend people; I don't want to single people out.

Ms. Bates, I like that idea because that is simple.

Mr. Sloan, I had talked to Cedric and I had told him if he could let me know fairly soon as I am in the middle of budgets and if you could expedite that I would really appreciate it.

Ms. Nuckles, do I have a motion?

#### **MOTION #4**

**Mr. Sullivan, Madam Chairman, I move we accept the recommendation from LeSage Water. Ms. Smith seconded. Motion passed.**

Ms. Nuckles, I will make a motion for the laundry service items under c. on the agenda. There are several under laundry service provided by Hancock County Sheltered Workshop.

Mr. Jones, Michael Hagg is with us today from Hancock County Sheltered Workshop if you have any questions. He actually drove down this morning from Weirton so we appreciate him coming in. All these people have driven in from all over the state and they are interested in what we are trying to do. Michael had a request from the Veterans Nursing Facility. There were certain items that they wanted him to add to the laundry list and that is what we are dealing with here – just the laundry list. Michael will purchase these and at some point later we will add the replacement cost but right now he needed to get these on his list because they had requested the different sizes of table clothes, 62 x 62, napkins a certain color, half aprons and the other table clothes were round. These items he is just asking to add to the laundry list and this is per cleaning per delivery. The dollar amounts are on here which if you check his list they are in line with other items that he is delivering. We tried to get costs from other

vendors but it is almost impossible for us to get cost on something that is in the state use program because people know that he is the one that has the contract. We even tried to go out of state. They want these really quick so that is why we wanted to present them. I feel that these pricings are well in line and they have been requested by a state agency so we would like to get them on his laundry list for commodities.

Ms. Nuckles, are these in addition to?

Mr. Hagg, we have been providing service to the Veterans Administration (VA) for bed linen, towels, etc. for years. They changed some internal practices and they wanted to add these.

**MOTION #5**

**Mr. Sullivan, Madam Chairman if there are no other questions, I move we add those items to the laundry list. Ms. Bates seconded. Motion passed.**

**GOVERNOR'S COMMITTEE ROLES & RESPONSIBILITIES:**

Ms. Nuckles, something that Aaron just said and Brenda started to touch upon is going to move us into the next section. I am deeming this the discussion of Governor's Committee Roles and Responsibilities. I know most of you are here and your concerns and questions are probably going to fall under this. I don't know if everyone knows this or not but I was appointed the Chair on October 15<sup>th</sup> of last year about a day before the first meeting, talk about scary, it was overwhelming. I have dreams about this Committee and some are nightmares. I want everyone in this room to know how much I care about this process. I care about this process and everything I am doing is to try to simplify this process and it is certainly not to make it difficult for anyone in this room or any Committee Members or the WVARF folks or the non-profit workshops. I'm really trying to streamline this process and to be honest just take it back to basics.

I think for years the Committee has lost sight of what its rules and responsibilities really are; unfortunately, I think the Committee has done some things in addition to what it really should be doing and the Committee is really trying to get it back to keep it simple and that is really what we need to do. Because sometimes what I do is not always popular and I also want you to know that I have received lots of emails from people in this room, phone calls with concerns, I am certainly not ignoring you, I am just getting a lot of calls and a lot of emails and this is part of what I do as the state ADA Coordinator in addition to this Committee. I do have 55 counties that I am making sure that everyone in this state has access to state and federal buildings to make sure state employees have accommodations so I say that because this is part of what I do, it is very important but it is part of it so if I don't respond to you right away it is not because I don't care. The WVARF guys especially know – I try to have an open door with them if they have a questions. Something different, we have Purchasing involved and Mark Totten is here because for years we haven't had a purchasing person on this



Committee and I think it is really important that he is here as he is an integral part of this. Purchasing I don't believe has been involved for several years which has been part of the problem and unfortunately it has slowed this process down a bit. Some of the things that Purchasing wants and needs through their Rules and Regulations and their Code section is not something necessarily that the Committee has provided, maybe there has been a disconnect, I'm not sure as I was not privy to all that but I want to do this right. Because Purchasing is now involved it is taking us a little more time to get things organized so what I thought I would do today and I am going to read this and I certainly don't want this to sound demeaning or that I am trying to teach you a lesson but I think just reading through the Code again and having a legal background and being an Attorney, I know the law is the law and unfortunately it is not always popular, it doesn't always mean it is right, it doesn't mean you like what it says. We have state rules, Section 186 and I will touch upon one section of it. Sometimes it is difficult because rules are rules and they are there for a reason but if they conflict with the law then the law takes precedence. That is the tough part about this Committee, a lot of the rules and responsibilities that are in the rules conflict with the law so I have to defer to what the law says. The law basically says that this Committee has four (4) Rules and Responsibilities so I keep trying to go back to that and I know I am especially driving the WVARF guys crazy trying to stick to this and we have had a disconnect with Purchasing.

Fortunately, in December we had a meeting, Mark was present, we had General Council of Purchasing, I was there as the Chair, we had three of the WVARF guys. It was very productive. We are not quite there yet but we are getting there. We are taking steps to make this process better and more streamlined and that is what is really important. I want everyone in this room to know how hard we are working and we want to do this the right way.

This Committee and I are going to do our best to get this name changed because I have disliked the name of this Committee since I started. Our Code Section is §5A-3A-3 and that basically sets out the six members of this Committee, two of which are vacant so I have been interviewing and I have already interviewed three people within the last week trying to find two other Committee members that I will run by the Committee so I think that is important as we want to make sure we have a quorum and that everyone is present. It sets out these are the six members, this is what we do, our roles and responsibilities and we as a Committee have four things that we really need to do.

Determining the fair market price of commodities is key, that is really what we are focused on and that is what we are trying to work on with Purchasing. We are trying to lock down unit pricing and we discussed this some at the last Committee meeting, we are working with WVARF. It is not easy and to touch upon what Aaron said and what Brenda started to say, the disconnect with Purchasing is, Purchasing really wants comparables and I want Mark to chime in because he has been present at all the meetings and as a Purchasing person I want him to chime in because he has the intimate knowledge that I do not have regarding the Purchasing requirements. Purchasing really wants to see private sector comparables and as Brenda touched upon

and as Aaron was saying it is difficult and I am hoping if there is any Committee member here or if one of the WVARF guys would want just for the record briefly touch upon the difficulty because I want Purchasing to understand that it is not that easy. Unfortunately there is a bit of a holdup because what Purchasing wants, what WVARF wants and what the Committee is trying to do – we are just trying to get on the same page and sometimes we don't all see eye-to-eye and sometimes we have heated discussions but we are working it out and that is the most important part. For the first time I think in years Purchasing and WVARF and this Committee are working as one and that is what we want. In terms of touching upon the difficulty for Mark and I to be able to take back to share with Dave Tincher who is the Director of Purchasing it doesn't mean that Dave is going to say .....he is going to stick to his guns. I guess what I am saying is we have to figure out a way to make this gel, I know it is difficult and Aaron started to say it is not that easy to find pricing comparables. Help me and help the Committee understand why it is difficult to do this because what WVARF has been doing is and I know I have all these cleaning times and I have read this thing and it is crazy - just cleaning times for emptying the trash cans. I can't believe what I have learned and the different types of trash cans and different types of flooring and how many seconds it takes to do this. It is unbelievable and maybe that is not going to suffice for Purchasing and they have kind of made it clear that is not what they want. So, help me to understand and I'm getting excited because I really care about this process, what can we do to make this happen, what can we do to get the Director of Purchasing what he needs through the Code because he needs to approve this stuff. Help me, help the Committee, help us to understand what we need to do.

