

MEETING MINUTES

April 15, 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. April 15, 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; Jan Smith; Carol Jarrett, Recording Secretary.

WVARF Staff: Aaron Jones
Mark Jackson
Gary Wolfe
Roy Woodard
Paula Koontz

Guests: Craig Greening, Jackson County Developmental Center
Carla Cleek, Division of Rehabilitation Services
Douglas Auten, Division of Rehabilitation Services
Joyce Birley, Goodwill Industries
Jim Womeldorff, Job Squad, Inc.
Bob Paulson, Department of Administration
Megan Cobb, Department of Administration

Absent: Mark Totten, Purchasing Division

COMMITTEE CHAIR REPORT:

Ms. Nuckles: The meeting is called to order. Roll call was taken.

Ms. Nuckles: I want to go ahead and introduce a new Committee member. Her name is Becky Howard and she was appointed yesterday by the Governor to serve on this Committee. I was hoping she would be available by phone but she is actually speaking at a conference in Indianapolis today so she will be here for the next meeting. She is going to be our representative for the private sector business here on the Committee and she is the Regional Chief Development Officer at the Red Cross. We are so happy to have her and I think she is going to be a great addition to this Committee and she will be here next month so we can welcome her at that time.

Ms. Nuckles: A draft of the minutes I emailed to the Committee members 3-4 days ago, did the Committee members receive a draft of the minutes? Did anyone find any errors in the minutes or are there any corrections to the minutes as distributed.

MOTION #1

Mr. Sullivan, if no objection or corrections to the minutes, I move they be approved. Ms. Smith seconded. Motion passed.

Ms. Nuckles: The minutes stand approved as distributed.

Ms. Nuckles: The next order of business and this is something I want to mention and I am very happy about this are the approved pricing forms. I know in the last meeting the Committee members voted to approve the pricing form until July 1 for now and we voted to do that and I think there were the three laundry forms, the water and I think there were eight janitorial forms, 12 total. They have been approved, Aaron Jones at WVARF signed off on those, I then signed off, Dave Tincher at Purchasing approved those and Gary stopped by my office and they were hand delivered and he took them to the state agencies which is my understanding and that was on Monday.

Mr. Wolfe: There are twelve.

Ms. Nuckles: The agenda is short today, it is my understanding after several conversations with WVARF there is no pricing to approve at this time. I think there will probably be for May and it is my understanding they are going to get that to me in ample time so that the Committee does have a chance to review the pricings so that I can discuss with Purchasing and get it approved.

Mr. Wolfe: There are two that falls within the 10% and we are ok if we put everything together and send to the state agency and the CRPs and then we will bring it to you.

Ms. Nuckles: If it is still on the approved form and we have the comparable prices I will give it to Purchasing. I have to say guys, that is all she wrote and I'm pretty psyched about it.

Mr. Sullivan: And I came prepared to stay all day.

Ms. Bates: What's up with that?

Mr. Sullivan: And to get done in 10 minutes.....

Mr. Wolfe: Who are we missing today, why did it go so fast?

Ms. Nuckles: Because good stuff is happening and I am certainly not going to bog down the agenda with nonsense if we don't need to vote on anything.

Ms. Nuckles: Mark actually didn't have this on his calendar for today and he is at a conference and he was not able to be here today.

Ms. Smith: I am going to bring something up that I have been asked to discuss as far as being a representative of the CRPs. We don't have approval for minimum wage increase on the contracts and that is really not working for the CRPs. We are paying minimum wage because we are required to pay minimum wage and have been since January 1. I feel this Committee should be advocating and should be insisting that that be a part of these contracts. I do not understand why when we are the Committee that was designated and through law are committed to saying the fair market price and as a part of that we are to include the minimum wage but that is not being included in these contracts and I do think that is something that we need to discuss and that it is something that we need to insist upon having in these contracts.

Ms. Nuckles: Let me ask just for an update because I actually asked Gary but he was not sure and as the Chair, I do want to ask Aaron to speak. You were working pretty diligently on communicating with these agencies, do you have any updates in terms of minimum wage contracts.

