

# **Regular Meeting Minutes**

## **January 19, 2005**

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

#### **MEETING SITE**

F. Ray Power Building, WV Division of Rehabilitation Services – Institute, WV

#### **CALL TO ORDER**

Scott Padon, in the Chairperson's absence, called the meeting to order at 9:55 a.m.

#### **ATTENDANCE**

*Committee:* Donna Lipscomb; Linda Maniak; LuAnn Summers; Everette Sullivan; Scott Padon; Donna Lipscomb; and Brenda Morford

*WVARF Staff:* Glenn McEndree; Chris Miller, Craig Greening, and Ken Kennedy

*Not Present:* Lee Dixon

*Guests:* Tim Morris

#### **APPROVAL OF PREVIOUS MEETING MINUTES**

Scott Padon stated that there are minutes outstanding including September, October, November and December. Scott suggested if there was no objection that this issue be set aside; and, that he and Glenn McEndree would meet later to resolve the issue. There were no objections.

#### **COMMITTEE ADMINISTRATIVE BUDGET REPORT**

Executive Secretary, Scott Padon, stated that the current unexpended and unencumbered balance is \$2,390.83. Invoice for the State Use Committee Annual Report is \$1,670.00. Scott will submit the invoice today for payment to WV ARF. All other invoices have been paid.

#### **REPORT OF THE CHAIR**

No Report

#### **REPORT OF THE EXECUTIVE SECRETARY**

Scott stated that beginning in February he would be submitting a written report.

#### **REPORT OF THE WV ARF EXECUTIVE DIRECTOR**

Glenn McEndree, WV ARF Executive Director presented his report in writing covering the following:

Desk Reviews have been made of documents required to be on file in the Central Nonprofit Agency (CNA) office. Letters have been mailed out advising

Community Rehabilitation Programs (CRPs) of any deficiencies found in the desk reviews. An estimated 20 responses have been received. An example of a deficiency for many CRPs was failure to have current listing of their Board of Directors on file.

Site Review (Field Review) criteria have been developed. CRP training was held on January 13 with over 30 in attendance. Field Reviews scheduled to begin in February 2005. Results will be shared with the Committee as appropriate. CNA staff completed two pilot Field Reviews in order to become better prepared to conduct the reviews.

WV ARF will continue to meet with representatives from Terradon to discuss the implementation of the information management software. We are looking into possible grants (USDA) for purchase of computers and equipment for participating CRPs,

Work continues on finalizing an interim product/service assignment policy. Something needs to be put in place and field tested for six months.

With the anticipated privatization of Workers' Compensation (WC), its data management records have begun to be transition to new vendors outside of the state. The current CRP, Jackson County Developmental Center (JCDC), assigned this work through the Master Statewide Contract WVARF04, is losing an estimated \$200,000 in business this year. The CRP has probably lost that amount so far this year. It is anticipated \$500,000 to \$600,000 in business could be lost for the fiscal year.

The origin for the privatization appears to come from Senate Bill 2013, which was signed, into law last year. Workers' Compensation now has the authority to circumvent the Purchasing Division process. There are also five janitorial contracts with WC for janitorial services in its buildings. It is not clear whether these contracts will remain in effect as the private companies take over WC responsibilities. The impact to the State Use Program will be about \$800,000 in sales and possibly 20-30 employees primarily with JCDC.

Donna Lipscomb question whether information on the State Use Program Annual Conference costs was prepared. Chris Miller estimated the cost at \$9,000. The resort did not charge WVARF for rooms not used.

### **CONTRACT COMPLAINTS**

Ken Kennedy reported there were two verbal complaints received by WV ARF staff since the last meeting. Staff is exploring possible issues surrounding the payment to Prestera by Green Acres for Prestera's delivery services. If necessary a report will be made at the next meeting.

Donna questioned whether an interim product/services assignment policy was sent to WV ARF Association members for approval. Glenn indicated that notes from the November work team meeting were to be mailed to members. He will be sending out an interim assignment policy for the membership's approval by the next Committee meeting. The earliest the members can vote on the interim policy is their next quarterly meeting on February 17, 2005.