Ms. Bates, what happens when you have a set aside program under the rule is that private companies don't want to cooperate with the pricing because they know that they get nothing in return for that and they know that you have the business and they don't get it. We have had that problem with other set aside programs that we have through Randolph-Sheppard. If I call another janitorial service and I say how much do you charge per sq. ft.....

Ms. Nuckles, that is what Dave has expressed that he wants, is what you are saying.

Ms. Bates, 1) when you do that then why as a janitorial service should I do that because I'm helping you, you are taking all the janitorial business for the state of West Virginia as what we term "set aside program." So that is why it is very difficult for them to get prices, and 2) we discussed this last year when I believe it was the Auditor's office that asked for an exception. We discussed it, price is not always price – price is not always price.

Our goal as a Committee is to make sure that individuals with disabilities are employed and that they make minimum wage. Also in our rules that they are in an integrated environment as much as possible, but that people with disabilities have jobs that they make minimum wage and a lot of times when you are looking at set aside services, janitorial services the cost may not be comparable in that you may have supervision, job coaches, those kind of extra expenses that go into those types of services. But the idea is not to get the cheapest service because any janitorial service can come in and tell

you they will do it cheaper. I promise you, if you are looking for cheap you can get a better price but #1 a lot of people would give you a low price to start out with to get the business, that happens too, so this is a well-established program, they are using standards that are used through SUPRA and ISSA to develop their standards for pricing. Those are the reasons why I know of as a person who is here to make sure that individuals with disabilities have jobs.

Mr. Totten, the Purchasing Division is not in conflict with that. One question I have regarding something you said, you mentioned it is hard to get prices for or from the private sector. Has there been a refusal to give a price on anything that has been requested?

Ms. Bates, I can only speak for me, in that there have been times when we had set aside programs where people absolutely refused because they just wouldn't even take your call. They are not going to get the business. In the case of the Auditor's office where they were actually getting bids, if you get this business, they will give you the prices. But if you are the CNA and you are trying to get the prices then it is a lot more difficult to do that. What we did with the Auditor's office is we worked through the process and we found out that part of the reasoning and I think that is a role of this Committee, we determined that the pricing was higher because they didn't have the updated equipment they needed so we recommended they purchase that equipment and we got the price lowered but it still wasn't as low as the lowest price. It was a little bit above that. I am just trying to explain.

Mr. Wolfe, they are not going to give.

Mr. Totten, and there is not a request to justify, it is just a request to provide.

Ms. Smith, as a CRP Director, in the past I have tried to get comparable - we are asking our competitors to give us their prices and they don't want to do that and I understand that, I don't want to give my prices to competitors either. If we can find it on the internet or find it that way that is about the only way we are able to do it. What I don't understand is, Purchasing require other vendors to show their competitors' prices or does Purchasing need to get the prices from the competitors? That is where I'm finding a disconnect, why isn't Purchasing getting the comparable prices, I would think it would be easier for them to do it than for us to do it. Once again I agree with Brenda that we are providing more than just the work, we are providing a service. I tell all our customers yes you can get a lower price, you will get a lower price than from just about anyone on a janitorial bid because they will come in and bid it lower and not do the job that we do. I don't understand why Purchasing is requiring us to get the comparables.

Mr. Totten, I think there are three parts to the answer to that and I will try to remember the three questions you asked. This type of contract is different from the other contracts at the Purchasing Division. I think your first question was: 1) does Purchasing require other vendors to disclose prices? Cases of more traditional solicitation all vendors would submit a price and that price may even be itemized and it is all public record once

the sealed bids are opened. In that case everybody's prices are on the table and if it is an itemized contract then every line item that was part of the original solicitation is public. The first answer is yes and that is a different type of contract; and 2) why is Purchasing asking for this? It is in Purchasing's Rules and Regulations that they ask for this. Addressing your concern of the goals of the program Purchasing Division is not questioning the goals or asking for any type of justification of the goals. Purchasing is asking for a fair market value in comparison to the private sector just because it is required to do so not because there is any kind of examination or desire to justify the initiative program.

Ms. Bates, I think that is the question in my mind as this is a program that is set aside from the Purchasing process for a reason and the reason is and I have dealt with the Randolph-Sheppard program with the state use program for 15-20 years. It is set aside from the Purchasing process so that there is a contract for commodities and services and/or services to the state from the CRPs because it is a program that puts people with disabilities to work, not because there is a fair market price issue but it can't be about the cheapest price because it will never be the cheapest price, it is not going to be.

Mr. Totten, I'm not saying we are looking for a better deal. When you say, "set aside" from the Purchasing process, what do you mean by that?

Ms. Bates, it is set aside from the bidding process, I'm just telling you as someone who....

Mr. Totten, I don't know if that is how I would word that.

Ms. Bates, well that is how the United States.....

Ms. Nuckles, are you saying that it is a social program?

Ms. Bates, no I am not saying it is a social program, that's not what I was saying. When you in the world of Randolph-Sheppard and SUPRA and state use programs, we consider this a program that is set aside from the regular purchasing processes in that we don't have to participate in the bidding process for these programs. The reason we don't is that there is a law that says that there is a process for these contracts that is different than the regular competitive bid process through Purchasing. That is what I mean by the term "set aside" and it is used nationally as a term.

Mr. Totten, there still is a contract with WVARF and I don't know that I would emphasize the exemptions the way you are.

Ms. Bates, well if you don't then there is no reason to do what we do. I'm just saying if you don't exempt them and maybe there is a disconnect with me. I just have a very strong passion for what I do which is making sure that the process doesn't get about the cheapest because in looking at fair market price you can't be talking about that.

Mr. Totten, I think we are talking about two different things. What the Purchasing Division needs is what the private sector comparison is.