Mr. Jones: As I mentioned in the last meeting we went back to the original contract amount because we knew if we made changes in the interim that we wouldn't be paid for the contract that we currently had. So we have been looking at going back and trying to recoup that money for anybody whose contract was less than minimum wage. We presented these three or four times and tried three or four different ways to obtain that but we are looking at doing that and I don't know if there is an avenue that we can recoup that unless you all provide us with something because we can submit it as an add on to the contracts but there is a lot of work involved to do that and we are willing to do it but we need your direction on how to obtain that if it is even feasible or possible.

Ms. Smith: This discussion began probably this time last year in anticipation of the minimum wage change in January. The Chair at that time said, "we don't want to change the contracts in July because the minimum wage is not changing until January." The CRPs agreed to go along with that with the reassurance that it was going to change in January. We all were lead to believe that come January 1 the minimum wage was going to be a change order. That is what we were told. Come November, submit the change order and that is how it was referred to and it would just happen. This is digging a hole for us, it is not that we are asking for something unreasonable or something that we have just decided to add on to our contracts, this is a mandate, this is something that we are required to do and why the state isn't standing up and doing their part, to me is unconscionable. And I don't understand why we are not saying, really, I am ready to tell the CRPs I'm not going to hold you back anymore, I am not going to say no you shouldn't, you should go to your legislators, you should go to the Governor, you should do whatever you want to do now because this has been in this Committee for months and I don't understand why we are allowing Purchasing to hold it up. Purchasing needs to say you are right, it needs to happen. This is ridiculous, it really is.

Mr. Sullivan: There is not a problem with paying minimum wage is there?

Ms. Smith: There shouldn't be but yes, Purchasing is saying if we change the contracts that they are going to hold it up is my understanding. Am I not saying that correctly?

Mr. Jones: They are not giving us any direction on how to obtain that.

Ms. Smith: From what I read in the minutes and what I heard on the phone last month which is the reason I am here today and I really wish that the Purchasing representative was here, he said "if you want the payments to go through you basically need to leave it the way it is", is that the way.....

Mr. Jones: that is my understanding, yes.

Ms. Nuckles: I think what we will do, it wasn't on the agenda today so I think what we need to do is if that is something we want to discuss, we are going to need to put it on the agenda for next month and Mark will be here next month. I think we need to do that.

Ms. Smith: Meanwhile we are into five (5) months.

Ms. Nuckles: Let me say this Jan, based on what I have seen and then I am going to make a motion to adjourn. Based on what I have seen from information provided to me in terms of those 86 minimum wage contracts. I have some questions about the amounts for the increase in contracts for example. I don't know if there are particular CRPs who are complaining to you, maybe if you want me to talk over the next couple of weeks and contact some of these CRPs to see what is the issue or what is this increase for, I'm just not convinced that these increases are because of the minimum wage increase and I say that because the amounts vary but they are very minimal amounts, so I don't know really what the increase is for. And, I have made some suggestions to WVARF on scope changes on some of these forms to take care of that problem.

Ms. Bates: They can't change the scope by adding say trash cans when the actual issue is the minimum wage increase.

Ms. Nuckles: That is my point, I don't think that is the actual issue, I'm not sure of that based on the amounts in changes that I have seen. I have seen the spread sheet but I really don't know. But let me say this to everyone in this room because I think this is really important going forward. I took a lot of heat for this in terms of these change orders and I think my statement was we really want to pretty much eliminate change orders. We really want to do that, for example, we know just like last year, July is coming and we have got all these new contracts for that contract year that it is going to start, we really want to incorporate estimated costs into that contract so that we are not in the place where we are doing change orders throughout the year. So, just let me say that going forward in terms of the contracts that are coming up. We really want to try to build in administrative costs whatever it may be before July 1.

Ms. Bates: The Committee and all the members of the Committee have expressed concern about eliminating change orders because things change so much related to particularly to commodities and increases. We also are very concerned about the fact that the change orders haven't been approved through Purchasing just for an increase and I have looked at the information and I feel confident that WVARF can present information that is very specific to what those increases are. In knowing business you have to keep in mind that it is not just 25 cents, 50 cents or 75 cents, it may be 20 cents for this person, 75 cents for that one, plus you have to add in the payroll liabilities so it may be \$70.38 and these change orders are specific to minimum wage increases. The information that has been presented to the Committee is very specific to that and we are in agreement with those increases. I feel like we voted for that, that we are in agreement with that and that we should really push for the Purchasing Division to approve those increases. The main reason for that is that the CRPs are suffering.