**CONTRACT PRESENTATION – RENEWAL AND NEW**

Craig Greening presented the circumstances surrounding a request by Job Squad, Inc. (JSI) to release the them from six of its eight janitorial contract assignments in Martinsburg, WV (Two Rest Areas, Tax, Department of Motor Vehicles, Department of Highways – Berkley, Department of Highways – Engineering, and Workers’ Compensation). Job Squad Executive Director Brenda Hellwig indicated this request would be made in writing effective March1, 2005.

The reasons for requesting the release were based on: 1) JSI having to pay higher salaries for project managers in order to attract and retain them. Even with higher salaries they had to hire four managers three years. 2) JSI’s inability to retain Rest Area workers due to higher wages being paid by other employers in the Martinsburg area.

With this background information, Craig asked the Committee for assistance in deciding how to proceed in the reassignment of these contracts since the proposed reassignment policy has not been approved by the WV ARF membership or the Committee.

JSI requested that it retain the Air National Guard and Department of Health and Human Resources contracts. After discussion, the Committee consensus was to reassign the six contracts from which JSI requested to be released.

The Committee asked if there were other qualified CRPs in the area that would be interested in being assigned the contracts. Craig stated that he felt there would be interest from CRP’s in the area.

The Committee supported that the new assignee for these contracts be required in the new agreement to give every opportunity for the JSI employees to retain their jobs. Craig stated that this could be done, and in fact was done in the past.

**MOTION #1**

**Everette Sullivan moved and Linda Miniack seconded that the following renewal contract, contract pricing adjustments, and new contracts be approved: Motion Passed**

AGENCY	SITE	FMP PER YEAR	CRP
<b>RENEWALS</b>			
Workforce Region I	Beckley	\$26,496.03	Integrated Resources
Medical Examiner’s Office	Charleston	\$9,541.67	Goodwill-Kanawha
DNR Stream Access Sites (99)	Statewide	\$105,297.33	11 CRPs

AGENCY	SITE	FMP	CRP
<b>PRICING ADJUSTMENTS</b>			
Low Impact Monitors (Gasoline mileage increase)	Statewide	\$31.94 per hour	Harrison Cty. SW
Liquid Hand Soap (3% Increases in raw materials (3%) and shipping (3%))	Statewide	See attached	Nicholas Cty. SW
<b>NEW</b>			
Liquid Hand Soap-Orange Smooth	Statewide	\$61.32 per case	Nicholas Cty. SW

**REVIEW OF PROPOSED ADDITIONS TO WVARF04**

CRP/WV ARF exploration continues on the following CRP requested commodity additions to WVARF04: One Gallon Bottled Water, Mirrors, Lab Aprons, Vinyl Aprons, and Paint Drop Cloths.

**One Gallon Bottled Water**

The Developmental Center has offered costing information on one gallon bottled water in order to assist the Committee in developing a “fair market price” leading to the addition of the item to WVARF04. The Committee expressed the following concerns about adding one gallon bottled water to WVARF04:

1. What is Green Acres position about allowing exclusive rights to the Developmental Center (DC) for addition to WVARF04? Ken Kennedy stated Green Acres indicated verbally that it did not have a problem with this item being assigned to DC. It was questioned that if the market grew would Green Acres then not be able to provide the product? The answer was yes.
2. There appear to be to possible markets to the State with each presenting potential problem(s).
  - a. Does the Developmental Center have the capability to deliver this water to individual state sites with small quantity requests? This may be possible if warehousing is available in the Charleston and Craigsville areas. The Sheltered Workshop of Nicholas County currently delivers water from Morgantown to Princeton to Lewisburg. Green Acres and Prestera deliver water in the Huntington and Charleston areas. A delivery system would probably need to be developed in the northwestern part of the state.
  - b. Can the Developmental Center deliver large quantities of water for the Office of Emergency Services or to State hospitals? The Developmental Center has figured in the pricing to be able to deliver large quantities via tractor-trailers or large box trucks throughout the state.
  - c. It was questioned if there were small businesses in the State that sell water to the State and what would be the impact upon such businesses?