Ms. Bates, once they find the private sector comparison....

Mr. Totten, that is the end of the question, there is no agenda after that and it is required by law that we have the fair market .....

Mr. Wolfe, I understand your frustration, can I go back a little?

Ms. Smith, one of the things that you had mentioned is all the work that we have done to be using ISSA standards and use established guidelines as to how to price these janitorial contracts. That is something that has never happened in the past. This is fair market price, there aren't other janitorial companies in the state of West Virginia that are using this level of professionalism. Most people are still walking in and taking a look around the building and saying, yes I think we can do it for X amount of dollars. This was our way of trying to establish to the state - to Purchasing but yes we are being extremely professional. We are showing you that you are getting your best bang for the buck. I'm struggling with why it is now that we are getting a push back when we have made every effort to establish everything that we can to prove that this is a fair market price.

Ms. Bates, the ISSA standards, do they not count as part of what you would look at with fair market price determination?

Mr. Wolfe, this is what we do every day. We had a meeting with Purchasing and we all agreed that we want to go by the law and do what is right. Our problem is today it is like something is ready to smash people and we say stop it and you can't stop it, you have to get out of the way. We have workers and contracts that have been passed and they are doing it, we have to pay them and we are not getting paid. That is our only concern. I will get you 5,000 comparisons if you want them even though they are not going to be legitimate. I know how these come about when Mr. Tincher had mentioned it, people work in these state agencies, they see what we pay and somebody they know would come through and say we could do it cheaper than that. There is no way they could know they could do it cheaper, they have never measured the building, they don't know what surfaces are in there, they don't have any idea what the assessment consists of and what the scope-of-work is. When someone says I can do it cheaper, no matter what product you are talking about, you don't know you can do it cheaper until you see all the logistics. We do these things; WVARF spent \$30,000 for the two of us to be educated in this field. We proved we have shown that we know that and no one is questioning that, our only question and I know everybody is concerned today is this, we will get you the comparisons, we will satisfy everything but the contracts that have been passed and the ones that were laying in front of you, they are still on my desk approved with no fair market price letters. You guys won't take it without that. We just don't want to stop progress today, we have to let it keep going or we are going to have to tell these people to quit cleaning, go home – that is really the issue. We will get the comparisons

because ...we've got some of that stuff right now and we gave you some things, but I know we haven't had time to do it, our only concern is, before you say I am not going to

issue any letters or process these, can you let work continue because we have done it for 20+ years.

Mr. Totten, and I can't speak to any of that.

Mr. Wolfe, I know you can't but I'm telling you since we are in that discussion, that is what the real issue is.

Ms. Bates, that is why I am concerned because people with disabilities who are in jeopardy. All I want is for the people with disabilities to be paid #1 minimum wage which is what these change order contracts are about and the Committee asked that they be done with Mr. Greene's input from the Department of Administration (DOA) last year that is what they were told to do, do change orders with the minimum wage increase. The Division will not support any contract that does not pay individuals with disabilities a minimum wage. These change orders are to bring the contracts up to the minimum wage and that is reasonable. What we did, we tried to save the State of West Virginia money by waiting until January in that July through December the minimum wage requirement wasn't there, so what they had asked us to do as a Committee and you weren't here but what they asked us to do as a Committee is to approve minimum wage for the whole year and we said no because you are charging the State of West Virginia for a minimum wage requirement that doesn't come into effect until January. So the Committee in order to save and be fair in fair market price we said wait until the minimum wage requirement comes into effect and then do change orders for January. That is why they are doing these. The CRPs have to go ahead and pay the minimum wage, they need to be reimbursed for that and the contracts need to request that and that is the whole reason and the Director of the Division of Rehabilitation Services has asked that I pass that on to the Committee and to Purchasing and to everyone that we do not support any contract that doesn't pay an individual with a disability minimum wage.

Ms. Smith, they don't know if they need to quit providing services or contact their legislators but they can't continue to subsidize wages for the state as they need to be paid for what they have to pay their workers.

Mr. Sullivan, I remember the discussion Brenda which you alluded to that we talked about the minimum wage and when we would make it effective and it would be January 1 and we also told the Committee and the Committee agreed with WVARF that they would send all those work orders - contracts effective January 1 with the change order and that would be acceptable, there would be no question about it. Is there a question now about those being signed or what is the problem? What is the hold up? I understand now there is a question that the people that were responsible to see that they have employment might not have the opportunity to work now because we can't get the money for the contracts that we agreed to make effective on January 1.

Ms. Bates, that is right Everette, the fair market price issue on these are simply, unless I am mistaken, the change in minimum wage is that correct?

Mr. Jones, that is correct.

Ms. Bates, that is all these are – to pay everybody minimum wage.

Ms. Nuckles, help me in terms of clarification, is the price of the contract changing?

Mr. Wolfe, yes it has to as it increased the labor charge.

Ms. Bates, the labor change is what minimum wage was December.

Mr. Wolfe, it didn't affect all of them there are 200+ contracts and this affected 80+ so Mark had to go through every contract that did not meet that minimum wage standard and we just raised those and we didn't change anything else.

Ms. Nuckles, and these are based on the state minimum wage?

Ms. Bates, yes

Mr. Jones, the law says it is a Federal law but you have to abide by the state law. Do we break the state law because the Federal law is different?

Ms. Nuckles, and it stinks because here is what 3.1.b says: The Committee has the duty to ensure that employees be at least Federal minimum wage. The law says it is Federal minimum wage.

Mr. Jones, right now it is less but they are looking at making it \$10.10 an hour so it will be more. We are going to go through this again in the near future. Right now the state is \$8.00 and the Federal is \$7.25.

Ms. Bates, that is very, very rare for that to happen. Guys we can't pay people with disabilities \$7.25 because that is Federal minimum wage. I don't think the Governor of West Virginia would think that was good. The State minimum wage is \$8.00 so we have to pay people with disabilities \$8.00, we have to do that. I'll talk to anybody you would like me to talk to, Everette, Jan and I will, we have to pay people with disabilities minimum wage, it is not right. Let's talk about fair market price.

Mr. Totten, I don't know if you are directing that at me because you are looking at me when you are saying that and I don't want to imply that I am some kind of villain...

Ms. Bates, no - no – no, it's Purchasing.

Mr. Totten, Purchasing has no concern about what you all pay people that is not the issue.

Ms. Bates, Purchasing should because what we should have done I guess as a group any other company would have come in and charged the whole \$8.00 at the beginning of the year because they wouldn't have known the minimum wage was going up. Maybe that is what we should have done but we can't not pay minimum wage and I am looking at you because you represent Purchasing. We are the Governor's Committee for the Purchase of Commodities and Services.