Ms. Nuckles: I don't want to cut everyone off but we really need to end today and end on a positive note. Mark wants to say something and then we are going to adjourn.

Mr. Jackson: Whenever I am doing the contracts now and this is probably where some of the issues have come up since there were change orders due to the minimum wage, once we do a contract when there is let's say 8 hours of labor per day. Fifty percent of that goes to minimum wage and 50% of that time goes in to the medium income for a worker in that particular area and that is based off the Division of Labor statistics. That is looking at it from this side. Then there is also 8% and half of that goes to supervisors which is not somebody that is actually doing the work, not part of the direct labor. So half the time goes to minimum wage, half goes to medium (lead workers) then the minimum wage and then there is 8% for supervision which that follows more directly trying to have a method of how a contract is formulated. That is looking at it from this group. The way the state looks at it, for example Winans or Aetna or whatever other janitorial company that is going to charge per sq.ft. or per hour or whatever method they are using. But I wanted to tell you how we are coming up with the methodology. Basically the hours are based on ISSA - 540 or 612 cleaning times. Everything else is based on the CRPs workers comp, unemployment, FICA.

Ms. Nuckles: Some of these discussions we need to talk about off line. I want to make a motion to adjourn the meeting.

MOTION #2

Mr. Sullivan: I so move Madam Chairman.

Ms. Smith: I am uncomfortable with adjourning at this point because first of all I didn't see the agenda until this morning and I guess I made the assumption that things that were on the agenda from last month would be a part of the agenda for today. I feel like we are not resolving some things that need a resolution. I don't feel like the Committee is acting in the manner that the Committee was designed to act. I don't feel that we are actually saying fair market price and sticking with it and insisting that Purchasing stick with it and I really am very uncomfortable with that issue when I have been on the Committee as long as I have been. I feel we are making progress and moving in great directions in many ways but I am having difficulty with feeling like in some ways Purchasing is being allowed to negate our importance of us setting fair market price.

Ms. Bates: According to what we are asked to do include the wages. It is not just the scope-of-work it also includes wages. I have had concerns about that for some time and I feel like we need to listen to Jan because she came from such a long distance to address whatever concerns she has with the Committee and she needs to be heard.

Ms. Smith: I tried to say it on the phone last month but I wasn't heard. That is why I came today and I need to understand why we are not doing that with the fair market price, why if we agree and like Brenda said we voted on it, we have said this is the fair market price which includes the increase in minimum wage and why it is not going through and what I'm to tell my peers as to why that isn't happening?

Ms. Nuckles: I don't think anyone is really prepared to discuss it today. I definitely want to move to adjourn the meeting. I know Everette agrees.

Mr. Sullivan: I can withdraw my motion if it is not in order Madam Chairman. I certainly wouldn't want to disallow our member that came all the way from Wheeling to talk about an issue that she feels is very important.

Ms. Smith: If there is no way to answer it....

Ms. Nuckles: That is my issue, we talk about this at every meeting and there is nothing to vote on, we don't have a Purchasing representative and I don't think it is going to be fruitful. We are just talking about it and we are going around and around about the same stuff and I don't think we are getting anywhere and we are going to spend another hour and I certainly don't think your trip was for not, it is important you are here and I am glad you are here, I certainly don't want you to think that. I know your concerns and I want to talk about your concerns, I just don't think this is the appropriate forum right now to do it.

Ms. Bates: What do you think we can do that will actually resolve this issue prior to the May meeting so that we can bring a resolution rather than a question because we have been talking about this now for over six (6) months since it has been presented as well as the change orders and then we also talked about it last year for three (3) months. What can we do to help get these minimum wage increases approved because the Committee members and Everette agrees and Jan agrees and all three of us have said we want to see this happen. What can we do between now and then and next May so there is a resolution.

Ms. Nuckles: I would like to talk to you and Jan after the meeting today.

Ms. Smith: Because we have another minimum wage increase come next January so I want to be prepared for that too. Under those circumstances I will second the motion.

Mr. Sullivan: I think Craig wanted to say something.

Mr. Greening: Just as an interested party, I don't understand why, are you going to go into Executive Session with three (3) of the board members present, is that copacetic with the public opinion rules?

Ms. Nuckles: There will be no further business to come before the board, the meeting is adjourned.

WVARF Meeting Dates for 2015:

Tuesday, May 19, 2015

Wednesday, June 17, 2015