The Committee agreed to allow Scott Padon and the CNA staff to meet with the Purchasing Division staff to explore the following and return to the Committee with additional information:

1. How to add the one gallon bottled water to WVARF04, and
2. The possibility of developing a by agency contract with a piggyback clause which would allow other agencies to opt on to the contract for one gallon-bottled water subject to the delivery capability of the Developmental Center. This may eliminate a problem of the State agencies having to request from the CNA a waiver to purchase small quantities of gallon-bottled water where delivery capabilities do not exist.
3. The possible impact of this item being added to the contract upon small businesses.

**Rubber Lab Aprons, Plastic Aprons, Plastic Drop Cloth, and Mirror**

Gateway Industries has offered costing information in order to assist the Committee in developing a “fair market price” for rubber lab aprons, plastic aprons, plastic drop cloth, and mirror in order that they may be added to WVARF04.

It was questioned if there is an identified market for these items with the State. Ken responded that the Purchasing Division can not give accurate statistics at this time on purchases because the Division’s tracking system is not set up to do so. The State purchases a lot of items below \$10,000 by purchase order and the purchasing card. The Division at this time does not have an efficient model for tracking purchases against statewide contracts either.

It was questioned whether there was potentially a small business impact involved with any of these items being added to WVARF04. Scott responded that as previously discussed there is no way at this time to determine who is selling these items to the State since there is no effective tracking system for items purchased under \$10,000.

Brenda Morford stated that given the lack of item purchase information, how does the Committee know what is acceptable to add to WVARF04. Donna Lipscomb stated that this information could be acquired through the State auditor’s office. Scott stated that the auditor’s information would be inaccurate because each agency may report these items in different line item codes.

Donna question if the Committee approved a “fair market price” and it was sent to the Purchasing Division Director in order to be placed on WVARF04, does the director have to put it on the contract? Scott stated that the Purchasing Director does approve additions to WVARF04 but relies on information provided by the Division buyer(s) in making the decision for approval.

Craig suggested the Committee had to choices. It could approve the “fair market price” and send it to the Purchasing Division Director for approval, or request the CNA, CRP and Purchasing Division develop additional information, which could be used by the Committee in making a decision about adding these products to the contract.

Brenda suggested that the Committee needed additional information, especially on impact on small businesses. The Committee agreed.

## **OLD BUSINESS**

### WV ARF Accounts Receivable Report

Chris Miller reported that it is estimated on an annualized basis we are on track to have sales equal to last years sales. The over 60 days receivables equals 25.73% which is worse that the previous two years. It is possible this is due to the holidays and agency staff being on leave, changes in staff with the new administration, and the hiring of a new Director of Finances for the Division of Rehabilitation Services (DRS). Primarily the two agencies late in payments are the DRS and the Department of Administration especially IS&C.

### Committee Composition

Brenda stated that DRS is accepting written nominations with biographical information for persons to fill the Committee positions for the new two year terms effective February 2005 through January 2007. DRS's nominations will be submitted to the governor's office for his consideration in appointing the new members.

Glenn passed to recommendations to Brenda for consideration: Earl Smith, representing a participating CRP and Shirley Fitzwater, representing business. He included biographical sketches for both conadidates..

Scott asked if there was willingness for the current Committee members to continue serving should the Governor's appointment process extend into the next year. Those members present agreed to continue serving until new members are appointed.

## **NEW BUSINESS**

No new business

## **COMMENTS FROM THE PUBLIC**

No Comments

## **ADJOURNMENT**

### **MOTION #2**

**Everette Sullivan moved and Donna Lipscomb seconded to adjourn the meeting at 11:30 a.m. Motion Passed.**

| APPROVED: February 16, 2005