Ms. Nuckles, I think all Mark was saying is we really as a Committee we have nothing to do with setting the minimum wage.

Ms. Bates, no but we have to deal with fair market price which includes minimum wage, fair market price includes minimum wage. The minimum wage increased so therefore, the contract has to increase and the fair market price increases. The fair market price increased January 1 because minimum wage in West Virginia went up to \$8.00 an hour. I don't understand how that is a problem, I truly don't.

Mr. Sullivan, I don't either.

Mr. Jackson, first of all and I would like to support what Brenda said earlier, especially if you have a janitorial company to come in and you wanted to bid on the Lottery building. If you are going to make an accurate bid you have to go through and measure that building and how many days it takes to measure that building and Gary is the best around. If I am an independent contractor I can't expect to go off his numbers and I shouldn't expect him to give me his numbers on what size that building is so who in their right mind is going to go into a building and spend two days measuring the building and then working up the contract however long it takes me to work it up with the scope-of-work so we are talking at least a minimum of two days. That is two days wasted and they are not going to get any money out of that whatsoever and they know that and they are not going to do it. I'm just explaining the whole situation here.

Mr. Totten, I have nothing but good things to say about your processes.

Mr. Jackson, the second thing I want to say is with our contracts, there is not going to be another company that shows you everything that we are doing right down to the Workers Comp and unemployment.

Ms. Nuckles, have the three of you tried to get comparables up to this point and have been met with resistance.

Mr. Wolfe, we have since we had the purchasing meeting. My whole issue is I can get those for you I can get those by Friday. We actually went to our SUPRA meeting and we talked to everybody in the country trying to find comparisons, the President is helping us, we have gained some stuff, even Mr. Tincher said he couldn't find anything



but he did find one thing and he gave it to us but it doesn't really give specifics, because it really doesn't exist.

Ms. Nuckles, let me ask you this, based on what you have collected thus far do you feel like it is pretty comparable to what has already been....

Mr. Wolfe, no actually they are way higher than we are.

Ms. Bates, I think the whole reason for this for the concerns here are these change orders that increased for minimum wage. That is the biggest concern right now and we have got to get those through. As a Committee we have to support the minimum wage requirements.

Mr. Wolfe, we are on hold right now and these people are working and we have to pay them but we aren't getting anything. It is going to burst somewhere.

Mr. Jones, let me share some numbers with you. These are the six (6) contracts that you approved as a Committee in November and December. And to date we don't have fair market letters to go with them so we can't actually process.

Ms. Nuckles, these are all janitorial?

Mr. Jones, yes these are all janitorial and this is what would be billed out, there would be \$22,000 billed out per month but this is the number I want you to look at. There are 1253.63 hours for people who have disabilities that are working these contracts. That is 1253 hours a month that right now WVARF has signed the agreement, see my name on here, and sent it to the CRP so they could start to work so the agencies buildings are being cleared but we still don't have any guarantee because we can't get a fair market value letter signed so we are eating this. If Purchasing or whoever decides not to sign that.... but we have presented all our facts.

Back to the meeting, we were in that meeting and our contracts present costs from what we pay the individuals, what we paid for their benefits, everybody knows there is a 9.5% mark up for the CRPs, there is a 4.01% markup for WVARF to handle all the contracts and collect the bills, borrow money to pay the CRPs because the state doesn't pay us. Then the counsel for Purchasing made the statement – now this is the statement he made to me, "We are not interested in your cost," well our cost is what drives the price, why wouldn't you want to know what the cost is because you have the actual cost, there is not going to be another contractor come to your table and say, ok here is my cost. I'm going to mark this up for you or I'm going to give you a discount, they may say here is my price and I'll give you a discount or something like that. Believe me Kim we agree with what you are doing as far as getting it changed but we have to continue on, we can't stop and shut down buildings because they are not being cleaned because we can't get a fair market price letter. I am saying we have laid it all on the table, you have our cost you know what our markup is and so in comparison to somebody else they are not going to give you their cost.

Mr. Totten, I don't want us to complicate this. The way I interpreted our General Counsel's statement was I think we have all the information that we could possibly need about how you all determine your prices, but that is not what is being asked regarding fair market price.

Mr. Wolfe, I agree 100% and we are right with you. I would be saying the same thing if I were sitting in your seat. I want to say one more time and this is it. We don't care about what you want from us, we will get it, we just can't stop the business because it has already gone, either that or we are going to have to lay off and tell people they can't go to work, tell CRPs they can't do business because we can't pay them.

Mr. Totten, I think you and I communicated what we really need. The Purchasing Division is not looking for something that is cheaper. We have all the information we need about how your prices are determined, we just need....

Mr. Wolfe, we will get that for you Friday.

Ms. Nuckles, to sum this up...

Ms. Bates, and to be clear from my perspective from the Division the change orders in the contracts and I know I have said this ten times and I'm saying it again, the change orders in the contracts related to minimum wage say minimum wage for individuals with disabilities. The Division will not support any contract that does not include at least minimum wage for individuals with disabilities.

Mr. Totten, the State or Federal?

Ms. Bates, State or Federal whichever, if I worked at McDonalds do I get the State or Federal?

Mr. Totten, I don't think that....

Ms. Bates, if I worked for another janitorial company and if you are talking about fair minimum price am I getting the state or federal?

Mr. Jackson, from what I understand from being in municipal government, your lower level of government for example this would be the state compared with the federal, I think they supersede the federal in that case.

Ms. Bates, but we can't have less. If the state is \$8.00, the Division of Rehabilitation Services supports the state minimum wage in this case since it is higher. We are the Governor's Committee for the Purchase of Commodities and Services for the government of West Virginia. So we support the state minimum wage that has been set by our state, our Legislature, we support that and that would be \$8.00 an hour.

Mr. Sullivan, right

Mr. Jones, can I read a law? It states in §186-1-4c, and this is the Committee's guidelines. The fair market price established by the Committee for a service or a commodity on the state while a contract remains in effect until a new fair market price is established. In addition to the criteria established 3.1.3 of the rules, the new fair market price shall be based on any changes in the scope-of-work or in a task required by the procuring agency changes in labor cost and/or increase other costs related to the contract. Right there it states if there is a change in labor cost and it is not a cost that we developed, it is a cost that came about by a state law. That states that is where the new fair market price should include a change in labor cost.

Ms. Nuckles, I don't even know where we are right now...

Mr. Sullivan, I don't know either Kim.

Mr. Totten, there is no direction being given about what employees should be paid from Purchasing's perspective.

Ms. Bates, you can't say that because this change order is only about what people are being paid so it is about that if purchasing won't accept the change order.

Mr. Totten, are those change orders pending the fair market private comparisons on that - you are talking about getting that on Friday.

Ms. Nuckles, I have a stack of 200 change orders based on minimum wage.

Mr. Jones, it is 86.

Ms. Nuckles, I had the Lottery Building, I had the laundry stuff, and a stack for General Services.

Mr. Wolfe, we took that off the table.

Ms. Bates, these change orders are only about labor.

Mr. Totten, sounds like this probably won't get solved by Friday.

Mr. Wolfe, I'll get the stuff for the comparison, absolutely if we can just keep business going - that is all we are asking for. We were just told before Christmas we are not giving you anything and Kim with all due respect and I think you are doing an excellent job, but those contracts, what the CRPs got was the original one that we sent for them to approve. Does this look good for us to take the Governor's Committee..... the actual ones you approved are laying on my desk perfectly, they have never been touched, but there is no FMP letter which means there is no way we can send it to you because we know what would happen, you have to have that.

Ms. Nuckles, so the good news is if you get us what we need by Friday it is going to take care of all that I think. Dave is not here so we can't speak for him as he is actually off having surgery. He has authorized Jimmy Meadows who has met with General Counsel and Mike Sheets and Mark to act in his stead. If we need a quick meeting about this or whatever we need to do I know you guys will do it.

Mr. Wolfe, my request is can you ask Aaron if Mark and I can do nothing else just for a couple of days so we can get this done.

Ms. Bates, I will just say this. I have been doing this for 15 years and this is probably the most upset I have ever been about a road block for contracts because it is just about paying people the state's minimum wage. I am only one person but I represent the Division of Rehabilitation Services and I think that this needs to be resolved by the end of the week. I think if we can't then I need to get other people involved.

Mr. Totten, Purchasing said in December what it needed.

Ms. Bates, I didn't know until now that it is a problem. I'm here now and I'm asking that it be resolved and if it can't be then I need to get other people involved to see that it does.

Mr. Jones, we have provided the information to you.

Ms. Nuckles, and everything that you have sent me Purchasing has it as we have been in constant communication.

Mr. Jones, there was a question about the table and what it represented, remember that? That was from Source America that does federal contracts just like we do on a set aside program.

Mr. Totten, I know the chart you are talking about and I think that was a proposal but not necessarily a contract.

Mr. Jackson, it is from Source America from John Archer and it is for the contracts that are in each one of the different Workforce Investment Board regions in the state.

Ms. Bates, I'm really confused as to why there should be any other documentation required for these change orders other than the increase in minimum wage required by the state. What else does Purchasing need when the State of West Virginia has increased the minimum wage to determine fair market price for these change orders the 86 contracts is all I am talking about right now, what else do you need other than the state law and the fact that they raised it only that much.

Mr. Sullivan, Brenda what keeps bothering me is we went through all of this.

Ms. Bates, we did and based upon the information we were given at the time they did what we directed them to do and the person who would have been the chair person for DOA represented DOA it was what we thought a done deal. Four Million dollars – Four Million dollars the State of West Virginia owes them and now they are eating the cost for paying minimum wage to individuals with disabilities. That is the most.... I can't believe.....

Mr. Sullivan, that is unfair.....

Ms. Nuckles, tell me Brenda because I don't know - if this was all discussed back in March and April why did we wait until.....

Ms. Bates, because we were trying to change, it is all in the minutes. What we were trying to do.....

Ms. Nuckles, do you know what I am asking? Why have we waited...

Ms. Bates, because in July they just do change orders.

Mr. Wolfe, they told us to wait until January....

Ms. Bates, because it saved the state thousands of dollars.

Mr. Wolfe, if we had known that we would have passed it in July.

Ms. Nuckles, to me even to pass it and effective this date.

Mr. Sullivan, I think the Committee felt that it was just an ordinary change order that would be accepted like any change order.

Ms. Bates, and we certainly wouldn't expect that Purchasing would stand on a law that says federal minimum wage.

Mr. Totten, Purchasing is not doing that.

Ms. Bates, well whoever – so to me this should be solved by Friday easily because there should be no issue with these change orders other than the law in West Virginia changed January 1<sup>st</sup> to require minimum wage for individuals with disabilities should have the same rights to receive that minimum wage as anyone else.

Ms. Nuckles, I definitely agree that what has occurred shouldn't have, the Committee shouldn't have waited this long to do it, the Committee also shouldn't have signed contracts for the past three years and they have been doing that too, they have been doing lots of stuff they shouldn't have been doing.

Mr. Sullivan, we did exactly what we were told to do.

Ms. Bates, routinely change orders happen with Purchasing all the time and we were told that if they submitted them by December it would be fine and so they did exactly what they were told to do and we did what we thought was the right thing by saving the State of West Virginia six months of the higher minimum wage. Now, I wish we hadn't now.

Mr. Wolfe, your very first Governor's Committee meeting was the month that we brought these in the first time. They have to start it in January. At the time by the Committee they said that would be fine so that is what we told the CRPs.

Mr. Sullivan, we tell the staff as a Committee we agreed that the change orders would be submitted effective January 1 to increase the minimum wage. Everything was fine no questions at all Kim that it was just an ordinary process and now we learn that it gets someplace and they don't want to sign it so now the people they are trying to help which we are trying to help, the whole purpose of the Committee is to help those individuals who have the misfortune of having a disability. Now we are putting them in a position where they are going to have to lay them off because of something that just doesn't make sense. Why can't we just go ahead we have done it, I'm not saying it is right but we have done it for 30 years, we have the change orders, you sign it, it goes to Purchasing and they sign it and it goes everywhere it is supposed to go and they pay the money? I am at a loss as to know why that we have to get through all of this, I love your energy Kim and I think your heart is on the right side but I also think that if the wheel isn't broke, to hold up the whole process of doing what we are supposed to do I think there ought to be a way around that.

Mr. Totten, I think we have solved this on what Purchasing needs, and the holdup is not the minimum wage and we are making it sound like it is. In 2014 Purchasing examined a lot of what we are required to do by Code of Law, things we didn't necessarily have on file we had to ask that we receive the stuff that we are talking about regarding fair market price. The law says we can't proceed unless we have certain things documented. And, there is no desire to hold up any...

Mr. Wolfe, you are right with that Mark, what I said if you remember in the meeting to Dave Tincher and I didn't mean it to be smart but it was a fact, I said so what you are telling me is you like our process, you see what we are doing, for 25 years this program is in place no one has ever presented it or given it to you before, now we go out and do due diligence work and spend \$30,000 and become the best in the industry at it and we bring it to you and we get punished for doing something that is right. I understand you needed a comparison, ok we will get that for you but we have to send everybody home for a month or two until you get what you get. We will have it Friday if we can get this processed.

Ms. Bates, is there more than the 86 contracts that have not been approved by Purchasing?

Mr. Wolfe, yes

Mr. Jones, we have the 6....

Ms. Bates, no, no, no, don't talk about the ones that were presented today, this is about those 86 contracts and the issue with them is minimum wage, this is about six contracts that were presented in November or December but the biggest part of this conversation are the 86 contracts that they have asked for a change order on, so it is about that?

Mr. Hyre, Director of Preston County Workshop. Could I ask a question? WVARF hasn't been paid for those contracts for six (6) months and he told me the other day that if they don't get paid they are not going to be able to pay us. The state is supposed to be paying them every two months and it has been six months and they have not paid. It is \$140,000.00 at least that hasn't been paid. That affects me with my employees. Now he is telling me they are not going to be able to pay me so how do I continue doing the job with Camp Dawson?

Ms. Bates, I think that is part B of this discussion and I have a comment on that too. If we are finished with the other one, here is my comment on that. Anyway, I think that I was concerned and it is not on the minutes and I didn't get a chance to call and say please put this on the minutes but when I looked at Four Million dollars that they had not been paid and I understand part of this is truly OASIS.

Mr. Jones, let me say something before you go further. That is a November aging, I brought the current aging, but it is still at \$2.8M and almost \$1M are over 90 days.

Ms. Bates, part of the issue is OASIS and here is what we have to do as a state agency with OASIS. What is happening when we put it in as paid then we don't get anything back from the Auditor's office to say it hasn't been paid like we used to get. It used to be kicked back and if there is a problem it would be kicked back so the only way we can check on anything and Aaron called me the other day. If I get a call for something that hasn't been paid from one of our vendors and I call my Chief Financial Officer (CFO) and then she can go out there and find it and pay it. I think those things will get resolved as time goes on. But you have to get in touch with the CFO's of those agencies and that might be why you are down to \$1.8M.

Mr. Hyre, my concern with this is, I have a Board of Directors and I have to answer to and if he is not going to pay us and we have to pull out of Camp Dawson it is going to be a battle to get back in to Camp Dawson. That is my major concern and Mark knows as well as I do that Sergeant Grimm at the military base has fought for us many times when they threatened to take this.

Mr. Wolfe, that contract didn't use to belong to WVARF, we didn't have that. We all got together and talked about it and we went up there and drummed up the business and they let us in the door and this guy did a tremendous job and every week I was back up there doing another building, then another building and now this guy literally covers that entire campus. If anyone has ever seen Camp Dawson it is one of the most impressive places in the State of West Virginia.

Mr. Hyre, if I go back to my Board next month and tell them that WVARF is not going to pay us and we have to keep borrowing from the line-of-credit.....

Ms. Bates, that is not a contract issue, right?

Mr. Jones, they haven't paid us a dime on the whole contract - Armory Board/Adjutant General and Chuck Bowman is the Procurement Analyst that I deal with.

Mr. Hyre, I know Major Kincaid at the Military Base is not happy.

Ms. Bates, in the past the Committee did write letters to agencies that were behind and it did help. Now I know it is not in the law that we do that and maybe it shouldn't be just the chair person maybe or we all need to sign it but I think it may help to get some of these monies just for the ones that are over 90 days because in the past it did help when the Committee Chair person said I represent the Committee for the Commodities and Services then it was signed and it did help on those for over 90 days so if we could look at a way and I think as a Committee and it is our responsibility to try to help make sure that these things get paid just because it is not a normal contract. It is a contract where they paid the CRPs who then paid people and they are already behind and then it is kind of like a whole bunch of things, the perfect storm and OASIS is the problem too. So if you could think about that and look at how we might be able as a Committee to support the CNA and Everette and I will I'm sure be willing to sign it, or all four of us sign the letter instead of just DOA to say we are the Committee members and we are concerned about whatever.....just to try to prompt people because again with the CFO's you have to do that and sometimes when they see something from something like that means more than just a call from the CNA.

Ms. Nuckles, who determines what people are paid, is it WVARF and the workshops who determines that?

Mr. Hyre, WVARF tells us what we are supposed to be paid, we work that out together.

Ms. Nuckles, but is that something you two entities work out together?

Mr. Hyre, yes

Mr. Wolfe, then some of it is based on regions, cost of living and things like that are just a little bit higher.

Ms. Nuckles, in terms of the process in the order in which things happen, Bob Paulson who is our General Counsel who is helpful and has helped me tremendously in this process when I have needed it. We haven't had General Counsel for DOA involved in the past and he now is and I'm very happy about that. In terms of the order of things and I wrote this down while I was thinking about it and maybe Aaron, Gary or Mark can kind of shed some light on this. I don't know how it has happened in the past if it is something we want to change in terms of the process but I have down in my notes,



when the agency generates a change order, that is how it starts. Can we think about this and this is something I need to talk to Mark about or Purchasing about having the State agency and Purchasing and I think we talked a little bit about this sign off on it before it ever gets to this Committee as an option. And, I say that because just me thinking outside the box in terms of the process, the Committee I almost feel like should be the last arbitrator - the agency and Purchasing have already.

Mr. Wolfe, we just had one the day before yesterday and they called with an issue and we went to visit and when they asked for something we said you have to put that in writing, send us something requesting that change order as you had mentioned that to me so I told Aaron.

Mr. Jones, the law states that we send it to the agency and they have ten (10) days to get it back to us. If they don't get it back to us in ten (10) days we assume they are ok with it, that is not very good but that is what the law states.

Ms. Nuckles, then at that point maybe get it to Mark even before we know about it and I know you have to run that by the big man, because I want Purchasing to know about it as soon as possible.

Mr. Totten, I will take that back.

Ms. Bates, I think it is good to talk about these things. What we don't want is road blocks so they don't get paid as it is good to talk through this type of thing.

Mr. Jones, in the past it was required of us when the contract went out we were to get an email back from them stating that they accepted what was there and then we get an email back from the CRP stating they had accepted it and we were told as long as we had those in file we were ok with it and to present it and move on. That kind of goes along with the law ten (10) days as we have sent contracts out and it has been six (6) months before we could get them signed because the agency just sat on it. We are trying to move this process along because our job is to put more people to work.

Mr. Wolfe, I know that Aaron has gotten tired of hearing from me but I told him I felt like I had gone to work for a collection agency. When I came for an interview it was you are going to get this and your job is going to expand and create jobs for people, etc. We have added twenty contracts just since last year and I am telling you Mark and I are in that office all the time and I said Aaron when I am sitting in this office all the time working on this logistics I am not making you or anyone else any money. We have to get this thing fixed so I can get out and do what I was hired to do. These people never see me because I have no time to go do it. When we do get out, we went out the other day for a problem and we sold another job. That is how you do it, you network you get out and see the people and we just want to fix the situation so I won't have to go do anything but do what we are here to do and that is to create jobs for people with disabilities.

Ms. Nuckles, if you will get me what I need by Friday my door will be open, I will leave it unlocked as I have been locking it because we have had some issues at the Capitol but we now have a scan card system on the Secretary's door and ours are locked. If I know you are coming and if you want to physically bring it I will hand deliver it to Purchasing on Friday.

Mr. Totten, I understand what you are saying, state government is under more scrutiny than it has ever been, in 2014 it was and that is not going to change. Dave said in December, I can't get out of asking for this.

Mr. Jackson, our biggest problem is we had a set of rules and guidelines that we were operating under and you guys were directing us under and all of a sudden, not saying that you are wrong because I believe you are right, but we try to get it all ready and then it's like just stop the process. That has been the biggest thing for us.

Ms. Nuckles, we know you are being professional and thorough about this, there is no question about that.

Mr. Jones, let me share something with everybody in the room. We have been trying to get the commodities contract renewed since April of last year. This Committee met on April 28<sup>th</sup> and we went through the process and approved all the items and passed it on. Then they came back and asked me to extend it until the end of the year. Then when the end of the year came they came back and said we can't get it in the new OASIS, we can't get this in there so can you give us 90 days? I said yes I will give you 90 days because I knew what was happening. Then they came back and said can you give us 120 days and I said yes and are you telling me you can get this up and going by the end of October and they said yes we can. Rolls around to October 31<sup>st</sup> and they want to take it until the end of the year. Goes to the end of the year and I still don't have a commodities contract. It is supposedly being sent out to be signed by the Attorney General but it is already a month behind and it is also the fact that what they are doing, they are just putting in there any item that there was no change in, although the Committee had already approved all the changes. We sent the backup with it and the documents with it but it is still sitting there and it is my understanding the laundry will be approved, presort is going to be approved, the water will be approved but there are a lot of items sitting out there that aren't being approved. They are just sitting there. There are a lot of items on those other CRPs list that didn't change price but they haven't even addressed those yet. You can see our frustration that we tried to provide everything we could to you all to get that approved - and then we are asked to put it off - and we are asked to put it off - and again we are asked to put it off, and now we don't even have a contract right now on commodities. There is supposedly a portion of a contract, WVARF15 is what it is going to be called and there is a portion of that that has been approved and it is sitting waiting for it to be signed by the Attorney General. But overall what I am saying is, we did what we were supposed to do in April and it just kept getting put off and put off and put off and I know Purchasing is going through a lot because of the changes but what I was told in July was "we can't figure out how to get it into OASIS, it is going to take us some time". That has been the excuse we have gotten

from every agency in the state, we don't know how to put it into OASIS so therefore we can't pay you. Right now we are out a half million dollars, we went on our line-of-credit for half a million dollars so we could keep JOHN paid every 60 days, so we could keep MIKE paid every 60 days.

Michael has a big contract with the laundry and it is a detailed invoice that comes in and it is going to take in the new system it is going to take a lot of time. When we ask and we go out and we try to collect these funds we are told – we just haven't figured out how to get it in the system yet. That is what we are dealing with and I want you to be aware that we are doing everything we can to keep everybody paid on 60 days. I have told John it is pretty much to a head, I don't know how I am going to keep paying you if Camp Dawson doesn't pay us. That is where we are.

Ms. Bates, I guess I get a little confused too and Everette can help me on this. The role of the Committee is to determine fair market price and so we send things up and really I don't know why we are here because everything we send gets scrutinized again. If our role is to determine fair market price then I think we need to know what it is because we send it to Purchasing and they say it is not right then obviously something is wrong or else the law has changed so much that what we do to determine fair market price doesn't count anyway. The purpose of this Committee is to determine fair market price so if we send it to Purchasing and it always gets sent back because we go ahead and approve it and we do it based on what they tell us then really there is no reason for us to exist other than to protect the program and protect minimum wage for workers with disabilities. But if we are supposed to determine fair market price and we have done due diligence in that and they have done due diligence in that then I don't understand, and I am not saying you are wrong I'm just saying ....

Mr. Totten, Purchasing has not said you are wrong it is just saying the information we have is not complete.

Ms. Bates, when it comes to us and when it comes to you it should be done and there should be no more issues with it. If we know what it is and they know what they are supposed to have, we need to know too, so I don't want to approve something that is wrong or it is incomplete if you want to use the word incomplete. I don't want to approve something that Purchasing will say is incomplete, so I want to be educated on it.

Ms. Nuckles, which is why I think changing the process and having it come to us last and I hope down the road and most of the people in this room know this, is that we do not have to meet monthly, that is my goal.

Mr. Wolfe, Dave Tinchler said one thing – it is really going to be helpful – our only complaint was please just don't stop the process while we are trying to get this stuff for you. What he did say, one of our discussions here in the Governor's Committee which you talked about then Dave even asked for the same thing and that was for us to come up with a per sq. ft. price which means with a range because we bring these and it gives

detail so what we are going to do is find out the lowest and the highest about where we are and what that market price is and then as long as Mark and I work up a contract after we gather an assessment and a scope-of-work if that falls within that price range per sq. ft. then we don't even have to present those details.

Ms. Nuckles, I want everyone who is here to know that is our goal because once we have a range they are going to have to bring to this Committee and have us sign off on these FMP letters.

Mr. Wolfe, which will be great in the long run, just don't stop us right now.

Mr. Hagg, I understand Gary you are saying you fixed the problem for custodial by Friday, how are we supposed to proceed with laundry items in the future?

Ms. Nuckles, I don't want to speak to this and I know Mark and I weren't privy to the March, April discussions, it is my understanding that you submitted a giant -- it had been five years and we hadn't seen a change of price -- you submitted it. Purchasing agreed with most of it, there were a handful of items they did not agree with, some sort of laundry towel thing and that is still up in the air, I don't know. But it is my understanding things are going to proceed with the exception of those five or six items.

Mr. Jones, it is my understanding anything that has a price change or is a new item is not going to go on until I don't know what else happens or what else they are going to need.

Mr. Hagg, if what Mark said they are required to get comparable pricing, we can't get comparable pricing. We have signed contingencies as back up plans and we use these contingencies, they are out of the area and they don't compete with us on anything and they will not give us anything in writing what their cost would be. They verbally tell us but they would not put .....

Ms. Nuckles, and I don't know if Dave would be satisfied with them verbally, those sorts of things I don't know. My follow-up to that, have any of the Committee members and I can see where a private vendor would not want to give you guys...I can see that, has anyone on the Committee tried to do it?

Mr. Hagg, we have done that same thing even tried to do it anonymously. People would go home and do it from home using their home phone and the general response is, give us your email address and we will email back to you. Once again we are not going to get that information on official letterhead.

Ms. Nuckles, so they give you a verbal but that is as much as you get?

Ms. Bates, some of them will and some of them won't and we have been through that many times.

Ms. Nuckles, if I have to send my 22-year old Intern down the road just to randomly walk in, I'll do it, I don't care.

Mr. Wolfe, here is our problem with janitorials. You can send your intern and say hey I want to get a price for janitorials and they will say where is it located, well it is the state use building. They know right then...

Ms. Nuckles, what if you don't say that though?

Mr. Wolfe, well they have to measure it.

Ms. Nuckles, you are saying a lot of places don't do the things you do, they just.....you say you go in and you are very thorough and you go in and measure but some of these places....

Mr. Jones, but they are going to walk in to that – they still have to walk in and see the building.

Ms. Bates, having worked for Randolph-Sheppard for all these years and having to work with some other things and it is almost impossible, they know who you are and they want to know who you are and what it is.

Mr. Wolfe, I am saying Friday, Mark just whispered in my ear and we have tomorrow which is generating business revenue and I want to get this stuff as quick as we can. We went to our SUPRA meeting and we were all night and all day with everybody we could just try to get that information.

Ms. Nuckles, Mark will discuss with Jimmy and maybe we only need three maybe we only need two or maybe we don't need as many as you are thinking.

Mr. Totten, just put it in writing and I will take back anything you have for me.

Mr. Wolfe, I am optimistic and I always just go after it and we have a big meeting tomorrow and I forgot about it....

Ms. Nuckles, to me two or three would be reasonable.

Mr. Jackson, does the average of the Source America – I send in the emails so that you guys had John Archers information so you can contact him directly and he can tell you as Source America is the CNA for the Federal and this is his contracts and you have all his information right there broke down by the regions just like Workforce West Virginia where they have the different wages for different occupations.

Mr. Totten, I will take back anything you send me and I will let you know if I need anything else.

Mr. Jackson, trying to get what you guys need from them and they are probably the biggest janitorial other than us.

Mr. Wolfe, when we left the meeting and Dave gave us that paper and coming back I was on the internet and I asked Aaron and Roy to help me and I was on the internet all day.

Ms. Bates, since we approved these increases for you today, does that matter, I mean is that going to be approved? We based it on what we know as fair market price and the information that we have so now when that goes to Purchasing are they going to say they are going to need more?

Mr. Totten, I think the same issues exist that we have been talking about all morning. To answer your questions, I think we are repeating the same questions.

Ms. Bates, oh no, no, no I am not because I am just trying to understand.

Mr. Totten, I don't know what else you want me to say.

Ms. Bates, no, no, no, no we have done it again you see. We have approved several things today that are not going to go through.

Mr. Hagg, so my question for Purchasing is what can I do. I understand your stand.....we called local rental agencies to get their prices. Our tablecloths are \$1.92 or \$1.97 each and their price was \$3.50 but that is not fair, it is nowhere near fair because the local rental agencies has no guarantee turnover so their prices are going to be higher. We can't get anything in writing, what can I do and I will do anything that you ask to satisfy your requirements.

Mr. Totten, and I don't know that Purchasing is looking for anything on these private providers letterhead that I can find out. I can find out specifically if there are more specifics that we need to find out and communicate through Kim. If Purchasing did not define in December what they need we will get down to the level that we need.

Ms. Nuckles, we need another meeting to follow-up with Purchasing.

Ms. Bates, for him in particular, how long have you been trying?

Mr. Hagg, since early November...

Ms. Bates, and they have already paid them, so we need to try and move on that. I would like to be in the loop so that I understand what it is Purchasing is looking for so when we approve something it is right and it doesn't come back to us three times.

Ms. Nuckles, Brenda if you want to be present at these meetings I would be happy to include you. I want this Committee to be informed.

Ms. Bates, all I am saying is, if we are supposed to be approving fair market price then we need to do that and whatever it is that we need to do we need to do it and make sure it is right so that next time in February when we approve something for John.... we know it is not going to come back to us three times.

Ms. Nuckles, that is the goal and that is what we are trying to get to, we are.

Ms. Bates, I want to understand it because I don't want to approve something – I mean today I feel like that was a waste of time for me to approve that and go through that and read that and spend my time on it because it doesn't meet the qualifications for the fair market price.

Mr. Totten, qualifications and right are not the correct words. Purchasing cannot get out of what the law requires us to have on file. It is not rightness or wrongness and you don't have to convince us of any of that.

Ms. Bates, all I want to know is what you need....You don't need to keep correcting me on my words, I just want to know what we need to do to help you...

Mr. Totten, I don't want it to be implied that Purchasing is saying there is anything wrong or unconvincing here.

Mr. Hagg, Mark if I am able to get you the local rental prices, would that be acceptable to you.

Mr. Totten, I am not the person that approves it but I will certainly find out.

Ms. Nuckles, but I will tell you this Michael, that cannot hurt.

Mr. Totten, I will not filter it at all, I will bring back exactly what you send me.

Ms. Bates, whatever you need to do to help I want to do it just let me know what it is.

Ms. Nuckles, about seven minutes ago I think I heard Everette say to Carol "I think I'm going to make a motion to adjourn".

Mr. Sullivan, it's lunchtime..... and I would like to make just one comment Kim. I think it has been a very productive meeting and Brenda I appreciate your professionalism in knowing what needs to be done and how to go about doing it. Mark I know you have a big job up there but we appreciate your help. Hopefully, everything will be taken care of Friday that all these contracts will be signed and all these people will get their money

and everybody will be going back to work. And, Aaron to you and your staff we have never had a staff that has worked so diligently or as hard as you people have since I have been involved here and I appreciate it.

Ms. Bates, absolutely and I was the one who was really pushing to have a Purchasing representative on the Committee full time because we really need someone because it is really hard if you don't have someone who knows the Purchasing rules and that really helps when you are adding commodities because we don't want to do anything that negatively affects the private sector.

Mr. Sullivan, with that being said I move we go to lunch.

Ms. Nuckles, ok we have a motion to adjourn.

Ms. Nuckles, if nothing further, I would like to make a motion to adjourn this very productive meeting.

**MOTION #6**

**Mr. Sullivan, if no other business I so move that we adjourn. Brenda Bates seconded.**

**WVARF Meeting Dates for 2015:**

Wednesday, February 18, 2015

Wednesday, March 18, 2015

Wednesday, April 15, 2015

Tuesday, May 19, 2015

Wednesday, June 17, 2015